THE BUDGET

OF THE

UNITED STATES GOVERNMENT

FOR THE FISCAL YEAR
ENDING JUNE 30

1961

WASHINGTON, D.C.
1960

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UNITED STATES
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INTRODUCTION

Pursuant to the provisions of the Budget and Accounting Act (31 U.S.C. 1–24) and other applicable laws, the budget for the fiscal year 1961 contains the President's recommendations for the work program and financial program of the Government for the 12 months beginning July 1, 1960, and ending June 30, 1961. It also presents comparable information for the fiscal years 1959 (actual) and 1960 (partly actual and partly estimated).

The material in the budget covers both groups of funds administered by agencies of the Government—Federal funds (owned by the Government), and trust and deposit funds (held in trust or in suspense by the Government), although only the Federal funds are included in the computation of the budget surplus or deficit.

ARRANGEMENT OF THE BUDGET

The budget document consists of the President's budget message and four parts which contain summary tables, detailed data, and special analyses.

In the budget message (pp. M4 through M78), appear the general statement of the President's financial program and an outline of his major recommendations.

Part I of the document (pp. 1 through 8) contains five summary tables. Each of these tables is designed to bring together in one or two pages some overall aspect of the Federal budget.

Part II (pp. 9 through 840) contains the detail of the budget for Federal funds, including various types of tables and schedules, explanatory statements of the work to be performed and the money needed, and the text of the language proposed for enactment by Congress on each item of authorization. Also included is material on a few trust funds which require congressional action. This part of the budget begins with four statements (tables 6 through 9) which supplement the tables of part I. The remainder of part II is arranged in chapters reflecting the organization of the Government.

Part III (pp. 841 through 893) contains a summary table on trust and deposit funds, and detailed schedules and explanatory statements on the various trust funds.

Part IV (pp. 895 through 940) contains a limited number of special analyses of budget data supplementing material appearing in other parts of the budget. Some of these give details for certain summary figures appearing in part I—for example, a classification of budget receipts by source, and a classification of budget expenditures according to functions and subfunctions. Other special analyses in part IV contain additional data or classifications not summarized elsewhere.

An appendix, printed separately, contains more detailed information on personal services by grade and title.

The budget for the municipal government of the District of Columbia is also printed separately. This main volume of the budget contains detail with respect to the District government only for the Federal payments and loans to the District.

EXPLANATORY STATEMENTS

Introductory statements at the beginning of each part give further explanations as follows:

Pages 2–3—Types of funds; basis of stating receipts and expenditures; concept of budget surplus or deficit; types of new obligational authority; certain budget classifications.

Pages 10–12—Operation of Federal funds and format of material printed for most accounts and funds in part II.

Page 842—Operation of trust and deposit funds covered by part III.

Page 896—Coverage of the special analyses printed in part IV.

Note.—Detail in the tables of this document may not add to the totals because of rounding.

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RÉSUMÉ OF THE BUDGET

[Fiscal years. In billions]

	1955 actual	1956 actual	1957 actual	1958 actual	1959 actual	1960 estimate	1961 estimate
New obligational authority	$57.1	$63.2	$70.2	$76.3	$81.4	[1] $79.7	$79.4
Budget receipts	60.4	68.2	71.0	69.1	68.3	78.6	[1] 84.0
Budget expenditures	64.6	66.5	69.4	71.9	80.7	[1] 78.4	[1] 79.8
Budget surplus (+) or deficit (−)	−4.2	+1.6	+1.6	−2.8	−12.4	+.2	+4.2
Receipts from the public	67.8	77.1	82.1	81.9	81.7	94.8	102.2
Payments to the public	70.5	72.6	80.0	83.4	94.8	95.3	96.3
Excess of receipts (+) or payments (−)	−2.7	+4.5	+2.1	−1.5	−13.1	−.5	+5.9
Public debt at close of year	274.4	272.8	270.5	276.3	284.7	284.5	280.0
Balance of appropriations carried forward at end of year	52.1	46.0	43.9	40.1	38.8	39.7	39.5

[1] Includes amounts for proposed legislation.

NOTE.—Detail in this and subsequent tables may not add to the totals shown due to rounding. Unless otherwise noted, all references to years are to fiscal years ending June 30.

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BUDGET MESSAGE OF THE PRESIDENT

To the Congress of the United States:

With this message, transmitting the Budget of the United States for the fiscal year 1961, I invite the Congress to join with me in a determined effort to achieve a substantial surplus. This will make possible a reduction in the national debt. The proposals in this budget demonstrate that this objective can be attained while at the same time maintaining required military strength and enhancing the national welfare.

This budget attests to the strength of America's economy. At the same time, the budget is a test of our resolve, as a nation, to allocate our resources prudently, to maintain the Nation's security, and to extend economic growth into the future without inflation.

In highlight, this budget proposes:

1. Revenues of $84 billion and expenditures of $79.8 billion, leaving a surplus of $4.2 billion. This surplus should be applied to debt reduction, which I believe to be a prime element in sound fiscal policy for the Nation at this time.

2. New appropriations for the military functions of the Department of Defense amounting to $40.6 billion, and expenditures of $41 billion. These expenditures, which will be slightly higher than the 1960 level, will provide the strong and versatile defense which we require under prevailing world conditions.

3. Increased appropriations (including substantial restoration of congressional reductions in the 1960 budget), and a virtual doubling of expenditures, for nonmilitary space projects under the National Aeronautics and Space Administration. This furthers our plans to keep moving ahead vigorously and systematically with our intensive program of scientific explora-

BUDGET TOTALS

[Fiscal years. In billions]

	1959 actual	*1960 estimate*	*1961 estimate*
Budget receipts	$68.3	$78.6	$84.0
Budget expenditures	80.7	78.4	79.8
Budget deficit	12.4	.....	.....
Budget surplus (applied to debt retirement)	.....	.2	4.2
New obligational authority	81.4	79.7	79.4
Public debt at end of year	284.7	284.5	280.0

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tion and with the development of the large boosters essential to the conquest of outer space.

4. Nearly $4.2 billion in new appropriations for mutual security programs, an increase of about $950 million above appropriations for the current year, with an increase of $100 million in expenditures. This increase in program is needed to accelerate economic and technical assistance, chiefly through the Development Loan Fund, and to strengthen free world forces, in particular the forces of the North Atlantic Treaty Organization, with advanced weapons and equipment.

5. A record total of expenditures, $1.2 billion, for water resources projects under the Corps of Engineers and the Bureau of Reclamation. In addition to funds for going work, this amount provides for the initiation of 42 new high-priority projects, which will require $38 million in new appropriations for 1961, and will cost a total of $496 million over a period of years.

6. Substantially higher expenditures in a number of categories which under present laws are relatively uncontrollable, particularly $9.6 billion for interest; $3.9 billion to help support farm prices and income; $3.8 billion for veterans compensation and pensions; and $2.4 billion in aid to State and local governments for public assistance and employment security activities. The aggregate increase in these relatively uncontrollable expenditures is more than $1 billion over 1960.

7. Research and development expenditures of $8.4 billion—well over one-half of the entire Nation's expenditures, public and private, for these purposes—in order to assure a continuing strong and modern defense and to stimulate basic research and technological progress.

8. Recommendations for prompt legislative action to increase taxes on highway and aviation fuels, and to raise postal rates. These measures are needed to place on the users a proper share of the rising costs of the Federal airways and postal service, and to support the highway program at an increased level.

9. Recommendations to extend for another year present corporation income and excise tax rates.

10. A constructive legislative program to achieve improvements in existing laws relating to governmental activities and to initiate needed actions to improve and safeguard the interests of our people.

In short, this budget and the proposals it makes for legislative action provide for significant advances in many aspects of national security and welfare. The budget presents a balanced program which recognizes the priorities appropriate within an aggregate of Federal expenditures that we can soundly support.

I believe that the American people have made their wishes clear: The Federal Government should conduct its financial affairs with a

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high sense of responsibility, vigorously meeting the Nation's needs and opportunities within its proper sphere while at the same time exercising a prudent discipline in matters of borrowing and spending, and in incurring liabilities for the future.

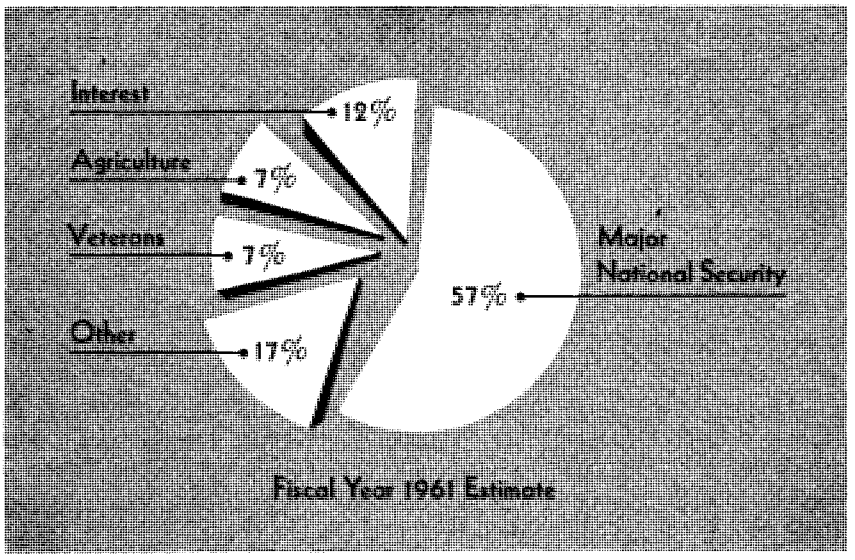
BUDGET TOTALS

During the present fiscal year we have made encouraging progress in achieving sound fiscal policy objectives. The deficit of $12.4 billion in fiscal 1959, which was largely caused by the recession, is expected to be followed by a surplus of $217 million in the current year. To safeguard this small surplus, I am directing all Government departments and agencies to exercise strict controls over the expenditure of Federal funds. Even so, the slender margin of surplus can be attained only if economic growth is not interrupted.

For the fiscal year 1961, I am proposing a budget surplus of $4.2 billion to be applied to debt retirement. In my judgment this is the only sound course. Unless some amounts are applied to the reduction of debt in prosperous periods, we can expect an ever larger public debt if future emergencies or recessions again produce deficits.

In times of prosperity, such as we anticipate in the coming year, sound fiscal and economic policy requires a budget surplus to help counteract inflationary pressures, to ease conditions in capital and credit markets, and to increase the supply of savings available for the productive investment so essential to continued economic growth.

PURPOSES OF BUDGET EXPENDITURES



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The budget recommendations for 1961 lay the groundwork for a sound and flexible fiscal policy in the years ahead. A continuance of economic prosperity in 1962 and later years can be expected to bring with it further increases in Federal revenues. If expenditures are held to the levels I am proposing for 1961 and reasonable restraint is exercised in the future, higher revenues in later years will give the next administration and the next Congress the choice they should rightly have in deciding between reductions in the public debt and lightening of the tax burden, or both. Soundly conceived tax revision can then be approached on a comprehensive and orderly basis, rather than by haphazard piecemeal changes, and can be accomplished within a setting of economic and fiscal stability.

Budget expenditures in 1961 are estimated at $79.8 billion, which is $1.4 billion more than the 1960 level. The total increase is attributable to (1) an increase of more than $1 billion in relatively uncontrollable expenditures for farm price supports fixed by law, interest on the public debt, veterans compensation and pensions, and public assistance grants, and (2) an increase of about $500 million in expenditures because of commitments made in prior years for Federal housing programs, for civil public works projects and other construction, for loans under the mutual security program, and for other programs.

New activities and expansion of certain other programs have been included on a selective basis of need. These increases are offset by reductions in other existing programs, including the proposed elimination of the postal deficit.

New obligational authority recommended for the fiscal year 1961 totals $79.4 billion. This is $306 million less than the amounts already enacted and recommended for 1960, and $401 million less than estimated expenditures in 1961.

Budget receipts under existing and proposed legislation are expected to rise substantially to $84 billion in 1961. This compares with the revised estimate of $78.6 billion for 1960 and actual receipts of $68.3 billion in 1959.

MANAGEMENT OF THE PUBLIC DEBT

Achievement of the proposed budget surplus will provide an opportunity to offset part of the deficits incurred in the fiscal years 1958 and 1959 largely because of the recession. The corresponding reduction of the public debt will reduce Government competition with private industry, individuals, and State and local governments for investment funds and will help ease the pressure on interest rates. Along with the recommended removal of the interest rate ceiling on long-term Federal debt, this will help hold down budget expenditures for interest, which

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now amount to almost one-eighth of the whole budget.

Statutory debt limit.—It is estimated that the public debt, which stood at $284.7 billion on June 30, 1959, will be $284.5 billion on June 30, 1960, and will decline to $280 billion at the end of fiscal 1961. Thus, the budget surplus estimated for fiscal 1961 will permit the Government to end the year with desirable operating leeway within the permanent debt limit of $285 billion. However, the fluctuating seasonal pattern in receipts will again require a temporary increase in the debt limit during the fiscal year 1961, since the present temporary limit of $295 billion expires on June 30, 1960. It is expected that the request for a new temporary limit will be for less than the present $295 billion if the Congress accepts my budgetary proposals.

Management of the Public Debt:

LEGISLATIVE PROPOSALS

1. Remove interest ceiling on Treasury bonds.
2. Provide temporary increase in debt limit.

Interest ceiling.—Effective management of a debt of this size requires a reasonable distribution among securities maturing at different times. Three-fourths of all marketable Treasury securities outstanding today come due in less than five years, of which $80 billion will mature in less than a year. As long as the rate that would have to be paid on newly issued bonds exceeds the present statutory ceiling of 4¼%, it is impossible to issue and sell any marketable securities of over five years' maturity.

Exclusive reliance on borrowing in a limited sector of the market is an expensive and inefficient way to manage the debt. Inflationary pressures increase as the volume of short-term and hence highly liquid securities mounts, especially if these securities are acquired by commercial banks. Further, effective monetary policy becomes more difficult when the Treasury has to refinance often. To make possible prudent and flexible management of the public debt, to permit sale of a modest amount of intermediate and longer term bonds when market conditions warrant such action, and to keep the average maturity of the debt from constantly shortening, it is imperative that the Congress immediately act to remove the 42-year-old 4¼% limitation on interest rates on Government securities maturing after five years.

BUDGET RECEIPTS

Estimated budget receipts of $84 billion in the fiscal year 1961 assume a high and rising level of economic activity in calendar year

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Budget Receipts:

LEGISLATIVE PROPOSALS

1. Extend corporate and excise tax rates scheduled for expiration or reduction June 30, 1960.
2. Provide equitable taxation of cooperatives.
3. Prevent excessive depletion allowances on mineral products (issue now before Supreme Court).
4. Revise tax on gains from sales of depreciable personal property.
5. Adopt clarifying technical amendments to income tax laws.
6. Increase aviation fuel taxes and credit them to general fund.
7. Establish adequate fees and charges for special services or benefits.

1960. Specifically, this revenue estimate is consistent with an increase in the gross national product from about $480 billion for calendar 1959 to about $510 billion for calendar 1960. Personal incomes and corporate profits are expected to rise considerably beyond last year's levels, which were depressed somewhat by the long duration of the steel strike. The accompanying table shows the sources of Government receipts for the fiscal years 1959, 1960, and 1961.

BUDGET RECEIPTS

(See special analysis B in part IV of this document)

[Fiscal years. In billions]

Source	1959 actual	1960 estimate	1961 estimate
Individual income taxes	$36.7	$40.3	$43.7
Corporation income taxes	17.3	22.2	23.5
Excise taxes	8.5	9.1	9.5
All other receipts	5.8	7.0	7.3
Total	68.3	78.6	84.0

The estimates for 1961 assume (1) extension of present tax rates and (2) the adoption of modifications recommended last year for certain tax laws. These are summarized in the following paragraphs.

Extension of present tax rates.—In order to maintain Federal revenues, it is necessary that the present tax rates on corporation profits and certain excises be extended for another year beyond their scheduled expiration date of June 30,1960. The scheduled reductions in the excise tax rates on transportation of persons and the scheduled repeal of the tax on local telephone service, which were enacted in the last session of the Congress, should be similarly postponed.

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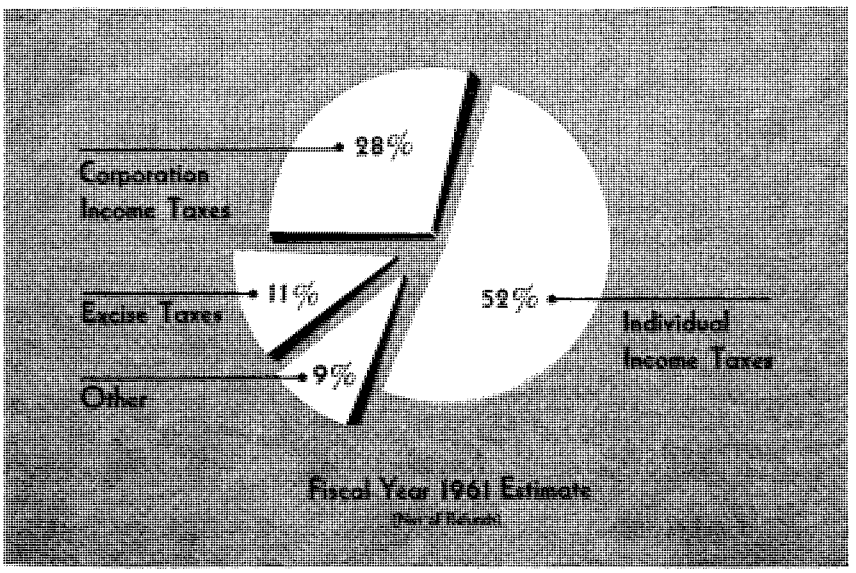
Improvement of the tax system.—The recent tax revision hearings of the Ways and Means Committee have provided valuable information bearing on changes in the tax laws. The Treasury will continue to work in cooperation with the committees of the Congress in developing sound and attainable proposals for long-range improvement of the tax laws.

As the development of a comprehensive tax revision program will take time, the Congress should consider this year certain changes in the tax laws to correct inequities. These include amendments of the laws on taxation of cooperatives, now before the Congress, and a number of technical changes on which the Treasury Department has been working with committees of Congress. There is also before the Congress an amendment to prevent unintended and excessive depletion deductions resulting from the computation of percentage depletion allowances on the selling price of finished clay, cement products, and mineral products generally; unless the problem is satisfactorily resolved in a case now pending before the Supreme Court, the need for corrective legislation in this area will continue.

Under existing law, administration of the depreciation provisions is being hampered by the attempts of some taxpayers to claim excessive depreciation before disposing of their property. If gain from the sale of depreciable personal property were treated as ordinary income, the advantage gained in claiming excessive depreciation deductions would be materially reduced and the taxpayer's judgment as to the useful life of his property could more readily be accepted. Accordingly, I

SOURCES OF BUDGET RECEIPTS



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recommend that consideration be given to a change in the law which would treat such gain as ordinary income to the extent of the depreciation deduction previously taken on the property.

Aviation fuel taxes.—To help defray the cost of the Federal airways system, the effective excise tax rate on aviation gasoline should be promptly increased from 2 to 4½ cents per gallon and an equivalent excise tax should be imposed on jet fuels, which now are untaxed. The conversion from piston engines to jets is resulting in serious revenue losses to the Government. These losses will increase unless the tax on jet fuels is promptly enacted. The revenues from all taxes on aviation fuels should be credited to general budget receipts, as a partial offset to the budgetary costs of the airways system, and clearly should not be deposited in the highway trust fund.

Changes in fees and charges.—The cost of other Federal programs which provide measurable special benefits to identifiable groups or individuals should be recovered through charges paid by beneficiaries rather than by taxes on the general public. Whenever feasible, fees or charges should be established so that the beneficiaries will pay the full cost of the special services they receive. To help accomplish this purpose, I have directed that further work be done by

ESTIMATED SAVINGS TO THE GENERAL TAXPAYERS FROM MORE ADEQUATE FEES AND CHARGES

[In millions]

Proposal	Fiscal year 1961	Full annual effect
Increase postal rates	$554.0	$554.0
Support highway expenditures by highway-user taxes:		
Replace future diversion of general excise taxes to trust fund with increased motor fuel tax or other user charges	----	850.0
Transfer financing of forest and public land highways to trust fund	39.0	36.0
Charge users for share of cost of Federal airways:		
Increase taxes on aviation fuels	72.0	88.0
Transfer aviation fuel taxes from highway trust fund to general fund	17.0	20.0
Revise fees for noncompetitive oil and gas leases	----	14.0
Recover administrative costs of Federal crop insurance	----	6.4
Increase patent fees	3.7	3.7
Increase miscellaneous fees now below costs	8.0	8.9
Total savings	693.7	1,581.0

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the departments and agencies on a carefully defined inventory of Federal services which convey such special benefits. In the meantime, the Congress is requested to act favorably on the postal rate proposals described in this message and on a number of other specific proposals now pending before it or planned to be submitted this year for increased fees or charges for special services.

RECEIPTS FROM AND PAYMENTS TO THE PUBLIC

The program of responsible fiscal policy represented by a balanced budget with a substantial surplus is reinforced by an even greater surplus of total cash receipts from the public over cash payments to the public. In this more comprehensive measure of Federal financial activity, obtained by consolidating budget, trust fund, and certain other Federal transactions, receipts from the public are estimated at $102.2 billion in 1961 and payments to the public at $96.3 billion, resulting in an excess of $5.9 billion of receipts.

This excess of receipts will be used to repay cash the Government has previously borrowed from the public. Repayment of such debt owed to the public will be greater than the amount of public debt retired, because the Government trust funds are expected to add to their holdings of public debt securities to the extent that trust fund receipts exceed trust fund expenditures. This will reduce the debt held by the public in like amount by shifting ownership to the trust funds.

For the fiscal year 1960, on the other hand, an excess of payments to the public of $542 million is estimated, despite the anticipated budget surplus of $217 million. This situation reflects the fact that total disbursements of trust funds will exceed their receipts in 1960, notably in the old-age and survivors insurance, unemployment, and highway trust funds.

FEDERAL GOVERNMENT RECEIPTS FROM AND PAYMENTS TO THE PUBLIC

(See special analysis A in part IV of this document)

[Fiscal years. In billions]

	1959 actual	1960 estimate	1961 estimate
Receipts from the public	$81.7	$94.8	$102.2
Payments to the public	94.8	95.3	96.3
Excess of payments over receipts	−13.1	−.5	-------
Excess of receipts over payments	-------	-------	+5.9

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REVIEW OF MAJOR FUNCTIONS

The following sections of this message discuss the legislative and budget recommendations for 1961 in terms of the major purposes which they fulfill. The following table compares the estimated expenditures for each of the nine major functional categories with the actual figures for 1959 and the latest estimate for 1960.

The expenditure totals for 1960 and 1961 include expenditures under both existing and proposed legislation. The allowance for contingencies is intended to provide for unforeseen increases in existing programs, and for proposed new programs not separately itemized.

BUDGET EXPENDITURES

[Fiscal years. In millions]

Function	1959 actual	1960 estimate	1961	
			Estimate	Percent of total
Major national security	$46, 426	$45, 650	$45, 568	57. 1
International affairs and finance	3, 780	2, 066	2, 242	2. 8
Commerce and housing	3, 421	3, 002	2, 709	3. 4
Agriculture and agricultural resources	6, 529	5, 113	5, 623	7. 0
Natural resources	1, 669	1, 785	1, 938	2. 4
Labor and welfare	4, 421	4, 441	4, 569	5. 7
Veterans services and benefits	5, 174	5, 157	5, 471	6. 9
Interest	7, 671	9, 385	9, 585	12. 0
General government	1, 606	1, 711	1, 911	2. 4
Allowance for contingencies	--------	75	200	. 3
Total	80, 697	78, 383	79, 816	100. 0

The figures for 1961 allocate to the separate programs for the first time the dollar equivalent of expenditures for U.S. Government programs of foreign currencies received from the sale abroad of surplus U.S. agricultural commodities under Public Law 480.

MAJOR NATIONAL SECURITY

Our national objective remains as before—peace with justice for all peoples. Our hope is that the heavy burden of armaments on the world may be lightened.

But we should not delude ourselves. In this era of nuclear weapons and intercontinental missiles, disarmament must be safeguarded and verifiable. The problems involved in achieving reductions of arma-

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ments with safety and justice to all nations are tremendous. Yet we must face up to these problems, for the only alternative is a world living on the edge of disaster.

While seeking the true road to peace and disarmament we must remain strong. Our aim at this time is a level of military strength which, together with that of our allies, is sufficient to deter wars, large or small, while we strive to find a way to reduce the threat of war. This budget, in my judgment, does that.

Major National Security:

BUDGET TOTALS

[In billions]

	1959 actual	*1960 estimate*	*1961 estimate*
Expenditures.....	$46.4	$45.6	$45.6
New obligational authority..	45.5	44.7	45.3

LEGISLATIVE PROPOSALS

(In addition to program extensions)

1. Discontinue statutory minimum strength for Army National Guard.
2. Equalize military retirement pay.
3. Facilitate sale of surplus military real property.
4. Authorize sale of Alaska Communication System.
5. Eliminate certain restrictions on foreign bidding on military supply items.

Expenditures of the Department of Defense in 1961 will continue to emphasize the modernization of our Armed Forces. Military assistance for our allies under the mutual security program will also reflect the growing importance of modern weapons and missiles in the continued strengthening of the free world defense forces. The Atomic Energy Commission is continuing its weapons programs on a high level and will move forward with research and development on the peaceful applications of atomic energy. Expenditures for stockpiling and for expansion of defense production will decline further, since most of the stockpile objectives have been met.

Department of Defense—Military.—New appropriations of $40,577 million are recommended for the military functions of the Department of Defense for 1961. Expenditures in 1961 are estimated at $40,995 million. These amounts exclude funds for the development of the Saturn space project which I have proposed be transferred to the National Aeronautics and Space Administration.

Strategy and tactics of the U.S. military forces are now undergoing one of the greatest transitions in history. The change of emphasis from conventional-type to missile-type warfare must be made with care, mindful that the one type of warfare cannot be safely neglected in favor of the other. Our military forces must be capable of con-

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MAJOR NATIONAL SECURITY

[Fiscal years. In millions]

Program or agency	Budget expenditures			Recommended new obligational authority for 1961
	1959 actual	1960 estimate	1961 estimate	
Department of Defense—Military:				
Military functions:				
Military personnel:				
Present programs	$11,801	$11,959	$12,124	[1] $11,813
Proposed legislation, retirement pay			22	24
Operation and maintenance	10,384	10,137	10,321	10,527
Procurement	14,410	13,943	13,602	13,085
Research, development, test, and evaluation	2,859	3,680	3,917	3,910
Construction	1,948	1,670	1,359	1,188
Revolving funds	−169	−444	−350	30
Subtotal	41,233	40,945	40,995	40,577
Military assistance	2,340	1,800	1,750	2,000
Atomic energy	2,541	2,675	2,689	2,666
Stockpiling and expansion of defense production	312	230	134	39
Total	46,426	45,650	45,568	[2] 45,282

[1] Additional obligational authority available by transfer: $350 million.

[2] Compares with new obligational authority of $45,517 million enacted for 1959 and $44,749 million (including $25 million in anticipated supplemental appropriations) estimated for 1960.

tending successfully with any contingency which may be forced upon us, from limited emergencies to all-out nuclear general war.

Forces and military personnel strength.—This budget will provide in the fiscal year 1961 for the continued support of our forces at approximately the present level—a year-end strength of 2,489,000 men and women in the active forces. The forces to be supported include an Army of 14 divisions and 870,000 men; a Navy of 817 active ships and 619,000 men; a Marine Corps of 3 divisions and 3 air wings with 175,000 men; and an Air Force of 91 combat wings and 825,000 men.

If the reserve components are to serve effectively in time of war, their basic organization and objectives must conform to the changing character and missions of the active forces. Quality and combat

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readiness must take precedence over mere numbers. Under modern conditions, this is especially true of the ready reserve. I have requested the Secretary of Defense to reexamine the roles and missions of the reserve components in relation to those of the active forces and in the light of the changing requirements of modern warfare.

Last year the Congress discontinued its previously imposed minimum personnel strength limitations on the Army Reserve. Similar restrictions on the strength of the Army National Guard contained in the 1960 Department of Defense Appropriation Act should likewise be dropped. I strongly recommend to the Congress the avoidance of mandatory floors on the size of the reserve components so that we may have the flexibility to make adjustments in keeping with military necessity.

I again propose a reduction in the Army National Guard and Army Reserve—from their present strengths of 400,000 and 300,000, respectively, to 360,000 and 270,000 by the end of the fiscal year 1961. These strengths are considered adequate to meet the essential roles and missions of the reserves in support of our national security objectives.

Military personnel costs.—About 30% of the expenditures for the Department of Defense in 1961 are for military personnel costs, including pay for active, reserve, and retired military personnel. These expenditures are estimated to be $12.1 billion, an increase of $187 million over 1960, reflecting additional longevity pay of career personnel, more dependents, an increased number of men drawing proficiency pay, and social security tax increases (effective for the full year in 1961 compared with only 6 months in 1960). Retired pay costs are increased by $94 million in 1961 over 1960, partly because of a substantial increase in the number of retired personnel. These increased costs are partially offset by a decrease of $56 million in expenditures for the reserve forces, largely because of the planned reduction in strength of the Army Reserve components during 1961.

Traditionally, rates of pay for retired military personnel have been proportionate to current rates of pay for active personnel. The 1958 military pay act departed from this established formula by providing for a 6% increase rather than a proportionate increase for everyone retired prior to its effective date of June 1, 1958. I endorse pending legislation that will restore the traditional relationship between retired and active duty pay rates.

Operation and maintenance.—Expenditures for operating and maintaining the stations and equipment of the Armed Forces are estimated to be $10.3 billion in 1961, which is $184 million more than in 1960. The increase stems largely from the growing complexity

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of and higher degree of maintenance required for newer weapons and equipment.

A substantial increase is estimated in the cost of operating additional communications systems in the air defense program, as well as in all programs where speed and security of communications are essential. Also, the program for fleet modernization will be stepped up in 1961 causing an increase in expenditures. Further increases arise from the civilian employee health program enacted by the Congress last year.

Other factors increasing operating costs include the higher unit cost of each flying hour, up 11% in two years, and of each steaming hour, up 15%. In total, these increases in operating costs outweigh the savings that result from declining programs and from economy measures, such as reduced numbers of units and installations, smaller inventories of major equipment, and improvements in the supply and distribution systems of the Armed Forces.

In the budget message for 1959, and again for 1960, I recommended immediate repeal of section 601 of the Act of September 28, 1951 (65 Stat. 365). This section prevents the military departments and the Office of Civil and Defense Mobilization from carrying out certain transactions involving real property unless they come into agreement with the Committees on Armed Services of the Senate and the House of Representatives. As I have stated previously, the Attorney General has advised me that this section violates fundamental constitutional principles. Accordingly, if it is not repealed by the Congress at its present session, I shall have no alternative thereafter but to direct the Secretary of Defense to disregard the section unless a court of competent jurisdiction determines otherwise.

Basic long-line communications in Alaska are now provided through Federal facilities operated by the Army, Air Force, and Federal Aviation Agency. The growing communications needs of this new State can best be met, as they have in other States, through the operation and development of such facilities by private enterprise. Legislation has already been proposed to authorize the sale of these Government-owned systems in Alaska, and its early enactment is desirable.

Procurement, research, and construction.—Approximately 45% of the expenditures for the Department of Defense are for procurement, research, development, and construction programs. In 1961, these expenditures are estimated at $18.9 billion, compared to $19.3 billion in 1960. The decreases, which are largely in construction and in aircraft procurement, are offset in part by increases for research and development and for procurement of other military equipment

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such as tanks, vehicles, guns, and electronic devices. Expenditures for shipbuilding are estimated at about the same level as in 1960.

New obligational authority for 1961 recommended in this budget for aircraft procurement (excluding amounts for related research and construction) totals $4,753 million, which is $1,390 million below that enacted for 1960. On the other hand, the new authority of $3,825 million proposed for missile procurement (excluding research and construction) in 1961 is $581 million higher than for 1960. These contrasting trends in procurement reflect the anticipated changes in the composition and missions of our Armed Forces in the years ahead.

The Department of Defense appropriation acts for the past several years have contained a rider which limits competitive bidding by firms in other countries on certain military supply items. As I have repeatedly stated, this provision is much more restrictive than the general law, popularly known as the Buy American Act. I urge once again that the Congress not reenact this rider.

The task of providing a reasonable level of military strength, without endangering other vital aspects of our security, is greatly complicated by the swift pace of scientific progress. The last few years have witnessed what have been perhaps the most rapid advances in military technology in history. Some weapons systems have become obsolescent while still in production, and some while still under development.

Furthermore, unexpectedly rapid progress or a technological breakthrough on any one weapon system, in itself, often diminishes the relative importance of other competitive systems. This has necessitated a continuous review and reevaluation of the defense program in order to redirect resources to the newer and more important weapons systems and to eliminate or reduce effort on weapons systems which have been overtaken by events. Thus, in the last few years, a number of programs which looked very promising at the time their development was commenced have since been completely eliminated. For example, the importance of the Regulus II, a very promising aerodynamic ship-to-surface missile designed to be launched by surfaced submarines, was greatly diminished by the successful acceleration of the much more advanced Polaris ballistic missile launched by submerged submarines.

Another example is the recent cancellation of the F–108, a long-range interceptor with a speed three times as great as the speed of sound, which was designed for use against manned bombers in the period of the mid-1960's. The substantial progress being made in ballistic missile technology is rapidly shifting the main threat from manned bombers to missiles. Considering the high cost of the F–108 system—over $4 billion for the force that had been planned—and the

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time period in which it would become operational, it was decided to stop further work on the project. Meanwhile, other air defense forces are being made effective, as described later in this message.

The size and scope of other important programs have been reduced from earlier plans. Notable in this category are the Jupiter and Thor intermediate range ballistic missiles, which have been successfully developed, produced, and deployed, but the relative importance of which has diminished with the increasing availability of the Atlas intercontinental ballistic missile.

The impact of technological factors is also illustrated by the history of the high-energy fuel program. This project was started at a time when there was a critical need for a high-energy fuel to provide an extra margin of range for high performance aircraft, particularly our heavy bombers. Continuing technical problems involved in the use of this fuel, coupled with significant improvements in aircraft range through other means, have now raised serious questions about the value of the high-energy fuel program. As a result, the scope of this project has been sharply curtailed.

These examples underscore the importance of even more searching evaluations of new major development programs and even more penetrating and far-ranging analyses of the potentialities of future technology. The cost of developing a major weapon system is now so enormous that the greatest care must be exercised in selecting new systems for development, in determining the most satisfactory rate of development, and in deciding the proper time at which either to place a system into production or to abandon it.

Strategic forces.—The deterrent power of our Armed Forces comes from both their nuclear retaliatory capability and their capability to conduct other essential operations in any form of war. The first capability is represented by a combination of manned bombers, carrier-based aircraft, and intercontinental and intermediate range missiles. The second capability is represented by our deployed ground, naval, and air forces in essential forward areas, together with ready reserves capable of effecting early emergency reinforcement.

The Strategic Air Command is the principal element of our long-range nuclear capability. One of the important and difficult decisions which had to be made in this budget concerned the role of the B–70, a long-range supersonic bomber. This aircraft, which was planned for initial operational use about 1965, would be complementary to but likewise competitive with the four strategic ballistic missile systems, all of which are scheduled to become available earlier. The first Atlas ICBM's are now operational, the first two Polaris submarines are expected to be operational this calendar year, and the first Titan ICBM's next year. The Minuteman solid-fueled ICBM is

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planned to be operational about mid-1963. By 1965, several or all of these systems will have been fully tested and their reliability established.

Thus, the need for the B–70 as a strategic weapon system is doubtful. However, I am recommending that development work on the B–70 airframe and engines be continued. It is expected that in 1963 two prototype aircraft will be available for flight testing. By that time we should be in a much better position to determine the value of that aircraft as a weapon system.

I am recommending additional acquisitions of the improved version of the B–52 (the B–52H with the new turbofan engine) and procurement of the B–58 supersonic medium bomber, together with the supporting refueling tankers in each case. These additional modern bombers will replace some of the older B–47 medium bombers; one B–52 can do the work of several B–47's which it will replace. Funds are also included in this budget to continue the equipping of the B–52 wings with the Hound Dog air-to-surface missile.

In the coming fiscal year additional quantities of Atlas, Titan, and Polaris missiles also will be procured. I am recommending funds for 3 additional Polaris submarines to be started in the coming fiscal year and for the advance procurement of long leadtime components on 3 more—making a total of 15 Polaris submarines and the appropriate number of missiles. Funds to continue the development and to initiate production of the first operational quantities of the Minuteman are also included in this budget.

Thus, four strategic ballistic missile systems will be in development and production during the coming fiscal year. These, together with the manned bomber force, the carrier-based aircraft, the intermediate range ballistic missiles, and the tactical aircraft deployed abroad, ensure our continued capability to retaliate effectively in the event of an attack upon ourselves or our allies.

In order to ensure, insofar as practicable, the safety and readiness of these forces, we have substantially completed the dispersal of Strategic Air Command aircraft and the construction of alert facilities. These measures will permit a large portion of all our manned bombers and supporting tankers to get off the ground within 15 minutes after receiving warning of an attack.

I have also authorized the Department of Defense to begin to acquire a standby airborne alert capability for the heavy bombers. This will entail the procurement of extra engines and spare parts, and the training of the heavy bomber wings with the ability to conduct an airborne alert. It is neither necessary nor practical to fly a continuous airborne alert at this time. Such a procedure would, over a relatively short period of time, seriously degrade our overall capability to respond to attack. What I am recommending is a capability to fly such an alert

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if the need should arise and to maintain that alert for a reasonable period of time until the situation which necessitated it becomes clarified.

Attention is also being given to the safety and readiness of our land-based strategic missile forces. Except for the first several squadrons, strategic missiles will be dispersed in hardened underground sites. Measures are also being taken to shorten the reaction time of liquid-fueled missiles. The Minuteman, because it will be solid fueled, will have a quick reaction time and will lend itself to mobile use. The solid-fueled Polaris to be carried in submarines at sea is by its very nature highly invulnerable.

Air defense forces.—Much progress has been made in increasing the effectiveness of the North American Air Defense Command organized in 1957 as an integrated command of the United States and Canadian forces. The U.S. military elements—consisting of parts of all of our armed services—are integrated with Canada's Air Defence Command for maintaining an air defense capability for the entire North American Continent.

While we pay increasing attention to the growing threat of a potential enemy's ballistic missiles we should not lose sight of the fact that for the time being the manned bomber is the major threat. Although some $17 billion has already been invested in defense systems against manned bombers, excluding the cost of personnel and operation and maintenance, certain segments have yet to be completed. These were described in the Department of Defense air defense plan presented to the Congress last year. The funds recommended in this budget will substantially complete the programs outlined in that plan. Specifically, the last major elements of the Nike-Hercules surface-to-air missile program will be financed in 1961 and the Bomarc interceptor missile program will approach completion. The related radar warning, electronic control, and communication systems will also be further equipped and modernized.

In response to the increasing missile threat, we are pressing to completion a new system for the detection of ballistic missile attack—the ballistic missile early warning system. Construction has been under way for the last two years and the first segment is expected to be in operation in about a year.

To provide for an active defense against ballistic missile attack, I am recommending the continued development of the Nike-Zeus system, but it will not be placed in production during the coming fiscal year during which further testing will be carried out.

The Nike-Zeus system is one of the most difficult undertakings ever attempted by this country. The technical problems involved in detecting, tracking, and computing the course of the incoming ballistic

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missile and in guiding the intercepting Zeus missile to its target—all within a few minutes—are indeed enormous.

Much thought and study have been given to all of these factors and it is the consensus of my technical and military advisers that the system should be carefully tested before production is begun and facilities are constructed for its deployment. Accordingly, I am recommending sufficient funds in this budget to provide for the essential phases of such testing. Pending the results of such testing, the $137 million appropriated last year by the Congress for initial production steps for the Nike-Zeus system will not be used.

Sea control forces.—Control of sea and ocean areas and sea lanes of communication is an integral element in the maintenance of our national security. The naval forces which carry the primary responsibility for this mission will consist of 817 combatant and support ships, 16 attack carrier air groups, 11 antisubmarine air groups, and 41 patrol and warning air squadrons.

From new construction and conversion programs started in prior years, the Navy will receive during fiscal year 1961 an unusually large number of modern ships. These will include the fifth and sixth *Forrestal*-class attack carriers, the first nuclear-powered cruiser, nine guided missile destroyers, seven guided missile frigates, and six nuclear-powered submarines. Three more Polaris ballistic missile submarines and a converted guided missile cruiser will also be commissioned.

For the coming fiscal year I am recommending the construction of 20 new ships and conversions or modernizations of 15 others. Included among the new ships is an attack carrier. It is planned to construct this carrier with a conventional rather than a nuclear powerplant.

While it is generally agreed that a nuclear-powered attack carrier has certain military advantages, such as extended range and endurance at high sustained speeds, these advantages are not overriding as in the case of a submarine. In a submarine, nuclear power provides the critical advantage of almost unlimited operation, submerged at high speeds. This enables nuclear-powered submarines to carry out missions which no conventionally powered submarine, no matter how modern, could accomplish.

The advantages of nuclear power with respect to the carrier, however, are not comparable. The primary requirement in a carrier is up-to-date facilities to operate, safely and effectively, the most modern naval aircraft. Use of a conventional powerplant will in no way prevent a carrier from functioning as a completely modern and mobile base for fleet aircraft for its foreseeable life. The additional $130 million which a nuclear-powered carrier would cost can be used to

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much greater advantage for other purposes. I therefore strongly urge the Congress to support this request for a conventionally powered aircraft carrier.

Tactical forces.—Elements of the ground, naval, and air forces comprise the tactical forces which are available to deal with cold war emergencies and limited war situations, in addition to performing essential tasks in the event of general war. Recommendations made in this budget provide funds for modernization and improvement in the effectiveness of our tactical forces.

Increased emphasis has been given in this budget to improving the mobility and firepower of the 14 Army divisions and other active combat elements of the Army and the 3 Marine Corps divisions. Additional quantities of new rifles and machineguns employing the standard NATO ammunition will be procured, as will combat and tactical vehicles of all kinds, including the new M60 tank, the M113 armored personnel carrier, self-propelled howitzers, trucks and jeeps. In recognition of the value of artillery in both nuclear and nonnuclear warfare, an entire new family of self-propelled artillery is introduced with this budget. This new artillery is lighter, more mobile, and, utilizing new ammunition, will have greater range than that of types currently available.

The Army and Marine Corps will also buy a wide variety of guided missiles and rockets such as: Sergeant, Honest John, Little John, and Lacrosse for medium and close range ground fire support; Davy Crockett for an integral infantry-unit close-range atomic support weapon; and Hawk and Redeye for defense of field forces against air attack. Army aircraft procurement proposed for 1961 is more than 35% higher than for the current year, and includes funds for surveillance aircraft and for utility and medium cargo helicopters.

The tactical forces of the Army are supported by the tactical air wings of the Air Force which will also be provided with an increased capability under these budget recommendations. Funds are provided for increased procurement of F–105 supersonic all-weather fighter bombers. These aircraft, with their low-altitude handling characteristics and large carrying capacities for both nuclear and nonnuclear weapons, will strengthen significantly the air support available to the Army ground units.

The three Marine divisions are tactically supported by three Marine aircraft wings, which will also receive quantities of new aircraft.

Military assistance.—The ability of the free world to deter aggression depends on the combined strength and determination of many countries. The total forces of the countries receiving aid under the military assistance program include about 5 million Army troops,

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2,200 combatant ships, and over 25,000 aircraft, about half of which are jet. These forces make a vital contribution to the security of the free world, including the United States.

A committee of distinguished private citizens, the President's Committee to Study the United States Military Assistance Program, conducted an extensive and comprehensive analysis of the mutual security program during the last year. I have previously transmitted the reports of the Committee to the Congress. Many of the significant findings and recommendations of this group have been put into effect by the executive agencies; others are in the process of implementation. The military assistance program has been budgeted in 1961 with other activities and programs of the Department of Defense, and major changes are being made in the management, organization, and programing of military assistance.

Last spring I mentioned the possibility of requesting a supplemental appropriation as suggested by the Committee largely to expedite modernization of NATO forces. However, in view of the time factor involved in securing a separate authorization and appropriation for 1960, a supplemental request this year is not practical.

The new obligational authority of $2 billion recommended for fiscal year 1961 for the military assistance program will provide the training and quantities of materiel required to support the forces in the countries receiving aid. Because of the long leadtime required for many items, procurement must be started in 1961 in order to provide the necessary deliveries in future years. During recent years, deliveries have been maintained only by drawing down the backlog of undelivered items by an amount ranging from $500 to $800 million per year. The backlog has now been reduced to the point where adequate deliveries in the future must depend on new appropriations.

The defense of Western Europe in this era of modern weapons is costly and must be accomplished through the combined efforts of all NATO countries. Many of these countries have now assumed the financial responsibility for producing or purchasing conventional arms and equipment which the United States previously supplied. At the same time, the 1961 military assistance program squarely faces the pressing need for new and costly weapons for which the free world still looks for help from the United States. In addition, it provides for an intensified training effort to assure effective use and maintenance of the new equipment by allied forces.

This budget also provides for military assistance to countries which are building defenses against aggression and subversion in other parts of the world. These countries border on aggressive regimes, or are confronted with strong internal subversive elements. Many of them have joined in mutual defense organizations such as the Southeast Asia Treaty Organization (SEATO) and the Central Treaty Organization (CENTO), or with the United States in bilateral defense

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agreements. Assistance to these countries, most of which are in the Near East and the Far East, emphasizes primarily the strengthening of conventional forces in keeping with the nature of the threat in each area.

Atomic energy activities.—In 1961 the expenditures for the Atomic Energy Commission are expected to remain at the 1960 level of about $2.7 billion. Substantial increases for research and development activities will be offset by reductions in procurement of uranium ore concentrates from United States and Canadian producers. These reductions will bring ore supplies into better balance with production requirements.

Development and production of nuclear weapons in 1961 will remain at the high levels of previous years. The vigorous development of military reactors for a variety of propulsion and power uses will continue. When the land-based prototype reactor for a destroyer is placed into operation in 1961 along with four other naval prototype reactors now operating, nuclear powerplants will be available for major types of naval combatant ships. Emphasis in naval reactor development in 1961 will be placed primarily on development of improved and longer lived reactor fuel. The development of nuclear ramjet engines for missiles, of nuclear aircraft engines, and of nuclear electric powerplants for use at remote military bases will be carried forward.

Peaceful uses of atomic energy.—Expenditures in 1961 for development of civilian electric power from atomic energy are estimated at $250 million. Of this amount, $185 million is for research and development and $65 million is for construction of civilian power reactors and related development facilities. The estimated expenditures include amounts from proposed new appropriations of $40 million for assistance to private and public power groups in developing and building demonstration nuclear powerplants, and alternatively for such direct Government construction as may be considered necessary. The number, type, and size of reactors built and the nature of the assistance provided will be determined by the Commission after considering the state of technology and the cooperation proposed by industry.

Expenditures by the Commission for research in the physical and life sciences in 1961 will again increase substantially to over $210 million. This level of research will help the United States to continue its leadership in the study of the behavior of the basic matter of the universe and the effects of radiation on man and his environment. The largest part of the increase will be used to place in operation in the next 18 months three new particle accelerators in the multibillion

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electron-volt energy range, including the alternating gradient synchrotron at Brookhaven National Laboratory.

In support of the civilian space program, the Atomic Energy Commission will continue development of nuclear-powered rockets and small, long-lived nuclear power sources for space vehicles. Development work on thermonuclear power and on applications of nuclear explosives to a variety of civilian uses will continue in 1961.

Stockpiling and defense production expansion.—Most of the objectives for the stockpile of strategic and critical materials have been met. Receipts of materials under contracts to promote expansion of defense production are continuing at a reduced rate, as the number of such contracts still in effect declines. Hence, expenditures for stockpiling and expansion of defense production are estimated to decline from $230 million in 1960 to $134 million in 1961.

Amendments to outstanding contracts are now being negotiated where practicable, so as to minimize the delivery of materials no longer required for stockpiling. Arrangements are also under way to dispose of materials excess to stockpile objectives whenever disposal will not seriously disrupt markets or adversely affect our international relations.

INTERNATIONAL AFFAIRS AND FINANCE

The United States is continuing to support programs to maintain world peace and to improve economic conditions throughout the free world. In helping to improve economic conditions, we are being joined in larger measure by our friends in the free world who have now reached a high level of prosperity after recovering from the ravages of war. Accordingly, multilateral programs are being expanded. At the same time, the pressing need for economic development requires the continuation of substantial economic assistance under the mutual security program.

Expenditures for international affairs and finance are estimated to be $2.2 billion in the fiscal year 1961. This amount is $177 million higher than estimated expenditures for 1960, mainly because of larger disbursements by the Development Loan Fund under prior commitments.

Mutual security program.—Through the mutual security program as a whole the United States helps promote stability and economic growth in less-developed countries and helps strengthen the defenses of the free world. For these purposes new obligational authority of $4,175 million is recommended in fiscal year 1961, an increase of $949 million over the amount enacted for 1960 (of which $700

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International Affairs and Finance:

BUDGET TOTALS

[In billions]

	1959 actual	*1960 estimate*	*1961 estimate*
Expenditures	$3.8	$2.1	$2.2
New obligational authority	7.0	2.7	2.7

LEGISLATIVE PROPOSALS

(In addition to program extensions)

1. Defer taxation of income derived from less-developed areas abroad.
2. Revise eligibility requirements for countries to receive economic assistance.
3. Repeal reservation with respect to jurisdiction of World Court.
4. Authorize payment of certain Philippine war damage claims.
5. Authorize compensation to displaced residents of the Bonin Islands.

million is for military assistance). Expenditures are estimated to be $3,450 million, an increase of $100 million over 1960.

The military assistance portion of this program is carried in the Department of Defense chapter and has been discussed in the major national security section of this message. Economic assistance is discussed in the following paragraphs in this section.

Development Loan Fund.—The Development Loan Fund was established in 1957 in order to provide capital to less-developed countries, when capital is not available from other sources. The capital is provided on favorable terms, often including the option to repay in the borrower's own currency. By the end of the fiscal year 1960, the Fund will have made commitments for an estimated 148 loans totaling some $1,400 million. More than three-fourths of the projects it is financing are for roads, railroads, electric power generation, and industry, including industrial development banks. Because many of these projects require several years for construction, expenditures have thus far been relatively small. However, in the fiscal year 1961 they are estimated to be $300 million, an increase of $125 million over 1960. New obligational authority of $700 million is requested for 1961, an increase of $150 million over the amount enacted for 1960. This will provide the loan funds essential to our foreign policy objective of assisting in the economic growth of the less-developed countries of the free world.

Technical cooperation.—Technical and administrative skills are no less important for the newly developing countries than capital. Through the technical cooperation program, American experts are sent abroad to transmit the skills required in a modern economy and foreign technicians are brought to the United States for training.

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INTERNATIONAL AFFAIRS AND FINANCE

[Fiscal years. In millions]

Program or agency	Budget expenditures			Recommended new obligational authority for 1961
	1959 actual	1960 estimate	1961 estimate	
Economic and technical development:				
Mutual security—economic:				
Development Loan Fund	$66	$175	$300	$700
Technical cooperation	169	170	175	206
Defense support	881	740	730	724
Special assistance	257	250	255	268
Other	120	105	110	101
Contingencies	30	110	130	175
Subtotal, mutual security—economic	1,524	1,550	1,700	2,175
International Monetary Fund subscription	1,375	----	----	----
Inter-American Development Bank	----	80	----	----
Export-Import Bank	390	−56	−7	----
Emergency relief abroad and other	113	140	131	116
Conduct of foreign affairs:				
Administration of foreign affairs	211	205	197	205
Philippine claims:				
Present program	24	----	----	----
Proposed legislation	----	----	49	49
Other	2	5	3	2
Foreign information and exchange activities:				
United States Information Agency	109	110	124	124
Department of State, exchange of persons	22	24	36	36
President's special international program	8	7	8	9
Total	3,780	2,066	2,242	[1] 2,715

[1] Compares with new obligational authority of $6,982 million enacted for 1959 and $2,697 million (including $49 million of anticipated supplemental appropriations) estimated for 1960. The 1959 authorization included $3,175 million for the International Bank for Reconstruction and Development and $1,375 million for the International Monetary Fund.

For the fiscal year 1961, new obligational authority of $206 million is requested, which is $25 million over the amount enacted for 1960, in order to permit an increase in the bilateral programs. It will also permit a higher contribution to the United Nations technical assistance program and the related special fund; as other governments in-

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MUTUAL SECURITY PROGRAM

[Fiscal years. In millions]

Program	Budget expenditures			Recommended new obligational authority for 1961
	1959 actual	1960 estimate	1961 estimate	
Military assistance	$2,340	$1,800	$1,750	$2,000
Economic (including technical) assistance	1,524	1,550	1,700	2,175
Total, mutual security	3,864	3,350	3,450	[1] 4,175

[1] Compares with new obligational authority of $3,448 million enacted for 1959 ($1,515 million military, $1,933 million economic) and $3,226 million enacted for 1960 ($1,300 million military, $1,926 million economic).

crease their contributions for the United Nations programs, the United States contribution, which is two-fifths of the total, also increases.

Defense support.—Many of the less-developed countries participating in the common defense maintain large military forces whose cost imposes a severe strain upon their limited economic resources. In order to help maintain political and economic stability and to prevent the cost of necessary defensive forces from unduly hindering economic development, the United States provides economic aid principally by supplying commodities for consumption and raw materials and machinery for industrial production. For the fiscal year 1961, new obligational authority of $724 million is requested, an increase of $29 million over the amount enacted for 1960.

Special assistance.—New obligational authority of $268 million is requested for economic assistance to promote economic and political stability in various countries of the free world where the United States is not supporting military forces, and for certain other special programs. In several instances, this assistance indirectly relates to military bases maintained by the United States.

The appropriation recommended for special assistance in 1961 is $23 million above the amount enacted for 1960. Additional programs are proposed to help improve conditions in Africa, largely for education, public health, and administration.

Increased funds will also be devoted to certain worldwide health programs in conjunction with the World Health Organization of the United Nations. The largest of these is the malaria eradication pro-

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gram, now in its fourth year. In addition numerous public health projects are supported through technical cooperation.

Other mutual security programs.—Other programs include assistance to refugees and escapees; grants of atomic research equipment, including reactors, to the less-developed countries for training and research in nuclear physics; support of the NATO science program; and the United States contribution to the United Nations Children's Fund. For the fiscal year 1961, new obligational authority of $101 million is requested, an increase of $1 million above the amounts enacted for 1960.

Contingencies.—Experience has shown that economic and military assistance is also required in some international situations which cannot be foreseen or for which it is not possible to estimate in advance the specific amount needed. To cover situations of this type, new obligational authority of $175 million is requested.

Other economic and technical development.—More resources from countries of the free world are being channeled into economic development by increasing the capital funds of international organizations. In the past year the capital of the International Bank for Reconstruction and Development was doubled and that of the International Monetary Fund increased by half.

The Inter-American Development Bank, with planned total resources of $1 billion, including $450 million from the United States, is expected to begin operations before the close of this fiscal year. Expenditures of $80 million are estimated in the fiscal year 1960 as the first installment of the U.S. cash investment in the Bank. In addition, guarantee authority of $200 million will be made available, on the basis of which the Bank can sell its bonds to private investors.

Last October the Governors of the International Bank for Reconstruction and Development unanimously approved in principle a U.S. proposal for an International Development Association, which will be closely affiliated with the Bank. Under this proposal, the Association will make loans on more flexible terms than the Bank is able to offer under its charter, such as loans repayable in the currency of the borrowing country. In addition, it is expected that the charter of the Association will contain provisions under which a member could provide to the Association, for use in lending operations, other member country currencies which it holds. The draft charter of the Association is being prepared and will probably be submitted to the member governments early this year. Legislation authorizing U.S. participation and making financial provision for membership will be transmitted to the Congress at the appropriate time.

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Private investment.—The United States is trying to encourage more reliance on private enterprise in foreign economic development. During the past year, the Department of State and the Business Advisory Council of the Department of Commerce have both completed special studies on ways to increase the role of private investment and management abroad. Tax treaties, with investment incentive clauses, are now being negotiated with many countries. More trade missions are being sent abroad. Several of the less-developed countries are opening business information offices in this country. As a result of these various activities, more private investment in the less-developed areas should be forthcoming. To provide an additional incentive, U.S. taxation of income earned in the less-developed areas only should be deferred until repatriated.

Export-Import Bank.—The oldest Federal agency specializing in foreign lending and the largest in terms of foreign loan volume is the Export-Import Bank. In the fiscal year 1961 the Bank plans to devote an increasing share of its program to transactions which support economic development abroad. At the same time the Bank plans to finance its operations without requiring net budgetary expenditures by encouraging more participation by private lenders in its loan program and by using funds obtained from repayments on its large outstanding portfolio.

Eligibility for assistance.—Amendments to the Battle Act to revise the eligibility requirements for assistance to certain countries are pending before the Congress. It is highly desirable that they be enacted.

Conduct of foreign affairs.—The Department of State is making plans to strengthen further the administration of foreign affairs in the fiscal year 1961. The disarmament staff is being expanded in preparation for discussions on disarmament soon to begin in Geneva and for the continuation of the negotiations on the suspension of nuclear tests. Language training programs will also be expanded. New diplomatic and consular posts will be opened in Africa, Latin America, South Asia, and Eastern Europe. For these and other activities, new obligational authority of $205 million is requested for the fiscal year 1961.

Legislation is recommended to remove certain reservations on acceptance by the United States of jurisdiction of the International Court of Justice (the World Court).

Legislation will be requested for payment in the fiscal year 1961 of certain war damage claims of the Philippine Government against the United States in the amount of $73 million. These claims will be partially offset by an amount, now estimated at approximately $24

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million, owed to the United States by the Philippine Government. Pending legislation should be enacted in fiscal year 1960 to authorize compensation of $6 million to displaced residents of the Bonin Islands.

Foreign information and exchange activities.—New obligational authority totaling $168 million is requested for foreign information and exchange activities in the fiscal year 1961. The United States Information Agency plans to expand its programs in Africa and Latin America, including construction of a new Voice of America transmitter in Africa. The Agency will make greater use of the growing number of television facilities overseas. The expansion of domestic radio transmitting facilities, begun last year in order to improve oversea reception, will continue. Exchanges of key persons with about 80 other countries will be increased, with special emphasis on leaders and teachers.

COMMERCE AND HOUSING

The improvements made in recent years in Federal programs for outer space exploration, aviation, highways, the postal service, housing, urban renewal, and small business will be further extended by this budget.

Expenditures for all commerce and housing programs in the fiscal year 1961 are estimated at $2.7 billion, which is $293 million less than the estimated expenditures for 1960. Proposed legislation to provide adequate postal rates will reduce sharply the net budget expenditures of the Post Office Department. Expenditures for other programs, however, especially space exploration and the promotion of aviation, will increase substantially.

Space exploration and flight technology.—The National Aeronautics and Space Administration is carrying forward the nonmilitary space projects started by the Department of Defense and has initiated additional programs that will lay the foundations for future exploration and use of outer space. Estimated expenditures of $600 million during the fiscal year 1961, nearly double the expenditures in 1960, will carry forward the programs now under way and those becoming the agency's responsibility in 1961. Appropriations of $802 million for 1961, together with anticipated supplemental appropriations for 1960 of $23 million to restore substantially the Congressional reduction in the space program last year, are recommended to finance these programs. Legislation is being submitted to authorize the appropriations required for 1961 and to provide permanent authorization for later years.

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Commerce and Housing:

BUDGET TOTALS

[In billions]

	1959 actual	*1960 estimate*	*1961 estimate*
Expenditures	$3.4	$3.0	$2.7
New obligational authority	2.9	3.8	3.2

LEGISLATIVE PROPOSALS

(In addition to program extensions)

1. Strengthen organization and management of outer space programs.
2. Increase aviation fuel taxes and credit them to general fund.
3. Remove interest ceiling on Government ship mortgage loans.
4. Provide additional highway trust fund revenues.
5. Finance forest and public land highways from highway trust fund.
6. Increase postal rates.
7. Increase savings and loan insurance premiums.
8. Provide flexible interest rates on veterans and military housing loans.
9. Liberalize authority of small business investment companies.
10. Broaden exemption of small security issues from registration.
11. Authorize loans and grants to assist areas with chronic unemployment.
12. Improve antitrust legislation.

I am assigning to this new agency sole responsibility for the development of space booster vehicles of very high thrust, including Project Saturn. This assignment includes the transfer of certain facilities and personnel of the Army Ballistic Missiles Agency. With the imminent completion of the Jupiter missile project this outstanding group can concentrate on developing the large space vehicle systems essential to the exploration of space. Certain amendments to the National Aeronautics and Space Act of 1958 will be proposed to clarify the organization and streamline the management of the space programs.

At the present time Soviet scientists have the advantage in the weight of the payloads that they can hurl into space. This weight advantage stems from the earlier start of the Soviet development of very large rocket boosters that they considered necessary for their intercontinental ballistic missile program. Because of the relatively advanced state of our nuclear warheads, however, we were able, after a much later start, to develop an effective ICBM using a smaller rocket booster.

Our space programs are based on a systematic and technically sound approach to the complicated scientific and engineering problems involved. This approach will assure continued demonstrable achievements. Project Mercury has a high priority and we should be

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COMMERCE AND HOUSING

[Fiscal years. In millions]

Program or agency	Budget expenditures			Recommended new obligational authority for 1961
	1959 actual	1960 estimate	1961 estimate	
Space exploration and flight technology	$145	$325	$600	$802
Promotion of aviation:				
Federal Aviation Agency	441	567	681	717
Civil Aeronautics Board	53	60	69	72
Promotion of water transportation:				
Department of Commerce	200	257	263	299
Coast Guard	229	276	281	285
Panama Canal Company	7	4	14	--------
Provision of highways	30	45	[1] 3	([1])
Postal service:				
Public service costs	--------	37	49	49
Postal deficit	774	567	554	554
Proposed rate revisions	--------	--------	−554	−554
Community development and facilities:				
Urban Renewal Administration	77	197	172	305
Other	31	39	31	27
Public housing programs	97	130	148	159
Other aids to housing:				
Federal Savings and Loan Insurance Corporation:				
Under present legislation	−41	−50	−57	--------
Proposed premium increase	--------	--------	−28	--------
Federal Housing Administration	−51	−76	−120	--------
Federal National Mortgage Association	842	56	111	150
College housing loans	180	186	148	--------
Veterans housing loans	113	230	−12	--------
Farm housing loans and other	43	−122	36	11
Other aids to business:				
Small Business Administration	107	102	120	66
Proposed area assistance legislation	--------	--------	10	57
Other	32	48	48	64
Regulation of commerce and finance	58	58	64	66
Civil and defense mobilization	46	56	68	76
Disaster loans and relief	8	8	8	--------
Total	3, 421	3, 002	2, 709	[2] 3, 204

[1] Reflects proposed financing of Federal-aid highways in national forests and public lands from highway trust fund.

[2] Compares with new obligational authority of $2,929 million enacted for 1959 and $3,789 million (including $71 million of anticipated supplemental appropriations) estimated for 1960.

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ready to attempt actual manned space flights within the next two years. Progress on the development of very high thrust engines and the vehicles to use them will make it possible, in the not too distant future, to launch much larger space vehicles and thus extend the conquest of space.

For the near future satellites and space probes will continue to depend primarily on Thor and Atlas missiles as boosters, with the Delta and Agena upper stages providing improved performance and reliability. These vehicles will make possible a wide variety of highly useful scientific experiments which will provide essential information for future exploration of outer space by manned and unmanned vehicles. Somewhat later the Centaur project will provide an Atlas-boosted space vehicle with further improved capabilities and establish the technology of very high energy propulsion for space vehicles. In all of these projects, the success of the space vehicle launchings depends on a strong continuing program of supporting research and ground testing.

Transportation and communication.—The detailed review of transportation problems and policies which I requested last year is now nearing completion in the Department of Commerce. This study should provide a sound basis for administrative actions and for legislation that may be needed to assure adequate and balanced growth of all branches of the Nation's transportation system.

Aviation.—Primarily because of the airways modernization program now under way, expenditures of the Federal Aviation Agency will increase by $114 million to an estimated $681 million in fiscal year 1961. New obligational authority of $717 million is requested mainly for procurement and operation of radar equipment, airport landing aids, communications, and other facilities needed to handle the rapidly growing volume of air traffic safely and efficiently and for establishment and enforcement of air safety standards. Research and development activities are being accelerated to insure the further improvements in equipment and techniques required to meet future aviation needs.

The Federal Aviation Agency is already making increasing use of military facilities, and steps are under way to achieve a closer integration of air defense and civil air traffic control networks. Over the next few years the Agency will also assume traffic control functions now performed by military personnel at airbases throughout the world, with significant savings in cost.

Expenditures for subsidy payments to the airlines by the Civil Aeronautics Board are estimated at $69 million in 1961, an increase of $31 million, or 80%, over the $38 million actually spent in 1958. Almost all of the subsidy will go to local service airlines, including

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helicopter operations in three major metropolitan areas and intra-Alaska service. This rise and the prospect of even higher subsidies in the future make necessary the consideration of proposals to reduce the dependence of these airlines on the Government.

Airway user charges.—Consistent with the principle that special beneficiaries of Government programs should pay the cost of those benefits, the users of the Federal airways should ultimately be expected to pay their full share of rising capital and operating costs. Accordingly, the effective tax on aviation gasoline should be raised from 2 to 4½ cents per gallon and the same tax should also be levied on jet fuels, which are now tax-free. Receipts from all aviation fuel taxes should be retained in the general fund rather than transferred to the highway trust fund as at present. These actions will increase revenues to the general fund by an estimated $89 million in fiscal year 1961.

Promotion of water transportation.—Expenditures of the Department of Commerce to aid water transportation will be sharply higher in both 1960 and 1961 than in 1959, primarily because of higher levels of payments required under past commitments for ship operating and construction subsidies. A supplemental appropriation of $32 million will be requested for the current year to meet increased operating subsidy obligations caused by lower earnings of the shipping industry and to permit prompt payment of subsidies accrued.

Efforts to maintain a U.S. merchant fleet adequate, along with the ships of our allies, to meet national defense requirements are seriously hampered by high operating costs. To preserve the capability of our merchant fleet without placing an undue burden on the taxpayer will require willingness by ship operators, maritime labor, and the Government to explore and adopt new solutions.

This budget provides for expanded work on advanced ship designs that could bring sharply reduced operating costs. By extending the operation of war-built vessels, which comprise more than 70% of the subsidized fleet, over a somewhat longer period, the results of this research can be more fully exploited in replacement plans. The Secretary of Commerce is also undertaking a special study of sailing requirements and competitive conditions of maritime trade routes and services, in the hope of discovering opportunities to increase the benefits flowing from the public investment in this area.

I repeat the request made last year that the 3½% interest rate ceiling on ship mortgage loans made by the Maritime Administration be replaced by authority to charge the Government's full cost for such loans.

Work will continue on widening sections of the Panama Canal from 300 to 500 feet to facilitate the movement of increased ship traffic. Largely as a result of this program and the increased disbursements

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for the $20 million Balboa Bridge, which is being built to fulfill a treaty commitment with the Republic of Panama, expenditures of the Panama Canal Company in 1961 will be $10 million higher than in 1960.

Highways.—Federal payments of $2,728 million from the highway trust fund in 1961 will enable the States to proceed with construction of the Interstate System at a level consistent with the pay-as-you-build principle established by the Highway Revenue Act of 1956 and reaffirmed by the Congress in 1959. Last year I recommended that highway fuel taxes be increased by 1½ cents per gallon for a period of five years to meet estimated expenditure requirements. The Congress after months of delay enacted an increase of only 1 cent for less than two years.

As a result of both the delay and the failure to provide the full amount of revenue requested, the roadbuilding program has been slowed below a desirable rate of progress. The apportionments to the States for future construction had to be reduced and a plan had to be established to time reimbursements to the States so that the trust fund could be kept in balance. By timely action and planning, however, potential failures to reimburse States promptly for want of funds in the trust fund have been avoided, and equitable and proportionate programs in every State have been established.

I urge the Congress again to increase the highway fuel tax by another one-half cent per gallon and to continue the tax at 4½ cents until June 30, 1964. This will permit the construction program for the Interstate System to proceed at a higher and more desirable level. I request repeal of the diversion of excise taxes enacted last year for the period July 1, 1961, to June 30, 1964. New reports giving estimates of the cost of completing the Interstate System and recommendations on the allocation of costs among future highway beneficiaries will become available in 1961. At the appropriate time, further recommendations will be made to the Congress for the ensuing conduct and financing of the program.

A temporary advance of $359 million from the Treasury to the trust fund was necessary in fiscal 1960 to balance out the monthly flow of revenues and expenditures within the fiscal year, but this will be repaid by June 30, 1960. A similar temporary advance of $200 million will be required in the fiscal year 1961, repayable before the end of that year.

During this session of the Congress, funds should be authorized for 1962 and 1963 for regular Federal-aid highway programs and for forest and public lands highways. In view of the limited resources available to the trust fund and the priority requirements of the Interstate System, it is recommended that authorizations for the regular programs for each of these years be reduced to $900 million

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from $925 million provided for 1961. Annual authorizations of $33 million for forest highways and $3 million for public lands highways are also recommended.

Finally, I again request that the financing of forest and public lands highways be transferred from the general fund to the highway trust fund. Most of these highways are integral parts of the Federal-aid systems, and they should be financed in the same way.

Postal service.—The Post Office Department is intensifying its efforts to improve service and to hold down the persistent postal deficit while handling a growing volume of mail. Initial steps have been taken to mechanize mail processing and to reduce serious congestion at major distribution centers. Ultimately, modern mail processing plants will be established in all principal urban areas to assure prompt and efficient deliveries.

The Postal Policy Act of 1958 established the policy that postal rates should be adjusted whenever necessary to recover postal expenses, excluding the costs of certain public services as fixed by appropriation acts. Over the past 13 fiscal years, 1947–59, the Federal budget has had to finance postal deficits totaling $6.8 billion, which is almost half of the increase in the national debt during that time. At the average rate of interest on the outstanding debt the taxpayers are paying well over $200 million annually in interest for the unwillingness of the Congress to take timely action to increase postal rates.

For fiscal 1961, a postal service deficit of $554 million is estimated with postage rates now in effect or scheduled, after designating $49 million as attributable to public services. Rate increases enacted in 1958 were substantially less than needed to meet the deficit at that time and made no allowance for the pay increase for postal employees then enacted. Since then, increased railroad rates (up $55 million), costs of modernization (up $80 million), and the new employee health insurance program ($39 million) have widened the gap between revenues and expenditures.

Accordingly, legislation is again proposed to increase first-class and airmail rates by 1 cent and to raise other rates and fees by enough to cover the postal deficit. I urge the Congress to act promptly on these proposals, which will be submitted in the near future.

Housing and community development.—I have presented to each of the past two sessions of the Congress a comprehensive program of legislation for the Government's housing and community development programs. Some of these recommendations were enacted in the Housing Act of 1959. This year, legislation will be requested only for the authority necessary to continue important existing pro-

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grams and provide necessary flexibility in interest rates. The authorization of additional funds for these programs should be subject to appropriation action.

Urban renewal.—In the decade since Federal grants were first authorized, urban redevelopment has become recognized as essential to the future vitality of our cities, and planning has been initiated on 647 projects in 385 communities. However, only 26 projects have been completed. An additional 355 projects for which Federal funds have been obligated are now under way, but progress on many of these has been slow.

The budget, accordingly, places major emphasis on accelerating program progress. Sixty-five projects are scheduled for completion in 1960 and 1961. At the same time, the number of projects under way is expected to increase from 355 at the end of 1959 to 510 at the end of 1961. The acquisition of land for these projects in 1961 is estimated at more than double, and the sale of land to redevelopers at nearly triple, the 1959 amounts. As a result of the increased rate of activity, a supplemental appropriation of $50 million will be necessary in the current year to pay capital grants for projects nearing completion under prior contracts. Since the Housing Act of 1959 provided new contract authority for capital grants of $350 million for 1960 and $300 million for 1961, no additional obligational authority will be necessary for this program for 1961.

Public facility loans.—The authority of the Housing and Home Finance Agency to borrow $100 million from the Treasury for loans to small communities for needed public facilities will be exhausted early in 1961. An additional $20 million will be required to meet loan applications through the end of the fiscal year 1961. Legislation is recommended to authorize the provision in annual appropriation acts of this amount and such future increases as may be necessary.

Public housing programs.—By the end of fiscal year 1961, about 500,000 federally-aided public housing units will be occupied and an additional 125,000 units will be under contract for Federal contributions. In the allocation of new contracts authorized in the Housing Act of 1959 emphasis is being given to projects which will be constructed in the near future. The 1959 act authorized 37,000 added units of public housing, to be available until allocated. Accordingly, no additional authorization is requested. Increases of $18 million in 1961 expenditures result primarily from rising Federal contributions to local authorities under past contracts.

Federal Savings and Loan Insurance Corporation.—The share accounts of savings and loan associations insured by the Federal

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Savings and Loan Insurance Corporation have increased fivefold over the past 10 years. With a continuation of this rate of growth, the insurance reserve of the Corporation cannot reach levels commensurate with the mounting insurance liability without an increase in the present premium rate. I am, accordingly, recommending legislation to restore the higher premium rate in effect prior to 1949, to remain in force until the reserve exceeds 1% of the share accounts and borrowings of insured institutions. At the same time, the statutory goal of a reserve equal to 5% of such accounts and borrowings exceeds potential needs and should be reduced to 2%. In addition, the Corporation should be given authority to borrow from private sources, both to increase the available sources of funds to levels adequate to meet any temporary borrowing needs and to reduce its potential dependence upon the Federal Government.

Insurance of private mortgages.—The mortgage insurance programs of the Federal Housing Administration will continue in 1961 to underwrite a substantial share of the mortgages on residential housing. While it is difficult to forecast mortgage insurance requirements, the general mortgage insurance authorization of the Federal Housing Administration now appears to be adequate to meet demands for mortgage insurance until the next Congress is in session.

Sharp fluctuations in the demand for mortgage insurance during recent years have caused the funds available for personnel under appropriation act limitations to be inadequate in periods of heavy demand to provide the staff required by the Federal Housing Administration for prompt service on applications. Supplemental funds are usually not made available in time to meet this problem. To correct this situation, appropriation language is being requested to permit use of additional income for such expenses when actual demand exceeds the budget estimate.

Legislation should also be enacted to extend the authority for insurance of loans on home improvements. This program, which makes a major contribution to modernization of existing homes, would otherwise expire on October 1, 1960.

Last year legislation was recommended to provide some flexibility in maximum interest rates on mortgages originated under the housing loan and guarantee programs of the Veterans Administration and under certain mortgage insurance programs of the Federal Housing Administration. The action taken by the Congress was inadequate, and some of these programs are now seriously hampered by their inability at present maximum interest rates to attract adequate private capital. The Veterans Administration should be given the same flexibility to adjust its interest rates to market conditions which is now possessed by the Federal Housing Administration in its basic

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mortgage insurance programs. In addition, the maximum interest rate of 4½% on insured mortgages on armed services family housing should be removed.

Veterans housing loans.—The direct housing loan program of the Veterans Administration, which has been extended several times, terminates July 25, 1960, and I am asking for no further authorization. At that time, over $1 billion of loans will be outstanding, and the program will have provided over 150,000 loans to veterans. There is no longer justification for continuing this readjustment program.

Mortgage purchases.—The authority of the Federal National Mortgage Association to borrow from the Treasury to purchase mortgages under its special assistance program will be exhausted during 1961. I am recommending legislation which would permit future increases in authorizations to be subject to appropriation review. An additional $150 million is requested for 1961 for this program. The additional funds will be used chiefly to buy mortgages on housing in urban renewal areas, on housing for the relocation of displaced families, and on housing for the elderly.

Special assistance for these mortgages is intended to be transitional, and an increasing proportion of total financing should in the future be obtained from private sources. With annual financing requirements in excess of $1 billion already in sight for these programs, the need can be met only with the full and active support of local communities and private financial institutions.

At the same time, mortgage purchases by the Association's secondary market operations trust fund will continue at high levels. Expenditures for such purchases are estimated at $1,047 million in 1960 and $975 million in 1961. These purchases will be almost wholly financed through the sale of debentures to the public and the purchase of common stock by mortgage sellers. Budget expenditures of $50 million, however, will be necessary for the additional Treasury purchases of the preferred stock of the Association required to support the mortgage purchase program.

College housing.—No additional authorizations are proposed for the existing college housing direct loan program. The housing needs of our colleges and universities represent only a part of the need for new university facilities of all types. These needs should be considered as a whole and within the framework of the general problems of education. I have, accordingly, recommended the termination of the college housing program and the enactment of legislation authorizing a new program of grants and loan guarantees for college facilities, to

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be administered by the Department of Health, Education, and Welfare (discussed under labor and welfare programs).

Small business.—The increase in financial assistance to small businesses under the Small Business Investment Act of 1958 will continue in 1961. I recommend the enactment of legislation previously proposed to the Congress to encourage the formation of additional investment companies by liberalizing the authority of these companies, thus expanding the supply of private capital available to small businesses. Other loans by the Small Business Administration will continue at a high level, but less new obligational authority is recommended because repayments on outstanding loans will increase. Efforts to assist small businesses in obtaining a fair share of Federal Government procurement and surplus property will also continue. In order to facilitate small business financing, the Securities Act of 1933 should be amended to extend the privilege of simplified filings to a wider range of security issues.

Area assistance.—Despite the rapid economic recovery in the Nation as a whole, unemployment remains high in a relatively small number of local areas. The chronic problems in these communities reflect primarily basic changes in consumer buying habits, production methods, and industry location patterns. Some localities and States have properly taken the initiative in measures designed to meet these problems. In addition, the Department of Commerce, with the cooperation of 13 other Federal agencies, is intensifying existing Federal programs to encourage and support this local initiative. More help is required. Therefore, for the past four years, I have requested expanded legislative authority, primarily for loans and grants, to supplement existing Federal, State, and local programs. Prompt enactment of this legislation is important. The budget includes an estimated $57 million in appropriations as the initial amount necessary to provide the proposed additional Federal aid.

Regulation of commerce and finance.—The general growth of the economy, newly legislated responsibilities, and the increased complexity of the problems which confront the regulatory agencies require increases in funds for most of them. The largest single increase in this category will permit the Federal Communications Commission to make a thorough study of ultrahigh frequency television to determine whether channels in this range can be used to meet the needs of the expanding television industry.

I again recommend legislation to strengthen the antitrust laws, including extending Federal regulation to bank mergers accomplished

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through the acquisition of assets, requiring businesses of significant size to notify the antitrust agencies of proposed mergers, empowering the Attorney General to issue civil investigative demands in antitrust cases when civil procedures are contemplated, and authorizing the Federal Trade Commission to seek preliminary injunctions in merger cases where a violation of law is likely.

Civil and defense mobilization.—Preparations for nonmilitary defense have been seriously hindered by the unwillingness of Congress to provide appropriations to carry out programs authorized by the 1958 amendments to the Federal Civil Defense Act. Funds are again being requested for 1961, as well as in a supplemental appropriation for 1960, to help States and localities strengthen their full-time civil defense organizations. Increased funds are also required to finance greater purchases of radiological instruments for donation to the States; for expansion of the emergency preparedness activities of other Federal agencies; and to carry on the national fallout shelter policy.

In accordance with the national fallout shelter policy, the Federal departments and agencies have been directed to include fallout shelters when appropriate in the design of new buildings for civilian use, and funds for such shelters are included in the budget requests of the various agencies. In addition, the budget of the General Services Administration includes $6 million for a new fallout shelter program at certain Federal relocation sites and in some existing Federal buildings.

AGRICULTURE AND AGRICULTURAL RESOURCES

In the fiscal year 1961, Federal programs for agriculture will again have a heavy impact on the budget, primarily because of continued high agricultural production and the past unwillingness of the Congress to make appropriate modifications in the long-established price support laws. The longer unrealistic price supports are retained, the more difficult it will be to make the adjustments in production needed to permit relaxation of Government controls over farm operations.

Last year I proposed to the Congress urgently needed legislation relating to price supports. Very little of that program was enacted. I recommend that the Congress give this important matter early consideration.

Particularly urgent now is legislation to put wheat price supports on a more realistic basis. Stocks of wheat are continuing to rise in spite of our efforts to move wheat abroad through the International Wheat Agreement, sales for foreign currencies, and grants to disaster victims and needy people. The carryover of wheat stocks is expected to rise to almost 1.4 billion bushels by July 1, 1960, an amount that

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would provide for more than two years of domestic consumption without any additional production.

The wheat surplus problem has been a long time in the making and cannot be solved overnight. In fact, wheat legislation enacted in this session cannot be made applicable before the 1961 crop. The fact that any significant effect on the budget would be delayed until the fiscal year 1962 underlines the need for prompt action at this session of the Congress.

Authority to bring additional land into the conservation reserve expires after the 1960 crop year. Legislation is proposed to extend this authority through the 1963 crop year and to expand the program by increasing the basic limitation on the amount of payments that may be made in any calendar year from $450 million to $600 million. Specific authority will be requested for the Secretary of Agriculture to give special consideration, in allocating conservation reserve funds, to those States and regions where curtailment of production of wheat or other surplus commodities is consistent with long-range conservation and production-adjustment goals. The rental rates needed to induce farmers to withdraw cropland from production under the conservation reserve depend on the income prospects from farming, which in turn are a reflection of the levels of price supports. Therefore, the future authorization for the conservation reserve program should not be increased above the 1960 level unless needed price support legislation is enacted for wheat.

Estimated expenditures for agricultural programs in fiscal 1961 are $5.6 billion, which is $510 million more than the estimate for the current year but $907 million less than was spent in 1959. Total new authority to incur obligations requested for agriculture and agri-

Agriculture and Agricultural Resources:

BUDGET TOTALS

[In billions]

	1959 actual	*1960 estimate*	*1961 estimate*
Expenditures	$6.5	$5.1	$5.6
New obligational authority	5.4	5.1	4.6

LEGISLATIVE PROPOSALS

(In addition to program extensions)

1. Further revise agricultural price support programs, and extend with revisions the conservation reserve program.
2. Strengthen "food for peace" program.
3. Revise interest rates for rural electric and telephone loans.
4. Simplify and consolidate loan authority of Secretary of Agriculture for farm ownership and operation.
5. Require greater sharing by States in costs of farm disaster relief.
6. Reduce advance authorization for agricultural conservation program.

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AGRICULTURE AND AGRICULTURAL RESOURCES

[Fiscal years. In millions]

Program or agency	Budget expenditures			Recommended new obligational authority for 1961
	1959 actual	1960 estimate	1961 estimate	
Stabilization of farm prices and farm income:				
Commodity Credit Corporation—price support, supply, and purchase programs	$2,775	$1,828	$2,279	$1,250
Commodity Credit Corporation—special activities (other than acreage reserve of the soil bank):				
Public Law 480	1,022	1,055	1,172	881
International Wheat Agreement	48	49	68	49
National Wool Act	20	94	70	51
Other	347	243	124	423
Soil bank—acreage reserve:				
Program total	673	6	----	----
Under CCC special activities	(64)	(5)	----	----
Removal of surplus agricultural commodities	141	110	110	271
Sugar Act	67	74	78	74
Other	34	41	48	47
Subtotal	5,126	3,499	3,950	3,046
Financing rural electrification and rural telephones	315	334	355	200
Financing farm ownership and operation:				
Farm Credit Administration	5	6	8	2
Farmers Home Administration	246	236	221	216
Conservation of agricultural land and water resources:				
Conservation reserve:				
Existing program total	175	365	362	362
Under CCC special activities	(4)	(30)	----	----
Proposed legislation	----	----	32	32
Agricultural Conservation Program Service:				
Program total	246	244	233	243
Under CCC special activities	(7)	(1)	(−12)	----
Soil Conservation Service (including watershed protection and Great Plains program)	125	130	137	136
Research and other agricultural services	291	298	325	333
Total, agriculture and agricultural resources	6,529	5,113	5,623	[1] 4,570

[1] Compares with new obligational authority of $5,421 million enacted for 1959 and $5,099 million (including $704 million in anticipated supplemental appropriations) estimated for 1960.

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cultural resources in 1961 is $4.6 billion. This amount includes $1.3 billion to restore, to the extent necessary, the capital impairment of the Commodity Credit Corporation resulting from previous price support losses and $1.4 billion to reimburse the Corporation for estimated costs and losses through the fiscal year 1960 of other programs financed through that agency.

Stabilization of farm prices and farm income.—Most of the recent year-to-year variations in expenditures for agriculture and agricultural resources reflect changes in expenditures for price supports and other programs to stabilize farm prices and farm income. During the five fiscal years, 1955–59, Federal spending for these programs has accounted for 70% to 80% of the total for all agricultural programs. In the fiscal year 1961, these programs are estimated to cost $3.9 billion, an increase of $450 million over 1960, but a decrease of $1.2 billion from 1959.

Under present laws, price support expenditures for agricultural commodities cannot be controlled through regular budgetary processes. They are the result, mainly, of the loans and commodity purchases that the Commodity Credit Corporation is required to make, and the other price- and income-supporting programs that the Corporation is required to finance, under existing laws. These expenditures reflect the volume of production, consumption, and exports of price-supported commodities, which, in turn, are influenced by such uncertain factors as the weather and domestic and foreign economic conditions.

The budget estimate for 1961 reflects the residual effect of the large 1958 and 1959 crops and assumes that yields on price-supported crops for the 1960 crop year will be in line with recent averages; also exports of farm commodities in the fiscal year 1961 may be down somewhat from the high level expected in 1960.

The Sugar Act expires on December 31, 1960. To give sugar producers maximum time for production planning, action should be taken early in the present session of the Congress to continue this program.

We are continuing to use our surplus agricultural production in many ways for constructive purposes overseas through the "food for peace" program. Under the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), surplus wheat, cotton, corn, rice, and other commodities are being sold abroad for foreign currencies. These currencies are used principally as loans or grants for the economic development and common defense in foreign countries, and to a lesser extent to finance various U.S. programs abroad. Surplus commodities are also being given to foreign governments for emergency relief needs and to private relief organizations in support of their programs abroad; over 60 million needy people benefited this past year from these donation programs. Last year the executive branch proposed certain amendments which, if enacted, would have made

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this surplus disposal program more effective. It is recommended that the Congress again consider these amendments.

Rural electrification and telephones.—About 96% of our farms now have central station electric service, as compared with 11% in 1935. The expanding use of power in the areas served by electric cooperatives financed by the Rural Electrification Administration continues to require substantial amounts of new capital every year to provide additional generating capacity and heavier transmission and distribution facilities. More than one-half of the total power sales by the REA system are made to rural industrial, recreational, and other nonfarm customers. These nonfarm users now comprise over 80% of the new customers being added.

The Rural Electrification Administration currently finances the capital needs of the cooperatives by borrowing from the Treasury at the statutory interest rate of 2% and relending at the same rate. Legislation is proposed under which REA would (*a*) borrow from the Treasury at not to exceed the average rate of interest payable by the Treasury on recently issued long-term marketable obligations, and (*b*) make future electric and telephone loans at the same rate plus one-fifth of 1% to cover administrative expenses and estimated losses. Legislation now before the Congress to place the operations of this agency on a revolving fund basis should also be enacted.

It is vital, looking ahead, that legislation be developed to enable telephone as well as electric borrowers to obtain funds from a mutually owned financing institution to meet the needs for the future growth of these borrowers. Under this longer range plan, loans would also be available from the Rural Electrification Administration to meet special circumstances. The Secretary of Agriculture will work with REA cooperatives and other interested parties in developing such a proposal.

Farm ownership and operation.—In 1961, new direct loans and administrative expenses of the Farmers Home Administration are proposed in an amount equal to estimated collections on outstanding loans. Loans are made to borrowers who are unable to obtain credit from other sources at interest rates currently prevailing in their communities in order to finance farm ownership and enlargement, farm operations, and soil and water conservation. Direct loans for farm ownership and soil and water conservation are supplemented with private loans insured by the Federal Government.

The present authority of the Secretary of Agriculture to make loans to farmers and ranchers is the cumulative result of the enactment of many separate laws over a long period of years. The legislation now before the Congress to simplify, consolidate, and improve the

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authority of the Secretary of Agriculture to make these types of loans should be enacted. Also, the pending legislation to require the States to share a greater part of the costs of farm disaster relief assistance should be enacted.

Conservation of agricultural resources.—Expenditures under the conservation reserve program are expected to be $394 million in the fiscal year 1961. Of this amount $362 million will be needed to fulfill commitments incurred in the crop years 1956 through 1960 under existing authority, and $32 million will be used for conservation practice payments and additional operating expenses under proposed legislation to extend this program for three years. Under the proposed legislation it is planned to add about 9 million additional acres to the program during the 1961 crop year, bringing the total at the end of that crop year to about 37 million acres. Increases in expenditures required for the 1961 crop year program will occur mainly in 1962 and later fiscal years.

In both the 1959 and 1960 appropriation acts, the Congress maintained the agricultural conservation program at levels which far exceeded my recommendations. As a result, expenditures of the Agricultural Conservation Program Service are estimated to be $244 million in 1960 and $233 million in 1961. The advance authorization for the 1961 agricultural conservation program, which will affect primarily fiscal year 1962 expenditures, should be limited to $100 million. The lower program recommended, together with other public aids for soil and water conservation, will meet the Nation's high-priority conservation needs.

Federal policy on cost-sharing assistance in the future should be concentrated on conservation measures which will foster needed shifts to less intensive uses of cropland, and assistance should be eliminated for practices which increase capacity to produce agricultural commodities already in surplus supply. Continuation of cost sharing for output-increasing practices would directly conflict with the recommended expansion of the conservation reserve program under which cropland is removed from production.

New obligational authority of $43 million is recommended for the upstream watershed programs, including $28 million for projects under the Watershed Protection and Flood Prevention Act. Of this amount, $5 million is provided to initiate construction on projects involving an estimated total Federal cost of $29 million.

New obligational authority of $10 million is requested for the Great Plains conservation program, the same as for 1960. Under this program conducted in designated counties of the 10 Great Plains States, the Federal Government provides cost-sharing and technical assistance to farmers who enter into long-term contracts to make needed adjustments of land use on their farms.

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Research and other agricultural services.—Expenditures for research, education, and other agricultural services, exclusive of programs financed with foreign currencies, will be about $8 million higher in the fiscal year 1961 than in 1960. This amount will provide increased support for the research programs on pesticide residues and on industrial uses of farm commodities. It will also provide increased support for the rural development program which is making an important contribution to the solution of the economic problems of rural areas arising out of technological changes in agriculture and inadequate employment opportunities.

In addition, it is estimated that $19 million will be spent in 1961 for the purchase of foreign currencies, obtained from the sale of surplus farm commodities, to be used for research and market development work abroad. This compares with approximately $12 million in foreign currencies to be used for this purpose in 1960.

NATURAL RESOURCES

The recommendations in this budget for Federal natural resource programs take into account their great importance to the Nation's economic growth and security.

The estimated total of $1.9 billion to be spent in the fiscal year 1961 for natural resources is more than has been spent for this purpose in any previous year. The increase of $152 million over 1960 is predominantly for water resources programs.

Water resources.—The Corps of Engineers and the Bureau of Reclamation will spend an estimated $1.2 billion in the fiscal year 1961 to construct, maintain, and operate flood control, navigation, irrigation, power, and related projects. This record total includes, in addition to operating costs, $965 million to continue construction on projects started in 1960 or prior years, $12 million for advance planning, and $18 million for the first-year expenditures on 42 proposed new starts. These new projects, as well as three new construction starts by the Tennessee Valley Authority and one by the International Boundary and Water Commission, are recommended in this budget in the interest of balanced development of water resources.

For the Corps of Engineers, appropriations (as distinct from the expenditures previously discussed) of $21 million are required for starting 31 new projects and for an additional number of smaller projects costing less than $400,000 each. The estimated commitments for these new projects total $301 million. Appropriations of $6 million for 1961 are recommended for the Bureau of Reclamation to begin construction on six projects with total estimated commit-

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ments of $184 million, and $11 million for loans which will be used by local groups to start work on five small reclamation projects.

I again recommend that the Congress authorize the Fryingpan-Arkansas project in Colorado.

To carry forward the joint development of the waters of the Rio Grande, construction should be started on the Amistad (Diablo) Dam, in accordance with the treaty of February 3, 1944, between the United States and Mexico. I urge the Congress to enact promptly the legislation now needed to authorize negotiation of an agreement for this construction. Funds will be requested for the U.S. share of the first-year cost of this project following enactment of the legislation. Provision is made in this budget to begin modification of the lower Rio Grande levee system.

Natural Resources:

BUDGET TOTALS

[In billions]

	1959 actual	*1960 estimate*	*1961 estimate*
Expenditures	$1.7	$1.8	$1.9
New obligational authority	1.7	2.5	1.8

LEGISLATIVE PROPOSALS

1. Authorize Fryingpan-Arkansas project.
2. Authorize negotiation with Mexico for joint construction of Amistad (Diablo) Dam.
3. Require non-Federal interests to bear at least 30% of the cost of flood protection projects.
4. Promote greater conservation of helium.
5. Authorize coal research on a contract basis.
6. Increase fees for noncompetitive oil and gas leases on the public domain.
7. Transfer from the Secretary of the Interior to the Secretary of Agriculture certain authority with respect to land and timber exchanges.
8. Preserve three undeveloped shore areas for public use.

Under legislation enacted during the past session, the Tennessee Valley Authority plans to issue an estimated $115 million of revenue bonds in 1961. These funds will be used to help finance construction of a second unit in the Paradise steam powerplant and of other units under way, including new generating capacity in the eastern part of the TVA area. The Authority will start construction of the Melton Hill project for navigation and power. In accordance with this administration's policy, and as authorized under the Tennessee Valley Authority Act as amended by the recently enacted revenue bond legislation, the power facilities portion of this project will be financed from net power proceeds and revenue bonds, and the remaining portion will be financed from appropriations. With the completion of the Wilson lock, the present lock at Wheeler Dam will be a bottleneck for shipping

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NATURAL RESOURCES

[Fiscal years. In millions]

Program or agency	Budget expenditures			Recommended new obligational authority for 1961
	1959 actual	1960 estimate	1961 estimate	
Land and water resources:				
Corps of Engineers	$779	$860	$910	$936
Department of the Interior:				
Bureau of Reclamation	246	234	300	314
Power marketing agencies	33	40	40	40
Indian lands resources	57	62	57	41
Public domain and other	33	36	40	38
Saint Lawrence Seaway Development Corporation	15	7	4	--------
Tennessee Valley Authority	7	35	73	21
Federal Power Commission	7	7	8	8
Department of State and other	5	6	9	9
Mineral resources	71	66	64	63
Forest resources	201	223	222	191
Recreational resources	86	87	87	54
Fish and wildlife resources	68	70	71	68
General resource surveys and other	60	53	53	53
Total	1, 669	1, 785	1, 938	[1] 1, 836

[1] Compares with new obligational authority of $1,742 million enacted for 1959 and $2,538 million (including $32 million of anticipated supplemental appropriations) estimated for 1960.

on the Tennessee River. Appropriations are therefore recommended for 1961 to begin construction of a new lock at Wheeler Dam.

Research for converting sea water and brackish water into fresh water, carried on cooperatively by the Department of the Interior and non-Federal groups, has progressed to the point where some processes are in the development stage. Construction will begin in 1960 at Freeport, Tex., on a demonstration plant for conversion of sea water, and $1.5 million is recommended in the 1961 budget for the Federal cost of building the first brackish water plant as well as a second sea water plant. Advance planning will be completed in 1961 on two additional demonstration plants.

Cost-sharing on flood protection projects.—It is essential that legislation be promptly enacted to establish a consistent basis for cost-sharing on projects which provide flood protection benefits. At the

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present time, the various Federal agencies responsible for flood protection operate under different and confusing cost-sharing standards. The non-Federal contributions vary from zero to over 60%. This intolerable situation should be corrected. Legislation now before the Congress would require generally that identifiable non-Federal interests receiving flood protection benefits bear at least 30% of the costs of flood protection. The value of lands, easements, and rights-of-way contributed locally would be included as part of this non-Federal share. The cost of operation and maintenance would also be a State or local responsibility.

Mineral resources.—Amendments to the Helium Act were recommended last year to carry out a long-range plan for conserving helium. This lightweight nonflammable gas is important to the Nation's atomic energy and missile programs, and known deposits of it are extremely limited. Under the legislation proposed, private industry would be encouraged to finance, build, and operate plants which would make helium available for conservation by the Department of the Interior. Prompt enactment is needed to check the waste of this essential gas.

The Bureau of Mines will continue its research on improved methods of production and utilization of coal and other minerals. Legislation is again recommended to grant authority to the Secretary of the Interior to contract for coal research, thus allowing the Secretary to use outside scientific resources to assist the coal industry.

Other resource programs.—In the fiscal year 1961, programs for conserving and developing the resources of the public domain and Indian lands will be carried on at about the 1960 levels. Although total expenditures for forest resources are estimated at about the same level in 1961 as in 1960, some increases are provided in 1961 to carry forward the long-range program of the Forest Service for conservation and development, including added facilities and services to accommodate campers and picnickers. It is expected that these increased expenditures will be offset by a decrease in the unusually large 1960 outlays for fighting forest fires.

Receipts from the timber, grazing, and mineral resources on these public lands are estimated to increase to a total of over $400 million in 1961, including revenues from mineral leases on the Outer Continental Shelf. To obtain a more adequate return for use of federally-owned resources, legislation is again recommended to revise the fee schedule for noncompetitive oil and gas leases on public domain lands.

In the interest of improving efficiency and providing convenience for the non-Federal parties concerned, certain functions with respect to land and timber exchanges should be transferred from the Secretary of the Interior to the Secretary of Agriculture by legislation embodying

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the basic provisions of Reorganization Plan No. 1 of 1959, which was disapproved by the Congress. In these exchanges, the Government obtains non-Federal lands in exchange for national forest lands administered by the Secretary of Agriculture or for timber on such lands. This legislation is needed to simplify the work relating to these land exchanges.

Each year more of our citizens use and enjoy the national parks. Expenditures of $86 million estimated for the National Park Service in 1961 for recreational resources will provide for additional urgently needed facilities and services for visitors, for maintenance and operation of the present facilities, and for selective acquisition of lands to add to existing park areas.

Before it is too late we should take steps to preserve, for public benefit, part of the remaining undeveloped shore areas. I hope, therefore, that the Congress will enact during this session the legislation proposed in the last session to permit the Secretary of the Interior to select and acquire for the national park system three areas which would be of national significance because of their outstanding natural and scenic features, recreational advantages, and other public values.

Contract authority is available to finance planned construction of parkways, roads, and trails in the national parks and forests and on Indian lands during 1961. Beginning in 1962, this construction should be financed by direct appropriations, and the budget so contemplates.

Recent legislation increased the fee charged to hunters of migratory birds and earmarked these revenues for acquisition of lands for refuges and nesting areas. In 1961 land acquisitions from these revenues will be four times those of the current year. Other proposed increases in expenditures for fish and wildlife resources are mainly for fishery research.

LABOR AND WELFARE

Budget expenditures for labor and welfare programs in the fiscal year 1961 are estimated to reach an all-time high of $4.6 billion, of which three-fourths will take the form of grants to States and localities. The total expenditures are estimated to be $128 million more than for the current year. The largest increase is for promotion of public health, mainly for research and hospital construction, as a result of much larger appropriations by the Congress in previous years. Significant increases are also estimated for the support of basic research provided by the National Science Foundation and for the defense education and public assistance programs of the Department of Health, Education, and Welfare.

Budget expenditures for labor and welfare programs will be more than double the amount a decade ago. During the same period,

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trust fund expenditures for these programs, including social security and unemployment compensation, will have quintupled to an estimated $16.2 billion in 1961.

New obligational authority recommended for 1961 totals $4.5 billion, about the same as for 1960 but $356 million more than for 1959. Reductions from 1960 are recommended in the grant-in-aid programs for assistance to schools in federally-affected areas, for hospital construction, and for waste treatment works construction. Larger appropriations are proposed for other presently authorized activities in the fields of science, vocational rehabilitation, education, welfare, and health. In addition, a number of new programs are recommended to meet important national needs, particularly in the education and labor fields.

In the last several years great strides forward have been made in the social security, welfare, and health fields. The Secretary of Health, Education, and Welfare is continually reviewing the various programs in these fields for the purpose of determining where improvement should be made. As needs for improvement are found, appropriate recommendations will be made.

Labor and Welfare:

BUDGET TOTALS

[In billions]

	1959 actual	*1960 estimate*	*1961 estimate*
Expenditures	$4.4	$4.4	$4.6
New obligational authority	4.2	4.5	4.5

LEGISLATIVE PROPOSALS

1. Authorize financial help for local school construction.
2. Authorize financial assistance for construction of college facilities.
3. Revise programs for aid to schools in federally-affected areas.
4. Remove affidavit requirement from National Defense Education Act.
5. Finance grants for administration of employment security system from trust fund.
6. Widen coverage of unemployment compensation system.
7. Strengthen Welfare and Pension Plan Disclosure Act.
8. Extend protection of Fair Labor Standards Act to additional workers.
9. Assure equal pay for equal work.
10. Improve laws governing hours of work and overtime pay on Federal construction projects.
11. Strengthen authority for air and water pollution control.
12. Revise military service reimbursement to railroad retirement trust fund.

Education and research.—Our Nation seeks to foster a climate of freedom and creativity in which education, the arts, and funda-

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LABOR AND WELFARE

[Fiscal years. In millions]

Program or agency	Budget expenditures			Recommended new obligational authority for 1961
	1959 actual	1960 estimate	1961 estimate	
Promotion of education:				
National Science Foundation, science education	$51	$54	$59	$70
Department of Health, Education, and Welfare:				
Defense education program	78	134	170	171
Assistance to schools in federally-affected areas	216	234	207	171
Vocational education and other	63	67	67	69
Other, primarily Bureau of Indian Affairs	60	60	62	65
Promotion of science, research, libraries and museums:				
National Science Foundation, basic research	55	71	101	122
Department of Commerce:				
Bureau of the Census	23	91	36	29
National Bureau of Standards and other	12	22	33	50
Other	27	37	50	45
Labor and manpower:				
Temporary extended unemployment compensation	447	−7	----	----
Grants for administration of employment service and unemployment compensation	306	323	311	326
Other	91	99	124	126
Promotion of public health:				
National Institutes of Health, research grants and activities	265	364	390	400
Grants for construction of health research facilities	23	26	29	25
Hospital construction grants	136	144	161	126
Grants for construction of waste treatment facilities	36	45	45	20
Other	243	271	279	276
Public assistance	1, 969	2, 056	2, 087	2, 087
Correctional and penal institutions	39	46	48	57
Other welfare services:				
School lunch and special milk programs	218	234	234	225
Other	61	71	76	79
Total	4, 421	4, 441	4, 569	[1] 4, 538

[1] Compares with new obligational authority of $4,182 million enacted for 1959 and $4,543 million (including $22 million in anticipated supplemental appropriations) estimated for 1960.

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mental science can flourish. The Federal Government helps in the attainment of these objectives through programs for support of basic research, aid to educational institutions, and training assistance to individuals in various fields important to the national interest. In this budget I recommend increased appropriations for high-priority education and research programs and enactment of new legislation to authorize additional aids to education.

I am recommending repeal of the provision of the National Defense Education Act that prohibits payments or loans from being made to any individual unless he executes an affidavit that he does not believe in or belong to any organization that teaches the illegal overthrow of the Government. This affidavit requirement is unwarranted and justifiably resented by a large part of our educational community which feels that it is being singled out for this requirement.

Education.—Expenditures for the education-aid programs authorized by the National Defense Education Act of 1958 will increase sharply in 1961. During the current school year more than 100,000 students from 1,368 colleges, about four times the number of students last year, are expected to borrow from college loan funds to which the Government makes repayable advances. A supplemental appropriation of nearly $10 million is proposed to enlarge this loan program for 1960. A small increase in appropriations is recommended for 1961 pending further experience on the rate at which loans will be made to students. Increases are also proposed for fellowships for prospective college teachers; for grants to States for science, mathematics, and foreign language teaching equipment; for research in the educational use of television and other media; for contracts with universities for training of counselors and for foreign language training; and for grants to States for vocational training in occupations requiring scientific skills.

Appropriations of $70 million are requested for aids to science education programs administered by the National Science Foundation, an increase of $3 million over the amount provided in 1960.

The budget includes the same aggregate amount for vocational education programs as was appropriated this year, but with shift in emphasis. The need for Federal assistance in the vocational education programs begun in 1917 for the purpose of stimulating training in agriculture, home economics, industrial trades, and distributive occupations is not as great as for promotion of training in new science-age skills. Thus as increased funds for training needs in new skills are provided under the National Defense Education Act, Federal assistance for the older programs is being reduced by a corresponding amount.

Appropriations recommended for 1961 to assist school districts whose enrollment comes partially from children whose parents work

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or reside on Federal property are $54 million below those enacted for 1960 and are in line with requirements under legislation proposed by the administration last year. The appropriation recommended for these programs is the maximum which I believe should be provided. The substantial increase in Federal employment during World War II, which led to the enactment of this legislation in 1950, has been superseded by a relatively stable Federal establishment. In many cases, the presence of Federal installations in the communities adds to rather than detracts from the revenue base for the support of schools. This is particularly true where parents employed by the Government live on private property which is subject to State and local taxation even though they earn their income on nontaxable Federal property. The proposed legislation would discharge more equitably the Federal responsibility in these districts, and its prompt enactment by the Congress is recommended.

The pressing need now is not for aid to federally-affected districts on the basis initiated in 1950 but for general aid to help localities with limited resources to build public schools. Despite encouraging progress in the rate of school construction, many school districts are still finding it difficult to avoid overcrowding and double sessions as enrollments continue to mount. Moreover, increasing secondary school enrollments require facilities which are much more costly than elementary school classrooms. Last year the administration recommended legislation authorizing annual Federal advances to local school districts to pay up to half the debt service (principal and interest) on $3 billion of bonds to be issued in the next five years for school construction. This legislation is designed to stimulate, not supplant, additional State and local effort. Affirmative action should be taken this year on that proposal.

Congressional approval of the administration's proposals for aid to higher educational institutions is also essential. The enrollment growth facing colleges and universities from 1960 to 1975 brings a need for additional academic, housing, and related educational facilities. To help colleges finance the construction required, the administration's proposal would authorize Federal guarantees of $1 billion in bonds with interest subject to Federal taxation, and would provide Federal grants, payable over 20 years, equal to 25% of the principal of $2 billion of bonds. This program would provide aid on a much broader basis, and result in the construction of much larger total amounts of college facilities per dollar of Federal expenditures, than the present more limited college housing loan program which should be allowed to expire.

Basic research.—To provide a strong foundation of fundamental scientific knowledge for the Nation's future advancement, this budget

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provides, in various functional categories including major national security, expenditures totaling more than $600 million for support of basic research in 1961.

Appropriations of $122 million are recommended for support of basic research by the National Science Foundation, an increase of $34 million over 1960. The total includes $79 million for basic research projects and $15 million for grants to universities for modernization of graduate level laboratories under a program initiated in 1960. Increased support is also provided for scientific work of the Bureau of Standards, including funds for two new laboratories, as a first step in the construction of completely new facilities for the agency.

Oceanography.—Federal support of oceanography and related marine sciences is being substantially augmented by several agencies under a long-range program developed by the Federal Council on Science and Technology to strengthen the Nation's effort in this field. This program stems from a study undertaken by the National Academy of Sciences at the request of several agencies. The expansion of oceanographic research will be undertaken by the Navy, the Departments of Commerce and the Interior, and the National Science Foundation. Funds are provided for the construction of new vessels and the replacement of obsolete vessels, and for increased support for research by private institutions.

Government statistical services.—Adequate and timely national statistical information is essential for recording and appraising the performance of the Nation's economy, and for formulating public and private policies. Activities planned in various agencies for the fiscal year 1961 will help close significant gaps in our statistical information and make improvements in current data. Obligations for these purposes in the various functional categories of the budget are estimated at $62 million, including $20 million for the decennial census and other periodic statistical programs.

This budget includes funds for tabulating and processing basic economic and demographic data collected through the Eighteenth Decennial Census, and for the final publication of the results of the 1958 censuses of business, manufactures, and mineral industries. Other recommendations include the initiation of a new series on the service trades and the improvement of data on retail trade, on consumer prices, on health, on crop and livestock production, and on State and local government finances.

Labor and manpower.—Last year the administration recommended and the Congress enacted much-needed legislation designed to protect workers and the public from racketeering, corruption, and

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abuse of democratic processes which had been disclosed in the affairs of a few labor unions. To assure effective and efficient administration of this new law, the budget recommends supplemental appropriations in 1960 for the National Labor Relations Board and the newly established Bureau of Labor-Management Reports in the Department of Labor. Increased appropriations are proposed for both agencies for 1961. Additional funds needed by the Department of Justice will be requested later when requirements can be better determined.

Appropriations of $326 million are requested in the fiscal year 1961 for grants to the States to administer the Federal-State employment security system with its network of 1,800 offices throughout the country. These grants are now financed from an earmarked Federal tax and the transactions involved increase both budget receipts and expenditures, even though these funds cannot be used for general Government purposes. Legislation proposed by the administration last year for financing this program through the unemployment trust fund should be enacted. Amounts equal to the proceeds from this tax could then be placed directly in the trust fund from which the necessary grants could be appropriated and an adequate balance could be maintained as a reserve for employment security purposes. The administration of the program would then be financed in essentially the same way as other major social insurance programs.

The job placement services and unemployment compensation payments provided through the State employment security offices are important for a smoothly operating free labor market in a growing economy. These services and payments provide also for security against economic hardship for the work force covered by the system. I again urge the enactment of legislation to extend unemployment compensation to some 3 million workers, primarily those employed in small enterprises. Some States have recently made encouraging progress in increasing the duration and level of benefits, but more needs to be done and additional States should take these steps.

Action is needed to strengthen the financial position of the unemployment compensation system. Although the reserves of most States proved adequate in the past recession, a few were and still are in a precarious condition. Moreover, reserve funds in most States have fallen behind the growth in payrolls during the last decade, and in certain States could be inadequate in the event of future economic distress. I have asked the Secretary of Labor to make a study of this problem and to report to me his conclusions.

Previously proposed amendments to strengthen the basic authority in the Welfare and Pension Plan Disclosure Act should be enacted, and the protection of the Fair Labor Standards Act should be extended to several million additional workers in accordance with previous recommendations. Legislation is likewise again proposed to assure

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equal pay for equal work, and to strengthen and improve laws governing hours of work and overtime pay on direct Federal and certain federally-aided construction projects.

Public health.—Advances in medical technology and the spread of private health insurance have played important roles in raising the level of health services for our rapidly growing population. At the same time, the growing demand for better health care has contributed to shortages of facilities, medical and scientific manpower, and supporting health workers, as well as to the rising cost of medical and hospital services.

In order to deal effectively with these developments, the Federal Government has expanded its public health programs and is actively seeking solutions to the Nation's health problems. Expenditures in the fiscal year 1961 are estimated to total $904 million, which is $53 million more than in 1960 and nearly three times the level five years earlier. The largest part of the increase is for medical research and training of research workers through programs of the National Institutes of Health, for which the estimated expenditures of $390 million in 1961 will be four times as great as five years ago. Expenditures for hospital construction grants are estimated at $161 million in 1961, a threefold increase during the same period.

The Department of Health, Education, and Welfare will insist on maintaining high standards in determining the acceptability of medical research projects for Federal support. As I indicated last August in approving the 1960 appropriations for the Department, it is essential that Federal grants for these projects be so administered that medical manpower is not unduly diverted from other pressing needs and that Federal funds are not substituted for funds from private sources. The 1960 appropriation of $400 million for the National Institutes of Health will not be entirely committed this year even with advanced funding of certain training programs. I am recommending that 1961 appropriations to the National Institutes of Health continue at the high level of 1960.

The recommended appropriation for the Hill-Burton hospital construction program for 1961 is consistent with the levels achieved by this program before the 1958 recession. It will assure that sufficient new general hospitals can be financed to keep pace with population growth, cover current obsolescence rates, and provide for 6,000 new beds to reduce the backlog of needs. The remainder of this program, covering diagnostic and other special facilities, would approximate the 1959 and 1960 levels.

The 1961 appropriation proposed for construction of waste treatment facilities is the same as that requested for 1960. It represents the maximum amount which I believe is warranted for a construction

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program which is and should remain primarily a State and local responsibility.

Larger appropriations are proposed for other health programs where present or impending needs create urgent priorities. Emerging health problems of increasing seriousness to our population arise from the complexities of the environment in which we live. To cope with the far-reaching problems of environmental health on a more systematic and intensive basis, this budget provides substantial increases to the Public Health Service for air pollution, water pollution, and radiological health control activities. These increases for radiological health, together with the stepped-up activity by the Atomic Energy Commission and other agencies, will permit a greatly intensified effort by the Federal Government in this field. In order to provide for more effective Federal air and water pollution control activities, the Secretary of Health, Education, and Welfare will make legislative recommendations to strengthen the enforcement provisions of the Water Pollution Control Act and to authorize greater Federal leadership in combating air pollution.

Rapid technological developments in the production, processing, and marketing of foods, drugs, and other products likewise underline the necessity for more research and action for the protection of the consumer. To meet this need, the budget continues to emphasize an orderly expansion of the Food and Drug Administration, expenditures for which will be more than double those five years ago.

Social insurance and other welfare.—The social security insurance system now provides basic protection against loss of income from death, disability, and retirement to about 85% of our labor force. Another 8% are covered under the railroad retirement system and other public retirement systems.

Social security and public assistance.—At the present time 10 million of the 16 million people aged 65 and over are receiving monthly old-age or survivors insurance benefits. This vast insurance system, which will pay $11.7 billion in old-age, survivors, and disability benefits to 14.6 million people of all ages in 1961, is administered at a cost of about 2% of the social security taxes.

Our social insurance and public retirement systems provide basic protection to the worker and his family. For those who have no such protection and whose incomes are insufficient to meet basic needs, the Federal Government shares, through grants to the States, in providing four categories of public assistance payments. These are (1) old-age assistance, (2) aid to the blind, (3) aid to dependent children, and (4) aid to the permanently and totally disabled. In 1961, the Federal share for payments, made to an estimated monthly average of 5.9 million beneficiaries, will total an estimated $2.1 billion, or about 58%

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of the total Federal-State-local public assistance expenditures. This contrasts with Federal expenditures of $1.1 billion, representing a Federal share of 52%, for payments to 4.9 million individuals in 1950.

Public assistance has long been recognized as primarily a responsibility of the State and local governments, because need for these payments in individual cases can best be determined at the local level. I am particularly concerned about the growing Federal share, especially because it tends to weaken this sense of State and local responsibility.

While we are spending hundreds of millions for aid to the needy, there are large gaps in our knowledge of the causes of dependency and of the best ways to alleviate or prevent it. I believe that appropriations to initiate a program of research and demonstration projects designed to identify and alleviate these causes are highly necessary and I have so recommended in this budget.

Military service credits.—It has long been recognized that military service should be counted towards the rights of employees under the various public retirement programs. Likewise, where employees are not required to make payroll contributions during military service, the trust funds from which benefits based on such service are paid should be reimbursed by the Government. However, the Federal Government should not, as required under the Railroad Retirement Act, pay more than the true cost of such benefits or pay to both the railroad retirement account and to the old-age, survivors, and disability insurance trust funds for the same military service benefits.

Accordingly, I repeat my earlier recommendation that the Federal Government should reimburse the railroad retirement account only for the actual added cost of benefits resulting from military service. Pending action on legislation dealing with substantial overpayments found by the Comptroller General, no provision is made in this budget for further Federal military service payments to either the railroad retirement account or the old-age, survivors, and disability insurance trust funds.

Other welfare services.—This budget includes recommended appropriations for vocational rehabilitation totaling $72 million for the fiscal year 1961, primarily for grants to help the State agencies rehabilitate an estimated 93,000 individuals, about 6% more than in 1960.

Grants to all school systems in the States through the school lunch and special milk programs of the Department of Agriculture are estimated at $234 million in 1961, approximately the same as in 1960. These programs will provide improved diets for 11.8 million children, on the average, in 1961. The 1961 amount is in addition to the commodities which are distributed to the schools through the disposal

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programs classified in this budget under agriculture and agricultural resources.

The health, employment, income, and other needs of the increasing number of elderly people in our population can be met only through the combined efforts and cooperation of private, local, State, and Federal organizations and agencies. The White House Conference on Aging, to be held in January 1961, and the State conferences which precede it should help point the way toward more productive and satisfying living for our aged citizens.

The realization of our aspirations for a better society in the years to come will in large measure depend upon the way in which our children and youth are prepared to realize their maximum potential. This will be the vital concern of the White House Conference on Children and Youth, which will be held in March 1960 and through which private and public organizations will endeavor to bring their wisest and most expert counsel together on this vitally important matter.

VETERANS SERVICES AND BENEFITS

Expenditures for veterans programs are estimated to rise by $314 million to $5.5 billion in 1961, chiefly because of additional pension cases and higher pension rates, both authorized by the Veterans' Pension Act of 1959. The increase for pensions, amounting to $438 million, will be partly offset by a decrease of $128 million in readjustment benefit expenditures.

Programs of the Veterans Administration, providing compensation and pension, medical, and readjustment benefits for the Nation's veterans, rank fourth in size among all Government functions in this budget. Total expenditures for these programs, as presently authorized, will continue to increase in future years as our veterans advance in age. The 23 million living veterans, together with the dependents and survivors of veterans, comprise a total of 81 million people, a considerable proportion of whom are potential recipients of one or more types of benefits.

This country has provided a wide range of benefits and services for war veterans and their families to meet needs resulting from military service. Disability and death compensation benefits have been provided for veterans who were injured in the service or for their survivors. The Servicemen's and Veterans' Survivor Benefits Act of 1956 improved the death benefit structure both for wartime and peacetime servicemen. In 1957, general disability compensation rates were increased by 10%, and a still larger increase was enacted in the basic rate for the totally disabled.

A first-rate hospital and medical care program is also being provided. During the past year a long-range policy for stabilizing the Veterans Administration's hospital program at 125,000 beds has been

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established, and beginning with the 1961 budget a 12-year hospital modernization program is being initiated that will ultimately cost $900 million.

Veterans Services and Benefits:

BUDGET TOTALS

[In billions]

	1959 actual	1960 estimate	1961 estimate
Expenditures	$5.2	$5.2	$5.5
New obligational authority	5.1	5.2	5.5

LEGISLATIVE PROPOSAL

Provide vocational rehabilitation for peacetime ex-servicemen with service-connected disabilities.

The 21 million veterans who served during World War II or the Korean conflict were eligible for benefits from the highly successful readjustment programs. For the 16 million World War II veterans the GI bill provided unemployment and self-employment compensation payments to 9.7 million veterans; education and training benefits to 8.4 million veterans; and loan assistance to 5 million veterans for the acquisition or improvement of homes, farms, and businesses. Except for the loan guarantee and direct loan programs, which will terminate on July 25, 1960, the World War II readjustment benefits have essentially expired. Similar readjustment programs, which will continue into 1965 for veterans of the Korean conflict, have already provided 2.3 million veterans with education and training benefits and 700,000 with loans. The special unemployment compensation program for Korean conflict veterans which ends in 1961 has aided 1.3 million veterans. No further extension or liberalization of these benefits is needed.

The long-standing veterans pension program also provides special assistance to war veterans for needs not arising from military service. The Veterans' Pension Act of 1959 was an important step in the modernization of the program. It eliminated the disparity in eligibility for pensions between the widows of World War I veterans and those of later wars, and provided higher benefits for all persons who could demonstrate need under a new sliding scale income test. No further liberalization of the laws concerning pensions for non-service-connected disability is proposed.

In addition to the special veterans programs, a great majority of veterans participate in the general social security, health, and welfare programs which are financed wholly or in part by the Federal Government. In the future these general programs will provide with increasing adequacy for the economic security needs of our elderly population, of which veterans and their widows will constitute a large and increasing proportion for several decades.

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VETERANS SERVICES AND BENEFITS

[Fiscal years. In millions]

Program or agency	Budget expenditures			Recommended new obligational authority for 1961
	1959 actual	1960 estimate	1961 estimate	
Readjustment benefits:				
Education and training	$574	$445	$316	$286
Loan guarantee and other benefits	133	115	124	124
Unemployment compensation	44	8	--------	--------
Compensation and pensions:				
Service-connected compensation	2,070	2,071	2,066	2,066
Non-service-connected pensions	1,153	1,278	1,716	1,716
Burial and other allowances	52	58	58	58
Hospitals and medical care	875	906	928	933
Hospital construction	45	60	63	75
Insurance and servicemen's indemnities	35	36	31	49
Other services and administration	193	180	169	168
Total	5,174	5,157	5,471	[1] 5,476

[1] Compares with new obligational authority of $5,125 million enacted for 1959 and $5,176 million (including $114 million in anticipated supplemental appropriations) estimated for 1960.

Readjustment benefits.—Readjustment assistance is expected to decline significantly from 1960 to 1961, primarily because of the reduction in the number of veterans of the Korean conflict participating in educational or vocational training programs. An average of 225,000 veterans will receive training in 1961, compared to 325,000 in 1960 and 425,000 in 1959. Educational benefits for war orphans, which were enacted in 1956, are expected to total over $17 million in 1961.

Peacetime ex-servicemen are recognized as being in a different category from wartime veterans because of the different conditions under which they serve. Those who serve in peacetime undergo fewer rigors and hazards than their combat comrades. The disruption of their educational plans and careers is minimized under peacetime selective service procedures. While on active service they now receive substantial pay and benefits, and they return to civilian life under more favorable conditions after receiving valuable training while in service.

To discharge its responsibility to peacetime ex-servicemen, the Federal Government has provided unemployment compensation, employment service and reemployment rights, and service-connected disability or death compensation. One additional benefit should be added to these in accord with my earlier recommendations: a program of vocational rehabilitation for those with substantial service-con-

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nected disabilities. On the other hand, I oppose the establishment of special educational and loan guarantee programs for peacetime ex-servicemen. Such benefits are not justified because they are not supported by the conditions of military service. Moreover, they would be directly contrary to the incentives which have been provided to encourage capable individuals to make military service a career.

Compensation and pensions.—Expenditures for compensation for service-connected disabilities and deaths will show only a minor change in 1961. A reduction in the number of World War I and II veterans on the rolls will be offset somewhat by the addition of veterans of the Korean conflict and peacetime ex-servicemen. Compensation will be paid for an estimated 2.4 million cases during 1961.

The net impact of the 1959 law governing non-service-connected pensions is to add several hundred thousand new cases to the rolls at an estimated additional cost of $284 million in 1961 and an estimated cumulative cost of $9 billion during the next 40 years. Expenditures are also increasing because of the growing number of World War I veterans reaching age 65. Approximately 40% of all World War I veterans over 65 are now receiving pensions. An average of 1.9 million veterans and families of deceased veterans are expected to receive pensions in 1961; this is 26% more than in 1960 and 38% more than in 1959.

Hospital and medical services.—The budget includes $928 million of expenditures in 1961 for hospital and medical care for veterans. The increase of $22 million from 1960 is to continue improvements in the staffing and quality of service in the hospitals and to meet the higher costs of hospital and medical care generally. Hospital and domiciliary care will be provided during the year for an average of 141,250 beneficiaries per day, and a total of 2,300,000 veterans will receive medical or dental care for service-connected disabilities in outpatient clinics.

Hospital construction.—As a first step toward an orderly 12-year program for modernization of existing veterans' hospital facilities, an appropriation of $75 million is proposed for 1961. Of this total, $53 million is for construction of replacement hospitals at Cleveland, Ohio (800 beds); Washington, D.C. (700 beds); and Martinez, Calif. (500 beds). The remainder is for a large number of modernization projects.

Administration.—The general operating expenses of the Veterans Administration are expected to decline approximately 7% in 1961, reflecting decreased workloads in loan and educational programs, improved administrative procedures particularly in insurance operations, and the application of modern electronic equipment to recording and paying veterans benefits.

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INTEREST

Interest payments are estimated to rise $200 million to $9.6 billion in the fiscal year 1961. These payments, almost entirely for interest on the public debt, represent 12% of budget expenditures.

INTEREST

[Fiscal years. In millions]

Item	Budget expenditures			Recommended new obligational authority for 1961
	1959 actual	1960 estimate	1961 estimate	
Interest on public debt	$7, 593	$9, 300	$9, 500	$9, 500
Interest on refunds of receipts	70	75	75	75
Interest on uninvested funds	9	9	10	10
Total	7, 671	9, 385	9, 585	9, 585

For a year and a half now, market rates of interest have been increasing, reflecting inflationary pressures, the high level of investment demands in our economy and heavy Federal borrowing required by the 1958 and 1959 budget deficits. The rise in market rates requires the Treasury to pay higher interest on securities issued to refinance the heavy volume of maturing obligations, which were issued when interest rates were lower.

It is imperative that the Congress lift the present legal ceiling of 4¼% on interest rates on all Government obligations having maturities of more than five years. Otherwise, interest payments could rise even more sharply. The current interest rate on shorter term securities is now higher than on long-term bonds, and the continued need to limit financing to the short-term market tends to raise interest rates more than if the financing could be spread over both the short- and long-term markets.

GENERAL GOVERNMENT

Expenditures for general government activities are estimated to rise by $200 million to $1.9 billion in the fiscal year 1961, primarily because of increased construction of Government buildings and a new appropriation to the civil service retirement fund required by law.

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Federal financial management.—There is growing evidence that a considerable amount of revenue is lost annually to the Government because of the failure of some individuals and businesses to report fully the income which they have received. The existence of such a condition seriously weakens the integrity of our tax system, and places an unfair share of the total tax burden upon the vast majority of citizens who conscientiously report all of their taxable income. This budget includes an increase of $29 million for the Internal Revenue Service, primarily to strengthen its enforcement programs, including initiation of an electronic computer system. I urge its approval as the first step in a long-range plan to prevent this revenue loss. The additional costs should be recovered many times through increased tax collections in later years.

General Government:

BUDGET TOTALS

[In billions]

	1959 actual	*1960 estimate*	*1961 estimate*
Expenditures	$1.6	$1.7	$1.9
New obligational authority	1.8	1.6	1.9

LEGISLATIVE PROPOSALS

1. Establish policy for financing civil service retirement.
2. Charge civil service benefits for certain widows and retired employees to trust fund after 1961.
3. Make 1958 salary increase for Post Office field personnel permanent.
4. Revise laws to reflect admission of State of Hawaii.
5. Provide home rule for District of Columbia.
6. Create transportation corporation for National Capital area.
7. Authorize nonvoting resident commissioners for Guam and Virgin Islands.
8. Amend immigration and nationality laws.
9. Include goal of price stability in Employment Act.
10. Enact civil rights legislation.
11. Create additional Federal judgeships.
12. Strengthen laws against organized crime.
13. Increase authorization for Commission on International Rules of Judicial Procedure.
14. Reimburse citizens for certain World War II property damage.
15. Authorize civilian achievement awards.

General property and records management.—The efficient and economical operation of many Federal agencies is hindered by inadequate office space, much of which is rented. Accordingly, new obligational authority of $185 million is recommended for fiscal year 1961 for the planning and construction of additional general office space. Although no funds for such construction were appropriated for 1960, expenditures will rise in 1961 as outlays for new construction are added to those for construction initiated in prior years.

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GENERAL GOVERNMENT

[Fiscal years. In millions]

Program or agency	Budget expenditures			Recommended new obligational authority for 1961
	1959 actual	1960 estimate	1961 estimate	
Legislative functions	$102	$121	$146	$95
Judicial functions	47	50	53	53
Executive direction and management	12	13	14	14
Federal financial management	566	560	591	595
General property and records management	291	384	432	469
Central personnel management and employment costs	205	198	251	251
Civilian weather services	46	52	58	63
Protective services and alien control	216	218	229	230
Territories and possessions, and the District of Columbia	89	96	126	124
Other general government	30	20	12	15
Total	1,606	1,711	1,911	[1] 1,910

[1] Compares with new obligational authority of $1,795 million enacted for 1959 and $1,645 million (including $7 million in anticipated supplemental appropriations) estimated for 1960.

In addition, the estimate for the legislative functions includes increased expenditures for a new office building for the House of Representatives.

The General Services Administration, in collaboration with other agencies, has developed a new program for improved use of excess personal property by Federal agencies, and faster, more efficient disposal of surplus property. This involves more effective screening of such property and simplifying the procedures under which agencies are advised of its availability for other uses.

Central personnel management.—The Civil Service Commission and the Bureau of the Budget have recently recommended a long-range policy on financing the civil service retirement system. I hope the Congress will speedily enact these recommendations, which would assure continued availability in the fund of the full amount of the net accumulations from employee contributions and establish a definite basis for meeting the Government's share of the costs consistent with the principle that its full faith and credit support the authorized benefits.

A new appropriation of $46 million for payments to the civil service retirement fund is requested for 1961 to finance the costs of new or

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increased benefits enacted in 1958 for certain widows or widowers of former Federal employees and for certain retired employees. The law provides that these particular benefits cannot be continued after July 1, 1960, unless such an appropriation is made. Recipients of these benefits should enjoy the same assurance of uninterrupted payment as do other annuitants of the civil service retirement system, and the Federal liability in their case is not different from that for other benefits under this program. Accordingly, I recommend that the Congress consider, in connection with the legislation referred to in the preceding paragraph, authorizing the civil service retirement and disability fund to bear the future cost of these particular benefits without a specific appropriation.

The budget provides approximately $120 million to pay the Government's share of the Federal Employees Health Benefits Act of 1959, which becomes effective in the fiscal year 1961, and which will provide opportunity for approximately 2 million employees and 2.4 million dependents to have reasonable protection against the cost of both basic and major health care. This program will add substantially to employee fringe benefits, which in the aggregate now compare very favorably with those provided to employees in private industry.

In 1958 immediately following enactment of a 10% general salary increase for Federal civilian employees, I proposed to the Congress a review of all compensation systems in the three branches of the Federal Government, directed toward adoption of an equitable employee compensation policy. This recommendation was renewed in my budget message for the 1960 fiscal year.

It has been more than 30 years since a thorough-going review has been made of the manner in which the Federal Government compensates its employees. There are now dozens of pay plans in the executive branch alone. Review and coordination of the excessive number of pay plans now in existence are the most effective means of removing inequities which adversely affect the Government's ability to recruit and retain qualified personnel in some fields. Continued patching of individual Federal salary systems is not satisfactory as a substitute for a comprehensive Federal pay policy, which should be developed either by authorizing a Joint Commission such as I proposed or by some other equally effective means. Pending development and adoption of such a comprehensive policy, a general pay raise would be unwarranted, unfair to the taxpayers of the United States, and inequitable as among employees compensated under different and unrelated pay systems.

The budget estimates for the Post Office Department assume legislative action to continue that part of the 1958 salary increase for postal field service employees which expires on January 20, 1961.

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Civilian weather services.—Appropriations totaling $63 million are recommended for the fiscal year 1961 for the Weather Bureau. The $12 million increase over the amounts enacted for 1960 will permit expanded research, weather observation, and forecasting services. These improvements are necessary primarily to keep pace with advances in air traffic controls. Research projects include intensive investigation of hurricanes and tornadoes, and the development of a semiautomatic system for the collection and analysis of weather data.

Hawaii.—Our Union was greatly strengthened in 1959 by the admission of the States of Alaska and Hawaii. As in the case of Alaska, comprehensive legislation will be necessary to enable Hawaii to take its place as the equal of the other 49 States. Recommendations will be transmitted to the Congress concerning those changes needed in Federal laws in order to bring Hawaii under the same general laws, rules, and policies as are applicable to the other States.

Territories, Possessions, and District of Columbia.—Completion of action on statehood for Alaska and Hawaii makes it all the more urgent that legislation to provide home rule for the District of Columbia be enacted without delay. Both equity and efficiency require that the people of the Nation's Capital be given a voice in their own local government and that the role of the Federal Government be limited to matters of Federal concern.

Legislation will shortly be proposed to the Congress to establish a Government corporation to develop an improved mass transportation system in the National Capital metropolitan area, pending creation of an interstate agency to assume this responsibility.

To foster further development of democratic institutions and in keeping with the growth of local self-government, action should be taken to authorize the Virgin Islands and Guam to be represented in the Congress through nonvoting resident commissioners.

Intergovernmental relations.—There are many problems requiring attention of the recently established Advisory Commission on Intergovernmental Relations. Foremost among these are the problems of allocation of tax sources among various levels of government and rapid growth of metropolitan areas.

An aspect of intergovernmental relations requiring attention in both the legislative and executive branches involves a series of court decisions permitting local taxation of federally-owned property in the hands of contractors and leaseholders. This matter should be resolved in the context of the broader subject of Federal payments in lieu of taxes.

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Other recommendations.—Legislation enacted in the last session of Congress to amend the immigration and nationality laws failed to cover several significant proposals, including modification of the quota system. Prompt action is needed on these remaining items.

To strengthen the Government's hand in restraining inflationary forces, I urge that the Employment Act of 1946 be amended to make reasonable price stability an explicit goal of Federal economic policy, coordinate with the goals of maximum production, employment, and purchasing power now specified in that Act.

I urge the Congress to enact the remaining six points of the civil rights program that I recommended last year. The Civil Rights Commission, extended for an additional two years by the last session of Congress, continues its important work and has developed additional constructive recommendations, particularly for protecting the right of every citizen to vote. I hope these recommendations will also be earnestly considered by the Congress.

I also recommend that the Congress create additional Federal judgeships, as proposed by the Judicial Conference, and strengthen Federal laws against organized crime.

Legislation will be submitted to increase the authorization for appropriations for the Commission on International Rules of Judicial Procedure in order that it may complete its work successfully.

It is important that legislation now before the Congress be enacted to provide reimbursement to Americans for certain property damage in Europe and the Far East during World War II for which compensation has not previously been authorized.

I again recommend that a system be devised for suitable recognition in the United States for distinguished achievement in various fields of endeavor.

IMPROVEMENTS IN BUDGETING, ORGANIZATION, AND MANAGEMENT

The decisions made by Government are vital to so many aspects of our national life that improvement of the procedures through which these decisions are made should be a continuing major goal. A substantial number of important specific steps can and should be taken to improve these practices.

Revisions in authorization and appropriation procedure.—Contract authority and authorizations to spend from debt receipts in basic legislation outside the appropriation process are generally inconsistent with sound standards of budget practice. The recommendations being placed before the Congress in this budget are based upon the principle

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Budget and Organization Improvement:

LEGISLATIVE PROPOSALS

1. Simplify congressional appropriation authorization procedures for continuing programs.
2. Authorize the item veto for appropriation bills.
3. Extend appropriation control over use of foreign currencies by Government agencies.
4. Establish revolving funds for certain business-type activities.
5. Revise and extend coverage of Government Corporation Control Act.
6. Remove time limitation from Reorganization Act.

that authority to make budget obligations and expenditures, whether financed from receipts or borrowing, should be granted by the Congress only in appropriation acts.

The Congress has shown a growing tendency to require the annual enactment of authorizing legislation before appropriations may be made. Space programs, some mutual security programs, military and atomic energy construction in this budget, and much of defense procurement beginning in fiscal 1962, will require separate authorizations before appropriations can be considered. Under this procedure these programs receive a duplicating review each year. At the same time the value of legislative consideration and expression of long-range program objectives and amounts is largely lost, and agency personnel devote an inordinate amount of time to the congressional process at the expense of effective administration of the continuing program. I hope the Congress will find it possible generally to make authorizing legislation cover program requirements for longer periods of time.

In the interest of good government, methods to expedite the authorization and appropriation processes should be found. In order to facilitate early consideration, and also to show the Government program more fully, this budget includes specific proposed appropriations for a number of programs for which authorizing legislation must also be renewed. In most of these cases, proposals for such legislation will be submitted in a very short time. This procedure should be an improvement over the past practice of delaying submission of detailed estimates until the renewing legislation has been enacted.

Before the executive budget is presented to Congress annually, the most careful consideration is given to the relationships of spending to receipts and borrowing, and to relative priorities of various programs. When the budget reaches the Congress, however, its consideration is usually fragmented because of the distribution of responsibilities among the various committees and subcommittees. I believe that the Congress should find means by which it can more effectively examine the budget as a whole and base its actions on the overall fiscal situation.

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Provision for item veto.—In passing the Alaska and Hawaii statehood acts, the Congress again recognized the value of an item veto by a chief executive by approving provision for its use in their State constitutions. Forty-one State Governors now have item veto authority. Many Presidents have recommended it, but the Congress has not yet granted the President of the United States that power. I again recommend it.

Control of foreign currencies.—The Government receives from its operations considerable quantities of foreign currencies each year. Much of this currency is earmarked for grants to and loans in the country concerned, and some is available for programs of the U.S. Government. In many countries the currencies available to us are needed for conducting normal U.S. operations, yet such use is prevented in some cases by statutes or by the international agreements under which the currencies are received.

As a result of a detailed study, this budget includes provisions to bring under budget and appropriation controls all foreign currencies available for U.S. agency operations which are received from the sale of surplus agricultural commodities. This change will not alter total appropriations or expenditures, but will increase those of the agencies using the currencies and decrease those of the Commodity Credit Corporation. Accordingly, I intend that no more allocations be made for uncontrolled use after the current fiscal year except for country grants and loans committed in international agreements, and I recommend that at an appropriate time the Congress remove from the laws the provisions which permit uncontrolled use for other purposes. I am also instructing that in future negotiations of international agreements we endeavor to avoid restrictions which would limit our ability to apply normal budget and appropriation controls to the use of those currencies which are earmarked for U.S. agency operations.

Improved funding for public enterprises.—Major business-type activities of the Government should, with few exceptions, operate on a self-sustaining basis. Their budgets and accounts should permit ready comparison of their expenses and revenues. They should have simplicity in their financing structure and the flexibility in expenditures necessary to meet unforeseen business conditions, but should be expected to keep their obligations and expenditures within the resources provided by Congress for that purpose, and should be subject to annual review and control by the Congress. Accordingly, I recommend that the Rural Electrification Administration, the Farmers Home Administration, the Bureau of Reclamation, the power-marketing agencies of the Department of the Interior, and the loan

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guarantee programs of the Veterans Administration be financed through revolving funds. Similar recommendations may be made in due time for other business-type activities.

Legislation is again being recommended to bring under budget review the activities of those few Government corporations which are now exempt from such review, but possess authority to draw money from the Treasury or to commit the Treasury for future expenditures. This can best be done by including them under the budget provisions of the Government Corporation Control Act.

Revision of budget presentation.—In this budget more than half of the 626 appropriation accounts of the executive branch have been presented on a cost basis. The remaining appropriations, including those for the Department of Defense, will be converted to this basis as soon as possible. This budget also provides for accrued expenditure limitations for 12 appropriations, in accordance with legislation enacted in 1958. Such limitations are recommended to permit closer congressional control over annual expenditures.

The customary totals of budget receipts and budget expenditures are distorted by the inclusion in both of interest and other payments by public enterprise funds to the general fund of the Treasury. Such interfund payments amounted to $355 million in the fiscal year 1959, and are estimated at $737 million for 1960 and $779 million for 1961. While this duplication does not affect the amount of the budget surplus or deficit, it does overstate the size of the budget receipts and expenditures. To correct this it is planned that such amounts, while still shown within the figures for the affected agencies, will be eliminated from budget totals in financial statements on Government operations beginning with the fiscal year 1961. I also plan to present the 1962 budget so as to remove this duplication. However, in order to preserve full comparability with previous budgets, no such adjustments are shown in the amounts in this document. If adjustments had been made, the net totals would appear as follows:

ADJUSTED BUDGET TOTALS, EXCLUDING INTERFUND PAYMENTS

[Fiscal years. In billions]

	1959 actual	1960 estimate	1961 estimate
Budget receipts	$67.9	$77.9	$83.2
Budget expenditures	80.3	77.7	79.0
Budget deficit	12.4	----	----
Budget surplus	----	.2	4.2

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Strengthening of organization and management.—From the beginning of this administration I have placed emphasis on obtaining the best possible executive ability in the administration of the widespread and diverse activities of the Federal Government and on providing the best organizational structure in which officials can carry out their responsibilities. This continued emphasis is essential not only to operate the complex machinery of government effectively, but also to meet the constant flow of new problems of organization and management.

In recent years several major organizational improvements have been made, including the establishment of the Department of Health, Education, and Welfare, the Federal Aviation Agency, and the National Aeronautics and Space Administration, as well as new organizational structures for defense programs and for civilian and defense mobilization activities. The many actions taken on recommendations of the two Hoover Commissions have also resulted in more efficient administration.

The Reorganization Act of 1949, as amended, under which numerous executive agencies and functions have been reorganized, contains a limitation of June 1, 1959, for the transmittal of reorganization plans by the President to the Congress. Accordingly, this authority is not now available. I urgently recommend that this cutoff date be removed in order to permit continued use of that act by me and by my successor in improving the management and organization of the executive branch.

The search for better management and operations is a never-ending process. Like all large organizations, the Federal Government continues to have management problems. For example, property management offers an enormous challenge, and in the past year greater attention has been focused on it. Application of new data-processing techniques to Government operations is under constant study. The Post Office Department is improving its operations by installing modern methods of mail handling and transportation. The Treasury Department is using up-to-date data-processing equipment to achieve more effective administration of disbursements and revenue collection. These are but a few of many examples, and this budget provides for further improvements.

At my request, the heads of all Government agencies will give renewed emphasis to the review of management procedures and operating activities to make sure that the most modern methods, techniques, and equipment are in use. All agency heads have been encouraged to continue to search for the best practices in other

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Government agencies, in business, or in industry, to apply them in their own agencies to the extent possible during the term of this administration, and to leave to their successors a legacy of plans for further improvement.

The plans presented in this budget meet the Nation's immediate needs and will support continuing sound economic growth in the future. The achievement of these plans, however, will in the last analysis depend on the people themselves.

I believe our people have the determination to hold expenditures in check, to pay their own way without borrowing from their children, to choose wisely among priorities, and to match sound public policy with private initiative. It is that determination which is the key to continued progress and sound growth with security. It is that determination which reinforces the recommendations I have made.

DWIGHT D. EISENHOWER.

JANUARY 18, 1960.

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PART I

SUMMARY TABLES

Table 1. Summary of Budget Receipts and Expenditures
Table 2. Summary of Budget Expenditures (by Agency)
Table 3. Summary of New Obligational Authority (by Function and Agency)
Table 4. Summary of Changes in Status of Public Debt
Table 5. Summary of Budget and Trust Transactions for Fiscal Year 1961

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INTRODUCTION TO PART I

Part I of the budget contains five summary tables. Each of these tables is designed to bring together in one or two pages some overall aspect of the Federal budget.

TYPES OF FUNDS

A basic distinction is made between Federal funds on the one hand, and trust and deposit funds on the other.

The *Federal* (Government-owned) funds are of four types as follows:

The *general* fund is credited with receipts which are not earmarked by law for a specific purpose, and is charged with expenditures that are payable from appropriations (except appropriations of earmarked receipts) and those payable from borrowing. Both in number of items and in amounts, most of the Government's business is transacted through the general fund.

Special funds are those which are established to account for receipts that are earmarked by law for a specific purpose. They exclude the funds which carry on a cycle of operations for which there is continuing authority to use the receipts (as described in the next paragraph). Some special funds are subject to annual appropriation by Congress. Others are automatically available under the laws which created the funds.

Public enterprise (*revolving*) funds are those which finance a cycle of operations, in which the expenditures generate receipts coming primarily from the public and available for continuing use. They include nearly all of the Government corporations, the postal fund, and various unincorporated enterprises.

Intragovernmental revolving and management funds (including *consolidated working* funds) are those which are created to facilitate financing operations within and between Government agencies. They consist of two types—*intragovernmental revolving* funds which finance a cycle of operations, like public enterprise funds but with receipts primarily from within the Government; and *management* funds which permit the pooling of advance payments from two or more appropriations to carry out certain activities.

The other funds, for which the Government serves in a fiduciary capacity, are of two types—*trust* funds and *deposit* funds. They are explained in the introduction to part III.

BUDGET RECEIPTS, EXPENDITURES, AND SURPLUS OR DEFICIT

The budget totals and the budget surplus or deficit relate only to the Federal funds, and exclude trust and deposit funds. Tables 1, 2, and 3 are therefore limited to transactions of the Federal funds.

Basis of stating budget receipts.—Table 1 includes a summary of budget receipts. Budget receipts represent the total received for the general fund and the special funds, less (*a*) refunds of receipts and (*b*) transfers to trust fund receipts in the four cases where the law provides an indefinite appropriation to a trust fund in an amount equal to certain tax receipts. Gross receipts and the deductions are itemized in special analysis B of part IV.

Internal revenue and customs receipts are stated on the basis of collections reported by collecting officers. Other receipts are reported on the basis of confirmed deposits.

Basis of stating budget expenditures.—Tables 1 and 2 include information on budget expenditures. Such expenditures cover the general fund, the special funds, the public enterprise funds, and the intragovernmental revolving and management funds. Expenditures for the public enterprise funds and for the intragovernmental funds are included in the totals on a *net* basis—that is, their collections are deducted from gross expenditures and the results are the net expenditures. Interagency payments and reimbursements to appropriations are also netted; that is, to avoid double counting they are treated only as expenditures of the agency whose appropriation or fund is ultimately bearing the charge. Some incidental reimbursements from outside the Government to appropriations are similarly netted out of expenditure figures.

Under the *checks-issued* basis which is used, expenditures are reported for the fiscal year in which the checks are issued, regardless of when the obligation was incurred or when the goods and services were received. Modifications in this basis are made as follows: (*a*) Where payment is made in cash instead of by check, the cash payment is an expenditure; (*b*) where payment is made by the issuance of bonds or by an increase in their redemption value, instead of by the issuance of checks, such an issuance or increase is an expenditure; and (*c*) interest on the public debt, other than increases in the redemption values of savings bonds, is reported on an accrual basis.

Debt and investment transactions.—Receipts never include money obtained from borrowing by any type of Federal fund. Nor are borrowings considered as a deduction in arriving at budget expenditures. Similarly, retirement of debt is always excluded from budget expenditure figures of all types of Federal funds. The purchase of U.S. Government securities, and redemptions or sales thereof, are also excluded from expenditure and receipt figures.

Eliminations from both receipts and expenditures.—Certain transfers from one fund to another are eliminated from budget receipts and expenditures. This is done to avoid inflating both sides of the budget. Payments to the general fund of earnings and dividends on capital of revolving funds, and the return of such capital to the general fund are the items so excluded, and reported in special analysis F of part IV. However, interest paid to Treasury by such funds is considered a cost of the fund and has not been eliminated.

Budget surplus or deficit.—The budget surplus or deficit shown in table 1 represents the difference between the *budget receipts* and *budget expenditures* of a given year. Cash balances, appropriation balances, and surpluses and deficits of previous years are not a part of the calculation.

NEW OBLIGATIONAL AUTHORITY

Table 3 summarizes the new obligational authority—the total of authority becoming available in a given fiscal year for entering into new obligations.

The obligation basis.—Expenditures can be made only pursuant to appropriations or other specific authority

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granted by Congress. Government agencies are generally permitted by law to incur obligations requiring the future payment of money only when they have an appropriation or other specific authority to do so. Congressional action on the budget must therefore include authority to cover *obligations* expected to be incurred within the fiscal year, rather than to cover only the *expenditures* which are expected to be made during that year in payment of obligations.

Types of new obligational authority.—There are three basic types of new obligational authority: Appropriations, contract authorizations, and authorizations to expend from debt receipts. In addition, there are sometimes reappropriations and reauthorizations.

Appropriations are authorizations to make expenditures from the general fund of the Treasury or from the various special funds. In some cases the authority to incur obligations has previously been granted in the form of contract authorizations; in such cases, the appropriation to permit the payment of such obligations is said to be to *liquidate contract authorizations* and it is not a part of new obligational authority. In all other cases appropriations confer authority both to incur new obligations and to pay for them.

Contract authorizations are authorizations to incur obligations prior to the enactment of an appropriation. A contract authorization does not in itself permit the spending of money; hence it must be followed by an appropriation to permit payment of the contracts and other obligations thus incurred.

Authorizations to expend from debt receipts are authorizations to incur obligations and make expenditures from borrowed money. Such authorizations may take these forms: (*a*) Authorizations for the Treasury to make public debt receipts available to a given agency or enterprise, often in exchange for notes of the enterprise; (*b*) authorizations for a Government-owned corporation to borrow directly from the public; and (*c*) cancellation of notes which have been issued by a Government enterprise and are held by the Treasury, where the cancellation has the effect of permitting further expenditures to be made (through restoring previously used authority to borrow from the Treasury).

Reappropriations and *reauthorizations* are actions to continue available part or all of the unused balances of prior appropriations or authorizations which would otherwise expire. When the authorizations thus continued had been previously granted for current operations of the year, the continuation of their availability into a new year constitutes new obligational authority.

Distinction between permanent and current authorizations.—Some new obligational authority is *permanent*, but most is *current*. The permanent items are those under which additional sums become available from time to time under action previously taken by the Congress; no further action is required each year. Most permanent authorizations are in force until repealed; a few are in effect for only a few years as specified in the law. The current authorizations are those enacted by Congress in or immediately preceding each fiscal year.

PROPOSED FOR LATER TRANSMISSION

Tables 1, 2, and 3 identify in separate columns the portion of receipts, new obligational authority, and expenditures which are anticipated under supplemental budget items, not provided for in the appropriation text in this budget, but planned for formal transmittal to the Congress later. Such estimates include, in addition to the various items which are identified in part II, an "allowance for contingencies" to cover items which cannot be foreseen now but which may be transmitted later if the need arises. Congressional action upon this allowance may be requested later, not at a single time nor as a single lump-sum item, but in the form of a number of specific appropriations for individual items.

As a general rule, where legislation is proposed to extend or renew the authorization for current programs, this budget includes, in part II, recommendations for the necessary new obligational authority in the form of detailed estimates ready for congressional consideration when action on the authorizing legislation will allow. This is a change from previous budgets where forecasts of the amounts needed for such legislation were identified in lump sum as "Proposed for later transmission, under proposed legislation" (followed by transmittal later of the detailed estimates).

EFFECT ON THE DEBT

Table 4 gives details regarding the effect of each year's operations upon the public debt. The budget surplus or deficit is not the only factor which causes a change in the public debt. The amount necessary to borrow or available to repay is also influenced by: Changes in cash balances; the result of trust fund transactions; the use of borrowing directly from the public (not Treasury borrowing) as a means of financing budget expenditures of certain enterprises (and the repayments of such borrowing as an application of public enterprise fund receipts); and the change in the amount of checks outstanding and other items in process of clearance through the accounts.

CONSOLIDATED STATEMENT

Table 5 brings together the total financial plan for the Government—the budget figures for Federal funds and the estimates for trust and deposit funds—for 1961; and it presents a consolidated statement of receipts from and payments to the public. The statement not only eliminates interfund payments, but also brings in transactions of certain Government-sponsored enterprises which are not otherwise reflected in the budget, converts to a cash basis those expenditures which are made in the form of debt issuances (or increases in the redemption value of debt), and eliminates noncash receipts resulting from seigniorage. Details and further explanations are given in special analysis A of part IV.

CLASSIFICATIONS

Receipts are classified in tables 1 and 5 by *source*, a classification which is set forth in detail in special analysis B of part IV.

Expenditures and new obligational authority are classified in two ways in the part I tables. A classification by *function*, used in tables 1 and 5 and the first part of table 3, groups transactions according to broad governmental purposes; subcategories of this classification as applied to Federal funds are set forth in special analysis C. A classification by *agency*, used in table 2 and the second part of table 3, shows transactions by major organizational units of the Government, with most agencies that are independent of the ten executive departments being grouped together. The main entries in this classification correspond to "chapters" in part II of the budget and to the way in which part III is organized.

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TABLE 1

SUMMARY OF BUDGET RECEIPTS AND EXPENDITURES

Based on existing and proposed legislation

[In millions]

Description	1959 actual	1960 estimate			1961 estimate		
		Under existing laws and authorizations enacted or recommended	Proposed for later transmission	Total	Under existing laws and authorizations enacted or recommended	Proposed for later transmission	Total
BUDGET RECEIPTS (special analysis B):							
Individual income taxes	**$36,719**	$40,306	----------	**$40,306**	$43,706	----------	**$43,706**
Corporation income taxes	**17,309**	22,200	----------	**22,200**	22,300	$1,200	**23,500**
Excise taxes	**8,504**	9,100	----------	**9,100**	7,891	1,632	**9,523**
Employment taxes	**321**	333	----------	**333**	340	----------	**340**
Estate and gift taxes	**1,333**	1,470	----------	**1,470**	1,620	----------	**1,620**
Customs	**925**	1,176	----------	**1,176**	1,376	----------	**1,376**
Miscellaneous budget receipts	**3,160**	4,015	----------	**4,015**	3,923	12	**3,935**
Budget receipts	**68,270**	78,600	----------	**78,600**	81,156	2,844	**84,000**
BUDGET EXPENDITURES (special analysis C):							
Major national security	**46,426**	45,627	$23	**45,650**	45,544	24	**45,568**
International affairs and finance	**3,780**	2,058	7	**2,066**	2,180	62	**2,242**
Veterans services and benefits	**5,174**	5,043	114	**5,157**	5,471	----------	**5,471**
Labor and welfare	**4,421**	4,424	17	**4,441**	4,563	6	**4,569**
Agriculture and agricultural resources	**6,529**	5,111	2	**5,113**	4,906	717	**5,623**
Natural resources	**1,669**	1,759	26	**1,785**	1,933	5	**1,938**
Commerce and housing	**3,421**	2,896	107	**3,002**	3,262	[1]—553	**2,709**
General government	**1,606**	1,704	7	**1,711**	1,911	([2])	**1,911**
Interest	**7,671**	9,385	----------	**9,385**	9,585	----------	**9,585**
Allowance for contingencies	----------	----------	75	**75**	----------	200	**200**
Budget expenditures	**80,697**	78,005	378	**78,383**	79,354	461	**79,816**
Budget surplus (+) or deficit (—)	**—12,427**	----------	----------	**+217**	----------	----------	**+4,184**

[1] Includes proposed postal rate increases of $554 million.

[2] Less than one-half million dollars.

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TABLE 2

SUMMARY OF BUDGET EXPENDITURES

BY AGENCY

[In millions]

Description	1959 actual	1960 estimate			1961 estimate		
		Under authorizations already enacted	Proposed for later transmission	Total	Under authorizations enacted or recommended in this document	Proposed for later transmission	Total
Legislative branch	**$118**	$135	----------	**$135**	$162	----------	**$162**
The judiciary	**47**	48	$1	**49**	52	----------	**52**
Executive Office of the President	**56**	64	2	**67**	78	$1	**79**
Funds appropriated to the President:							
Mutual security—economic	**1, 524**	1, 550	----------	**1, 550**	1, 700	----------	**1, 700**
Other	**252**	198	----------	**198**	114	----------	**114**
Independent offices:							
Atomic Energy Commission	**2, 541**	2, 675	----------	**2, 675**	2, 689	----------	**2, 689**
National Aeronautics and Space Administration	**145**	322	3	**325**	585	15	**600**
Veterans Adminstration	**5, 232**	5, 253	114	**5, 367**	5, 446	----------	**5, 446**
Other	**1, 397**	1, 114	12	**1, 125**	1, 470	−23	**1, 446**
General Services Administration	**359**	424	6	**430**	458	----------	**458**
Housing and Home Finance Agency	**1, 152**	303	58	**361**	497	3	**500**
Department of Agriculture	**7, 091**	5, 686	20	**5, 706**	5, 481	720	**6, 201**
Department of Commerce	**382**	512	32	**544**	463	10	**473**
Department of Defense—Military	**43, 573**	42, 722	23	**42, 745**	42, 721	24	**42, 745**
Department of Defense—Civil	**807**	904	3	**907**	972	(1)	**972**
Department of Health, Education, and Welfare	**3, 092**	3, 402	15	**3, 417**	3, 511	5	**3, 517**
Department of the Interior	**751**	739	5	**744**	807	2	**809**
Department of Justice	**250**	259	(1)	**259**	271	(1)	**271**
Department of Labor	**1, 016**	543	1	**544**	539	(1)	**540**
Post Office Department	**774**	604	----------	**604**	603	−554	**49**
Department of State	**264**	230	7	**238**	234	58	**292**
Treasury Department	**9, 841**	10, 284	(1)	**10, 284**	10, 452	(1)	**10, 452**
District of Columbia	**31**	34	----------	**34**	48	----------	**48**
Allowance for contingencies	----------	----------	75	**75**	----------	200	**200**
Budget expenditures	**80, 697**	78, 005	378	**78, 383**	79, 354	461	**79, 816**

[1] Less than one-half million dollars.

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TABLE 3

SUMMARY OF NEW OBLIGATIONAL AUTHORITY

BY FUNCTION AND AGENCY

Based on existing and proposed legislation

[In millions]

Description	1959 enacted	1960 estimate			1961 estimate		
		Enacted	Proposed for later transmission	Total	Recommended in this document	Proposed for later transmission	Total
BY FUNCTION							
Major national security	**$45, 517**	$44, 724	$25	**$44, 749**	$45, 258	$24	**$45, 282**
International affairs and finance	**6, 982**	2, 647	[3] 49	**2, 697**	2, 666	49	**2, 715**
Veterans services and benefits	**5, 125**	5, 062	114	**5, 176**	5, 476	----------	**5, 476**
Labor and welfare	**4, 182**	4, 521	22	**4, 543**	4, 538	----------	**4, 538**
Agriculture and agricultural resources	**5, 421**	4, 396	[3] 704	**5, 099**	4, 538	32	**4, 570**
Natural resources	**1, 742**	2, 506	32	**2, 538**	1, 836	----------	**1, 836**
Commerce and housing	**2, 929**	3, 718	71	**3, 789**	3, 701	[2] —497	**3, 204**
General government	**1, 795**	1, 637	7	**1, 645**	1, 910	(1)	**1, 910**
Interest	**7, 671**	9, 385	----------	**9, 385**	9, 585	----------	**9, 585**
Allowance for contingencies	----------	----------	100	**100**	----------	300	**300**
Total new obligational authority	**81, 365**	78, 596	1, 125	**79, 721**	79, 507	—92	**79, 415**
BY AGENCY							
Legislative branch	**120**	115	----------	**115**	116	----------	**116**
The judiciary	**48**	48	1	**49**	53	----------	**53**
Executive Office of the President	**55**	63	3	**66**	87	----------	**87**
Funds appropriated to the President:							
Mutual security—economic	**1, 933**	1, 926	----------	**1, 926**	2, 175	----------	**2, 175**
Other	**121**	18	----------	**18**	16	----------	**16**
Independent offices:							
Atomic Energy Commission	**2, 723**	2, 802	----------	**2, 802**	2, 666	----------	**2, 666**
National Aeronautics and Space Administration	**305**	501	23	**524**	802	----------	**802**
Veterans Administration	**5, 221**	5, 293	114	**5, 407**	5, 465	----------	**5, 465**
Other	**1, 312**	2, 027	[3] 6	**2, 033**	1, 468	(1)	**1, 468**
General Services Administration	**497**	278	6	**284**	508	----------	**508**
Housing and Home Finance Agency	**258**	780	13	**793**	652	----------	**652**
Department of Agriculture	**5, 926**	4, 908	[3] 725	**5, 633**	5, 049	32	**5, 081**
Department of Commerce	**471**	547	32	**579**	506	57	**563**
Department of Defense—Military	**42, 683**	41, 922	25	**41, 947**	42, 553	24	**42, 577**
Department of Defense—Civil	**867**	924	3	**927**	978	----------	**978**
Department of Health, Education, and Welfare	**3, 255**	3, 466	21	**3, 487**	3, 431	----------	**3, 431**
Department of the Interior	**791**	746	7	**753**	771	----------	**771**
Department of Justice	**253**	266	(1)	**266**	281	----------	**281**
Department of Labor	**597**	549	1	**550**	555	----------	**555**
Post Office Department	**625**	656	----------	**656**	603	[2] —554	**49**
Department of State	**245**	222	[3] 45	**266**	250	49	**299**
Treasury Department	**13, 024**	10, 476	(1)	**10, 476**	10, 469	----------	**10, 469**
District of Columbia	**33**	62	----------	**62**	53	----------	**53**
Allowance for contingencies	----------	----------	100	**100**	----------	300	**300**
Total new obligational authority	**81, 365**	78, 596	1, 125	**79, 721**	79, 507	—92	**79, 415**

[1] Less than one-half million dollars.

[2] Includes proposed postal rate increases of $554 million.

[3] Includes amounts for special foreign currency programs recommended in this document.

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TABLE 4

SUMMARY OF CHANGES IN STATUS OF PUBLIC DEBT

[In millions]

Description	1959 actual	1960 estimate	1961 estimate
EFFECT OF OPERATIONS ON CASH BALANCES AND PUBLIC DEBT			
Effect of operations on cash balances:			
Budget surplus or deficit (−)	−$12, 427	$217	$4, 184
Trust fund operations, increase or decrease (−) in cash balances (table 10)	−230	−42	300
Public enterprise debt and investment transactions, net (special analysis F)	−99	−156	−79
Increase or decrease (−) in outstanding checks, deposits in transit, and similar items	−29	99	95
Total effect of operations on cash balances	−12, 785	118	4, 500
Cash balances at start of year:			
In Treasury	9, 749	5, 350	5, 350
Outside Treasury	1, 011	988	900
Cash position resulting from operations	−2, 025	6, 456	10, 750
Less cash balances at close of year:			
In Treasury	5, 350	5, 350	5, 350
Outside Treasury	988	900	900
Increase (−) or decrease in public debt	−8, 363	206	4, 500
Public debt at start of year	$276, 343	$284, 706	$284, 500
Increase or decrease (−) in public debt	8, 363	−206	−4, 500
Public debt at close of year	284, 706	284, 500	280, 000
COMPARISON OF PUBLIC DEBT WITH STATUTORY LIMITATION			
Public debt at close of year	$284, 706	$284, 500	$280, 000
Plus guaranteed obligations of Government agencies not owned by Treasury	111	116	107
Less debt not subject to statutory limitation	418	400	350
Debt subject to statutory limitation	284, 398	284, 216	279, 757
Statutory limitation on debt at close of year	[1] 290, 000	295, 000	285, 000
Maximum statutory limitation on debt during year	[1] 290, 000	295, 000	[2]

[1] Effective on June 30, 1959, only, otherwise during year the statutory limitation was $288, 000 million.

[2] Increase to be recommended as indicated in the budget message.

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TABLE 5

SUMMARY OF BUDGET AND TRUST TRANSACTIONS FOR FISCAL YEAR 1961

Based on existing and proposed legislation

[In millions]

Description	Budget funds (table 1)	Trust funds (table 10)	Interfund and other items (special analysis A)	Consolidated (special analysis A)
RECEIPTS				
Individual income taxes	$43,706			$43,706
Corporation income taxes	23,500			23,500
Excise taxes	9,523	$2,950		12,473
Employment taxes	340	12,325		12,665
Estate and gift taxes	1,620			1,620
Customs	1,376			1,376
Miscellaneous budget and trust receipts	3,935	7,272	−$4,369	6,837
Total receipts	84,000	22,547	−4,369	102,178
EXPENDITURES				
Major national security	45,568	333	−3	45,898
International affairs and finance	2,242	14	−64	2,192
Veterans services and benefits	5,471	664	−10	6,125
Labor and welfare	4,569	16,159	−447	20,281
Agriculture and agricultural resources	5,623	18	−165	5,475
Natural resources	1,938	36	−3	1,970
Commerce and housing	2,709	3,723	−868	5,565
General government	1,911	443	−61	2,293
Interest	9,585	[1]	−1,627	7,958
Allowance for contingencies	200			200
Undistributed		−111	−1,589	−1,700
Total expenditures	79,816	21,278	−4,837	96,257
Excess of receipts over expenditures	4,184	1,269	468	5,921

[1] Less than one-half million dollars.

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PART II

ESTIMATES FOR FEDERAL FUNDS

Table 6. Summary of Budget Authorizations, Obligations, Expenditures, and Balances
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Detailed Estimates:
- Legislative Branch
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- Department of Commerce
- Department of Defense—Military
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- Department of Health, Education, and Welfare
- Department of the Interior
- Department of Justice
- Department of Labor
- Post Office Department
- Department of State
- Treasury Department
- District of Columbia

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INTRODUCTION TO PART II

Part II contains the details of the budget for Federal funds, including various types of tables and schedules, explanatory statements of the work to be performed and the money needed, and the text of the language proposed for enactment by Congress on each item of authorization. Included herein is also material on a few trust funds which require congressional action.

This part of the budget begins with 4 statements (tables 6 through 9) which supplement the tables of part I. The remainder of part II is arranged in chapters reflecting the organization of the Government.

Each chapter begins with a summary narrative statement and certain summary tables. These are followed by detailed material for each appropriation or fund.

SUMMARY TABLES AND THEIR CONTENTS

SUMMARIES OF AUTHORIZATIONS AND EXPENDITURES

Listing of accounts.—A principal table for each chapter shows the new obligational authority and budget expenditures by appropriation or fund account. The listing is arranged by bureau or comparable organization unit and, for each such unit, is divided into several sections: Current authorizations (other than for public enterprise and intragovernmental funds), permanent authorizations, public enterprise and intragovernmental funds, and supplemental items proposed for later transmission.

Authorizations by type.—Forms of new obligational authority other than appropriations are set forth under the applicable account titles, indentified by separate line entries. A recapitulation at the end of the account listing shows the authorizations divided between current and permanent and classified by type. In this recapitulation new obligational authority for public enterprise and intragovernmental funds is classified with other authority of the same type. The figures are carried forward into a governmentwide summary in table 7.

Classification by function.—Functional code numbers appear in a separate column of the chapter listings, indicating the category in the functional table (special analysis C of part IV) where each item has been included.

Transactions of public enterprise funds.—An appended table in each chapter is used for public enterprise funds. It shows the gross expenditures, the receipts from operations, and the budget expenditures (the difference between the two other figures). The figures for gross expenditures and for receipts are derived from the detailed business-type budget statements, which show expenditures and receipts on an accrual basis with a single adjustment (on either the expenditure or receipt side but not both) for the conversion from an accrual to a checks-issued basis (net). The figures from the chapters are totaled in table 9.

SUMMARIES OF BALANCES CARRIED FORWARD

An analysis of unexpended balances for each chapter shows the balances of budget authorizations carried forward at start and end of the past, current, and budget years. These balances are summarized in table 8.

Many budget authorizations are available for obligation for only 1 year, but some are available for longer periods of time or without time limit. In the case of those which are for a specific period of time, unobligated balances are written off at the end of that time, but obligated balances remain available indefinitely to pay outstanding obligations lawfully incurred.

In the case of salaries and wages, travel, and like items, the lag between obligations and expenditures is usually no more than a few weeks or a few months. In the case of construction, major procurement, certain research contracts and similar items, the lag between obligations and expenditures may be 1 or 2 years or even longer.

Balances are not in the form of cash, but are bookkeeping authority for the incurring of obligations or for the making of expenditures. Cash must be provided at the time the expenditures occur.

The unobligated balance for each account or fund represents the difference between the unexpended balance and the net obligations outstanding. Net obligations outstanding represent the unpaid obligations (both those which have accrued into liabilities and those which are undelivered or unperformed) less the accounts receivable and intragovernmental orders for services or material which have been accepted but have not yet become receivables.

RELATIONSHIP OF TRANSACTIONS AND BALANCES

The total amount available—new obligational authority plus balances brought forward and adjustments—is shown on the last of the chapter summary tables, together with the expenditures and other disposition made of the amounts available. The body of the table is arranged to "flow" from start to end of the year; obligations incurred, net, are shown for reference at the end.

Similar information, but arranged to place obligations incurred within the sequence of the table's flow, is summarized for the Government as a whole in table 6.

Writeoffs, restorations, and other adjustments in availability.—Writeoffs of unused balances of authorizations occur in four ways: (*a*) rescissions by act of Congress; (*b*) the automatic lapsing of unobligated balances when an appropriation expires for purposes of obligation; (*c*) the return of capital and transfer of dividends from revolving funds to the general fund; and (*d*) adjustments in the obligated balances of expired accounts due to the payment of obligations in smaller amounts than anticipated or to the amendment or canceling of obligations.

Restorations of balances previously written off occur in the case of expired accounts when the balances left for payment of old obligations are insufficient to cover them, due to payments in larger amounts than anticipated, the amendment of obligations, or the discovery of previously unrecorded items.

Obligations incurred, net.—The obligations incurred are stated on a gross basis in the detailed schedules, but are summarized on a net basis, consistent with the method of stating budget expenditures and new obligational authority. Thus, the summary figures are based on total obligations incurred less reimbursements to appropriation accounts, revenues and other receipts of revolving funds, and recoveries of prior obligations.

Authority for expenditures.—Expenditures for the budget year are broken down on two tables in each chapter summary into those coming out of new obligational authority of the same year and those coming out of balances, etc. It is generally assumed that prior year balances available in commingled accounts will be obligated before the new authorizations are obligated, and that expenditures will reflect the liquidation of those obligations on the basis of previous experience.

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FORM OF DETAILED MATERIAL

For each appropriation, the budget includes certain detailed material, as follows: (1) appropriation language, if applicable; (2) a schedule of program and financing; (3) a narrative statement on program and performance; (4) a schedule of object classification. An exception occurs in the case of certain permanent appropriations and other older appropriation accounts on which only a residual balance remains; such accounts of a bureau or independent agency are often combined into a single presentation instead of having detailed schedules. In cases where the total obligations fall in a single object class, the object classification is identified in the program and financing schedule, rather than in a separate schedule.

In the case of revolving funds, there is usually the material listed above, together with three additional schedules, covering (5) the sources and application of funds; (6) revenue, expense, and retained earnings; and (7) financial condition. For some intragovernmental revolving funds the program and financing schedule is omitted.

APPROPRIATION LANGUAGE

The language proposed for inclusion in the 1961 appropriation acts is printed at the head of each item requiring action by Congress, except for those items which are not formally recommended at this time but will be proposed for later transmission. The language of the 1960 appropriation acts is used as a base. Following the language are citations to relevant laws and the appropriation act from which the text is taken, as in this example:

ESTABLISHMENT OF METEOROLOGICAL FACILITIES

For an additional amount for the acquisition, establishment, and relocation of [meteorological] *operational* facilities and related equipment, including the alteration and modernization of existing facilities: [$2,500,000] *$7,000,000*, to remain available until June 30, [1962] *1963*: *Provided*, That the appropriations heretofore granted under this head shall be merged with this appropriation. (*15 U.S.C. 311, 313, 313a, 317, 325, 328; 72 Stat. 783; Department of Commerce and Related Agencies Appropriation Act, 1960.*)

Roman type shows the text used in the 1960 appropriation acts. Italic type indicates proposed new language. Brackets enclose material which it is proposed to omit.

SCHEDULE OF PROGRAM AND FINANCING

This schedule consists of two parts. In the section for program by activities, obligations are classified by purpose, program, or project. This classification, especially tailored for each agency and account, reflects the particular duties and responsibilities for which the money is used. The financing section shows the appropriation provided and other means of financing the program, and the disposition of amounts not used during the year. Only three of the possible entries are illustrated here:

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Upper air observational facilities	$55,726	$1,470,500	$933,100
2. Weather surveillance radar	188,785	910,100	638,400
3. Surface observational facilities	67,783	204,100	3,137,700
4. Construction, remote localities	265,653	170,000	245,000
5. Engineering and technical support	146,793	157,300	352,100
Total obligations	724,740	2,912,000	5,306,300
Financing:			
Comparative transfers to other accounts	1,300,000		
Unobligated balance brought forward	−1,369,360	−919,620	−507,620
Unobligated balance carried forward	919,620	507,620	2,201,320
Appropriation (new obligational authority)	1,575,000	2,500,000	7,000,000

Obligations refer to orders placed, contracts awarded, loan agreements made, and services received during the year, regardless of the time of payment. Appropriations or other obligational authority must be provided by the Congress before obligations can be incurred.

Where the data are available in the accounting system, cost-type budgets are presented. In such cases, figures opposite the activity entries are the value of goods and services consumed in carrying out the program, in the case of operating costs; and they are the value of capital assets received, in the case of capital outlay programs. The program portion of a cost-type budget looks like this:

Program by activities:			
1. Commodity program payments:			
(*a*) Direct purchases	$125,568,387	$105,503,400	$105,503,400
(*b*) Diversion payments	7,860,384		
2. Surplus removal operating expenses	2,372,871	2,646,600	2,646,600
3. Marketing agreements and orders	1,762,470	1,850,000	1,850,000
Total program costs [1]	137,564,112	110,000,000	110,000,000
4. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−16,139,858		
Total program (obligations)	121,424,254	110,000,000	110,000,000

[1] Includes capital outlay as follows: June 30, 1959, $38,073; 1960, $30,000; 1961, $50,000.

In those cases where the program is principally for procurement or public works, additional columns are often shown to make a more complete presentation. Where there is an accrued expenditure limitation there are additional entries to show the relation of costs to accrued expenditures and the relation of accrued expenditures to obligations. The financing section of a cost-type budget schedule is the same as for any other schedule.

The relation of costs to obligations is summarized in one or two lines on this schedule, but is amplified further in an additional table inserted in the narrative statement which follows. A typical table is as follows:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects)		$1,535,699		
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$23,738,918	5,550,525	$7,086,224	$7,086,224
Total selected resources at end of year	23,738,918	7,086,224	7,086,224	7,086,224
Selected resources at start of year (−)		−23,738,918	−7,086,224	−7,086,224
Adjustment of prior year costs and selected resources reported at start of year		512,836		
Costs financed from obligations of other years, net (−)		−16,139,858		

NARRATIVE STATEMENT OF PROGRAM AND PERFORMANCE

The work planned and services proposed to be carried out are described briefly in a narrative statement for each appropriation or fund. Where practicable the narrative statement indicates the expected accomplishment in relation to the financial estimates, and it gives some measures of program and performance. Numbers and program headings in the statements agree with the categories in the statement of program by activities.

SCHEDULE OF OBJECT CLASSIFICATION

There is shown for each account a summary of personal services and a classification of obligations, costs, or accrued expenditures according to a uniform list of objects.

The object classes, 01 to 16, reflect the nature of the things or services purchased, regardless of the purpose or the nature of the program for which they are used.

Permanent positions are those of a full-time nature which are of indefinite duration. Some are filled by persons with temporary appointments. The "number of employees at end of year" represents the number of (*a*) full-time and regularly scheduled part-time employees in

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pay status on the last work day in June, and (*b*) intermittent employees who work at any time during June. This is the basis for reports of the Civil Service Commission.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	23	15	35
Full-time equivalent of all other positions			
Average number of all employees	15	15	30
Number of employees at end of year	15	15	35
Average GS grade and salary	8.0 $6,172	8.1 $6,278	8.1 $6,321
01 Personal services:			
Permanent positions	$102,801	$112,900	$211,800
Positions other than permanent			
Other personal services	4,083	4,400	6,700
Total personal services	106,884	117,300	218,500
02 Travel	35,211	32,000	42,200
03 Transportation of things	59,666	108,600	114,500
04 Communication services	6		
05 Rents and utility services	6,149		4,200
06 Printing and reproduction			
07 Other contractual services	88,821	481,900	263,000
Services performed by other agencies			
08 Supplies and materials	43,816	109,200	104,600
09 Equipment	231,456	1,696,300	4,173,300
10 Lands and structures	146,307	358,900	371,900
11 Grants, subsidies, and contributions	6,403	7,800	14,100
12 Pensions, annuities, and insurance claims			
13 Refunds, awards, and indemnities			
14 Interest			
15 Taxes and assessments	11		
16 Investments and loans			
Total obligations	724,740	2,912,000	5,306,300

Average grades and salaries are computed arithmetically. Thus the average salary sometimes falls outside the salary range of the average grade.

STATEMENT OF SOURCES AND APPLICATION OF FUNDS

For all revolving funds, there is shown a presentation of funds applied and provided, other than the investment of Government capital in the fund, net borrowings, and the repayment of capital and dividends.

The statement generally reflects receipts and expenditures on an accrual basis; an adjustment is made for changes in selected working capital (current assets, other than cash and inventories for sale or manufacture, less current liabilities) in either section of the statement as appropriate. Because of such an adjustment, the gross expenditures shown on the statement, less the receipts from operations, equal budget expenditures on a checks-issued basis, as in the following example:

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Acquisition of equipment	$44,082	$42,500	$22,000
Expense, excluding depreciation	506,601	521,500	543,000
Increase in selected working capital	3,054		
Total gross expenditures	553,737	564,000	565,000
Receipts from operations (funds provided):			
Revenue	517,021	550,000	555,000
Budget expenditures	36,716	14,000	10,000

Because the statement is built on the basis of transactions which affect working capital, it excludes depreciation, losses on loans, and other "nonfund" transactions.

STATEMENT OF REVENUE, EXPENSE, AND RETAINED EARNINGS

For revolving funds there is also presented a statement of revenue and expense, computed on an accrual basis, and the resulting net income or loss for the year. This statement is usually on a full accrual basis, including sums for depreciation, provisions for losses on receivables, etc. Where a fund consists of several programs, revenue and expense may be identified for each; otherwise they are shown only for the fund as a whole, as here illustrated:

Revenue, Expense, and Retained Earnings

Revenue	$517,021	$550,000	$555,000
Expense	518,396	535,000	559,000
Net income or loss (−) for the year	−1,375	15,000	−4,000
Retained earnings, beginning of year	177,190	175,815	190,815
Retained earnings, end of year	175,815	190,815	186,815

The statement includes an analysis of the retained earnings or the cumulative deficit. This analysis shows any additions to earnings, other than net income for the year, any charges made against retained earnings, and the balance of profits kept in the enterprise as of the end of the year (whether in the form of cash, inventories, other current assets, or fixed assets).

STATEMENT OF FINANCIAL CONDITION

For each revolving fund there is presented a balance sheet of assets, liabilities, and investment of the Government at the close of the year, as in this example:

Financial Condition

Assets:			
Cash with Treasury	$71,587	$57,587	$47,587
Accounts receivable, net	7,981	7,981	7,981
Supplies	11,362	11,362	11,362
Equipment, net	121,001	150,001	156,001
Total assets	211,931	226,931	222,931
Liabilities:			
Current	33,331	33,331	33,331
Government investment:			
Non-interest-bearing capital: Start and end of year	2,785	2,785	2,785
Retained earnings	175,815	190,815	186,815
Total Government investment	178,600	193,600	189,600

The balance sheet excludes balances of appropriations or borrowing authorizations which have not yet been paid into the revolving fund. The section on investment of the Government is divided into three subsections as appropriate: (*a*) interest-bearing capital, (*b*) non-interest-bearing capital, and (*c*) retained earnings.

Because the balance sheet is on an accrual basis, it does not reflect the obligations incurred which have not yet matured into liabilities, nor does it reflect unfilled customer orders received and available as a basis for obligation in the case of intragovernmental revolving funds. Therefore, there is appended to the balance sheet a schedule which shows the unobligated balances, relating them to the unexpended balances and showing the computation of the net obligated balance as in the following example:

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash with Treasury	$108,304	$71,587	$57,587	$47,587
Obligated balance, net:				
Current liabilities	36,230	33,331	33,331	33,331
Unpaid undelivered orders	14,808	5,550	5,550	5,550
Accounts receivable, net (−)	−9,620	−7,981	−7,981	−7,981
Total obligated balance	41,418	30,900	30,900	30,900
Unobligated balance	66,886	40,687	26,687	16,687

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TABLE 6

SUMMARY OF BUDGET AUTHORIZATIONS, OBLIGATIONS, EXPENDITURES, AND BALANCES

Based on existing and proposed legislation

[In millions]

Description	1959 enacted	1960 estimate	1961 estimate
Current authorizations:			
Appropriations	$67,381	$67,331	$68,214
Appropriations to liquidate contract authorizations	(283)	(385)	(395)
Authorizations to expend from debt receipts	5,181	1,571	538
Contract authorizations	11	5	
Reappropriations	96	153	23
Total current authorizations	72,670	69,060	68,775
Permanent authorizations:			
Appropriations	8,101	9,876	10,166
Authorizations to expend from debt receipts	188	158	8
Contract authorizations	349	597	437
Reappropriations	57	30	30
Total permanent authorizations	8,695	10,661	10,641
Total new obligational authority	81,365	79,721	79,415
Unobligated balances brought forward, start of year	34,929	34,706	33,340
Appropriation available in prior year (−)	−512	−472	−526
Appropriation available from subsequent year	472	526	526
Unobligated balances carried forward, end of year (−)	−34,706	−33,340	−30,378
Balances no longer available for obligation (−)	−902	−1,179	−654
Obligations incurred, net	80,649	79,962	81,723
Obligated balances brought forward, start of year	37,142	36,922	38,487
Adjustment of obligations in expired accounts	−172	−14	−6
Obligated balances carried forward, end of year (−)	−36,922	−38,487	−40,388
Budget expenditures	80,697	78,383	79,816
Expenditures are distributed as follows:			
Out of new obligational authority	80,697	78,383	53,550
Out of balances of prior authorizations			26,266

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TABLE 7

SUMMARY OF NEW OBLIGATIONAL AUTHORITY

BY TYPE OF AUTHORIZATION AND AGENCY

Based on existing and proposed legislation

[In millions]

Description	1959 enacted	1960 estimate			1961 estimate		
		Enacted	Proposed for later transmission	Total	Recommended in this document	Proposed for later transmission	Total
CURRENT AUTHORIZATIONS							
Appropriations:							
Legislative branch	$109	$110		$110	$116		$116
The judiciary	48	48	$1	49	53		53
Executive Office of the President	55	63	3	66	87		87
Funds appropriated to the President:							
Mutual security—economic	1,933	1,926		1,926	2,175		2,175
Other	121	18		18	16		16
Independent offices:							
Atomic Energy Commission	2,645	2,650		2,650	2,643		2,643
National Aeronautics and Space Administration	305	501	23	524	802		802
Veterans Administration	5,071	5,043	114	5,157	5,464		5,464
Other	1,194	1,146	[2] 6	1,151	1,331	(1)	1,331
General Services Administration	496	277	6	283	506		506
Housing and Home Finance Agency	147	150	13	163	182		182
Department of Agriculture	4,926	4,082	[3] 725	4,807	4,255	$32	4,287
Department of Commerce	434	508	32	540	505	57	562
Department of Defense—Military	42,626	41,892	25	41,917	42,523	24	42,547
Department of Defense—Civil	866	922	3	926	977		977
Department of Health, Education, and Welfare	3,245	3,456	21	3,477	3,421		3,421
Department of the Interior	633	595	7	603	668		668
Department of Justice	253	266	(1)	266	281		281
Department of Labor	597	549	1	550	555		555
Post Office Department	625	656		656	603	[2] —554	49
Department of State	242	219	[3] 45	264	247	49	296
Treasury Department	777	1,066	(1)	1,066	843		843
District of Columbia	33	62		62	53		53
Allowance for contingencies			100	100		300	300
Total appropriations	67,381	66,205	1,125	67,331	68,306	—92	68,214
Appropriations to liquidate contract authorizations:							
Legislative branch	(28)	(19)		(19)	(16)		(16)
Independent offices	(103)	(106)	(11)	(117)	(149)		(149)
Housing and Home Finance Agency	(50)	(90)	(50)	(140)	(151)		(151)
Department of Agriculture	(26)	(28)		(28)	(30)		(30)
Department of Commerce	(33)	(35)		(35)	(1)		(1)
Department of Health, Education, and Welfare	(1)	(1)		(1)	(1)		(1)
Department of the Interior	(42)	(45)		(45)	(48)		(48)
Total authorizations to liquidate contract authorizations	(283)	(324)	(61)	(385)	(395)		(395)
Authorizations to expend from debt receipts:							
Independent offices:							
Veterans Administration		100		100			
Other		750		750			
Housing and Home Finance Agency		275		275	170		170
Department of Agriculture	631	446		446	367		367
Department of the Interior	(1)				1		1
Treasury Department	4,550						
Total authorizations to expend from debt receipts	5,181	1,571		1,571	538		538
Contract authorizations:							
Legislative branch	11	5		5			
Reappropriations:							
Legislative branch	(1)	(1)		(1)			
The judiciary		(1)		(1)			
Independent offices:							
Atomic Energy Commission	78	152		152	23		23
Other	(1)						
Department of Agriculture	18	1		1			
Department of Commerce	(1)						

[1] Less than one-half million dollars.

[2] Proposed postal rate increases.

[3] Includes amounts for special foreign currency programs recommended in this document.

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TABLE 7—Continued

SUMMARY OF NEW OBLIGATIONAL AUTHORITY—Continued

BY TYPE OF AUTHORIZATION AND AGENCY—Continued

Based on existing and proposed legislation—Continued

[In millions]

Description	1959 enacted	1960 estimate			1961 estimate		
		Enacted	Proposed for later transmission	Total	Recommended in this document	Proposed for later transmission	Total
CURRENT AUTHORIZATIONS—Continued							
Reappropriations—Continued							
Department of Health, Education, and Welfare	[1]						
Department of the Interior	[1]	[1]		[1]	[1]		[1]
Total reappropriations	$96	$153		$153	$23		$23
Total current authorizations	72,670	67,934	$1,125	69,060	68,867	−$92	68,775
PERMANENT AUTHORIZATIONS							
Appropriations:							
Independent offices:							
Veterans Administration	1	1		1	1		1
Other	2	2		2	3		3
General Services Administration	1	1		1	2		2
Department of Agriculture	294	346		346	420		420
Department of Defense—Civil	2	2		2	2		2
Department of Health, Education, and Welfare	10	10		10	10		10
Department of the Interior	91	101		101	100		100
Department of Justice	[1]	[1]		[1]			
Department of State	3	3		3	3		3
Treasury Department	7,697	9,410		9,410	9,625		9,625
Total appropriations	8,101	9,876		9,876	10,166		10,166
Authorizations to expend from debt receipts:							
Independent offices: Veterans Administration	150	150		150			
Housing and Home Finance Agency	10	5		5			
Department of Agriculture	27	3		3	8		8
Department of Commerce	1						
Total authorizations to expend from debt receipts	188	158		158	8		8
Contract authorizations:							
Independent offices	115	129		129	135		135
Housing and Home Finance Agency	101	350		350	300		300
Department of Agriculture	30	30		30			
Department of Commerce	36	39		39	1		1
Department of Health, Education, and Welfare	[1]	[1]		[1]	[1]		[1]
Department of the Interior	67	49		49	1		1
Total contract authorizations	349	597		597	437		437
Reappropriations:							
Department of Defense—Military	57	30		30	30		30
Total permanent authorizations	8,695	10,661		10,661	10,641		10,641
Total new obligational authority	81,365	78,596	1,125	79,721	79,507	−92	79,415

[1] Less than one-half million dollars.

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TABLE 8

SUMMARY OF BALANCES AVAILABLE AT START OF YEAR

Based on existing and proposed legislation

[In millions]

Description	1959 actual		1960 actual		1961 estimate		1962 estimate	
	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated
BALANCES OF AUTHORIZATIONS ENACTED OR RECOMMENDED IN THIS DOCUMENT								
Appropriations:								
Legislative branch	$34	$19	$40	$26	$52	$1	$14	$2
The judiciary	3		3		4		4	
Executive Office of the President	37	17	42	1	42	(1)	51	
Funds appropriated to the President:								
Mutual security—economic	1,572	12	1,479	29	1,492	15	1,579	
Other	11	28	14	24	19	9	18	1
Independent offices	1,544	528	1,821	548	2,415	225	2,684	200
General Services Administration	148	169	161	261	192	29	261	14
Housing and Home Finance Agency	3	1	4	1	4	1	4	1
Department of Agriculture	147	341	143	332	154	319	173	311
Department of Commerce	197	88	232	120	333	42	376	31
Department of Defense—Military	24,948	7,918	23,878	7,565	24,714	6,678	25,208	6,171
Department of Defense—Civil	124	92	166	109	247	47	296	13
Department of Health, Education, and Welfare	788	151	906	186	1,065	129	1,016	95
Department of the Interior	199	50	184	59	199	19	221	11
Department of Justice	20	1	15	(1)	19	1	23	3
Department of Labor	8	618	14	171	12		28	
Department of State	83	13	66	5	61	1	77	1
Treasury Department	106	5	92	12	88	201	96	201
District of Columbia		45		48		75		81
Total appropriations	29,972	10,096	29,262	9,495	31,111	7,791	32,130	7,135
Authorizations to expend from debt receipts:								
Funds appropriated to the President:								
Mutual security—economic	92	108	126	74	148	51	181	19
Other	198	179	54	96	74	17	45	−43
Independent offices	1,289	8,007	911	7,952	1,413	8,220	1,766	7,725
Housing and Home Finance Agency	2,791	5,524	2,858	4,122	1,968	4,584	2,084	4,142
Department of Agriculture	1,270	2,971	1,165	1,776	1,233	807	1,026	445
Department of Defense—Civil					5	5	10	
Department of the Interior			(1)		(1)		(1)	
Treasury Department	3	2,787	2	5,962	2	5,962	2	5,962
Total authorizations to expend from debt receipts	5,643	19,576	5,116	19,982	4,843	19,646	5,114	18,251
Contract authorizations:								
Legislative branch	1	102	(1)	61	25	22	15	16
Independent offices	56	58	82	48	105	36	101	24
Housing and Home Finance Agency	266	828	505	640	625	730	825	680
Department of Agriculture	8	27	8	30	11	30	11	
Department of Commerce	19	41	21	42	31	36	2	
Department of Health, Education, and Welfare	1	1	1	1	(1)	1	(1)	
Department of the Interior	25	31	14	66	20	63	21	15
Total contract authorizations	376	1,089	633	889	818	919	976	735
Revolving and management funds:								
Legislative branch	1	16	−2	16	−1	14	(1)	15
Executive Office of the President	(1)	1	(1)	1	(1)	1	1	1
Funds appropriated to the President:								
Mutual security—economic	101	198	556	226	954	203	1,342	215
Other	26		122		14		17	
Independent offices	263	577	229	756	272	824	236	818
General Services Administration	24	26	17	50	25	26	22	22
Housing and Home Finance Agency	201	552	228	619	204	704	204	817
Department of Agriculture	30	67	37	112	37	122	37	116
Department of Commerce	−2	29	(1)	31	(1)	31	2	33
Department of Defense—Military	13	2,601	392	2,428	−285	2,256	−251	2,065
Department of Defense—Civil	46	24	40	30	44	17	36	16
Department of Health, Education, and Welfare	2	1	2	1	3	1	3	1
Department of the Interior	11	28	25	24	35	39	47	22
Department of Justice	−13	18	−6	11	−6	10	−5	10
Department of Labor	1	1	1	2	1	2	2	2
Post Office Department	434	27	257	34	309	23	309	12

[1] Less than one-half million dollars.

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TABLE 8—Continued

SUMMARY OF BALANCES AVAILABLE AT START OF YEAR—Continued

Based on existing and proposed legislation—Continued

[In millions]

Description	1959 actual		1960 actual		1961 estimate		1962 estimate	
	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated
BALANCES OF AUTHORIZATIONS ENACTED OR RECOMMENDED IN THIS DOCUMENT—Continued								
Revolving and management funds—Continued								
Department of State	(1)	(1)	(1)	(1)	(1)		(1)	
Treasury Department	$13	$3	$10	(1)	$9	−$1	$7	(1)
Total revolving and management funds	1,150	4,168	1,911	$4,341	1,618	4,274	2,006	$4,163
Total balances of authorizations enacted or recommended in this document	37,142	34,929	36,922	34,706	38,389	32,630	40,227	30,285
BALANCES OF AUTHORIZATIONS PROPOSED FOR LATER TRANSMISSION								
Appropriations:								
Executive Office of the President					1			
Independent offices					23	2	5	1
Housing and Home Finance Agency					5		2	
Department of Agriculture					30	675	17	
Department of Commerce					(1)		8	39
Department of Defense—Military					2		2	
Department of Defense—Civil					(1)			
Department of Health, Education, and Welfare					5			
Department of the Interior					3		1	
Department of Justice					(1)		(1)	
Department of Labor					(1)			
Department of State					4	33	2	26
Treasury Department					(1)			
Allowance for contingencies					25		125	
Total appropriations					98	710	162	66
Revolving and management funds:								
Independent Offices								28
Total balances available at start of year	37,142	34,929	36,922	34,706	38,487	33,340	40,388	30,378
RECAPITULATION								
Appropriations	$29,972	$10,096	$29,262	$9,495	$31,209	$8,501	$32,292	$7,201
Authorizations to expend from debt receipts	5,643	19,576	5,116	19,982	4,843	19,646	5,114	18,251
Contract authorizations	376	1,089	633	889	818	919	976	735
Revolving and management funds	1,150	4,168	1,911	4,341	1,618	4,274	2,006	4,191
Total balances available at start of year	37,142	34,929	36,922	34,706	38,487	33,340	40,388	30,378

[1] Less than one-half million dollars.

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TABLE 9

SUMMARY OF EXPENDITURES OF PUBLIC ENTERPRISE FUNDS

Based on existing and proposed legislation

[In millions. The budget expenditures shown in this table are included in the budget expenditures of the respective functions and agencies in all tables of the budget.]

Description	GROSS EXPENDITURES			RECEIPTS FROM OPERATIONS			BUDGET EXPENDITURES		
	1959	1960	1961	1959	1960	1961	1959	1960	1961
Enacted or recommended in this document:									
Executive Office of the President	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Funds appropriated to the President:									
Mutual security—economic	$67	$191	$338	$2	$18	$41	$65	$173	$297
Other	320	229	132	81	60	43	239	170	89
Independent offices:									
Veterans Administration	246	401	185	150	188	217	96	213	−32
Other	1,344	1,399	1,412	857	1,362	1,276	487	37	137
General Services Administration	4	2	(1)	6	6	2	−2	−4	−2
Housing and Home Finance Agency	2,291	2,881	2,374	1,151	2,590	1,892	1,140	292	482
Department of Agriculture	6,403	6,706	6,213	1,962	3,216	2,969	4,442	3,490	3,245
Department of Commerce	10	11	7	12	13	10	−2	−2	−3
Department of Defense—Military	68	97	104	52	65	63	15	32	42
Department of Defense—Civil	110	116	115	114	110	107	−4	6	8
Department of Health, Education, and Welfare	3	4	4	3	4	4	(1)	(1)	(1)
Department of the Interior	89	99	139	31	49	59	57	49	80
Department of Labor	4	3	3	7	5	5	−3	−2	−2
Post Office Department	3,859	3,910	4,098	3,085	3,343	3,544	774	567	554
Treasury Department	1	(1)	(1)	13	9	9	−11	−9	−8
Total	14,819	16,049	15,127	7,526	11,037	10,241	7,293	5,012	4,886
Proposed for later transmission:									
Independent offices						28			−28
Housing and Home Finance Agency		58	3					58	3
Department of Agriculture			675						675
Post Office Department						554			−554
Total		58	678			582		58	96
Grand total	14,819	16,107	15,805	7,526	11,037	10,822	7,293	5,070	4,982

[1] Less than one-half million dollars.

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LEGISLATIVE BRANCH

In accordance with the provisions of the Budget and Accounting Act of 1921, as amended, the budget for the legislative branch of the Government is prepared by that branch and is printed in the budget without revision.

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
Labor and welfare:						
214 Promotion of education	$1,368	$1,619	$1,718	$1,265	$1,531	$1,681
215 Promotion of science, research, libraries, and museums	10,975	11,298	14,490	10,290	12,039	13,578
Total, labor and welfare	12,343	12,917	16,208	11,555	13,570	15,259
Commerce and housing:						
518 Other aids to business	1,397	1,450	1,487	1,429	1,450	1,476
General government:						
601 Legislative functions	102,880	96,968	94,855	101,819	120,787	146,314
602 Judicial functions	30	30	35	31	30	35
610 Other general government	3,463	3,520	3,620	3,012	−339	−712
Total, general government	106,373	100,518	98,510	104,862	120,478	145,637
Total, legislative branch	120,113	114,885	116,205	117,846	135,498	162,372

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
							1961 estimate		
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	Total	From new obligational authority	From prior authority
SENATE									
Current authorizations:									
Compensation of Senators	601	$2,352	$2,425	$2,425	$2,346				
Mileage of President of the Senate and of Senators	601	51	58	58	49				
Expense allowance of majority and minority leaders	601	4	4	4	4				
Compensation of the Vice President of the United States	601	38	38	38	38				
Expense allowance of the Vice President	601	10	10	10	10				
Salaries, officers and employees	601	16,215	16,709	16,713	15,353				
Office of the Legislative Counsel of the Senate	601	206	206	206	208				
Contingent expenses of the Senate:									
Legislative reorganization	601	117	117	117	85				
Senate policy committees	601	248	248	248	249				
Joint Economic Committee	601	157	157	157	153				
Joint Committee on Atomic Energy	601	250	250	250	241				
Joint Committee on Printing	601	82	106	106	78				
Vice President's automobile	601	8	8	8	8				
Automobile for the President pro tempore	601	13	8	13	10	$24,821	$24,830	$22,350	$2,480
Automobiles for majority and minority leaders	601	26	15	26	20				
Reporting Senate proceedings	601	207	209	209	217				
Furniture	601	78	31	31	71				
Inquiries and investigations	601	3,830	3,550	3,550	3,442				
Folding documents	601	32	32	32	32				
Senate restaurants	601	85	85	85	83				
Mail transportation	601	17	17	17	17				
Miscellaneous items	601	1,905	1,856	1,856	1,805				
Postage stamps	601	48	46	46	46				
Stationery (revolving fund)	601	190	195	195	203				
Communications	601	15	15	15	11				
Committee on Rules and Administration	601	35	10	----------	35				
Senate procedure	601	10	----------	----------	10				
Recording studio revolving fund	601	----------	----------	----------	−80				
Total, Senate	------	26,229	26,406	26,417	24,744	24,821	24,830	22,350	2,480
HOUSE OF REPRESENTATIVES									
Current authorizations:									
Compensation of Members	601	10,638	10,638	10,641	10,515				
Mileage of Members and expense allowance of the Speaker	601	200	200	200	185				
Salaries, officers and employees	601	6,902	7,123	7,144	6,729				
Members' clerk hire	601	16,425	16,300	16,300	16,214				
Contingent expenses of the House:									
Furniture	601	244	232	245	191				
Miscellaneous items	601	2,318	2,450	2,650	2,243				
Reporting hearings	601	125	150	150	118				
Special and select committees	601	2,200	2,450	2,450	2,215				
Joint Committee on Internal Revenue Taxation	601	264	295	300	257				
Joint Committee on Immigration and Nationality Policy	601	20	20	20	----------				
Office of the Coordinator of Information	601	99	99	101	103				
Telegraph and telephone	601	1,300	1,300	1,300	1,136				
Stationery (revolving fund)	601	790	526	788	793				
Attending physician's office	601	13	15	15	13				
Postage stamps	601	322	184	184	198				
Folding documents	601	220	220	260	228	44,500	45,570	41,920	3,650
Revision of laws	601	18	18	18	19				
Speaker's automobile	601	17	10	10	9				
Reappropriation	601	----------	8	----------	----------				
Majority leader's automobile	601	17	10	10	16				
Minority leader's automobile	601	17	10	10	14				
New edition of the United States Code	601	----------	150	----------	60				
New edition of the District of Columbia Code	601	----------	----------	----------	----------				
North Atlantic Treaty Parliamentary Conference for 1959	601	----------	80	----------	----------				
Payment to widows and heirs of deceased Members of Congress	601	158	----------	----------	158				
Portrait of Hon. Joseph W. Martin, Jr., Speaker	601	----------	----------	----------	3				
House of Representatives restaurant fund	601	----------	----------	----------	11				
House recording studio revolving fund	601	----------	----------	----------	−25				

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
							1961 estimate		
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	Total	From new obligational authority	From prior authority
HOUSE OF REPRESENTATIVES—Continued									
Current authorizations—Continued									
Capitol Police:									
General expenses	601	$37	$37	$37	$35				
Capitol Police Board	601	106	106	106	91				
Joint Committee on Reduction of Nonessential Federal Expenditures	601	25	25		26				
Education of Senate and House pages	601	62	62	64	61				
Penalty mail costs	601	2,259	2,691	3,690	2,259				
Statement of appropriations	601	8	8	8	8				
Total, House of Representatives		44,803	45,415	46,699	43,882	$44,500	$45,570	$41,920	$3,650
ARCHITECT OF THE CAPITOL									
Current authorizations:									
Office of the Architect of the Capitol:									
Salaries	601	268	278	301	250	278	301	290	11
Contingent expenses	601	50	50	50	27	59	50	40	10
Capitol buildings and grounds:									
Capitol buildings	601	934	1,013	1,142	930	1,017	1,142	1,092	50
Capitol grounds	601	329	357	388	315	364	389	369	20
Subway transportation, Capitol and Senate Office Buildings	601	6	6	6	5	7	6	6	
Senate Office Buildings	601	1,822	1,820	2,466	1,647	2,000	2,466	2,366	100
Legislative garage	601	44	116	78	42	109	83	73	10
House Office Buildings	601	1,336	1,451	1,683	1,342	1,501	1,683	1,633	50
Acquisition of property, construction, and equipment, additional House Office Building:									
Liquidation of contract authorization	601	(22,500)	(16,500)	(13,000)	7,680	12,374	42,496		42,496
Contract authorization	601		5,000						
Capitol Power Plant	601	1,738	1,902	2,064	1,663	2,036	2,064	1,864	200
Reappropriation	601	107							
Expansion of facilities, Capitol Power Plant:									
Liquidation of contract authorization	601	(750)	(2,500)	(2,500)	137	1,013	4,601		4,601
Contract authorization	601	6,500							
Changes and improvements, Capitol Power Plant: Liquidation of contract authorization	601			(730)	198	1,235	1,604		1,604
Extension of additional Senate Office Building site	601	1,590	200		95	1,695			
Remodeling, Senate Office Building	601				15	214			
Additional office building for the United States Senate:									
Liquidation of contract authorization	601	(750)			3,115	3,309			
Contract authorization	601	750							
Extension of the Capitol:									
Liquidation of contract authorization	601	(4,000)			1,924	10,725	5,468		5,468
Contract authorization	601	4,000							
Furniture and furnishings, additional Senate Office Building	601	284			918	365			
Reconstruction, repair, alteration, and improvements, Capitol grounds	601					19			
Library buildings and grounds:									
Structural and mechanical care	215	709	1,080	1,067	739	1,210	1,067	967	100
Furniture and furnishings	215	75	140	123	57	150	123	108	15
Total, Architect of the Capitol		20,541	13,413	9,369	21,099	39,680	63,543	8,808	54,735
BOTANIC GARDEN									
Current authorizations:									
Salaries and expenses	215	400	328	352	320	361	352	337	15
Relocation of greenhouses	215	587				587			
Total, Botanic Garden		987	328	352	320	948	352	337	15

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
							1961 estimate		
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	Total	From new obligational authority	From prior authority
LIBRARY OF CONGRESS									
Current authorizations:									
Salaries and expenses	215	$6,748	$7,160	$7,418	$6,894	$7,125	$7,369	$6,919	$450
Copyright Office: Salaries and expenses	518	1,397	1,450	1,487	1,429	1,450	1,476	1,388	88
Legislative Reference Service: Salaries and expenses	601	1,390	1,455	1,660	1,427	1,452	1,648	1,567	81
Distribution of catalog cards: Salaries and expenses	215	1,879	1,982	2,012	1,859	1,969	2,003	1,763	240
Increase of the Library of Congress:									
General increase of the Library	215	320	350	450	361	354	425	375	50
Increase of the law library	215	90	90	90	93	94	90	50	40
Books for the Supreme Court	602	30	30	35	31	30	35	33	2
Books for the blind: Salaries and expenses	214	1,368	1,619	1,718	1,265	1,531	1,681	1,042	639
Organizing and microfilming the papers of the Presidents: Salaries and expenses	215	107	107	107	60	133	118	97	21
Preservation of early American motion pictures	215	60	60	60	45	66	60	52	8
Collection and distribution of library materials (special foreign currency program)	215			2,811			2,000	2,000	
Intragovernmental funds:									
Advances and reimbursements	215				−138	−10	−29		−29
Total, Library of Congress		13,389	14,303	17,848	13,327	14,194	16,876	15,286	1,590
GOVERNMENT PRINTING OFFICE									
Current authorizations:									
Printing and binding	601	10,700	11,500	11,900	11,462	11,694	11,913	10,000	1,913
Office of the Superintendent of Documents: Salaries and expenses	610	3,463	3,520	3,620	3,551	3,555	3,638	3,264	374
Intragovernmental funds:									
Government Printing Office revolving fund	610				−539	−3,894	−4,350		−4,350
Total, Government Printing Office		14,163	15,020	15,520	14,474	11,355	11,201	13,264	−2,063
Total new obligational authority and budget expenditures		120,113	114,885	116,205	117,846	135,498	162,372	101,965	60,407
RECAPITULATION									
Enacted or recommended in this document:									
Current authorizations:									
Appropriations		$108,756	$109,877	$116,205	$117,846	$135,498	$162,372	$101,965	$60,407
Appropriations to liquidate contract authorizations		(28,000)	(19,000)	(16,230)					
Contract authorizations		11,250	5,000						
Reappropriations		107	8						
Total new obligational authority and budget expenditures		120,113	114,885	116,205	117,846	135,498	162,372	101,965	60,407

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ANALYSIS OF UNEXPENDED BALANCES

[In thousands]

Description	Balance, start of 1959		Balance, start of 1960		Balance, start of 1961		Balance, start of 1962	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document:								
Appropriations:								
Senate		$5,307		$3,866		$3,900		$3,937
House		5,181		4,305		4,321		4,550
Senate Office Buildings, Architect of the Capitol	$56	136	$45	281		100		100
Acquisition of property, construction, and equipment, additional House Office Building, Architect of the Capitol		10,549	11,812	25,369		29,496		
Extension of additional Senate Office Building site, Architect of the Capitol			1,495	1,495				
Remodeling, Senate Office Building, Architect of the Capitol	229	229	200	214				
Additional office building for the United States Senate, Architect of the Capitol	2,291	5,762	1,962	3,397	$89	89	$88	88
Changes and improvements, Capitol Power Plant, Architect of the Capitol	2,059	2,307	1,012	2,109		874		
Extension of the Capitol, Architect of the Capitol	14,784	16,156	11,533	18,232	2,662	7,506	1,583	2,039
Furniture and furnishings, additional Senate Office Building, Architect of the Capitol	1,000	1,000	220	365				
Reconstruction, repair, alteration, and improvements, Capitol Grounds, Architect of the Capitol	20	20	20	20				
General increase of the Library, Library of Congress	4	95	4	54		50		75
Increase of the law library, Library of Congress	16	47	1	44		40		40
Organizing and microfilming the papers of the Presidents: Salaries and expenses, Library of Congress			38	47		21		10
Relocation of greenhouses, Botanic Garden			577	587				
Printing and binding, Government Printing Office	−1,771	2,869	−3,419	2,107	−1,900	1,913		1,900
Other		2,737		3,271		4,466		3,272
Total, appropriations	18,688	52,395	25,500	65,763	851	52,776	1,671	16,011
Contract authorizations:								
Acquisition of property, construction, and equipment, additional House Office Building, Architect of the Capitol	76,120	77,500	55,000	55,000	22,157	43,500	15,867	30,500
Expansion of facilities, Capitol Power Plant, Architect of the Capitol			5,433	5,750		3,250		750
Changes and improvements, Capitol Power Plant, Architect of the Capitol	730	730	730	730	217	730		
Extension of the Capitol, Architect of the Capitol	25,600	25,600						
Total, contract authorizations	102,450	103,830	61,163	61,480	22,374	47,480	15,867	31,250
Revolving and management funds:								
Advances and reimbursements, Library of Congress	234	452	239	579	251	609	251	638
Government Printing Office revolving fund	16,171	16,791	15,373	12,791	13,985	12,985	14,310	13,610
Total, revolving and management funds	16,405	17,243	15,612	13,370	14,236	13,594	14,561	14,248
Total, legislative branch	137,543	173,469	102,275	140,613	37,461	113,850	32,099	61,509

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

Description	1959 actual	1960 estimate	1961 estimate
Balances brought forward at start of year from authorizations enacted or recommended in this document:			
Appropriations	$52,395	$65,763	$52,776
Contract authorizations	103,830	61,480	47,480
Revolving and management funds	17,243	13,370	13,594
Total balances brought forward	173,469	140,613	113,850
New obligational authority:			
Enacted or recommended in this document: Current authorizations:			
Appropriations	108,756	109,877	116,205
Appropriations to liquidate contract authorizations	(28,000)	(19,000)	(16,230)
Contract authorizations	11,250	5,000	
Reappropriations	107	8	
Total new obligational authority	120,113	114,885	116,205
Total budget authorizations available	293,582	255,498	230,055
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	117,846	135,498	101,965
Out of balances of prior obligational authority			60,407
Total budget expenditures	117,846	135,498	162,372
Amounts no longer available:			
Unobligated balances expiring and lapsing	25,955		
Capital transfers from revolving funds to receipt accounts	4,538	3,700	3,725
Adjustments of balances downward in expired accounts, net	4,630	2,450	2,449
Total amounts no longer available	35,123	6,150	6,174
Balances carried forward at close of year from authorizations enacted or recommended in this document:			
Appropriations	65,763	52,776	16,011
Contract authorizations	61,480	47,480	31,250
Revolving and management funds	13,370	13,594	14,248
Total balances carried forward at close of year	140,613	113,850	61,509
Obligations incurred, net	$124,888	$175,999	$117,842

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SENATE

Current authorizations:

SALARIES OF SENATORS, MILEAGE OF THE PRESIDENT OF THE SENATE AND OF SENATORS, EXPENSE ALLOWANCE OF THE MAJORITY AND MINORITY LEADERS OF THE SENATE, AND SALARY AND EXPENSE ALLOWANCE OF THE VICE PRESIDENT

COMPENSATION OF SENATORS

For compensation of Senators, $2,425,255. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$2,425,255** Estimate 1961, **$2,425,255**

MILEAGE OF PRESIDENT OF THE SENATE AND OF SENATORS

For mileage of the President of the Senate and of Senators, $58,370. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$58,370** Estimate 1961, **$58,370**

EXPENSE ALLOWANCE OF MAJORITY AND MINORITY LEADERS

For expense allowance of the majority leader and the minority leader of the Senate, $2,000 each; in all, $4,000. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$4,000** Estimate 1961, **$4,000**

COMPENSATION OF THE VICE PRESIDENT OF THE UNITED STATES

For the compensation of the Vice President of the United States, $37,695. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$37,695** Estimate 1961, **$37,695**

EXPENSE ALLOWANCE OF THE VICE PRESIDENT

For expense allowance of the Vice President, $10,000. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$10,000** Estimate 1961, **$10,000**

SALARIES, OFFICERS AND EMPLOYEES

For compensation of officers, employees, clerks to Senators, and others as authorized by law, including agency contributions as authorized, which shall be paid from this appropriation without regard to the below limitations, as follows:

OFFICE OF THE VICE PRESIDENT

For clerical assistance to the Vice President, at rates of compensation to be fixed by him in basic multiples of $5 per month, $112,140. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, $112,140 Estimate 1961, $112,140

CHAPLAIN

Chaplain of the Senate, $5,500. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, $5,500 Estimate 1961, $5,500

OFFICE OF THE SECRETARY

For Office of the Secretary, $639,140[: *Provided*, That effective July 1, 1959, two additional messengers may be employed at not to exceed $2,040 basic per annum each]. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, $639,140 Estimate 1961, $639,140

COMMITTEE EMPLOYEES

For professional and clerical assistance to standing committees, and the Select Committee on Small Business, $2,372,960. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, $2,372,960 Estimate 1961, $2,372,960

CONFERENCE COMMITTEES

For clerical assistance to the Conference of the Majority, at rates of compensation to be fixed by the chairman of said committee, $44,020. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, $44,020 Estimate 1961, $44,020

For clerical assistance to the Conference of the Minority, at rates of compensation to be fixed by the chairman of said committee, $44,020. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, $44,020 Estimate 1961, $44,020

ADMINISTRATIVE AND CLERICAL ASSISTANTS TO SENATORS

For administrative and clerical assistants and messenger service for Senators, $11,052,450. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, $11,052,450 Estimate 1961, $11,052,450

OFFICE OF SERGEANT AT ARMS AND DOORKEEPER

For office of Sergeant at Arms and Doorkeeper, [$2,304,995: *Provided*, That effective July 1, 1959, three additional laborers at $1,740 basic per annum each, two additional inserting machine operators at $1,980 basic per annum each, and two additional offset press operators at $2,700 basic per annum each may be employed; and the basic per annum compensation and titles of the following positions shall be: administrative officer, $4,140 in lieu of $3,780; automatic typing technician at $3,480 in lieu of foreman, repairmen at $2,820; four offset press operators at $2,700 each in lieu of two offset press operators at $2,580 each and two offset press operators at $2,160 each; repairman $3,120, repairman $2,880, and two repairmen at $2,640 in lieu of two repairmen at $2,520 each, file clerk at $1,980, and warehouseman at $1,800] *$2,308,755*. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, $2,304,995 Estimate 1961, $2,308,755

OFFICES OF THE SECRETARIES FOR THE MAJORITY AND THE MINORITY

For the offices of the secretary for the majority and the secretary for the minority, $112,185[: *Provided*, That effective July 1, 1959, the basic per annum compensation of the assistant secretary for the majority and the assistant secretary for the minority may be fixed by the respective secretaries at not to exceed $7,560 each]. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, $112,185 Estimate 1961, $112,185

OFFICES OF THE MAJORITY AND THE MINORITY WHIPS

For two clerical assistants, one for the majority whip and one for the minority whip, at not to exceed $5,580 basic per annum each, $22,050. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, $22,050 Estimate 1961, $22,050

Total, salaries, officers and employees:

Appropriated 1960, **$16,709,460** Estimate 1961, **$16,713,220**

OFFICE OF THE LEGISLATIVE COUNSEL OF THE SENATE

For salaries and expenses of the Office of the Legislative Counsel of the Senate, $206,125. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$206,125** Estimate 1961, **$206,125**

CONTINGENT EXPENSES OF THE SENATE

LEGISLATIVE REORGANIZATION

For salaries and expenses, legislative reorganization, $117,150. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$117,150** Estimate 1961, **$117,150**

SENATE POLICY COMMITTEES

For salaries and expenses of the Majority Policy Committee and the Minority Policy Committee, $123,830 for each such committee; in all, $247,660. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$247,660** Estimate 1961, **$247,660**

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SENATE—Continued

Current authorizations—Continued

CONTINGENT EXPENSES OF THE SENATE—Continued

JOINT ECONOMIC COMMITTEE

For salaries and expenses of the Joint Economic Committee, $156,950. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$156,950** Estimate 1961, **$156,950**

JOINT COMMITTEE ON ATOMIC ENERGY

For salaries and expenses of the Joint Committee on Atomic Energy, $250,145. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$250,145** Estimate 1961, **$250,145**

JOINT COMMITTEE ON PRINTING

For salaries and expenses of the Joint Committee on Printing, $104,715; for expenses of compiling, preparing, and indexing the Congressional Directory, $1,600; in all, $106,315. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$106,315** Estimate 1961, **$106,315**

VICE PRESIDENT'S AUTOMOBILE

For the purchase, exchange, driving, maintenance, and operation of an automobile for the Vice President, $8,160. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$8,160** Estimate 1961, **$8,160**

AUTOMOBILE FOR THE PRESIDENT PRO TEMPORE

For purchase, exchange, driving, maintenance, and operation of an automobile for the President pro tempore of the Senate, [$7,660] *$13,160.* (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$7,660** Estimate 1961, **$13,160**

AUTOMOBILES FOR MAJORITY AND MINORITY LEADERS

For purchase, exchange, driving, maintenance, and operation of two automobiles, one for the majority leader of the Senate, and one for the minority leader of the Senate, [$15,320] *$26,320.* (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$15,320** Estimate 1961, **$26,320**

REPORTING SENATE PROCEEDINGS

For reporting the debates and proceedings of the Senate, payable in equal monthly installments, $209,195. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$209,195** Estimate 1961, **$209,195**

FURNITURE

For services and materials in cleaning and repairing furniture, and for the purchase of furniture, $31,190: *Provided,* That the furniture purchased is not available from other agencies of the Government. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$31,190** Estimate 1961, **$31,190**

INQUIRIES AND INVESTIGATIONS

For expenses of inquiries and investigations ordered by the Senate or conducted pursuant to section 134(a) of Public Law 601, Seventy-ninth Congress, including $380,000 for the Committee on Appropriations, to be available also for the purposes mentioned in Senate Resolution Numbered 193, agreed to October 14, 1943, $3,550,000. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$3,550,000** Estimate 1961, **$3,550,000**

FOLDING DOCUMENTS

For the employment of personnel for folding speeches and pamphlets at a gross rate of not exceeding $1.77 per hour per person, $31,900. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$31,900** Estimate 1961, **$31,900**

SENATE RESTAURANTS

For repairs, improvements, equipment and supplies for Senate kitchens and restaurants, Capitol Building and Senate Office Buildings, including personal and other services, to be expended under the supervision of the Committee on Rules and Administration, United States Senate, $85,000. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$85,000** Estimate 1961, **$85,000**

MAIL TRANSPORTATION

For maintaining, exchanging, and equipping motor vehicles for carrying the mails and for official use of the offices of the Secretary and Sergeant at Arms, $16,560. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$16,560** Estimate 1961, **$16,560**

MISCELLANEOUS ITEMS

For miscellaneous items, exclusive of labor, $1,856,210. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$1,856,210** Estimate 1961, **$1,856,210**

POSTAGE STAMPS

For *postage stamps for the* Offices of the Secretaries [of] *for* the Majority and Minority, $140; *and* for airmail and special-delivery stamps for Office of the Secretary, $160; Office of the Sergeant at Arms, $125; [and for] Senators and the President of the Senate, as authorized by law, $45,450; in all, $45,875. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$45,875** Estimate 1961, **$45,875**

STATIONERY (REVOLVING FUND)

For stationery for Senators and the President of the Senate, $181,800; and for stationery for committees and officers of the Senate, $13,200; in all, $195,000, to remain available until expended. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$195,000** Estimate 1961, **$195,000**

COMMUNICATIONS

For an amount for communications which may be expended interchangeably for payment, in accordance with such limitations and restrictions as may be prescribed by the Committee on Rules and Administration, of charges on official telegrams and long-distance telephone calls made by or on behalf of Senators or the President of the Senate, such telephone calls to be in addition to those authorized by the provisions of the Legislative Branch Appropriation Act, 1947 (60 Stat. 392; 2 U.S.C. 46c, 46d, 46e), as amended, and the First Deficiency Appropriation Act, 1949 (63 Stat. 77; 2 U.S.C. 46d–1), $15,150. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$15,150** Estimate 1961, **$15,150**

[COMMITTEE ON RULES AND ADMINISTRATION]

[For reimbursement to General Services Administration for space furnished the United States Senate, $10,000.] (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$10,000**

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[ADMINISTRATIVE PROVISIONS]

[Effective July 1, 1959, the table contained in section 4(f) of the Federal Employees' Salary Increase Act of 1955 (Public Law 94, Eighty-fourth Congress, approved June 28, 1955) is amended by striking out the last line therein and inserting in lieu thereof the following:

13,000,000 but less than 15,000,000 ..... 28, 740
15,000,000 but less than 17,000,000 ..... 31, 740
17,000,000 or more ..... 34, 740]

[The third paragraph under the heading "Administrative Provisions" in the appropriations for the Senate in the Legislative Branch Appropriation Act, 1959 (2 U.S.C. 43b), is amended by striking out "from Washington, District of Columbia, to their resident cities in their home States, and return, for not to exceed two such round trips" and inserting in lieu thereof the following: "between Washington, District of Columbia, and any point in their home States, for not to exceed two round trips".] (*Legislative Branch Appropriation Act, 1960.*)

[The Secretary of the Senate may hereafter fix the compensation of the assistant parliamentarian, the legislative clerk, and the journal clerk at not to exceed $7,620 basic per annum each.]

[(a) The second proviso in the paragraph relating to the authority of Senators to rearrange the basic salaries of employees in their respective offices which appears in the Legislative Branch Appropriation Act, 1947, as amended (2 U.S.C. 60f), is amended to read as follows: "*Provided further*, That no salary shall be fixed under this section at a basic rate of more than $5,100 per annum, except that (1) the salary of one employee may be fixed at a basic rate of not more than $8,040 per annum, (2) the salary of one employee may be fixed at a basic rate of not more than $8,460 per annum, and (3) the salary of one employee may be fixed at a basic rate of not more than $8,880 per annum".]

[(b) Such paragraph is further amended by adding at the end thereof a new sentence as follows: "A Senator may establish such titles for positions in his office as he may desire to designate, by written notification to the disbursing office of the Senate."]

[(c) The first paragraph under the heading "Administrative Provisions" in the appropriations for the Senate in the Legislative Branch Appropriation Act, 1957 (2 U.S.C. 60f–1) is repealed.] (*Supplemental Appropriation Act, 1960.*)

HOUSE OF REPRESENTATIVES

Current authorizations:

SALARIES, MILEAGE FOR THE MEMBERS, AND EXPENSE ALLOWANCE OF THE SPEAKER

COMPENSATION OF MEMBERS

For compensation of Members (wherever used herein the term "Member" shall include Members of the House of Representatives[, Delegates from Territories,] and the Resident Commissioner from Puerto Rico), [$10,638,000] *$10,640,625*. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$10,638,000** Estimate 1961, **$10,640,625**

MILEAGE OF MEMBERS AND EXPENSE ALLOWANCE OF THE SPEAKER

For mileage of Members and expense allowance of the Speaker, as authorized by law, $200,000. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$200,000** Estimate 1961, **$200,000**

SALARIES, OFFICERS AND EMPLOYEES

For compensation of officers and employees, as authorized by law, as follows:

OFFICE OF THE SPEAKER

For the Office of the Speaker, $58,510. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, $58,510 Estimate 1961, $58,510

OFFICE OF THE PARLIAMENTARIAN

For the Office of the Parliamentarian, including $2,000 for preparing the Digest of the Rules, $60,265. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, $60,265 Estimate 1961, $60,265

OFFICE OF THE CHAPLAIN

For the Office of the Chaplain, $8,195. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, $8,195 Estimate 1961, $8,195

OFFICE OF THE CLERK

For the Office of the Clerk, including [$105,545] *$111,480* for the House Recording Studio, [$1,060,150] *$1,073,150*. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, $1,060,150 Estimate 1961, $1,073,150

COMMITTEE EMPLOYEES

For committee employees, including the Committee on Appropriations, $2,750,000. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, $2,750,000 Estimate 1961, $2,750,000

OFFICE OF THE SERGEANT AT ARMS

For the Office of the Sergeant at Arms, including $7,500 for additional clerical assistants, $571,720. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, $571,720 Estimate 1961, $571,720

OFFICE OF THE DOORKEEPER

For the Office of the Doorkeeper, $961,725. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, $961,725 Estimate 1961, $961,725

SPECIAL AND MINORITY EMPLOYEES

For six minority employees, $78,030. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, $78,030 Estimate 1961, $78,030

For the office of the majority floor leader, including $2,000 for official expenses of the majority leader, $64,340. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, $64,340 Estimate 1961, $64,340

For the office of the minority floor leader, $50,510. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, $50,510 Estimate 1961, $50,510

For the office of the majority whip, $27,645. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, $27,645 Estimate 1961, $27,645

For the office of the minority whip, $27,645. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, $27,645 Estimate 1961, $27,645

For two printing clerks, one for the majority caucus room and one for the minority caucus room, to be appointed by the majority and minority leaders, respectively, $12,620. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, $12,620 Estimate 1961, $12,620

For a technical assistant in the office of the attending physician, to be appointed by the attending physician, subject to the approval of the Speaker, $8,570. (*Legislative Branch Appropriation Act 1960.*)

Appropriated 1960, $8,570 Estimate 1961, $8,570

For a clerical assistant for the House Delegation to the North Atlantic Treaty Parliamentarians' Conference, as authorized, $11,710. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, $11,710 Estimate 1961, $11,710

OFFICE OF THE POSTMASTER

For the Office of the Postmaster, including $8,500 for employment of substitute messengers, and extra services of regular employees when required at the basic salary rate of not to exceed $2,100 per annum each, $290,370. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, $290,370 Estimate 1961, $290,370

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HOUSE OF REPRESENTATIVES—Continued

Current authorizations—Continued

SALARIES, OFFICERS AND EMPLOYEES—Continued

OFFICIAL REPORTERS OF DEBATES

For official reporters of debates, [$186,610] *$188,760.* (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, $186,610 Estimate 1961, $188,760

OFFICIAL REPORTERS TO COMMITTEES

For official reporters to committees, [$190,145] *$190,690.* (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, $190,145 Estimate 1961, $190,690

APPROPRIATIONS COMMITTEE

For salaries and expenses, studies and examinations of executive agencies, by the Committee on Appropriations, and temporary personal services for such committee, to be expended in accordance with section 202(b) of the Legislative Reorganization Act, 1946, and to be available for reimbursement to agencies for services performed, $500,000. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, $500,000 Estimate 1961, $500,000

OFFICE OF THE LEGISLATIVE COUNSEL

For salaries and expenses of the Office of the Legislative Counsel of the House, [$204,600] *$210,000.* (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, $204,600 Estimate 1961, $210,000

Total, salaries, officers and employees:

Appropriated 1960, **$7,123,360** Estimate 1961, **$7,144,455**

MEMBERS' CLERK HIRE

For clerk hire, necessarily employed by each Member in the discharge of his official and representative duties, $16,300,000. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$16,300,000** Estimate 1961, **$16,300,000**

CONTINGENT EXPENSES OF THE HOUSE

FURNITURE

For furniture and materials for repairs of the same, including labor, tools, and machinery for furniture repair shops, and for the purchase of packing boxes, [$231,800] *$245,000.* (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$231,800** Estimate 1961, **$245,000**

MISCELLANEOUS ITEMS

For miscellaneous items, exclusive of salaries unless specifically ordered by the House of Representatives, including the sum of [$65,000] *$73,000* for payment to the Architect of the Capitol in accordance with section 208 of the Act approved October 9, 1940 (Public Law 812); the exchange, operation, maintenance, and repair of the Clerk's motor vehicles; the exchange, operation, maintenance, and repair of the folding room motortruck; the exchange, maintenance, operation, and repair of the post office motor vehicles for carrying the mails; the sum of $600 for hire of automobile for the Sergeant at Arms; materials for folding; and for stationery for the use of committees, departments, and officers of the House; [$2,450,000] *$2,650,000.* (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$2,450,000** Estimate 1961, **$2,650,000**

REPORTING HEARINGS

For stenographic reports of hearings of committees other than special and select committees, $150,000. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$150,000** Estimate 1961, **$150,000**

SPECIAL AND SELECT COMMITTEES

For salaries and expenses of special and select committees authorized by the House, $2,450,000. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$2,450,000** Estimate 1961, **$2,450,000**

JOINT COMMITTEE ON INTERNAL REVENUE TAXATION

For the payment of the salaries and other expenses of the Joint Committee on Internal Revenue Taxation, [$295,000] *$300,000.* (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$295,000** Estimate 1961, **$300,000**

JOINT COMMITTEE ON IMMIGRATION AND NATIONALITY POLICY

For salaries and expenses of the Joint Committee on Immigration and Nationality Policy, $20,000. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$20,000** Estimate 1961, **$20,000**

OFFICE OF THE COORDINATOR OF INFORMATION

For salaries and expenses of the Office of the Coordinator of Information, [$98,970] *$100,690.* (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$98,970** Estimate 1961, **$100,690**

TELEGRAPH AND TELEPHONE

For telegraph and telephone service, exclusive of personal services, $1,300,000. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$1,300,000** Estimate 1961, **$1,300,000**

STATIONERY (REVOLVING FUND)

For a stationery allowance for each Member (*which hereafter shall be $1,800 per regular session*), for the [second] *first* session of the [Eighty-sixth] *Eighty-seventh* Congress, [$525,600] *$788,400,* to remain available until expended. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$525,600** Estimate 1961, **$788,400**

ATTENDING PHYSICIAN'S OFFICE

For medical supplies, equipment, and contingent expenses of the emergency room and for the attending physician and his assistants, including an allowance of $1,500 to be paid to the attending physician in equal monthly installments as authorized by the Act approved June 27, 1940 (54 Stat. 629), and including an allowance of $75 per month each to five assistants as provided by the House resolutions adopted July 1, 1930, January 20, 1932, November 18, 1940, and May 21, 1959, and Public Law 242, Eighty-fourth Congress, $15,045. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$15,045** Estimate 1961, **$15,045**

POSTAGE STAMPS

Postage stamp allowances for the [second] *first* session of the [Eighty-sixth] *Eighty-seventh* Congress, as follows: Postmaster, $320; Clerk, $640; Sergeant at Arms, $480; Doorkeeper, $400; airmail and special-delivery postage stamps for each Member, the Speaker, the majority and minority leaders, the majority and minority whips, and to each standing committee, as authorized by law; $183,640. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$183,640** Estimate 1961, **$183,640**

FOLDING DOCUMENTS

For folding speeches and pamphlets, at a gross rate not exceeding $2.36 per thousand or for the employment of personnel at a gross rate not exceeding $1.77 per hour per person, [$220,000] *$260,000.* (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$220,000** Estimate 1961, **$260,000**

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REVISION OF LAWS

For preparation and editing of the laws as authorized by the Act approved May 29, 1928 (1 U.S.C. 59), $18,150, to be expended under the direction of the Committee on the Judiciary. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$18,150** Estimate 1961, **$18,150**

SPEAKER'S AUTOMOBILE

For purchase, exchange, hire, driving, maintenance, repair, and operation of an automobile for the Speaker, $9,500[, together with the unobligated balance of the appropriation under this head for the fiscal year 1959]. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$9,500** Estimate 1961, **$9,500**

MAJORITY LEADER'S AUTOMOBILE

For purchase, exchange, hire, driving, maintenance, repair, and operation of an automobile for the majority leader of the House, $9,500. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$9,500** Estimate 1961, **$9,500**

MINORITY LEADER'S AUTOMOBILE

For purchase, exchange, hire, driving, maintenance, repair, and operation of an automobile for the minority leader of the House, $9,500. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$9,500** Estimate 1961, **$9,500**

[NEW EDITION OF THE UNITED STATES CODE]

[For preparation of a new edition of the United States Code, $150,000, to remain available until expended.] (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$150,000**

[NORTH ATLANTIC TREATY PARLIAMENTARY CONFERENCE FOR 1959]

[For salaries and expenses necessary for the annual meeting of the North Atlantic Treaty Parliamentary Conference for 1959 to be held in Washington, District of Columbia, as authorized by section 702 of the Mutual Security Act of 1959, $80,000, to be disbursed by the Clerk of the House.] (*Supplemental Appropriation Act, 1960.*)

Appropriated 1960, **$80,000**

ADMINISTRATIVE PROVISIONS

Salaries or wages paid out of the items herein for the House of Representatives shall hereafter be computed at basic rates, plus increased and additional compensation, as authorized and provided by law.

[Effective July 1, 1959, the position of "Administrative assistant to Clerk (retirement)" under the office of the Clerk of the House shall be transferred to the Office of the Sergeant at Arms and shall be redesignated as "Special assistant (retirement)".] (*Legislative Branch Appropriation Act, 1960.*)

CAPITOL POLICE

GENERAL EXPENSES

For purchasing and supplying uniforms; the purchase, maintenance, and repair of police motor vehicles, including two-way police radio equipment; contingent expenses, including $25 per month for extra services performed for the Capitol Police Board by such member of the staff of the Sergeant at Arms of the Senate or the House, as may be designated by the Chairman of the Board; $36,700. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$36,700** Estimate 1961, **$36,700**

CAPITOL POLICE BOARD

To enable the Capitol Police Board to provide additional protection for the Capitol Buildings and Grounds, including the Senate and House Office Buildings and the Capitol Power Plant, [$106,435] *$106,075*. Such sum shall be expended only for payment of salaries and other expenses of personnel detailed from the Metropolitan Police of the District of Columbia, and the Commissioners of the District of Columbia are authorized and directed to make such details upon the request of the Board. Personnel so detailed shall, during the period of such detail, serve under the direction and instructions of the Board and are authorized to exercise the same authority as members of such Metropolitan Police and members of the Capitol Police and to perform such other duties as may be assigned by the Board. Reimbursement for salaries and other expenses of such detail personnel shall be made to the government of the District of Columbia, and any sums so reimbursed shall be credited to the appropriation or appropriations from which such salaries and expenses are payable and shall be available for all the purposes thereof: *Provided*, That any person detailed under the authority of this paragraph or under similar authority in the Legislative Branch Appropriation Act, 1942, and the Second Deficiency Appropriation Act, 1940, from the Metropolitan Police of the District of Columbia shall be deemed a member of such Metropolitan Police during the period or periods of any such detail for all purposes of rank, pay, allowances, privileges, and benefits to the same extent as though such detail had not been made, and at the termination thereof any such person who was a member of such police on July 1, 1940, shall have a status with respect to rank, pay, allowances, privileges, and benefits which is not less than the status of such person in such police at the end of such detail: *Provided further*, That the Commissioners of the District of Columbia are directed to pay the lieutenant detailed under the authority of this paragraph the same salary as that paid in fiscal year 1955 plus $625 and such increase in basic compensation as may be subsequently provided by law so long as this position is held by the present incumbent and that the Commissioners of the District of Columbia are directed to pay the deputy chief detailed under the authority of this paragraph the same salary as that paid in fiscal year 1959 plus $600 and such increases in basic compensation as may be subsequently provided by law so long as this position is held by the present incumbent. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$106,435** Estimate 1961, **$106,075**

The foregoing amounts under "Capitol Police" shall be disbursed by the Clerk of the House. (*Legislative Branch Appropriation Act, 1960.*)

[JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES]

[For an amount to enable the Joint Committee on Reduction of Nonessential Federal Expenditures to carry out the duties imposed upon it by section 601 of the Revenue Act of 1941 (55 Stat. 726), to remain available during the existence of the committee, $24,795, to be disbursed by the Secretary of the Senate.] (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$24,795**

EDUCATION OF SENATE AND HOUSE PAGES

For education of congressional pages and pages of the Supreme Court, pursuant to section 243 of the Legislative Reorganization Act, 1946, [$62,500] *$64,100*, which amount shall be advanced and credited to the applicable appropriation of the District of Columbia, and the Board of Education of the District of Columbia is hereby authorized to employ such personnel for the education of pages as may be required and to pay compensation for such services in accordance with such rates of compensation as the Board of Education may prescribe. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$62,500** Estimate 1961, **$64,100**

PENALTY MAIL COSTS

For expenses necessary under section 2 of Public Law 286, Eighty-third Congress, [$2,691,000] *$3,690,000*, to be available immediately. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$2,691,000** Estimate 1961, **$3,690,000**

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HOUSE OF REPRESENTATIVES—Continued

Current authorizations—Continued

STATEMENT OF APPROPRIATIONS

For the preparation, under the direction of the Committees on Appropriations of the Senate and House of Representatives, of the statements for the first session of the Eighty-sixth Congress, showing appropriations made, indefinite appropriations, and contracts authorized, together with a chronological history of the regular appropriation bills as required by law, $8,000, to be paid to the persons designated by the chairman of such committees to supervise the work. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$8,000** Estimate 1961, **$8,000**

ARCHITECT OF THE CAPITOL

Current authorizations:

OFFICE OF THE ARCHITECT OF THE CAPITOL

SALARIES

For the Architect of the Capitol, Assistant Architect of the Capitol, and Second Assistant Architect of the Capitol, at salary rates of $19,000, $17,500, and $16,000 per annum, respectively, and other personal services at rates of pay provided by law; and the Assistant Architect of the Capitol shall act as Architect of the Capitol during the absence or disability of that official or whenever there is no Architect, and, in case of the absence or disability of the Assistant Architect, the Second Assistant Architect of the Capitol shall so act; [$278,100] *$301,400. (31 U.S.C. 689; 40 U.S.C. 161, 162, 164a; 166b–1; 5 U.S.C. 2205, 2206; Legislative Branch Appropriation Act, 1960.)*

Appropriated 1960, **$278,100** Estimate 1961, **$301,400**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
General administration of all activities under the Architect of the Capitol (total obligations)	$250,965	$278,100	$301,400
Financing:			
Unobligated balance no longer available	17,410		
Appropriation (new obligational authority)	268,375	278,100	301,400

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	28	28	31
Average number of all employees	26	28	31
Average GS grade and salary	8.9 $7,040	8.2 $6,468	8.1 $6,453
01 Personal services:			
Permanent positions	$215,670	$238,272	$256,963
Other personal services	20,724	23,753	24,937
Total personal services	236,394	262,025	281,900
07 Other contractual services:			
Payment to Employees health benefits fund			2,300
Payment to Employees life insurance fund	586	500	500
11 Grants, subsidies, and contributions	13,985	15,575	16,700
Total obligations	250,965	278,100	301,400

Appropriations under the control of the Architect of the Capitol shall be available for expenses of travel on official business not to exceed in the aggregate under all funds the sum of $7,500.

[Hereafter, the Architect of the Capitol is authorized, without regard to the Classification Act of 1949, as amended, to fix the compensation of three positions under the appropriation "Salaries, Office of the Architect of the Capitol", of one position under the appropriation "Capitol Buildings", and of one position under the appropriation "House Office Buildings" at a basic rate of $7,700 per annum each: *Provided,* That this provision shall not be applicable to the positions of Architect, Assistant Architect, or Second Assistant Architect of the Capitol.]

[Hereafter, the Architect of the Capitol is authorized, without regard to the Classification Act of 1949, as amended, to fix the compensation of one position under the appropriation "Senate Office Buildings", at a basic rate of $7,020 per annum.] (*40 U.S.C. 166a; Legislative Branch Appropriation Act, 1960.*)

CONTINGENT EXPENSES

To enable the Architect of the Capitol to make surveys and studies and to meet unforeseen expenses in connection with activities under his care, $50,000. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$50,000** Estimate 1961, **$50,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Unforeseen expenses in connection with all activities under the Architect of the Capitol (total obligations)	$42,633	$50,000	$50,000
Financing:			
Unobligated balance no longer available	7,367		
Appropriation (new obligational authority)	50,000	50,000	50,000

Object Classification

	1959 actual	1960 estimate	1961 estimate
07 Other contractual services		$50,000	$50,000
Alterations and improvements, Capitol Building:			
Rooms P–38, P–39, and P–57	$3,425		
Rooms P–45 and P–46	3,220		
Rooms F–79, P–47, P–48, G–43, and G–51	6,499		
Rooms 2, 4, and 6, House Terrace	12,438		
Repairs and improvements: Rooms F–67, F–55, F–56, and F–57, Capitol Building	2,469		
Improvements to public address system in press gallery section of House Chamber	995		
Survey and study of installation of a public address system in Senate Chamber	1,200		
Alterations and improvements to provide accommodations in New House Office Building for newly created House Committee on Science and Astronautics	3,432		
Replacement of revolving door, New Jersey Ave. and C St. entrance, Old House Office Building	6,926		
Repairs and replacements, Senate subway cars	1,805		
Painting parking lines in temporary Senate parking lot, Capitol Grounds	224		
Total obligations	42,633	50,000	50,000

CAPITOL BUILDINGS AND GROUNDS

CAPITOL BUILDINGS

For necessary expenditures for the Capitol Building and electrical substations of the Senate and House Office Buildings, under the jurisdiction of the Architect of the Capitol, including minor improvements, maintenance, repair, equipment, supplies, material, fuel, oil, waste, and appurtenances; furnishings and office equipment; special and protective clothing for workmen; uniforms or allowances therefor as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131); personal and other services; cleaning and repairing works of art, without regard to section 3709 of the Revised Statutes, as amended; purchase or exchange, maintenance and operation of a passenger motor vehicle; not to exceed $300 for the purchase of necessary reference books and periodicals; not to exceed $500 for expenses of attendance, when specifically authorized by the Architect of the Capitol, at meetings or conventions in connection with subjects related to work under the Architect of the Capitol, [$1,013,200] *$1,142,000. (40 U.S.C. 162, 163, 163a, 166; Legislative Branch Appropriation Act, 1960.)*

Appropriated 1960, **$1,013,200** Estimate 1961, **$1,142,000**

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Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Maintenance and operation of the Capitol (total obligations)	$930,898	$1,013,200	$1,142,000
Financing:			
Unobligated balance no longer available	2,602		
Appropriation (new obligational authority)	933,500	1,013,200	1,142,000

Object Classification

		1959 actual		1960 estimate		1961 estimate
Total number of permanent positions		141		141		142
Average number of all employees		139		138		142
Average GS grade and salary	9.2	$6,941	8.8	$6,653	8.5	$6,528
Average salary of ungraded positions		$4,270		$4,373		$4,607
01 Personal services:						
Permanent positions		$626,488		$652,600		$690,900
Positions other than permanent		12,434		16,000		16,000
Other personal services		123,973		137,200		150,200
Total personal services		762,895		805,800		857,100
02 Travel		144		100		100
03 Transportation of things				25		25
04 Communication services		70		20		20
Penalty mail		1,000		1,000		1,000
07 Other contractual services:						
Annual painting		36,371		48,000		32,000
Elevator repairs and improvements		3,227		5,000		5,000
Substation equipment and repairs		6,139		5,305		5,305
General annual repairs and alterations		20,171		26,300		39,500
Maintenance and repair, lighting systems, grounds		9,045		10,500		10,500
Maintenance, air-conditioning system		18,589		39,800		63,400
Repairs, works of art		4,570		5,000		6,400
Advertising				50		50
Replacement of revolving door, west front, first floor						9,000
Painting exterior of west central section of Capitol and exterior trim of Senate and House wings						31,000
Payment to Employees health benefits fund						9,000
Payment to Employees life insurance fund		2,157		2,000		2,000
Marble pedestals for four marble busts		2,586				
08 Supplies and materials		24,896		27,300		31,000
09 Equipment		2,591		2,000		2,000
11 Grants, subsidies, and contributions		35,581		35,000		37,600
13 Refunds, awards, and indemnities		866				
Total obligations		930,898		1,013,200		1,142,000

CAPITOL GROUNDS

For care and improvement of grounds surrounding the Capitol, Senate and House Office Buildings; Capitol Power Plant; personal and other services; care of trees; planting; fertilizers; repairs to pavements, walks, and roadways; waterproof wearing apparel; maintenance of signal lights; and for snow removal by hire of men and equipment or under contract without compliance with section 3709 of the Revised Statutes, as amended; [$357,000] *$388,300.* (*40 U.S.C. 162, 193a; Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$357,000** Estimate 1961, **$388,300**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Care and improvement of the Capitol Grounds (total obligations)	$320,665	$357,000	$388,300
Financing:			
Unobligated balance no longer available	8,810		
Appropriation (new obligational authority)	329,475	357,000	388,300

Object Classification

		1959 actual		1960 estimate		1961 estimate
Total number of permanent positions		54		54		55
Average number of all employees		52		53		55
Average GS grade and salary	7.5	$5,932	7.8	$6,099	7.6	$5,926
Average salary of ungraded positions		$4,106		$4,505		$4,705
01 Personal services:						
Permanent positions		$221,397		$246,700		$267,300
Positions other than permanent		10,747		7,500		7,500
Other personal services		37,460		44,000		46,100
Total personal services		269,604		298,200		320,900
02 Travel				50		50
03 Transportation of things				30		30
04 Communication services		3		20		20
07 Other contractual services:						
General annual repairs		11,977		8,450		8,450
Snow removal		73		5,000		5,000
Maintenance of signal lights		1,918		2,000		2,000
Repairs to streets, sidewalks, curbing, and other paved areas		9,587		12,000		12,000
Maintenance, Taft Memorial						600
Advertising				50		50
Payment to Employees health benefits fund						3,600
Payment to Employees life insurance fund		711		700		700
08 Supplies and materials		7,820		8,500		8,500
09 Equipment		4,409		5,800		9,000
11 Grants, subsidies, and contributions		14,563		16,200		17,400
Total obligations		320,665		357,000		388,300

SUBWAY TRANSPORTATION, CAPITOL AND SENATE OFFICE BUILDINGS

For maintenance, repairs, and rebuilding of the subway transportation system connecting the Senate Office Buildings with the Capitol, including personal and other services, $6,000. (*36 Stat. 1443; 62 Stat. 1029; Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$6,000** Estimate 1961, **$6,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Maintenance of the subway transportation system connecting the Senate Office Buildings with the Capitol (total obligations)	$4,962	$6,000	$6,000
Financing:			
Unobligated balance no longer available	1,038		
Appropriation (new obligational authority)	6,000	6,000	6,000

Object Classification

	1959 actual	1960 estimate	1961 estimate
07 Other contractual services: General annual repairs	$4,259	$5,000	$5,000
08 Supplies and materials	683	500	500
09 Equipment	20	500	500
Total obligations	4,962	6,000	6,000

SENATE OFFICE BUILDINGS

For maintenance, miscellaneous items and supplies, including furniture, furnishings, and equipment, and for labor and material incident thereto, and repairs thereof; for purchase of waterproof wearing apparel and for personal and other services; including eight female attendants in charge of ladies retiring rooms at $1,800 each, for the care and operation of the Senate Office Buildings; uniforms or allowances therefor as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131); to be expended under the control and supervision of the Architect of the Capitol; in all, [$1,819,700] *$2,466,200.* (*40 U.S.C. 174b–1; 174c; Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$1,819,700** Estimate 1961, **$2,466,200**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Maintenance and operation of the Senate Office Buildings (total obligations)	$1,803,869	$1,864,916	$2,466,200

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ARCHITECT OF THE CAPITOL—Continued

Current authorizations—Continued

CAPITOL BUILDINGS AND GROUNDS—Continued

SENATE OFFICE BUILDINGS—continued

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Financing:			
Unobligated balance brought forward	−$56,307	−$45,216	
Unobligated balance carried forward	45,216		
Unobligated balance no longer available	29,222		
Appropriation (new obligational authority)	1,822,000	1,819,700	$2,466,200

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	361	350	370
Average number of all employees	321	341	370
Average GS grade and salary	6.2 $5,172	6.0 $4,964	6.0 $5,096
Average salary of ungraded positions	$3,784	$3,999	$4,210
01 Personal services:			
Permanent positions	$1,036,342	$1,339,000	$1,499,000
Positions other than permanent	13,859	15,000	15,000
Other personal services	176,396	241,200	271,200
Total personal services	1,226,597	1,595,200	1,785,200
03 Transportation of things	292		
04 Communication services	56		
07 Other contractual services:			
Elevator repairs and improvements	7,091	5,000	5,000
Furniture repairs	6,279	5,000	7,500
General annual repairs	11,168	15,000	15,000
Annual painting	60,146	17,000	33,000
Laundry	6,140	10,000	10,000
Ice	3,880	1,000	1,000
Maintenance, air-conditioning systems	7,037	9,700	9,700
Payment to Employees health benefits fund			23,500
Payment to Employees life insurance fund	3,535	3,800	3,800
Replacement of chilled water coils and temperature controls, air-conditioning system, old building			150,000
Refinishing elevator doors, old building			23,600
Repairs and improvements, terrace landing, northwest corner, old building			31,300
Cleaning exterior of old building			185,000
Replacement of lighting fixtures	11,091	45,216	
Rebuild 4 central station air-conditioning units, First Street wing, Senate Office Building	143,237		
Moving equipment to new building	641		
08 Supplies and materials	58,603	35,000	50,000
09 Equipment:			
Annual rugs and floor coverings	52,330	25,000	25,000
Annual tools, machinery, and miscellaneous	14,729	3,000	3,000
Annual furniture and furnishings	13,730	5,000	5,000
Revolving arm chairs for offices	3,373	3,650	3,650
Typist chairs for offices	2,608	1,350	1,350
File cabinets	103,330	5,000	5,000
New typewriter desks and flat-top desks	6,813	6,000	6,000
11 Grants, subsidies, and contributions	61,163	74,000	83,600
Total obligations	1,803,869	1,864,916	2,466,200

LEGISLATIVE GARAGE

For maintenance, repairs, alterations, personal and other services, and all other necessary expenses, [$115,500] *$78,200.* (*40 U.S.C. 185a; Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$115,500** Estimate 1961, **$78,200**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Maintenance and operation of legislative garage (total obligations)	$42,898	$115,500	$78,200
Financing:			
Unobligated balance no longer available	1,382		
Appropriation (new obligational authority)	44,280	115,500	78,200

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	7	7	7
Average number of all employees	7	7	7
Average salary of ungraded positions	$3,917	$4,169	$4,286
01 Personal services:			
Permanent positions	$27,418	$28,500	$30,000
Other personal services	10,183	11,700	12,100
Total personal services	37,601	40,200	42,100
07 Other contractual services:			
General annual repairs	2,481	2,500	2,500
Improvements to lighting system		70,000	
Painting			30,000
Payment to Employees health benefits fund			600
08 Supplies and materials	958	1,000	1,000
11 Grants, subsidies, and contributions	1,858	1,800	2,000
Total obligations	42,898	115,500	78,200

HOUSE OFFICE BUILDINGS

For maintenance, including equipment, waterproof wearing apparel, uniforms or allowances therefor as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131), miscellaneous items, and for all necessary services, [$1,451,300] *$1,682,600.* (*40 U.S.C. 175; 45 Stat. 1071; Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$1,451,300** Estimate 1961, **$1,682,600**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Maintenance and operation of the House Office Buildings (total obligations)	$1,333,820	$1,451,300	$1,682,600
Financing:			
Unobligated balance no longer available	1,830		
Appropriation (new obligational authority)	1,335,650	1,451,300	1,682,600

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	364	381	381
Average number of all employees	361	371	381
Average GS grade and salary	6.0 $5,207	5.6 $4,969	5.6 $5,052
Average salary of ungraded positions	$3,788	$4,025	$4,183
01 Personal services:			
Permanent positions	$1,041,702	$1,131,891	$1,224,800
Positions other than permanent	3,985	2,500	2,500
Other personal services	112,749	153,009	163,900
Total personal services	1,158,436	1,287,400	1,391,200
02 Travel		25	25
03 Transportation of things		10	10
04 Communication services	15	10	10
07 Other contractual services:			
Annual painting	50,502	43,000	47,500
Elevator repairs	4,578	4,955	4,955
Maintenance, air-conditioning systems	9,626	7,200	27,200
General annual repairs	9,255	10,000	10,000
Replacement of revolving door, old building			8,000
Installation of 5 revolving doors, new building			40,000
Repairs and improvements, terrace landing, southeast corner, old building			25,000
Laundry	2,358		
Installation of safety devices	1,824		
Payment to Employees health benefits fund			24,000
Payment to Employees life insurance fund	3,740	3,200	3,200
08 Supplies and materials	36,367	30,000	35,000
09 Equipment:			
Special equipment	463	1,000	1,000
Storage boxes	2,940	3,000	3,000
Miscellaneous equipment	1,009	1,500	
11 Grants, subsidies, and contributions	52,707	60,000	62,500
Total obligations	1,333,820	1,451,300	1,682,600

ACQUISITION OF PROPERTY, CONSTRUCTION, AND EQUIPMENT, ADDITIONAL HOUSE OFFICE BUILDING

To enable the Architect of the Capitol, under the direction of the House Office Building Commission, to continue to provide for the

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acquisition of property, construction, and equipment of an additional fireproof office building for the use of the House of Representatives, and other changes and improvements, authorized by the Additional House Office Building Act of 1955 (69 Stat. 41, 42), [$16,500,000] *$13,000,000.* (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$16,500,000** Estimate 1961, **$13,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Acquisition of property, protection, maintenance, and demolition of structures, and miscellaneous incidental expenses	$193,140	$23,250	$20,000
2. Construction and equipment of an additional office building for the House of Representatives	8,535,905	48,887,166	
3. Changes, alterations, and remodeling, Old House Office Building	4,467	161,900	
4. Changes, alterations, and remodeling, New House Office Building	81,451	180,705	200,000
5. Subways and subway transportation systems		102,000	5,000,000
6. Administration, miscellaneous, contingencies, landscape treatment, and appurtenances	493,635	300,000	1,069,567
Total obligations	9,308,598	49,655,021	6,289,567
Financing:			
Unobligated balance brought forward: Appropriation		−11,811,449	
Contract authorization (indefinite)	−76,120,047	−55,000,000	−22,156,428
Unobligated balance carried forward: Appropriation	11,811,449		
Contract authorization (indefinite)	55,000,000	22,156,428	15,866,861
Contract authorization (new obligational authority)		5,000,000	

Status of Unfunded Contract Authorization

Unfunded balance at beginning of year	$77,500,000	$55,000,000	$43,500,000
Contract authorization (new)		5,000,000	
Unfunded balance at end of year	−55,000,000	−43,500,000	−30,500,000
Appropriation to liquidate contract authorization	22,500,000	16,500,000	13,000,000

Object Classification

07 Other contractual services: Construction and equipment of an additional office building for the House of Representatives	$8,535,905	$48,887,166	
Changes, alterations, and remodeling, Old House Office Building	4,467	161,900	
Changes, alterations, and remodeling, New House Office Building	81,451	180,705	$200,000
Subways and subway transportation systems		102,000	5,000,000
Administration, miscellaneous, contingencies, landscape treatment, and appurtenances	493,635	300,000	1,069,567
10 Lands and structures: Acquisition of property, protection, maintenance, and demolition of structures, and miscellaneous incidental expenses	193,140	23,250	20,000
Total obligations	9,308,598	49,655,021	6,289,567

CAPITOL POWER PLANT

For lighting, heating, and power (including the purchase of electrical energy) for the Capitol, Senate and House Office Buildings, Supreme Court Building, Congressional Library Buildings, and the grounds about the same, Botanic Garden, legislative garage, and for air-conditioning refrigeration not supplied from plants in any of such buildings; for heating the Government Printing Office, Washington City Post Office, and Folger Shakespeare Library, reimbursement for which shall be made and covered into the Treasury; personal and other services, fuel, oil, materials, waterproof wearing apparel, and all other necessary expenses in connection with the maintenance and operation of the plant; [$1,901,600] *$2,063,700.* (*40 U.S.C. 185; 42 Stat. 767; 46 Stat. 51, 583; 50 Stat. 10; 52 Stat. 392; 68 Stat. 803; Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$1,901,600** Estimate 1961, **$2,063,700**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities: Operation and maintenance of the Capitol Power Plant, its steam and chilled water distribution systems (total obligations)	$1,775,925	$1,901,600	$2,063,700
Financing: Unobligated balance no longer available	69,075		
New obligational authority	1,845,000	1,901,600	2,063,700
New obligational authority: **Appropriation**	$1,738,000	$1,901,600	$2,063,700
Reappropriation	107,000		

Object Classification

Total number of permanent positions	75	77	78
Average number of all employees	75	75	78
Average GS grade and salary	6.0 $5,600	6.0 $5,648	6.0 $5,695
Average salary of ungraded positions	$5,566	$5,708	$5,736
01 Personal services: Permanent positions	$405,402	$433,900	$472,800
Positions other than permanent	22,219	20,000	20,000
Other personal services	52,567	54,700	61,100
Total personal services	480,188	508,600	553,900
02 Travel	23	100	100
03 Transportation of things	54	10	10
04 Communication services	196	10	10
05 Rents and utility services: Gas	435	1,700	1,700
Purchase of electrical energy	725,400	900,000	975,000
07 Other contractual services: General annual repairs and alterations	110,929	48,000	48,000
Advertising		50	50
Repairs and replacement, steam tunnel	85,012		
Emergency repairs, refrigeration apparatus	6,158		
Payment to Employees health benefits fund			5,000
Payment to Employees life insurance fund	1,430	1,230	1,230
08 Supplies and materials: Miscellaneous annual supplies	31,334	26,000	26,000
Fuel	273,427	386,900	421,900
09 Equipment: Miscellaneous	33,736		
11 Grants, subsidies, and contributions	27,603	29,000	30,800
Total obligations	1,775,925	1,901,600	2,063,700

EXPANSION OF FACILITIES, CAPITOL POWER PLANT

For expansion of the Capitol Power Plant facilities, $2,500,000, to be expended by the Architect of the Capitol under the direction of the House Office Building Commission, in accordance with the provisions of the Act of September 2, 1958 (72 Stat. 1714–1716). (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$2,500,000** Estimate 1961, **$2,500,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities: Expansion of steam generating and refrigeration facilities at the Capitol Power Plant, and modification, expansion and improvement of the steam and chilled water distribution systems served by the plant, in order to supply steam and refrigeration for the additional House Office Building and other improvements now under construction, or authorized by Congress to be constructed by the Architect of the Capitol (object class 07)	$1,066,669	$5,433,331	
Financing: Unobligated balance brought forward: Contract authorization		−5,433,331	
Unobligated balance carried forward: Contract authorization	5,433,331		
Contract authorization (new obligational authority)	6,500,000		

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ARCHITECT OF THE CAPITOL—Continued

Current authorizations—Continued

CAPITOL BUILDINGS AND GROUNDS—Continued

EXPANSION OF FACILITIES, CAPITOL POWER PLANT—continued

Status of Unfunded Contract Authorization

	1959 actual	1960 estimate	1961 estimate
Unfunded balance at beginning of year		$5,750,000	$3,250,000
Contract authorization (new)	$6,500,000		
Unfunded balance at end of year	−5,750,000	−3,250,000	−750,000
Appropriation to liquidate contract authorization	750,000	2,500,000	2,500,000

CHANGES AND IMPROVEMENTS, CAPITOL POWER PLANT

Toward carrying out the changes and improvements authorized by the Act of October 26, 1949 (63 Stat. 933), as amended by the Act of June 27, 1956 (70 Stat. 367), $730,000, to be expended by the Architect of the Capitol under the direction of the House Office Building Commission.

Estimate 1961, **$730,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. New tunnel, steam lines, chilled water lines, and related improvements	$19,500		$100,000
2. Electrical conversion, 25-cycle alternating current and direct current, to 60-cycle alternating current	994,155	$1,300,558	
3. Refrigeration plant changes, improvements and additions		2,674	
4. Engineering, administration, and contingencies	33,788	221,000	117,357
Total obligations (object class 07)	1,047,443	1,524,232	217,357
Financing:			
Unobligated balance brought forward:			
Appropriation	−2,059,032	−1,011,589	
Contract authorization	−730,000	−730,000	−217,357
Unobligated balance carried forward:			
Appropriation	1,011,589		
Contract authorization	730,000	217,357	
Contract authorization (new obligational authority)			

Status of Unfunded Contract Authorization

Unfunded balance at beginning of year	$730,000	$730,000	$730,000
Unfunded balance at end of year	−730,000	−730,000	
Appropriation to liquidate contract authorization			730,000

[EXTENSION OF ADDITIONAL SENATE OFFICE BUILDING SITE]

[For an additional amount to enable the Architect of the Capitol, under the direction of the Senate Office Building Commission, to carry out the provisions of Public Law 85–591, Eighty-fifth Congress, relating to the acquisition of property in square 725 in the District of Columbia, including necessary incidental expenses, $200,000, to remain available until expended.] (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$200,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Acquisition of property, protection, maintenance, and demolition of structures, and miscellaneous incidental expenses, squares 724 and 725, District of Columbia (total obligations)	$94,759	$1,695,241	
Financing:			
Unobligated balance brought forward		−1,495,241	
Unobligated balance carried forward	1,495,241		
Appropriation (new obligational authority)	1,590,000	200,000	

Object Classification

	1959 actual	1960 estimate	1961 estimate
10 Lands and structures: Acquisition of property, protection, maintenance, and demolition of structures, and miscellaneous incidental expenses:			
Square 724, District of Columbia	$89,255	$875,745	
Square 725, District of Columbia	5,504	819,496	
Total obligations	94,759	1,695,241	

[REMODELING, SENATE OFFICE BUILDING]

[Notwithstanding the provisions of the proviso contained under this heading in the Supplemental Appropriation Act, 1958 (71 Stat. 439), not to exceed $100,000 of the funds therein appropriated may be expended for the performance of work on a contract basis.] (*Legislative Branch Appropriation Act, 1960.*)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Enlargement and remodeling of Senators' suites and structural, mechanical, and other changes and improvements in the Old Senate Office Building, to provide improved accommodations for the U.S. Senate (object class 07)	$29,141	$200,285	
Financing:			
Unobligated balance brought forward	−229,426	−200,285	
Unobligated balance carried forward	200,285		
Appropriation (new obligational authority)			

ADDITIONAL OFFICE BUILDING FOR THE UNITED STATES SENATE

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Construction and equipment of an additional office building for the U.S. Senate (object class 07)	$1,078,818	$1,873,236	
Financing:			
Unobligated balance brought forward	−2,290,562	−1,961,744	−$88,508
Unobligated balance carried forward	1,961,744	88,508	88,508
Contract authorization (new obligational authority)	750,000		

Status of Unfunded Contract Authorization

Unfunded balance at beginning of year			
Contract authorization (new)	$750,000		
Appropriation to liquidate contract authorization	750,000		

EXTENSION OF THE CAPITOL

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Extension, reconstruction, and replacement of the central portion of the Capitol, and other related and appurtenant improvements (object class 07)	$7,250,428	$8,870,920	$1,079,400
Financing:			
Unobligated balance brought forward:			
Appropriation	−14,783,811	−11,533,383	−2,662,463
Contract authorization (indefinite)	−25,600,000		
Unobligated balance carried forward:			
Appropriation	11,533,383	2,662,463	1,583,063
Unobligated balance no longer available (contract authorization)	25,600,000		
Contract authorization (new obligational authority)	4,000,000		

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Status of Unfunded Contract Authorization

	1959 actual	1960 estimate	1961 estimate
Unfunded balance at beginning of year	$25,600,000		
Administrative cancellation of unfunded balance	−25,600,000		
Contract authorization (new)	4,000,000		
Appropriation to liquidate contract authorization	4,000,000		

FURNITURE AND FURNISHINGS, ADDITIONAL SENATE OFFICE BUILDING

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Furniture and furnishings for additional Senate Office Building (object class 09)	$1,063,613	$219,937	
Financing:			
Unobligated balance brought forward	−1,000,000	−219,937	
Unobligated balance carried forward	219,937		
Appropriation (new obligational authority)	283,550		

RECONSTRUCTION, REPAIR, ALTERATION, AND IMPROVEMENTS, CAPITOL GROUNDS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Reconstruction, repair, alteration, and improvement of the areas of the Capitol Grounds located above and in the vicinity of the legislative garage (object class 07)		$19,481	
Financing:			
Unobligated balance brought forward	−$19,481	−19,481	
Unobligated balance carried forward	19,481		
Appropriation (new obligational authority)			

LIBRARY BUILDINGS AND GROUNDS

STRUCTURAL AND MECHANICAL CARE

For necessary expenditures for mechanical and structural maintenance, including minor improvements, equipment, supplies, waterproof wearing apparel, and personal and other services, [$1,080,500] *$1,067,300* of which not to exceed $20,000 shall be available for expenditure without regard to section 3709 of the Revised Statutes, as amended. (*2 U.S.C. 141; 46 Stat. 583; Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$1,080,500** Estimate 1961, **$1,067,300**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Mechanical and structural maintenance, Library buildings and grounds (total obligations)	$705,882	$1,080,500	$1,067,300
Financing:			
Unobligated balance no longer available	2,718		
Appropriation (new obligational authority)	708,600	1,080,500	1,067,300

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Total number of permanent positions	59	59	59
	Average number of all employees	59	57	59
	Average GS grade and salary	4.5 $4,135	4.5 $4,183	4.5 $4,305
	Average salary of ungraded positions	$5,363	$5,724	$5,979
01	Personal services:			
	Permanent positions	$312,217	$324,200	$349,400
	Other personal services	86,361	92,500	97,300
	Total personal services	398,578	416,700	446,700
04	Communication services	7		
07	Other contractual services:			
	General annual repairs	17,998	19,800	17,500
	Annual painting	20,102	35,000	20,000
	Maintenance and repairs, air-conditioning and refrigeration systems	14,800	14,300	6,000
	Maintenance and repairs, elevators	5,709	5,000	5,000
	Equip part of bookstacks with map cases, annex	15,434	20,000	20,000
	Equip part of deck for bookshelving, annex	81,116	85,000	85,000
	Installation of floor tile, both buildings	28,102	44,600	31,400
	Pointing exterior stonework, both buildings	15,660	20,000	35,000
	Repairs to mosaic ceilings and floor tile and marble floor tile, main building	18,950	20,000	20,000
	Elevator modernization and improvements, both buildings		81,600	250,000
	Payment to Employees health benefits fund			3,800
	Payment to Employees life insurance fund	1,002	1,000	1,000
	Replacement of steam pressure reducing valves, main and annex buildings	22,221		30,000
	Installation of sprinkler system, north unfinished area, annex			5,000
	Air condition east subbasement machine room, annex			4,200
	Replacement of electric tram			3,500
	Heating and cooling survey and study			25,000
	Plumbing renewals in public toilets	11,577	4,000	
	Plaster repairs and renewals, both buildings	5,903	10,000	
	Restore and repair decorated plaster ceilings, 2d floor exhibit hall, main building		10,000	
	Clean and refinish bronze entrance doors, both buildings		5,200	
	Reinforce deck 2, north (west half), annex, for map cases		4,000	
	Air condition Coolidge Auditorium, main building		40,000	
	Air condition part of south curtain cellar, main building		4,000	
	Improvements between decks A and B and 37 and 38, main building		17,000	
	Air condition decks A and B, main building		36,300	
	Lighting improvements, cellar, main building		4,500	
	Alterations and equipment to provide improved exhibit facilities, main building		138,000	
	Installation of stairways and doors, 5th floor, annex (reading rooms to deck 12)	4,748		
08	Supplies and materials	19,194	17,500	18,500
09	Equipment:			
	Materials handling and cleaning equipment			7,400
	Sump pumps, annex		1,500	
	Floor scrubbing machine	2,951		
10	Care of grounds	1,492	3,500	10,300
11	Grants, subsidies, and contributions	20,338	22,000	22,000
	Total obligations	705,882	1,080,500	1,067,300

FURNITURE AND FURNISHINGS

For furniture, partitions, screens, shelving, and electrical work pertaining thereto and repairs thereof, office and library equipment, apparatus, and labor-saving devices, [$140,000] *$123,300.* (*2 U.S.C. 141; 46 Stat. 583; Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$140,000** Estimate 1961, **$123,300**

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ARCHITECT OF THE CAPITOL—Continued

Current authorizations—Continued

LIBRARY BUILDINGS AND GROUNDS—Continued

FURNITURE AND FURNISHINGS—continued

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Furniture and furnishings for the Congressional Library buildings (total obligations)	$73,889	$140,000	$123,300
Financing:			
Unobligated balance no longer available	1,111		
Appropriation (new obligational authority)	75,000	140,000	123,300

Object Classification

07 Other contractual services:			
Repairs to office machines and equipment	$12,905	$9,500	$10,500
Conversion of typewriters and office machines to 60-cycle alternating current, main building			4,000
Recovering of seats, Coolidge Auditorium			3,000
Refinishing central desk, main reading room, main building	9,250		
09 Equipment:			
Furniture and equipment	28,299	35,000	35,000
Typewriter replacements	14,384	15,000	15,000
Movable partitions	4,168	10,000	10,000
Visible file cases for serial record division	1,118	1,500	1,500
Carpeting for offices	3,765	1,900	3,100
60-cycle alternating current electric fans, main building		4,200	11,000
Card sections for Copyright Office		6,200	12,600
Microfilm reading machines, serial division		2,200	3,150
Calculating machines, legislative reference		1,500	1,900
12 numbering machines, Copyright Office			1,800
Addressing machine and file cabinet, Office of Secretary			2,600
Crisscross stacker attachment for collator, Office of Secretary			1,000
Rotary records unit, loan division			1,000
Motion picture projector, editing machines, and varityper, motion picture section			6,150
Venetian blinds, main building		13,400	
Steel trays for card division		20,200	
Addressograph-multigraph-multilith machines, card division, Copyright Office and central duplicating		11,000	
Electric adding machines, card division		2,800	
Bookkeeping machine, accounts office		4,000	
Tickometer machine, card division		1,600	
Total obligations	73,889	140,000	123,300

BOTANIC GARDEN

Current authorizations:

SALARIES AND EXPENSES

For all necessary expenses incident to maintaining, operating, repairing, and improving the Botanic Garden and the nurseries, buildings, grounds, collections, and equipment pertaining thereto, including personal services (including not to exceed $3,000 for temporary labor without regard to the Classification Act of 1949, as amended); waterproof wearing apparel; not to exceed $25 for emergency medical supplies; traveling expenses including streetcar fares, not to exceed $275; the prevention and eradication of insect and other pests and plant diseases by purchase of materials and procurement of personal services by contract without regard to the provisions of any other Act; purchase and exchange of motor trucks; purchase and exchange, maintenance, repair, and operation of a passenger motor vehicle; purchase of botanical books, periodicals, and books of reference, not to exceed $100; all under the direction of the Joint Committee on the Library; [$327,500] *$352,300.* (*40 U.S.C. 216; Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$327,500** Estimate 1961, **$352,300**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Maintenance and operation of the Botanic Garden (total obligations)	$349,672	$327,500	$352,300
Financing:			
Unobligated balance no longer available	50,078		
Appropriation (new obligational authority)	399,750	327,500	352,300

Object Classification

Total number of permanent positions		48		48		48
Average number of all employees		46		46		47
Average GS grade and salary	4.0	$4,403	7.4	$5,777	7.4	$5,915
Average salary of ungraded positions		$4,604		$4,993		$5,261
01 Personal services:						
Permanent positions		$203,484		$234,000		$252,600
Positions other than permanent		2,643		3,000		3,000
Other personal services		36,675		43,000		45,200
Total personal services		242,802		280,000		300,800
02 Travel				150		150
03 Transportation of things				50		50
04 Communication services		137		100		100
Penalty mail		25		100		100
05 Rents and utility services		590		300		300
07 Other contractual services:						
General annual repairs		7,290		5,200		5,200
Laundry		100		100		100
Repairs to main conservatory		61,025				
Payment to Employees health benefits fund						3,000
Payment to Employees life insurance fund		648		600		600
08 Supplies and materials		9,870		10,000		10,000
09 Equipment: Botanic Garden stock		14,714		15,400		15,400
10 Lands and structures: Annual care of grounds				100		100
11 Grants, subsidies, and contributions		12,471		15,400		16,400
Total obligations		349,672		327,500		352,300

RELOCATION OF GREENHOUSES

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Demolition and removal of existing greenhouses and other structures from square 576 west in the District of Columbia, and construction in lieu thereof, of new greenhouses and other necessary structures at the Botanic Garden Nursery (object class 07)	$10,444	$576,556	
Financing:			
Unobligated balance brought forward		−576,556	
Unobligated balance carried forward	576,556		
Appropriation (new obligational authority)	587,000		

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Structural and mechanical repairs and improvements (object class 07)	$16,038		
Financing:			
Advances and reimbursements from other accounts	16,038		

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LIBRARY OF CONGRESS

The Library of Congress, established in 1800, is not only the library of the Congress itself, but is also the principal general library of the Government of the United States. Its collections are comprehensive and varied, and include outstanding collections of books, periodicals, newspapers, documents of the national governments of the world, literature in the oriental languages, etc., and manuscripts, maps, music, motion picture films, sound recordings, prints, and photographs. In addition to maintenance of the collections and the rendering of the general and basic services connected therewith, including the Legislative Reference Service, certain specialized functions are performed; registration of copyrights, catalog card distribution, and the service of books in raised characters and talking books to the blind. In terms of these broad fields of activity comparative obligations (including only those chargeable to annual appropriations) for 1959 and estimated 1960 and 1961 are:

	1959 actual	*1960 estimate*	*1961 estimate*
General and basic services:			
Acquisition of library materials	$1,188,489	$1,238,785	$1,364,780
Organization of the collections	2,615,106	2,789,781	2,822,225
Reader and reference services	1,709,199	1,930,604	2,053,402
Maintenance and protective services	958,240	991,145	1,010,027
Executive direction and general administrative services	858,972	890,248	909,066
Total general and basic services	7,330,006	7,840,563	8,159,500
Special service to the Congress: Legislative Reference Service	1,386,255	1,455,400	1,660,200
Specialized services:			
Copyright	1,396,881	1,450,000	1,486,800
Catalog card distribution service	1,878,526	1,981,300	2,012,700
Books for the blind	1,364,757	1,619,400	1,718,200
Total specialized services	4,640,164	5,050,700	5,217,700
Total obligations	13,356,425	14,346,663	15,037,400

The Library's first obligation is to the Congress; the second, to other agencies of the Government; and the third, to other libraries, scholars, investigators, and the general public.

In addition to funds appropriated annually by Congress, there are also available a number of gift and trust funds, working funds, and allocations.

Estimates for the physical equipment, maintenance, and operation of the Library buildings are carried under the request of the Architect of the Capitol.

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Library of Congress, not otherwise provided for, including development and maintenance of the Union Catalogs; custody, care, and maintenance of the Library Buildings; special clothing; and expenses of the Library of Congress Trust Fund Board not properly chargeable to the income of any trust fund held by the Board; [$7,159,890] *$7,417,700. (2 U.S.C. 131–166; 5 U.S.C. 150; 17 U.S.C. 1–215; 20 U.S.C. 91; Legislative Branch Appropriation Act, 1960.)*

Appropriated 1960, **$7,159,890** Estimate 1961, **$7,417,700**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Acquisition of library materials	$673,887	$703,285	$729,780
2. Organization of the collections	2,546,679	2,644,608	2,715,425
3. Reader and reference services	1,709,199	1,930,604	2,053,402
4. Maintenance and protective services	958,240	991,145	1,010,027
5. Executive direction and general administrative services	858,972	890,248	909,066
Total obligations	6,746,977	7,159,890	7,417,700

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Financing:			
Unobligated balance no longer available	$1,323		
Appropriation (new obligational authority)	6,748,300	$7,159,890	$7,417,700

Personal services and incidental expenses for basic operations are financed from this appropriation.

1. *Acquisition of library materials.*—The development of the Library's collections is planned; materials are procured by purchase, gift, exchange, copyright deposit, transfer and official deposit; and materials are selected for addition to the permanent collections. The objective for 1961 is: continued improvement in acquisitions procedures and in exchange relations with institutions in the more important areas of the world. The collections totaled 38,123,182 items as of June 30, 1959, and consisted of 11,779,894 books and pamphlets, 16,185,209 manuscript pieces, and 10,158,079 maps, pieces of music, reels of microfilm, photographs, and other miscellaneous items. Of the items received, about 1 million are added to the permanent collections annually. Those received from various sources in 1959 and estimated for 1960 and 1961 are as follows:

Description	*1959 actual*	*1960 estimate*	*1961 estimate*
Purchase	526,713	550,000	650,000
Deposit by virtue of law:			
Copyright	378,140	380,000	385,000
Other	794,802	800,000	800,000
Transfer from Federal agencies	1,727,320	2,000,000	2,250,000
Official donation from State and local agencies	121,040	125,000	130,000
Exchange	509,460	550,000	600,000
Gift from individual and unofficial sources	1,221,861	1,300,000	1,300,000
Total	5,279,336	5,705,000	6,115,000

2. *Organization of the collections.*—Library materials are cataloged, classified, marked and arranged; Library of Congress catalogs and the main National Union Catalog (card catalog) are maintained; special collections are organized for use; and binding operations are controlled. The objectives for this activity in 1961 are the cataloging of a larger number of the materials received during the year particularly those in oriental languages; handling receipts of special materials and organizing them for use on a current basis; and improved cataloging methods and procedures to assure the usefulness of the collections.

Selected performance data for 1959 and estimated for 1960 and 1961 (not including processing activities performed by the Reference Department and the Law Library) are as follows:

Description	*1959 actual*	*1960 estimate*	*1961 estimate*
Volumes fully cataloged and added to the classified collections	151,467	155,000	160,000
Items otherwise organized for use (without full cataloging)	26,866	30,000	35,000
Cards filed in catalogs	1,502,890	1,550,000	1,600,000
Volumes bound	92,912	97,000	97,000
Items repaired, cleaned, mounted, etc	233,021	250,000	250,000
Cards received by the National Union Catalog	1,236,988	1,250,000	1,300,000
Serial parts processed	1,654,786	1,700,000	1,800,000

3. *Reader and reference services.*—Books and other library materials are provided inside and outside of the Library, reference and bibliographic assistance is rendered, and custody of the collections is maintained. The objectives of this activity for 1961 are to provide reference and bibliographic services on scientific and technological reports; to provide more adequate access to special collections; to improve the loan service to Congress; and to maintain adequate reference service in the reading rooms.

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LIBRARY OF CONGRESS—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

The workload in all major activities is expected to increase in 1960 and 1961 as follows:

Description	*1959 actual*	*1960 estimate*	*1961 estimate*
Reader and reference services:			
Materials served	1,757,236	1,820,000	1,820,000
Units issued on loan	217,931	225,000	230,000
Reference inquiries answered in person	306,464	325,000	325,000
Reference requests by telephone	189,758	210,000	210,000
Reference letters	83,614	90,000	90,000
Law Library reader and reference services:			
Books and pamphlets served	312,728	350,000	360,000
Reference inquiries answered	81,699	80,000	84,000

4. *Maintenance and protective services.*—A staff of 195, including 82 part-time charwomen, preserves, cleans, and maintains the two Library buildings, collections, and grounds; operates telephone switchboards, elevators, check stands, and motor vehicles; procures and maintains furniture, office supplies, housekeeping materials, and miscellaneous equipment; assigns space; and operates the receiving and stockrooms. The guard force staff of 76 is necessary to prevent fire and theft, to maintain order, and to provide regular inspections of all areas in both buildings in which is assembled one of the greatest accumulations of national treasures in the world.

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Total number of permanent positions	1,049	1,105	1,125
	Full-time equivalent of all other positions	42	42	42
	Average number of all employees	1,071	1,125	1,145
	Number of employees at end of year	1,156	1,166	1,186
	Average GS grade and salary	6.2 $5,459	6.3 $5,544	6.4 $5,616
	Average salary of ungraded positions	$3,301	$3,444	$3,444
01	Personal services:			
	Permanent positions	$5,458,100	$5,837,090	$6,022,158
	Positions other than permanent	121,163	130,003	130,003
	Other personal services	114,883	109,480	88,090
	Total personal services	5,694,146	6,076,573	6,240,251
02	Travel	2,532	6,350	6,350
03	Transportation of things	511	850	850
04	Communication services	63,667	65,150	70,150
05	Rents and utility services	34,839	36,200	36,200
06	Printing and reproduction	495,690	498,511	511,927
07	Other contractual services	57,424	48,465	117,224
08	Supplies and materials	41,303	39,400	40,900
09	Equipment	1,180	1,600	
11	Grants, subsidies, and contributions	355,621	385,791	392,848
13	Refunds, awards, and indemnities	64	1,000	1,000
	Total obligations	6,746,977	7,159,890	7,417,700

COPYRIGHT OFFICE

SALARIES AND EXPENSES

For necessary expenses of the Copyright Office, including publication of the decisions of the United States courts involving copyrights, [$1,450,000] *$1,486,800. (17 U.S.C. 1–215; Legislative Branch Appropriation Act, 1960.)*

Appropriated 1960, **$1,450,000** Estimate 1961, **$1,486,800**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Receiving and accounting for applications, fees, and correspondence	$307,993	$323,295	$328,990
2. Examining copyright applications	363,114	379,547	387,665
3. Indexing and cataloging materials received	319,149	354,984	362,844
4. Reference services	146,570	162,335	165,589
5. Printing the catalog of copyright entries and bulletins of decisions	40,611	35,000	44,600
6. General supervision and legal services	219,444	194,839	197,112
Total obligations	1,396,881	1,450,000	1,486,800

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Financing:			
Unobligated balance no longer available	$375		
Appropriation (new obligational authority)	1,397,256	$1,450,000	$1,486,800

The Copyright Office is responsible for recording copyright claims, assignments, and renewals, for supplying copyright information to the public, for collecting and accounting for copyright fees, and for printing complete and indexed catalogs for each class of copyright entries. The office is conducted as a business operation. The amount requested for personal services is substantially counterbalanced by fees received and deposited in miscellaneous receipts of the Treasury. In addition, the value of books and other library materials deposited in accordance with the Copyright Act and transferred to the Library of Congress is credited to the copyright operation. The income and costs for 1959 and estimates for 1960 and 1961 are as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Income:			
Fees applied	$979,941	$1,004,439	$1,028,937
Estimated value of materials deposited	548,169	561,873	575,577
Total income	1,528,110	1,566,312	1,604,514
Costs:			
Salaries	1,226,871	1,283,293	1,296,893
Other costs	170,010	166,707	189,907
Total costs	1,396,881	1,450,000	1,486,800

The program and performance under each of the activities described are predicated on an estimated 253,821 copyright registrations during 1961, an estimated 247,778 during 1960, and an actual 241,735 during 1959.

1. *Receiving and accounting for applications, etc.*—Materials received by the Copyright Office are assembled and routed; accounts are maintained for all moneys received; records relating to the registration of copyrights are filed; and materials are deposited in accordance with the Copyright Act. Performance data for 1959 and estimates for 1960 and 1961 are as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Registrations	241,735	247,778	253,821
Mail received and dispatched	563,577	577,666	591,755

2. *Examining copyright applications.*—All applications and deposits are examined before issuance of registration certificates or recording of documents to determine whether the provisions of the Copyright Act have been satisfied. Performance data are as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Cases and documents examined	311,135	318,913	326,691
Registrations and recordation of documents	250,769	257,038	263,307

3. *Indexing and cataloging materials received.*—The Register of Copyrights is required to print complete and indexed catalogs of all items registered. The catalog entries prepared by the Copyright Office are made available in part to the Library for its general operations. There were 241,735 registrations cataloged in 1959 and estimates for 1960 and 1961 are 247,778 and 253,821, respectively.

4. *Reference services.*—The Copyright Office makes available to the public, information concerning the provisions of the Copyright Act, including procedures, policies, and rulings; information concerning registrations is furnished on a fee basis. Obtaining compliance with registration requirements is also part of this activity. Performance data are as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Titles searched	55,443	56,829	58,215
Letters and search reports written	25,004	25,629	26,254

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5. *Printing the catalog of copyright entries and bulletins of decisions.*—Catalogs for each class of copyright entries and bulletins of copyright decisions are printed and made available to the public.

6. *General supervision and legal services.*—The work of the Copyright Office includes legal services relating to the status and improvement of copyright law in its foreign as well as domestic aspects.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	236	245	245
Average number of all employees	232	243	243
Number of employees at end of year	231	242	242
Average GS grade and salary	5.9 $5,230	5.9 $5,236	5.9 $5,312
01 Personal services:			
Permanent positions	$1,214,188	$1,268,309	$1,286,651
Positions other than permanent		500	500
Other personal services	12,683	14,484	9,742
Total personal services	1,226,871	1,283,293	1,296,893
02 Travel	5,651	5,350	5,350
04 Communication services	8,898	9,000	9,000
05 Rents and utility services	1,557	1,000	1,000
06 Printing and reproduction	57,275	53,500	63,100
07 Other contractual services	7,704	8,760	22,360
08 Supplies and materials	7,487	5,000	5,000
09 Equipment (books and other library materials)	4,739	2,000	2,000
11 Grants, subsidies, and contributions	76,699	82,097	82,097
Total obligations	1,396,881	1,450,000	1,486,800

Legislative Reference Service

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of section 203 of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 166), [$1,455,400] *$1,660,200: Provided,* That no part of this appropriation may be used to pay any salary or expense in connection with any publication, or preparation of material therefor (except the Digest of Public General Bills), to be issued by the Library of Congress unless such publication has obtained prior approval of either the Committee on House Administration or the Senate Committee on Rules and Administration. *(2 U.S.C. 166; Legislative Branch Appropriation Act, 1960.)*

Appropriated 1960, **$1,455,400** Estimate 1961, **$1,660,200**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Research and analysis	$1,147,668	$1,198,890	$1,379,525
2. Preparation of indexes and digests	77,344	79,292	86,047
3. Reference files, bibliographies, and congressional reader services	103,562	113,337	120,833
4. Administration	57,681	63,881	73,795
Total obligations	1,386,255	1,455,400	1,660,200
Financing:			
Unobligated balance no longer available	4,045		
Appropriation (new obligational authority)	1,390,300	1,455,400	1,660,200

The Legislative Reference Service prepares research reports, digests, etc., and supplies information in answer to inquiries from Members and committees of Congress.

1. *Research and analysis.*—The Legislative Reorganization Act of 1946 lists 19 specific fields of congressional concern in which top-level research by senior specialists is authorized. These fields correspond in general to the areas of committee responsibility. The following 14 fields are now covered by one or more senior specialists: International trade, international affairs, taxation and fiscal policy, American government and public administration, conservation, American public law, labor, engineering and public works, agriculture, price economics, national defense, social welfare, science and technology, and transportation and communications. The senior specialists provide authoritative research and consultative services. In addition, the services of six subject matter divisions, upon request, furnish to Members and committees information on or analysis of public affairs problems in report form or otherwise, charts, translations, and bibliographies, and answers to spot reference questions. In 1959, 76,857 congressional inquiries were answered, an increase of 13.3% over the number answered in 1958. Since 1950, the average annual increase in the number of inquiries has been 7.2%. The number of inquiries in 1960 is estimated at 82,500, and in 1961, 88,500.

2. *Preparation of indexes and digests.*—The Digest of Public General Bills covers all public bills and resolutions. It is expected that there will be about the same number of bills to be digested during the 1st session of the 87th Congress as were digested for the 1st session of the 86th Congress. The preparation of indexes for an increasing number of committee hearings is anticipated.

3. *Reference files, bibliographic and congressional reader services.*—Reference files, containing clippings, pamphlets and documents, are maintained as the basis for reply to the majority of inquiries; researchers are supplied with bibliographic and reference tools; selective and comprehensive bibliographies are prepared for Members and committees of Congress; and reader services are provided by the congressional reading room. During 1959, 92,589 reference file items were processed, 14,671 bibliographic citations prepared, 72,716 published items acquired and processed, and 3,178 readers served.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	171	180	203
Full-time equivalent of all other positions			5
Average number of all employees	161	171	199
Number of employees at end of year	179	188	221
Average GS grade and salary	9.3 $7,763	9.2 $7,691	9.1 $7,627
01 Personal services:			
Permanent positions	$1,246,554	$1,311,121	$1,475,031
Positions other than permanent			25,000
Other personal services	10,492	15,430	10,340
Total personal services	1,257,046	1,326,551	1,510,371
02 Travel	1,990	3,525	3,525
04 Communication services	372	400	400
06 Printing and reproduction	19,158	16,000	16,000
07 Other contractual services	13,485	13,934	25,512
08 Supplies and materials	11,140	8,600	8,600
11 Grants, subsidies, and contributions	83,064	86,390	95,792
Total obligations	1,386,255	1,455,400	1,660,200

Distribution of Catalog Cards

SALARIES AND EXPENSES

For necessary expenses for the preparation and distribution of catalog cards and other publications of the Library, [$1,981,300] *$2,012,700. (2 U.S.C. 150; Legislative Branch Appropriation Act, 1960.)*

Appropriated 1960, **$1,981,300** Estimate 1961, **$2,012,700**

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LIBRARY OF CONGRESS—Continued

Current authorizations—Continued

DISTRIBUTION OF CATALOG CARDS—Continued

SALARIES AND EXPENSES—continued

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Supplying cards for the Library of Congress	$289,278	$306,834	$309,367
2. Supplying cards for other libraries	1,178,899	1,206,254	1,218,140
3. Preparation, printing and distribution of publications related to cataloging	129,596	118,199	119,226
4. Preparation, printing and distribution of the National Union Catalog	221,869	299,133	302,101
5. Preparation, printing and distribution of the Subject Catalog	58,884	50,880	63,866
Total obligations	1,878,526	1,981,300	2,012,700
Financing:			
Unobligated balance no longer available	109		
Appropriation (new obligational authority)	1,878,635	1,981,300	2,012,700

The card division sells copies of the Library's printed catalog cards and publications. It maintains a stock of over 140,000,000 catalog cards representing some 3,300,000 titles, and fills orders from approximately 10,000 regular subscribers—mostly libraries—in the United States and abroad. In 1959, 103% of this appropriation was recovered in the form of receipts from card and publication sales. Receipts of $1,936,010 were deposited in miscellaneous receipts of the Treasury in 1959. The objectives for 1961 are: Meeting the increased demand for catalog cards and maintaining a reasonable level of service and economy; the continued expansion of the National Union Catalog and the printing of cards for books in Chinese, Japanese, and Korean.

1. *Supplying cards for the Library of Congress.*—The number of cards supplied to the Library of Congress in 1959 was 4,682,699; estimated for 1960, 4,777,000; and for 1961, 4,872,000.

2. *Supplying cards for other libraries.*—The number of cards sold in 1959 was 30,093,915; estimated for 1960, 31,000,000; and for 1961, 31,000,000.

3. *Preparation, printing, and distribution of publications related to cataloging.*—These publications are an integral part of the cataloging activities of the Library of Congress and include the Classification Schedules, lists of Subject Headings, Rules for Descriptive Cataloging, Cataloging Service Bulletins, and similar publications.

4. *Preparation, printing, and distribution of the National Union Catalog.*—This catalog (a cumulative author list) is issued monthly and cumulated quarterly and annually. Subscribers also receive issues of Motion Pictures and Filmstrips (quarterlies with annual cumulation), and Music and Phonorecords (issued on a 6-month basis and annual cumulation). There were 1,017 paid subscriptions for all issues in calendar year 1958, and it is estimated that there will be 1,035 subscriptions for 1959 and 1,050 for 1960. Included under this activity is the National Library of Medicine Catalog.

5. *Preparation, printing, and distribution of the Subject Catalog.*—This catalog is issued in three quarterly volumes with an annual cumulation. There were 409 paid subscriptions for calendar year 1958. It is estimated that there will be 403 paid subscriptions in 1959 and about 415 in 1960.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	223	238	238
Average number of all employees	220	236	236
Number of employees at end of year	229	245	245
Average GS grade and salary	4.5 $4,541	4.3 $4,522	4.3 $4,584
01 Personal services:			
Permanent positions	$1,000,709	$1,065,742	$1,080,638
Other personal services	41,174	7,792	3,896
Total personal services	1,041,883	1,073,534	1,084,534
02 Travel	3,473	3,900	3,900
03 Transportation of things	1,952	2,800	2,800
04 Communication services	38,007	38,050	38,050
05 Rents and utility services	1,133	300	300
06 Printing and reproduction	704,177	767,968	775,168
07 Other contractual services	6,688	7,104	20,304
08 Supplies and materials	17,640	17,865	17,865
11 Grants, subsidies, and contributions	63,573	69,779	69,779
Total obligations	1,878,526	1,981,300	2,012,700

INCREASE OF THE LIBRARY OF CONGRESS

GENERAL INCREASE OF THE LIBRARY

For necessary expenses (except personal services) for acquisition of books, periodicals, and newspapers, and all other material for the increase of the Library, [$350,000] *$450,000*, to continue available during the next succeeding fiscal year. (*2 U.S.C. 131, 132, 132a; Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$350,000** Estimate 1961, **$450,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Purchase of books and other library materials (total obligations)	$320,048	$354,004	$450,000
Financing:			
Unobligated balance brought forward	−4,052	−4,004	
Unobligated balance carried forward	4,004		
Appropriation (new obligational authority)	320,000	350,000	450,000

This appropriation constitutes the only means of acquiring regular domestic trade publications (except for copyright deposits) and many foreign trade publications, both current and noncurrent, from approximately 100 countries or areas. The publications acquired by purchase constitute a most important part of the Library's acquisitions although they represent only a small portion of the material received annually. The objectives for 1961 are: to continue the acquisition of selected important foreign newspapers and periodicals; to increase the acquisition of important materials from critical areas, particularly from Eastern Europe, Africa, and the Orient, and the procurement of other important research materials to strengthen the Library's collections; to increase the acquisition of materials in the fields of science and technology; to continue the purchase of selected current titles on microfilm as an economy measure in lieu of binding; and to continue the microfilming of deteriorating materials as a necessary preservative measure.

Object Classification

	1959 actual	1960 estimate	1961 estimtae
02 Travel	$14,758	$14,400	$14,400
03 Transportation of things	3,167	3,400	3,400
04 Communication services	10,199	10,100	10,100
07 Other contractual services	4,671	50	50
08 Supplies and materials		50	50
09 Equipment (books and other library materials)	287,253	326,004	422,000
Total obligations	320,048	354,004	450,000

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INCREASE OF THE LAW LIBRARY

For necessary expenses (except personal services) for acquisition of books, legal periodicals, and all other material for the increase of the law library, $90,000, to continue available during the next succeeding fiscal year. *(2 U.S.C. 131, 132, 135, 137, 138; Legislative Branch Appropriation Act, 1960.)*

Appropriated 1960, **$90,000** Estimate 1961, **$90,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Purchase of books and other library materials (total obligations)	$104,832	$91,496	$90,000
Financing:			
Unobligated balance brought forward	−16,328	−1,496	
Unobligated balance carried forward	1,496		
Appropriation (new obligational authority)	90,000	90,000	90,000

This appropriation constitutes the only means of acquiring law books published in the regular domestic trade (except for copyright deposits) and many foreign law books published in countries all over the world. The legal publications acquired by purchase constitute a most important part of the law library's acquisitions, although a substantial part of the annual receipts is received by means other than purchase.

Object Classification

	1959 actual	1960 estimate	1961 estimate
02 Travel	$1,317	$2,500	$2,500
03 Transportation of things	141	350	350
04 Communication services	3,047	3,150	3,150
09 Equipment (books and other library materials)	100,327	85,496	84,000
Total obligations	104,832	91,496	90,000

BOOKS FOR THE SUPREME COURT

For the purchase of books and periodicals for the Supreme Court, to be a part of the Library of Congress, and purchased by the Librarian of the Supreme Court, under the direction of the Chief Justice, [$30,000] *$35,000. (2 U.S.C. 132; 28 U.S.C. 672; Legislative Branch Appropriation Act, 1960.)*

Appropriated 1960, **$30,000** Estimate 1961, **$35,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Purchase of books and periodicals (object class 09)	$29,999	$30,000	$35,000
Financing:			
Unobligated balance no longer available	1		
Appropriation (new obligational authority)	30,000	30,000	35,000

Books and periodicals are purchased for the library of the Supreme Court, which, though a part of the Library of Congress, is administered under the direction of the Chief Justice.

BOOKS FOR THE BLIND

SALARIES AND EXPENSES

For necessary salaries and expenses to carry out the provisions of the Act approved March 3, 1931 (2 U.S.C. 135a), as amended, [$1,619,400] *$1,718,200. (2 U.S.C. 135a, 135a note, 135b; 71 Stat. 630; Legislative Branch Appropriation Act, 1960.)*

Appropriated 1960, **$1,619,400** Estimate 1961, **$1,718,200**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Procurement and distribution	$1,265,489	$1,509,993	$1,579,078
2. Cataloging, reference, circulation, and training services	99,268	109,407	139,122
Total obligations	1,364,757	1,619,400	1,718,200
Financing:			
Unobligated balance no longer available	3,143		
Appropriation (new obligational authority)	1,367,900	1,619,400	1,718,200

The division for the blind is responsible for administering a national program to provide reading material for the blind of the United States and its possessions. It has two closely related operations.

1. *Procurement and distribution.*—It provides books in embossed characters, and talking books with their associated reproducers. The books are distributed through 30 regional libraries which assume responsibility for their custody and circulation. The reproducers are distributed through 55 State agencies. The maintenance and procurement of these books are shown in the following table:

Description	*1959 actual*	*1960 estimate*	*1961 estimate*
Talking books purchased:			
(*a*) New titles	259	301	313
(*b*) Old titles re-recorded	29	32	30
Embossed books and magazines:			
(*a*) Press braille, made to order, titles	99	236	246
(*b*) Purchased from catalog, ready-made titles	106	------	------
Talking book machines:			
Purchased	8,900	10,175	11,250
Repaired	9,976	9,405	9,000
Salvaged—scrapped	1,707	4,500	6,000
Records replaced	24,363	20,000	15,000

Objectives for 1961 include the procurement of more titles of books, of more copies of the popular titles, of a sufficient number of machines to equip newly registered blind readers and to replace scrapped machines, and continuation of the quality inspection program on machines and of research in sound reproduction.

2. *Cataloging, reference, circulation, and training services.*—Catalogs of talking and braille books are prepared and maintained, including a Union Catalog of Hand Copied Books in Braille which brings together a record of holdings of all libraries. The division also maintains a unique collection (about 26,000 volumes) of books in braille not available elsewhere for loan in the United States. During the period 1946 to 1958 the number of readers throughout the country requiring catalogs from which to select reading matter has grown from 30,088 to 58,931 and circulation from 801,797 units (volumes or containers) to 1,650,767. The number of readers and circulation are expected to continue to increase in 1960 and 1961. Inquiries are received concerning library and related services available to the blind. Individuals throughout the Nation who are interested in transcribing or proofreading braille are trained and those qualified are certified. During 1959, 573 individuals were certified as compared to 477 in 1958, and it is anticipated that this increase will continue during 1960 and 1961.

Object Classification

	1959 actual		1960 estimate		1961 estimate	
Total number of permanent positions	25		28		31	
Full-time equivalent of all other positions	2					
Average number of all employees	27		28		31	
Number of employees at end of year	28		28		31	
Average GS grade and salary	5.1	$5,110	5.1	$5,114	5.2	$5,121

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LIBRARY OF CONGRESS—Continued

Current authorizations—Continued

BOOKS FOR THE BLIND—Continued

SALARIES AND EXPENSES—continued

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
01 Personal services:			
Permanent positions	$127,633	$141,393	$156,949
Positions other than permanent	6,300	953	953
Other personal services	544	547	547
Total personal services	134,477	142,893	158,449
02 Travel	5,597	5,350	5,350
03 Transportation of things	481	500	500
04 Communication services	1,379	1,400	1,400
06 Printing and reproduction	2,466	12,300	12,300
07 Other contractual services	99,689	130,450	137,197
08 Supplies and materials	19,020	16,500	16,500
09 Equipment	1,093,913	1,301,117	1,376,717
11 Grants, subsidies, and contributions	7,735	8,890	9,787
Total obligations	1,364,757	1,619,400	1,718,200

ORGANIZING AND MICROFILMING THE PAPERS OF THE PRESIDENTS

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of the Act of August 16, 1957 (71 Stat. 368), $106,800, to remain available until expended. *(2 U.S.C. 131; Legislative Branch Appropriation Act, 1960.)*

Appropriated 1960, **$106,800** Estimate 1961, **$106,800**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Organizing, arranging, indexing, and microfilming (total obligations)	$68,427	$145,173	$106,800
Financing:			
Unobligated balance brought forward		−38,373	
Unobligated balance carried forward	38,373		
Appropriation (new obligational authority)	106,800	106,800	106,800

Under this appropriation, the papers of the Presidents of the United States in the collections of the Library of Congress are arranged, indexed, and microfilmed. The purpose is to preserve their contents and to make them more readily available for research. The program was started in 1959 with an appropriation of $106,800 out of the total authorization of $720,000. Completion of the entire program is contemplated in another 5 years. The objectives for the third year will be to provide negative and positive service copy on microfilm of material arranged and indexed, and to commence publishing indexes by photo-offset in editions of 1,000 copies each.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	15	15	15
Average number of all employees	12	15	15
Number of employees at end of year	19	15	15
Average GS grade and salary	5.6 $4,541	5.9 $4,760	5.9 $4,760
01 Personal services:			
Permanent positions	$52,850	$71,407	$71,407
Positions other than permanent		500	500
Total personal services	52,850	71,907	71,907
02 Travel		500	500
03 Transportation of things	34	50	50
04 Communication services		50	50
05 Rents and utility services	865	1,836	1,836
06 Printing and reproduction	417	10,000	10,000
07 Other contractual services	11,142	56,004	17,631
08 Supplies and materials	417	500	500
09 Equipment (library materials)	10		
11 Grants, subsidies, and contributions	$2,692	$4,326	$4,326
Total obligations	68,427	145,173	106,800

PRESERVATION OF EARLY AMERICAN MOTION PICTURES

For necessary expenses to enable the Librarian of Congress to provide for the conversion to safety base film of the George Kleine Collection of nitrate film, and the paper prints of early American motion pictures now in the custody of the Library, $60,000. *(2 U.S.C. 131; Legislative Branch Appropriation Act, 1960.)*

Appropriated 1960, **$60,000** Estimate 1961, **$60,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Converting paper prints and nitrate film to safety base film (total obligations)	$59,723	$60,000	$60,000
Financing:			
Unobligated balance no longer available	277		
Appropriation (new obligational authority)	60,000	60,000	60,000

For 1959, the amount of $60,000 was appropriated to enable the Librarian of Congress to provide for the conversion to safety base film of the George Kleine collection of nitrate film, and the paper prints of early American motion pictures now in the custody of the Library.

During 1959, approximately 120,600 feet of paper prints were converted and 239,000 feet of nitrate film in the George Kleine collection were converted to safety base film.

It is anticipated that with the $60,000 appropriated for 1960, an additional 120,400 feet of paper prints will be converted, as well as the remainder of the Kleine collection.

The $60,000 requested for 1961 will allow for the conversion of an additional 135,700 feet of paper prints.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	2	2	2
Average number of all employees	1	2	2
Number of employees at end of year	2	2	2
Average GS grade and salary	3.0 $3,516	3.0 $3,571	3.0 $3,571
01 Personal services: Permanent positions	$4,776	$7,142	$7,142
03 Transportation of things	874	1,000	1,000
06 Printing and reproduction	119		
07 Other contractual services	53,589	51,025	51,025
08 Supplies and materials	65	400	400
11 Grants, subsidies, and contributions	300	433	433
Total obligations	59,723	60,000	60,000

COLLECTION AND DISTRIBUTION OF LIBRARY MATERIALS (SPECIAL FOREIGN CURRENCY PROGRAM)

For necessary expenses for carrying out the provisions of section 104(n) of the Agricultural Trade Development Assistance Act of 1954, as amended (7 U.S.C. 1704(n)), $2,811,400, of which $2,666,200 shall remain available until expended for the purchase of foreign currencies which accrue under that Act: Provided, That not less than $2,051,000 of the latter amount shall be available to purchase currencies which the Treasury Department shall determine to be excess to the normal requirements of the United States: Provided further, That this appropriation shall not be used for the purchase of currencies available in the Treasury for the purposes of section 104(f) of such Act unless such currencies are excess to the normal requirements of the United States.

Estimate 1961, **$2,811,400**

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Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Acquisition of books and other library materials			$1,780,000
2. Cataloging of materials			273,200
3. Operation of centers			613,000
4. Program support (U.S. dollars)			145,200
Total obligations			2,811,400
Financing:			
Appropriation (new obligational authority)			2,811,400

Section 104(n) of the Agricultural Trade Development and Assistance Act of 1954 (established by Public Law 85–931, approved Sept. 6, 1958) authorizes the Librarian of Congress to use foreign currencies accruing under this act to provide information of technical, scientific, cultural, or educational significance to the United States through the collection of foreign library materials and the distribution of copies thereof to libraries and research centers in the United States. In 1961 this program will be initiated in eight countries: China (Taiwan), Egypt, India, Israel, Pakistan, Poland, Spain, and Yugoslavia. Of the total amount requested, $2,666,200 will be used to purchase foreign currencies, while $145,200 will provide U.S. dollar support.

1. *Acquisition of books and other library materials.*—Exploration and survey teams, comprised of specialists in the various subject and geographic areas concerned, will be sent to each of the countries to lay the groundwork for the program. Based upon the information received concerning materials available in these countries and the requirements of other Federal agencies and certain research libraries in the United States, publications and other library materials will be purchased in multiple copies. It is anticipated that in Spain and China (Taiwan) the acquisition program will be accomplished through contracts with local institutions.

2. *Cataloging of materials.*—The materials acquired will be cataloged in Egypt, India, Israel, Poland, and Yugoslavia. Work in Poland and Yugoslavia will be accomplished under contract with local institutions.

3. *Operation of centers.*—In six of the eight countries, centers staffed with foreign nationals will be set up to handle the acquisition, cataloging, microfilming, etc. It will also be necessary to establish microfilm processing laboratories in India and Israel.

4. *Program support (U.S. dollars).*—U.S. dollars are required to pay certain expenses which cannot be paid by foreign currencies, such as salaries of U.S. personnel abroad, salaries of the coordinating staff at the Library of Congress, travel in some instances, and certain equipment which must necessarily be purchased in this country for shipment overseas.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions			236
Average number of all employees			118
Number of employes at end of year			236
01 Personal services:			
Permanent positions			$379,837
Other personal services			25,200
Total personal services			405,037
02 Travel			266,450
03 Transportation of things			48,300
04 Communication services			5,200
05 Rents and utility services			88,500
06 Printing and reproduction			207,500
07 Other contractual services			675,163
08 Supplies and materials			26,800
09 Equipment			510,500
Books and other library materials			570,500
11 Grants, subsidies, and contributions			$7,450
Total obligations			2,811,400

Administrative Provisions

Appropriations in this Act available to the Library of Congress for salaries shall be available for expenses of investigating the loyalty of Library employees; special and temporary services (including employees engaged by the day or hour or in piecework); and services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

Not to exceed ten positions in the Library of Congress may be exempt from the provisions of appropriation Acts concerning the employment of aliens during the current fiscal year, but the Librarian shall not make any appointment to any such position until he has ascertained that he cannot secure for such appointments a person in any of the categories specified in such provisions who possesses the special qualifications for the particular position and also otherwise meets the general requirements for employment in the Library of Congress. (*Legislative Branch Appropriation Act, 1960.*)

Allocations Received From Other Accounts

Note.—Obligations incurred under allocations from other accounts are included in the schedule of the parent appropriation as follows:
"Research, development, test, and evaluation, Air Force."
"Research, development, test, and evaluation, Navy."
"International educational exchange activities," Department of State.
"Operations, National Library of Medicine," Public Health Service, Department of Health, Education, and Welfare.

Intragovernmental funds:

Advances and Reimbursements

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Organization of collections:			
Department of Defense	$403,508	$636,401	$641,817
Other agencies	34,495	50,250	50,678
2. Reference services:			
Air Force	3,428,777	3,695,813	3,727,250
Other agencies	394,326	457,990	461,886
3. Legislative Reference Service: Congressional committees and commissions	151,529	67,500	67,500
Total obligations	4,412,635	4,907,954	4,949,140
Financing:			
Unobligated balance brought forward	233,305	238,972	251,018
Advances and reimbursements from other accounts	4,424,539	4,920,000	4,949,122
Unobligated balance carried forward	−238,972	−251,018	−251,000
Unobligated balance no longer available	−6,237		
Total financing	4,412,635	4,907,954	4,949,140

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	518	547	547
Full-time equivalent of all other positions	108	133	133
Average number of all positions	616	669	669
Number of employees at end of year	660	720	720
Average GS grade and salary	8.6 $6,198	8.7 $6,355	8.7 $6,355
01 Personal services:			
Permanent positions	$3,166,940	$3,672,590	$3,672,590
Positions other than permanent	491,328	484,268	484,268
Other personal services	87,910	94,712	94,712
Total personal services	3,746,178	4,251,570	4,251,570
02 Travel	26,539	30,365	30,365
03 Transportation of things	236	553	553
04 Communication services	10,590	12,574	12,574
05 Rents and utility services	7,011	5,286	5,286
06 Printing and reproduction	34,058	92,869	92,869
07 Other contractual services	201,585	171,438	212,624
08 Supplies and materials	42,294	50,624	50,624
09 Equipment	111,666	23,592	23,592
11 Grants, subsidies, and contributions	232,478	269,083	269,083
Total obligations	4,412,635	4,907,954	4,949,140

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GOVERNMENT PRINTING OFFICE

Current authorizations:

PRINTING AND BINDING

For authorized printing and binding for the Congress; not to exceed $7,500 for printing and binding for the Architect of the Capitol; expenses necessary for preparing the semimonthly and session index to the Congressional Record, as authorized by law (44 U.S.C. 182); printing, binding, and distribution of the Federal Register (including the Code of Federal Regulations) as authorized by law (44 U.S.C. 309, 311, 311a); and printing and binding of Government publications authorized by law to be distributed without charge to the recipients; [$11,500,000] *$11,900,000*: *Provided*, That this appropriation shall not be available for printing and binding part 2 of the annual report of the Secretary of Agriculture (known as the Yearbook of Agriculture): *Provided further*, That this appropriation shall be available for the payment of obligations incurred under the appropriations for similar purposes for preceding fiscal years. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$11,500,000** Estimate 1961, **$11,900,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Printing, binding, and distribution (object class 06)	$14,118,547	$9,981,453	$10,000,000
Financing:			
Obligations in excess of availability (73 Stat. 412)	−3,418,547		
Liquidation of prior year obligations		1,518,547	1,900,000
Appropriation (new obligational authority)	10,700,000	11,500,000	11,900,000

This appropriation covers authorized printing, binding, and distribution of publications for the Congress, the Federal Register, and Government publications authorized by law to be distributed without charge to the recipients (67 Stat. 330).

OFFICE OF SUPERINTENDENT OF DOCUMENTS

SALARIES AND EXPENSES

For necessary expenses of the Office of Superintendent of Documents, including compensation of all employees in accordance with the Act entitled "An Act to regulate and fix rates of pay for employees and officers of the Government Printing Office", approved June 7, 1924 (44 U.S.C. 40); travel expenses (not to exceed $1,500); price lists and bibliographies; repairs to buildings, elevators, and machinery; and supplying books to depository libraries; [$3,520,350] *$3,620,400*. (*Legislative Branch Appropriation Act, 1960.*)

Appropriated 1960, **$3,520,350** Estimate 1961, **$3,620,400**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct costs:			
1. Sales distribution	$2,130,441	$2,175,576	$2,237,408
2. Distribution for other agencies and Members of Congress	528,898	538,614	553,921
3. Depository library distribution	502,289	513,971	528,578
4. Cataloging and indexing	287,015	292,189	300,493
Total direct costs	3,448,643	3,520,350	3,620,400
Reimbursable costs:			
2. Distribution for other agencies and Members of Congress	81,808	65,200	65,200
Total program costs	3,530,451	3,585,550	3,685,600
5. Relation of costs to obligations: Obligations incurred for costs of other years, net	6,821		
Total program (obligations)	3,537,272	3,585,550	3,685,600
Financing:			
Advances and reimbursements from other accounts	−81,808	−65,200	−65,200
Unobligated balance no longer available	7,876		
Appropriation (new obligational authority)	3,463,340	3,520,350	3,620,400

The work programs of the Office of the Superintendent of Documents are of a service nature, and hence there is no control over the volume of work which is required by law.

1. *Sales distribution.*—Government publications are purchased from the Public Printer to be placed on sale. Acquisition costs are paid from sales receipts; hence no appropriation is required for printing sales copies. By law, the sale price is set at the cost of manufacture plus 50%. At the end of each year, excess receipts from sales not required for purchasing additional publications are turned in to the Treasury Department as miscellaneous receipts. For 1959, earnings from the sale of publications amounted to $3,351,243. It is estimated that earnings for 1960 will be $3,575,000 and $3,800,000 for 1961. These earnings more than cover the appropriation required to finance the sales program.

The sale of Government publications has been steadily increasing, and in the last 10 years the sales volume has more than doubled. The current public interest in the Government's publishing program points to a continuing increase in the volume of sales.

2. *Distribution for other agencies and Members of Congress.*—The Superintendent of Documents maintains mailing lists, including the list for the Congressional Record, and performs mailing operations upon request of any Government agency. Mailing services for farmers' bulletins, soil surveys, and other publications which are allocated to Members of Congress on a quota basis are also provided.

3. *Depository library distribution.*—Upon request, 1 copy of every Government publication is supplied to each of more than 588 libraries which are designated depositories for Government publications.

4. *Cataloging and indexing.*—This activity covers the preparation and distribution of catalogs and indexes of all publications issued by the Federal Government, the principal series being the Monthly Catalog of the U.S. Government Publications and the Numerical List and Schedule of Volumes.

5. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1958, $8,532; 1959, $15,353; 1960, $15,353; 1961, $15,353.

SUMMARY OF WORKLOAD

	1959 actual	*1960 estimate*	*1961 estimate*
Number of sales orders	2,688,984	2,800,000	2,900,000
Letters of inquiry	1,560,714	1,600,000	1,700,000
Amount of sales	$6,886,159	$7,200,000	$7,350,000
Number of publications sold	49,553,905	52,000,000	53,200,000
Publications distributed for other Government agencies	63,811,721	65,000,000	67,000,000
Number of publications distributed to depository libraries	5,228,441	5,500,000	5,700,000
Number of publications cataloged and indexed	47,004	48,000	49,000

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	466	486	494
Full-time equivalent of all other positions	78	70	70
Average number of all employees	538	551	559
Number of employees at end of year	468	486	494
Average salary of ungraded positions	$4,324	$4,308	$4,375
Personal service obligations:			
Permanent positions	$1,989,868	$2,070,290	$2,138,115
Positions other than permanent	315,210	283,000	283,000
Other personal services	53,195	26,300	26,300
Total personal service obligations	2,358,273	2,379,590	2,447,415
Direct obligations:			
01 Personal services	2,277,620	2,315,590	2,383,415
02 Travel	444	1,500	1,500
03 Transportation of things	1,219	1,200	1,200
04 Communication services	72,055	72,000	72,000

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Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
Direct obligations—Continued			
05 Rents and utility services	$13,484	$11,000	$11,000
06 Printing and reproduction	597,348	630,000	630,000
07 Other contractual services	101,752	82,000	109,800
08 Supplies and materials	245,752	252,770	252,770
09 Equipment	25,088	33,100	33,100
11 Grants, subsidies, and contributions	120,702	121,190	125,615
Total direct obligations	3,455,464	3,520,350	3,620,400
Reimbursable obligations:			
01 Personal services	80,653	64,000	64,000
04 Communication services	406	1,000	1,000
08 Supplies and materials	749	200	200
Total reimbursable obligations	81,808	65,200	65,200
Total obligations	3,537,272	3,585,550	3,685,600

Intragovernmental funds:

GOVERNMENT PRINTING OFFICE REVOLVING FUND

The Government Printing Office executes orders for printing, binding, and blankbook work placed by Congress and the various departments and independent establishments of the Federal Government, and furnishes blank paper, inks, and similar supplies. Operations are subject to the authority of the Joint Committee on Printing (44 U.S.C.).

A separate appropriation has been established for authorized printing and binding for the Congress; for printing, binding, and distribution of the Federal Register; and for printing and binding of Government publications authorized by law to be distributed without charge to the recipients (67 Stat. 330).

All work for Government agencies is done on a reimbursable basis and financed through the Government Printing Office revolving fund.

Receipts from sales of publications by the Superintendent of Documents are deposited to the revolving fund and costs of publications paid therefrom. All profits accruing from these transactions are deposited in the Treasury of the United States and credited to miscellaneous receipts (44 U.S.C. 63).

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Acquisition of equipment	$1,591,675	$2,140,000	$1,260,000
Expense:			
Materials applied	25,369,739	24,870,000	24,875,000
Other	66,453,887	66,430,000	66,236,000
Intragovernmental expense included above (−)	−877,905	−875,000	−850,000
Increase in selected working capital	3,328,758		
Total gross expenditures	95,866,154	92,565,000	91,521,000
Receipts from operations (funds provided):			
Revenue	96,396,087	94,900,000	95,061,000
Proceeds from sale of equipment	9,010		
Decrease in selected working capital		1,558,988	810,080
Total receipts from operations	96,405,097	96,458,988	95,871,080
Budget expenditures	−538,943	−3,893,988	−4,350,080

Revenue, Expense, and Retained Earnings

Revenue	$96,396,087	$94,900,000	$95,061,000
Expense	91,828,897	91,325,000	91,261,000
Net operating income	4,567,190	3,575,000	3,800,000
Nonoperating income:			
Proceeds from sale of equipment	9,010		
Net book value of assets sold	6,788		
Net gain from sale of equipment	2,222		
Net income for the year	4,569,412	3,575,000	3,800,000

Revenue, Expense, and Retained Earnings—Continued

	1959 actual	1960 estimate	1961 estimate
Analysis of retained earnings:			
Retained earnings, beginning of year	$8,329,159	$8,359,833	$8,234,706
Payment of earnings to Treasury (−):			
Sale of publications	−4,538,738	−3,700,127	−3,725,000
Retained earnings, end of year	8,359,833	8,234,706	8,309,706

Financial Condition

Assets:			
Cash with Treasury and in banks	$12,790,914	$12,984,776	$13,609,856
Accounts receivable, net	9,029,877	8,100,000	7,800,000
Commodities for sale	2,867,377	2,900,000	2,800,000
Work in process	12,482,788	12,000,000	11,500,000
Supplies	5,921,587	5,921,507	5,721,507
Deferred charges	52,851	42,380	32,300
Equipment, net	8,123,359	10,701,426	10,961,426
Work to be capitalized	1,338,067		
Total assets	52,606,820	52,650,089	52,425,089
Liabilities:			
Current	9,431,605	9,600,000	9,300,000
Government investment:			
Non-interest-bearing capital: Start and end of year	34,815,383	34,815,383	34,815,383
Retained earnings	8,359,833	8,234,706	8,309,706
Total Government investment	43,175,216	43,050,089	43,125,089

Unpaid undelivered orders are as follows: June 30, 1958, $9,852,269; 1959, $9,499,294; 1960, $9,500,000; 1961, $9,300,000.

Accepted orders on hand (est.) are as follows: June 30, 1958, $11,010,204; 1959, $12,482,788; 1960, $12,000,000; 1961, $11,500,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	5,838	5,830	5,812
Average number of all employees	5,713	5,707	5,692
Number of employees at end of year	5,827	5,794	5,777
Average salary of ungraded positions	$5,284	$5,381	$5,384
01 Personal services:			
Permanent positions	$30,186,513	$30,710,488	$30,646,453
Positions other than permanent	1,252	1,200	1,200
Other personal services	5,886,218	5,088,312	4,952,347
Excess of annual leave taken (−) over leave earned	−76,051		
Total personal services	35,997,932	35,800,000	35,600,000
02 Travel	6,626	7,000	8,000
03 Transportation of things	817,242	650,000	600,000
04 Communication services	67,071	70,000	70,000
05 Rents and utility services	671,526	700,000	730,000
06 Printing and reproduction	27,093,433	27,400,000	27,100,000
07 Other contractual services	202,984	230,000	530,000
08 Supplies and materials	25,040,765	25,000,000	24,800,000
09 Equipment	1,526,984	2,080,000	1,200,000
11 Grants, subsidies, and contributions	2,043,763	2,100,000	2,090,000
13 Refunds, awards, and indemnities	2,764	3,000	3,000
Total accrued expenditures	93,471,090	94,040,000	92,731,000

GENERAL PROVISIONS

SEC. 102. No part of the funds appropriated in this Act shall be used for the maintenance or care of private vehicles.

SEC. 103. Whenever any office or position not specifically established by the Legislative Pay Act of 1929 is appropriated for herein or whenever the rate of compensation or designation of any position appropriated for herein is different from that specifically established for such position by such Act, the rate of compensation and the designation of the position, or either, appropriated for or provided herein, shall be the permanent law with respect thereto: *Provided*, That the provisions herein for the various items of official expenses of Members, officers, and committees of the Senate and House, and clerk hire for Senators and Members shall be the permanent law with respect thereto: *Provided further*, That the provisions relating to positions and salaries thereof carried in H. Res. 428, 567, and 623 of the Eighty-fifth Congress and H. Res. 88, 89, 158, 197, 270, and 271 of the Eighty-sixth Congress shall be the permanent law with respect thereto.

SEC. 104. No part of any appropriation contained in this Act shall be paid as compensation to any person appointed after June 30, 1935, as an officer or member of the Capitol Police who does not meet the standards to be prescribed for such appointees by the Capitol Police Board: *Provided*, That the Capitol Police Board is hereby authorized to detail police from the House Office, Senate Office, and Capitol Buildings for police duty on the Capitol Grounds. (*Legislative Branch Appropriation Act, 1960.*)

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THE JUDICIARY

In accordance with the provisions of the Budget and Accounting Act of 1921, as amended, the budget for the judiciary is prepared by that branch of the Government and is printed in the budget document without revision.

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
General government:						
602 Judicial functions	$47,861	$49,443	$52,502	$47,073	$49,370	$52,428

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
							1961 estimate		
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	Total	From new obligational authority	From prior authority
SUPREME COURT OF THE UNITED STATES									
Current authorizations:									
Salaries	602	$1,319	$1,336	$1,370	$1,289	$1,326	$1,406	$1,323	$83
Printing and binding Supreme Court reports	602	90	90	90	85	91	90	45	45
Miscellaneous expenses	602	75	74	87	69	80	87	77	10
Reappropriation	602		5						
Care of the building and grounds	602	291	310	291	265	331	291	279	12
Automobile for the Chief Justice	602	6	6	6	6	6	6	5	1
Total, Supreme Court of the United States		1,781	1,821	1,844	1,713	1,833	1,880	1,729	151
COURT OF CUSTOMS AND PATENT APPEALS									
Current authorizations:									
Salaries and expenses	602	308	332	343	271	329	343	308	35
CUSTOMS COURT									
Current authorizations:									
Salaries and expenses	602	738	788	879	713	805	869	804	65
COURT OF CLAIMS									
Current authorizations:									
Salaries and expenses	602	842	875	886	804	870	886	816	70
Repairs and improvements	602	9	10	10	9	10	10	10	
Total, Court of Claims		851	885	896	813	880	896	826	70
COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES									
Current authorizations:									
Salaries of judges	602	9,209	9,128	9,397	8,371	9,133	9,382	8,457	925
Salaries of supporting personnel	602	20,951	21,426	23,168	21,514	21,388	23,133	22,253	880
Fees of jurors and commissioners	602	5,175	4,620	4,660	5,007	4,619	4,680	4,240	440
Travel and miscellaneous expenses	602	3,075	3,250	4,215	2,938	3,221	4,175	3,715	460
Administrative Office of the United States Courts	602	1,041	1,200	1,470	1,040	1,190	1,460	1,395	65
Salaries and expenses of referees (indefinite special fund)	602			5,630			5,180	5,180	
Salaries of referees (indefinite special fund)	602	1,903	2,007		1,751	1,999	215		215
Expenses of referees (indefinite special fund)	602	2,830	3,000		2,873	2,987	215		215
Air conditioning courtrooms, offices, and other rooms	602				69				
Proposed for later transmission:									
Under existing legislation:									
Salaries of judges	602		100			100			
Salaries of supporting personnel	602		320			320			
Fees of jurors and commissioners	602		20			20			
Travel and miscellaneous expenses	602		447			447			
Salaries of referees (indefinite special fund)	602		25			25			
Expenses of referees (indefinite special fund)	602		75			75			
Total, courts of appeals, district courts, and other judicial services		44,183	45,618	48,540	43,563	45,524	48,440	45,240	3,200
Total new obligational authority and budget expenditures		47,861	49,443	52,502	47,073	49,370	52,428	48,907	3,521
RECAPITULATION									
Enacted or recommended in this document:									
Current authorizations:									
Appropriations		$47,861	$48,451	$52,502	$47,073	$48,383	$52,428	$48,907	$3,521
Reappropriations			5						
Proposed for later transmission:									
Appropriations			987			987			
Total new obligational authority and budget expenditures		47,861	49,443	52,502	47,073	49,370	52,428	48,907	3,521

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ANALYSIS OF UNEXPENDED BALANCES

[In thousands]

Description	Balance, start of 1959		Balance, start of 1960		Balance, start of 1961		Balance, start of 1962	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document:								
Appropriations		$3,232		$3,449		$3,521		$3,595

SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

Description	1959 actual	1960 estimate	1961 estimate
Balance brought forward at start of year from authorizations enacted or recommended in this document: Appropriations	$3,232	$3,449	$3,521
New obligational authority:			
Enacted or recommended in this document: Current authorizations:			
Appropriations	47,861	48,451	52,502
Reappropriations		5	
Total new obligational authority enacted or recommended	47,861	48,456	52,502
Proposed for later transmission: Appropriations		987	
Total new obligational authority	47,861	49,443	52,502
Other amounts available: Appropriations available in prior year	−55		
Total budget authorizations available	51,038	52,891	56,023
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	47,073	48,383	48,907
Out of balances of prior obligational authority			3,521
Total expenditures from obligational authority enacted or recommended	47,073	48,383	52,428
From obligational authority proposed for later transmission: Out of new obligational authority		987	
Total budget expenditures	47,073	49,370	52,428
Amounts no longer available:			
Unobligated balances expiring and lapsing	497		
Adjustment of balances downward in expired accounts, net	20		
Total amounts no longer available	517		
Balances carried forward at close of year from authorizations enacted or recommended in this document: Appropriations	3,449	3,521	3,595
Obligations incurred, net	$47,309	$49,443	$52,502

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SUPREME COURT OF THE UNITED STATES

Current authorizations:

Salaries

For the Chief Justice and eight Associate Justices, and all other officers and employees, whose compensation shall be fixed by the Court, except as otherwise provided by law, and who may be employed and assigned by the Chief Justice to any office or work of the Court, [$1,335,600] *$1,370,000. (28 U.S.C. 1, 5, 672–675; Judiciary Appropriation Act, 1960.)*

Appropriated 1960, **$1,335,600** Estimate 1961, **$1,370,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Salaries, Supreme Court (total obligations)	$1,299,547	$1,335,600	$1,370,000
Financing:			
Unobligated balance no longer available	19,453		
Appropriation (new obligational authority)	1,319,000	1,335,600	1,370,000

Object Classification

	Total number of permanent positions	164	164	166
	Full-time equivalent of all other positions	17	20	20
	Average number of all employees	170	179	181
	Number of employees at end of year	191	201	203
01	Personal services:			
	Permanent positions	$1,169,191	$1,190,578	$1,214,978
	Positions other than permanent	64,421	73,422	73,422
	Other personal services	3,360	7,200	3,600
	Total personal services	1,236,972	1,271,200	1,292,000
07	Other contractual services	3,202	3,400	15,000
11	Grants, subsidies, and contributions	59,373	61,000	63,000
	Total obligations	1,299,547	1,335,600	1,370,000

Printing and Binding Supreme Court Reports

For printing and binding the advance opinions, preliminary prints, and bound reports of the Court, $90,000. *(28 U.S.C. 411, 412, 673; Judiciary Appropriation Act, 1960.)*

Appropriated 1960, **$90,000** Estimate 1961, **$90,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Printing and binding Supreme Court reports (object class 06)	$87,565	$90,000	$90,000
Financing:			
Unobligated balance no longer available	2,435		
Appropriation (new obligational authority)	90,000	90,000	90,000

Miscellaneous Expenses

For miscellaneous expenses, to be expended as the Chief Justice may approve, [$74,000] *$87,000.*

[Not more than $5,000 of the appropriation under this head in the Judiciary Appropriation Act, 1959, shall remain available for obligation during the fiscal year 1960 for the purchase of a portrait of the late Chief Justice Vinson as provided for by Public Law 85–20, approved April 20, 1957.] *(Judiciary Appropriation Act, 1960; Supplemental Appropriation Act, 1960.)*

Appropriated 1960, **$74,000** Estimate 1961, **$87,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Miscellaneous expenses, Supreme Court (total obligations)	$69,388	$79,000	$87,000
Financing:			
Unobligated balance no longer available	$5,112		
New obligational authority	74,500	$79,000	$87,000
New obligational authority:			
Appropriation	$74,500	$74,000	$87,000
Reappropriation		5,000	

Object Classification

02	Travel	$1,182	$1,000	$1,000
03	Transportation of things		500	500
04	Communication services	10,675	10,900	10,900
	Penalty mail	1,625	1,800	1,800
05	Rents and utility services	1,800	1,800	3,300
06	Printing and reproduction	14,311	14,150	14,750
07	Other contractual services	3,401	5,100	7,500
08	Supplies and materials	17,553	19,150	19,150
09	Equipment	18,841	24,600	28,100
	Total obligations	69,388	79,000	87,000

Care of the Building and Grounds

For such expenditures as may be necessary to enable the Architect of the Capitol to carry out the duties imposed upon him by the Act approved May 7, 1934 (40 U.S.C. 13a–13b), including improvements, maintenance, repairs, equipment, supplies, materials, and appurtenances; special clothing for workmen; and personal and other services (including temporary labor without reference to the Classification and Retirement Acts, as amended), and for snow removal by hire of men and equipment or under contract without compliance with section 3709 of the Revised Statutes, as amended (41 U.S.C. 5); [$310,000] *$290,800. (Judiciary Appropriation Act, 1960.)*

Appropriated 1960, **$310,000** Estimate 1961, **$290,800**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Structural and mechanical care of Supreme Court Building and grounds, including supplying of mechanical furnishings and equipment (total obligations)	$283,387	$310,000	$290,800
Financing:			
Unobligated balance no longer available	7,813		
Appropriation (new obligational authority)	291,200	310,000	290,800

Object Classification

	Total number of permanent positions	33	33	33
	Average number of all employees	33	32	33
	Number of employees at end of year	33	33	33
01	Personal services:			
	Permanent positions	$167,408	$173,800	$185,200
	Other personal services	38,932	47,300	49,100
	Total personal services	206,340	221,100	234,300
07	Other contractual services:			
	General annual repairs	7,434	9,000	9,000
	Annual painting	2,309	2,000	2,000
	Snow removal		150	150
	Payment to Employees health benefits fund			2,200
	Payment to Employees life insurance fund	551	700	700
	Maintenance, air-conditioning system	11,160	8,600	1,800
	Pointing exterior stonework		18,000	18,000
	Installation of bronze display cases			3,600
	Roof repairs		23,000	
	Repairs and improvements to spaces vacated by the Administrative Office of the United States Courts	29,753		
08	Supplies and materials	5,904	6,000	6,000
09	Equipment:			
	Annual	1,680	750	750
	Sump pumps		1,000	
	Laundry	3,147		
	Metal shelving and lighting	3,996	7,400	
11	Grants, subsidies, and contributions	11,076	12,300	12,300
13	Refunds, awards, and indemnities	37		
	Total obligations	283,387	310,000	290,800

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Automobile For the Chief Justice

For purchase, exchange, lease, driving, maintenance, and operation of an automobile for the Chief Justice of the United States, [$6,300] *$6,365.* (*Judiciary Appropriation Act, 1960.*)

Appropriated 1960, **$6,300** Estimate 1961, **$6,365**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Automobile for the Chief Justice (total obligations)	$6,215	$6,300	$6,365
Financing:			
Unobligated balance no longer available	85		
Appropriation (new obligational authority)	6,300	6,300	6,365

Object Classification

Total number of permanent positions	1	1	1
Average number of all employees	1	1	1
Number of employees at end of year	1	1	1
01 Personal services:			
Permanent positions	$4,472	$4,472	$4,472
Other personal services	17	34	17
Total personal services	4,489	4,506	4,489
05 Rents and utility services	500	500	500
07 Other contractual services	249	303	385
08 Supplies and materials	686	700	700
11 Grants, subsidies, and contributions	291	291	291
Total obligations	6,215	6,300	6,365

Intragovernmental funds:

Advances and Reimbursements

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Communication services (object class 04)	$14,667	$14,000	$14,000
Financing:			
Advances and reimbursements from other accounts	14,667	14,000	14,000

COURT OF CUSTOMS AND PATENT APPEALS

Current authorizations:

Salaries and Expenses

For salaries of the chief judge, four associate judges, and all other officers and employees of the court, and necessary expenses of the court, including exchange of books, and traveling expenses, as may be approved by the chief judge, [$332,000] *$343,000.* (*5 U.S.C. 836–842; 28 U.S.C. 211–213, 604, 831–834; 961, 962; Judiciary Appropriation Act, 1960.*)

Appropriated 1960, **$332,000** Estimate 1961, **$343,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Salaries and expenses (total obligations)	$274,178	$332,000	$343,000
Financing:			
Unobligated balance no longer available	34,272		
Appropriation (new obligational authority)	308,450	332,000	343,000

This item is not subject to the approval of the Judicial Conference.

The U.S. Court of Customs and Patent Appeals has exclusive jurisdiction in appeals from judgments of the U.S. Customs Court in all cases involving the construction of the law and facts respecting the classification of merchandise and the rate of duty imposed thereunder and all appealable questions as to the laws and regulations governing the collection of customs revenues. Its decisions are final unless taken to the Supreme Court on writs of certiorari.

The Court also has exclusive jurisdiction of appeals from the Tariff Commission on questions of law only and in the matter of unfair practices in import trade, and appellate jurisdiction from decisions of the Patent Office in patent and trademark cases, except those involving equity.

	Customs cases		*Patent and trademark cases*	
	1958	*1959*	*1958*	*1959*
Pending, beginning of year	20	30	92	92
Docketed during year	42	40	83	107
Disposed of during year	32	35	83	70
Pending, end of year	30	35	92	129

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	26	27	28
Full-time equivalent of all other positions		1	1
Average number of all employees	23	27	28
Number of employees at end of year	24	27	28
01 Personal services:			
Permanent positions	$240,326	$281,000	$289,900
Positions other than permanent		10,500	10,500
Other personal services	522	1,100	600
Total personal services	240,848	292,600	301,000
02 Travel	180	300	300
03 Transportation of things	30	50	50
04 Communication services	1,615	1,800	1,800
Penalty mail	400	500	500
06 Printing and reproduction	11,755	17,000	17,000
07 Other contractual services	999	1,050	3,100
08 Supplies and materials	1,242	1,000	1,000
09 Equipment	4,913	3,800	3,800
11 Grants, subsidies, and contributions	12,196	13,900	14,450
Total obligations	274,178	332,000	343,000

CUSTOMS COURT

Current authorizations:

Salaries and Expenses

For salaries of the chief judge and eight judges; salaries of the officers and employees of the court; services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); and necessary expenses of the court, including exchange of books, and traveling expenses, as may be approved by the [chief judge; $770,000] *court; $879,300: Provided,* That traveling expenses of judges of the Customs Court shall be paid upon the written certificate of the judge. (*5 U.S.C. 836–842; 28 U.S.C. 251–255, 456, 604, 871, 872, 961, 962; 73 Stat. 474; Judiciary Appropriation Act, 1960.*)

Appropriated 1960, [a] **$788,000** Estimate 1961, **$879,300**

[a] Includes $18,000 appropriated in Supplemental Appropriation Act, 1960.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Salaries and expenses (total obligations)	$713,590	$788,000	$879,300
Financing:			
Unobligated balance no longer available	24,710		
Appropriation (new obligational authority)	738,300	788,000	879,300

This item is not subject to the approval of the Judicial Conference.

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CUSTOMS COURT—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

The U.S. Customs Court has exclusive jurisdiction over civil actions arising under the tariff laws, the internal revenue laws relating to imported merchandise, the several customs simplification acts, the proclamations of the President issued under reciprocal trade agreements, and other proclamations imposing taxes or quotas on imported goods. The court also has appellate jurisdiction of cases litigating the value of imported merchandise. It tries cases without a jury, making findings of fact and applying the law.

CASELOAD

	Pending, beginning of year	*Received*	*Terminated*	*Pending, end of year*
Classification cases:				
1958	136,306	25,047	38,478	122,875
1959	122,875	33,829	26,094	130,610
Reappraisement cases:				
1958	75,854	26,842	16,028	86,668
1959	86,668	22,376	20,663	88,381
Applications for review:				
1958	273	290	133	430
1959	430	77	337	170
Petitions for remission of additional duties:				
1958	21	10	17	14
1959	14	6	18	2
Remands of protests:				
1958	67	141	121	87
1959	87	34	56	65

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	81	86	101
Full-time equivalent of all other positions	2	2	2
Average number of all employees	80	87	102
Number of employees at end of year	81	87	102
01 Personal services:			
Permanent positions	$620,658	$674,400	$749,300
Positions other than permanent	10,954	6,600	6,600
Other personal services	1,607	3,600	2,100
Total personal services	633,219	684,600	758,000
02 Travel	14,597	17,000	22,000
03 Transportation of things	3,011	2,500	4,000
04 Communication services	8,125	8,000	8,000
Penalty mail	1,200	1,300	1,300
06 Printing and reproduction	2,024	3,600	3,600
07 Other contractual services	2,911	22,000	12,700
08 Supplies and materials	4,247	4,000	4,000
09 Equipment	11,023	9,000	25,000
11 Grants, subsidies, and contributions	32,927	35,700	40,400
15 Taxes and assessments	306	300	300
Total obligations	713,590	788,000	879,300

COURT OF CLAIMS

Current authorizations:

SALARIES AND EXPENSES

For salaries of the chief judge, four associate judges, and all other officers and employees of the court, and for other necessary expenses, including stenographic and other fees and charges necessary in the taking of testimony, and travel, [$875,000] *$886,000. (5 U.S.C. 836–842; 28 U.S.C. 171, 173, 456, 604, 791, 792, 794, 795, 961, 962; 41 U.S.C. 114; Judiciary Appropriation Act, 1960.)*

Appropriated 1960, **$875,000** Estimate 1961, **$886,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Salaries and expenses (total obligations)	$815,098	$875,000	$886,000
Financing:			
Unobligated balance no longer available	26,457		
Appropriation (new obligational authority)	841,555	875,000	886,000

The Court of Claims has jurisdiction of all cases involving claims against the United States (except in pension suits) instituted upon constitutional grounds or under Federal law or regulations, all claims arising out of any contract with the Federal Government and its agencies, and claims for the refund of taxes. It also has general jurisdiction to hear and determine claims for damages other than tort actions, provided the claimants would have the right to sue in law or equity if the United States were not immune to such suits. It has jurisdiction in suits against the United States by contractors dissatisfied with the findings and decisions of contracting agencies under terminated war contracts, and jurisdiction concurrent with that of the Courts of Appeals to review district court decisions in cases involving tort actions. It has exclusive jurisdiction to review the decisions of the Indian Claims Commission on appeal from the Commission. It also has jurisdiction in special act cases referred to the court by either or both Houses of Congress.

The court continues to carry a heavy load of cases and has been able to dispose of the cases which are ready to be heard as expeditiously as the Department of Justice can process them.

CASELOAD

	1958	*1959*
Pending, beginning of court year [1]	6,741	6,849
Docketed during year	1,547	1,815
Disposed of during year	1,439	2,636
Pending, end of court year [1]	6,849	6,028

[1] Court year from Oct. 5 to Oct. 4.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	78	80	80
Average number of employees	74	78	78
Number of employees at end of year	75	79	79
01 Personal services:			
Permanent positions	$672,529	$732,000	$737,800
Other personal services	2,095	4,500	2,200
Total personal services	674,624	736,500	740,000
02 Travel	13,409	16,000	18,000
04 Communication services	2,612	2,700	2,700
Penalty mail	1,092	1,000	1,000
05 Rents and utility services	4,144	4,100	4,100
06 Printing and reproduction	65,284	60,700	60,700
07 Other contractual services	2,537	2,500	7,800
08 Supplies and materials	6,157	5,400	5,400
09 Equipment	6,498	5,800	5,800
11 Grants, subsidies, and contributions	38,728	40,300	40,500
15 Taxes and assessments	13		
Total obligations	815,098	875,000	886,000

REPAIRS AND IMPROVEMENTS

For necessary repairs and improvements to the Court of Claims buildings, to be expended under the supervision of the Architect of the Capitol, $9,500. *(31 Stat. 1135; Judiciary Appropriation Act, 1960.)*

Appropriated 1960, **$9,500** Estimate 1961, **$9,500**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Structural and mechanical maintenance (object class 07)	$8,322	$9,500	$9,500
Financing:			
Unobligated balance no longer available	678		
Appropriation (new obligational authority)	9,000	9,500	9,500

This appropriation provides for structural repairs and improvements to the Court of Claims buildings, including the repair and maintenance of the mechanical equipment. The work is performed under the supervision of the Architect of the Capitol.

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COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

Current authorizations:

SALARIES OF JUDGES

For salaries of circuit judges; district judges (including judges of the district courts of Alaska, the Virgin Islands, the Panama Canal Zone, and Guam); [justices and judges of the Supreme Court and circuit courts of the Territory of Hawaii;] justices and judges retired or resigned under title 28, United States Code, sections 371, 372, and 373; and annuities of widows of Justices of the Supreme Court of the United States in accordance with title 28, United States Code, section 375; [$9,128,000] *$9,397,000. (28 U.S.C. 44, 133, 135; 48 U.S.C. 101, 1405y, 1424b, 1614; 70 Stat. 1026; 7 C.Z. Code 30, 42; Judiciary Appropriation Act, 1960.)*

Appropriated 1960, **$9,128,000** Estimate 1961, **$9,397,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Salaries and related costs (total obligations)	$9,063,867	$9,128,000	$9,397,000
Financing:			
Unobligated balance no longer available	144,633		
New obligational authority	9,208,500	9,128,000	9,397,000
New obligational authority:			
Appropriation	$9,358,500	$9,128,000	$9,397,000
Transferred to—			
"Salaries of supporting personnel" (73 Stat. 46)	−67,900		
"Administrative Office of the United States Courts" (73 Stat. 58)	−82,100		
Appropriation (adjusted)	9,208,500	9,128,000	9,397,000

The statutory salaries and related costs of all active U.S. circuit and district judges, and all justices and judges who have retired or resigned in pursuance of law are payable from this appropriation. This item also includes the payment of annuities to surviving widows of Supreme Court justices. It is anticipated that the average number of judges on the rolls will continue to increase due primarily to the growing numbers of senior judges. Also the number of judgeship vacancies carried throughout 1959 has been reduced sharply because of recent confirmations of new appointees. A supplemental appropriation for 1960 is anticipated under Proposed for later transmission.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions:			
Active judges	330	316	316
Senior and resigned judges	76	82	87
Average number of judges	388	383	393
Number of judges at end of year:			
Active judges	306	305	308
Senior and resigned judges	80	85	90
01 Personal services: Permanent positions	$8,781,472	$8,852,000	$9,077,000
07 Other contractual services	13,473	13,500	54,800
11 Grants, subsidies, and contributions	239,602	237,500	240,200
12 Pensions, annuities, and insurance claims	29,320	25,000	25,000
Total obligations	9,063,867	9,128,000	9,397,000

SALARIES OF SUPPORTING PERSONNEL

For salaries of all officials and employees of the Federal Judiciary, not otherwise specifically provided for, [$21,426,000] *$23,168,000: Provided,* That the compensation of secretaries and law clerks of circuit and district judges shall be fixed by the Director of the Administrative Office of the United States Courts without regard to the Classification Act of 1949, as amended, except that the salary of a secretary shall conform with that of the General Schedule grades (GS) 5, 6, 7, 8, 9, or 10, as the appointing judge shall determine, and the salary of a law clerk shall conform with that of the General Schedule grades (GS) 7, 8, 9, 10, 11, or 12, as the appointing judge shall determine, subject to review by the Judicial Conference of the United States if requested by the Director, such determination by the judge otherwise to be final: *Provided further,* That (exclusive of step increases corresponding with those provided for by title VII of the Classification Act of 1949, as amended, and of compensation paid for temporary assistance needed because of an emergency) the aggregate salaries paid to secretaries and law clerks appointed by one judge shall not exceed $14,835 per annum, except in the case of the chief judge of each circuit and the chief judge of each district court having five or more district judges, in which case the aggregate salaries shall not exceed $19,815 per annum. *(18 U.S.C. 3654, 3656; 28 U.S.C. 604(a)(5), 631(a), 633(c), 634, 711(a)(b), 712, 713(a)(b)(c), 751(a)(b), 752, 753, 755; 48 U.S.C. 102, 104, 106, 107, 863, 1405y; 11 D.C.C. 312; 19 D.C.C. 401, 403; 7 C.Z. Code 36; Judiciary Appropriation Act, 1960.)*

Appropriated 1960, **$21,426,000** Estimate 1961, **$23,168,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Salaries and related costs:			
Direct obligations	$20,834,420	$21,426,000	$23,168,000
Reimbursable obligations	6,807	7,000	7,000
Total obligations	20,841,227	21,433,000	23,175,000
Financing:			
Advances and reimbursements from other accounts	−6,807	−7,000	−7,000
Unobligated balance no longer available	116,580		
New obligational authority	20,951,000	21,426,000	23,168,000
New obligational authority:			
Appropriation	$20,883,100	$21,426,000	$23,168,000
Transferred from "Salaries of judges" (73 Stat. 58)	67,900		
Appropriation (adjusted)	20,951,000	21,426,000	23,168,000

The primary and appellate jurisdiction of the courts of the United States are vested in the 94 district courts and 11 courts of appeals. Provision for the salaries of the administrative and legal aides required to assist the judges in the conduct of hearings, trials, and other judicial functions and to man the component offices of the courts including the Federal Probation System is made under this heading. The estimate for 1961 includes increases which will permit the addition of deputy clerks for the purposes of improving the processing of juries and expediting the calendaring of cases. Funds also are included for additional probation officers in an effort to further reduce the caseload per officer. Because of the amendment to section 752 of title 28, U.S. Code, by Public Law 86–221, approved September 1, 1959, providing that district judges may appoint necessary law clerks and secretaries subject to the limitation on their aggregate salaries stated in the language of this appropriation, the estimate for salaries of law clerks and secretaries to judges is prepared on the basis of an allotment per judge, within which judges may appoint such employees.

A supplemental appropriation for 1960 is anticipated under Proposed for later transmission.

CASELOAD

	Pending, beginning of year	*Received*	*Terminated*	*Pending end of year*
Court of Appeals:				
1958	2,043	3,694	3,704	2,033
1959	2,033	3,754	3,753	2,034
District courts:				
Civil:				
1958	62,338	67,115	61,285	68,168
1959	68,168	57,800	62,172	63,796
Criminal:				
1958	7,495	28,897	28,992	7,451
1959	7,451	28,729	28,521	7,727

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COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES—Continued

Current authorizations—Continued

SALARIES OF SUPPORTING PERSONNEL—Continued

CASELOAD—continued

	1958	*1959*
Passport applications filed	185,684	197,828
Probation system:		
Persons under supervision, end of year	33,775	34,248
Presentence investigations, during year	24,508	23,992

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	2,701	2,712	2,797
Full-time equivalent of all other positions	638	637	777
Average number of all employees	3,291	3,307	3,532
Number of employees at end of year	3,366	3,340	3,540
Personal service obligations:			
Permanent positions	$15,375,357	$15,799,600	$16,418,600
Positions other than permanent	4,027,210	4,078,400	4,978,400
Other personal services	138,522	217,000	144,000
Total personal service obligations	19,541,089	20,095,000	21,541,000
Direct obligations:			
01 Personal services	19,534,282	20,088,000	21,534,000
07 Other contractual services	58,935	60,500	264,400
11 Grants, subsidies, and contributions	1,238,387	1,274,800	1,366,900
15 Taxes and assessments	2,816	2,700	2,700
Total direct obligations	20,834,420	21,426,000	23,168,000
Reimbursable obligations:			
01 Personal services	6,807	7,000	7,000
Total obligations	20,841,227	21,433,000	23,175,000

FEES OF JURORS AND COMMISSIONERS

For fees, expenses, and costs of jurors (including meals and lodging for jurors in Alaska, as provided by section 193, title II, of the Act of June 6, 1900, 31 Stat. 362); compensation of jury commissioners; and fees of United States commissioners and other committing magistrates acting under title 18, United States Code, section 3041; [$4,620,000] *$4,660,000. (11 U.S.C. 203(b); 28 U.S.C. 604, 631, 633, 636, 1864, 1865, 1871; 48 U.S.C. 25, 867; 70 Stat. 745; 11 D.C.C. 1401; Judiciary Appropriation Act, 1960.)*

Appropriated 1960, **$4,620,000** Estimate 1961, **$4,660,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Fees, expenses, and costs (total obligations)	$5,016,469	$4,620,000	$4,660,000
Financing:			
Appropriation available in prior year	55,000		
Unobligated balance no longer available	103,531		
Appropriation (new obligational authority)	5,175,000	4,620,000	4,660,000

This appropriation provides for the statutory fees and allowances of jurors, fees of jury commissioners, and fees and related costs of U.S. commissioners, who serve primarily as committing magistrates.

The amount of service and the compensation of jurors depends largely on the number of jury trials requested by the parties to civil and criminal cases in the U.S. courts and to the administration of the jury system and the utilization of jurors. The earnings of commissioners are directly related to the volume of cases presented by Federal law-enforcement officials.

A supplemental appropriation for 1960 is anticipated, under Proposed for later transmission, to cover an increase in fees paid U.S. commissioners.

Object Classification

	1959 actual	1960 estimate	1961 estimate
01 Personal services: Fees, U.S. commissioners	$780,000	$780,000	$819,000
07 Other contractual services: Fees:			
Jury commissioners	8,995	9,000	9,000
Grand jurors	654,509	600,000	600,000
Petit jurors	3,547,665	3,206,000	3,206,000
11 Grants, subsidies, and contributions	13,400	13,000	13,000
15 Taxes and assessments	11,900	12,000	13,000
Total obligations	5,016,469	4,620,000	4,660,000

TRAVEL AND MISCELLANEOUS EXPENSES

For necessary travel and miscellaneous expenses, not otherwise provided for, incurred by the Judiciary, including the purchase of firearms and ammunition, *and* the cost of contract statistical services for the office of Register of Wills of the District of Columbia, [and not to exceed $1,000 for the payment of fees to attorneys appointed in accordance with the Act of June 8, 1938 (52 Stat. 625), not exceeding $25 in any one case, $3,250,000] *$4,215,000: Provided,* That this sum shall be available in an amount not to exceed $14,000 for expenses of attendance at meetings concerned with the work of Federal Probation when incurred on the written authorization of the Director of the Administrative Office of the United States Courts. *(5 U.S.C. 55a, 73b(2–3), 835–842; 18 U.S.C. 3656; 28 U.S.C. 456, 604, 639, 961, 962, 1915b; 48 U.S.C. 102, 114, 863, 1405y; 7 C.Z. Code 30; Judiciary Appropriation Act, 1960.)*

Appropriated 1960, **$3,250,000** Estimate 1961, **$4,215,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Travel and miscellaneous expenses:			
Direct obligations	$3,067,008	$3,250,000	$4,215,000
Reimbursable obligations	6,779	5,000	5,000
Total obligations	3,073,787	3,255,000	4,220,000
Financing:			
Advances and reimbursements from other accounts	−6,779	−5,000	−5,000
Unobligated balance no longer available	7,992		
Appropriation (new obligational authority)	3,075,000	3,250,000	4,215,000

Travel and subsistence expenses incurred by the judges, officials, and supporting personnel of the courts in attending sessions of court or transacting other official business are payable by the Government. Provision also is made for supplying, equipping, and maintaining their offices and libraries, and for the incidental expenses of operating the 11 courts of appeals and 94 district courts of the United States.

It is anticipated that there will be an increasing number of judges and staffs traveling to hold court at those places where the dockets are most congested. Also, there will be conducted additional seminars of judges concerning the improvement in judicial administration, uniformity in sentencing procedures, and other judicial matters. The estimate for 1961 includes funds for the purpose of introducing, with the approval of the courts, electronic recording of court proceedings and transcription therefrom. A supplemental appropriation for 1960 is anticipated under Proposed for later transmission.

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Object Classification

	1959 actual	1960 estimate	1961 estimate
Direct obligations:			
02 Travel	$1,339,185	$1,345,000	$1,600,000
03 Transportation of things	26,658	25,000	28,000
04 Communication services	384,545	435,000	507,000
Penalty mail	120,000	120,000	130,000
05 Rents and utility services	4,766	5,000	7,000
06 Printing and reproduction	184,211	210,000	210,000
07 Other contractual services	45,790	52,000	54,500
Transcripts ordered by court	88,996	78,000	90,000
Attorneys' fees, Commission on Mental Health, District of Columbia		1,000	
08 Supplies and materials	227,116	215,000	243,000
09 Equipment:			
General office	112,105	129,000	267,500
Furniture	101,167	135,000	433,000
Lawbooks, accessions	63,692	100,000	200,000
Lawbooks, continuations	368,777	400,000	445,000
Total direct obligations	3,067,008	3,250,000	4,215,000
Reimbursable obligations:			
06 Printing and reproduction	6,779	5,000	5,000
Total obligations	3,073,787	3,255,000	4,220,000

Administrative Office of the United States Courts

For necessary expenses of the Administrative Office of the United States Courts, including travel, advertising, and rent in the District of Columbia and elsewhere, [$1,200,000] *$1,470,000. (28 U.S.C. 601–606; 70 Stat. 738, 739; 72 Stat. 213; 73 Stat. 652; Judiciary Appropriation Act, 1960.)*

Appropriated 1960, **$1,200,000** Estimate 1961, **$1,470,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Salaries and expenses:			
Direct obligations	$1,037,649	$1,200,000	$1,470,000
Reimbursable obligations	4,833		
Total obligations	1,042,482	1,200,000	1,470,000
Financing:			
Advances and reimbursements from other accounts	−4,833		
Unobligated balance no longer available	3,351		
New obligational authority	1,041,000	1,200,000	1,470,000
New obligational authority:			
Appropriation	$958,900	$1,200,000	$1,470,000
Transferred from "Salaries of judges" (73 Stat. 46)	82,100		
Appropriation (adjusted)	1,041,000	1,200,000	1,470,000

This office is responsible, under the supervision and direction of the Judicial Conference of the United States, for providing for the administration of the U.S. courts. The principal functions consist of providing administrative staff and services for the courts; conducting a continuous study of rules of practice and procedure in the Federal courts and compiling data for committees of the Judicial Conference; examining the state of the dockets of the various courts and securing information as to the courts' need of assistance; compiling and publishing statistical information concerning the business transacted by the courts, administering the probation and bankruptcy systems as well as the judicial survivors annuity system under title 28, U.S. Code, section 376; and conducting the general business affairs of the courts.

The office in 1961 will continue its efforts to assist the courts with the enormous task of coping with the backlog of civil cases which has developed in many areas. Further studies of administrative procedures will be conducted and reports of findings and recommendations for improvement will be made to the Judicial Conference.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	144	158	180
Full-time equivalent of all other positions	1	1	2
Average number of all employees	135	152	175
Number of employees at end of year	135	155	175
Personal service obligations:			
Permanent positions	$827,516	$973,500	$1,153,500
Positions other than permanent	4,587	4,000	21,500
Other personal services	10,055	12,500	9,000
Total personal service obligations	842,158	990,000	1,184,000
Direct obligations:			
01 Personal services	837,325	990,000	1,184,000
02 Travel	24,391	35,000	55,200
04 Communication services	15,216	16,000	25,100
Penalty mail	7,000	8,000	8,500
05 Rents and utility services	19,554	35,000	35,000
06 Printing and reproduction	10,406	12,000	13,700
07 Other contractual services	39,251	12,000	23,900
08 Supplies and materials	10,986	10,000	14,400
09 Equipment	19,728	19,000	35,600
11 Grants, subsidies, and contributions	53,682	62,900	74,500
15 Taxes and assessments	110	100	100
Total direct obligations	1,037,649	1,200,000	1,470,000
Reimbursable obligations:			
01 Personal services	4,833		
Total obligations	1,042,482	1,200,000	1,470,000

Salaries and Expenses of Referees

(Indefinite special fund)

For salaries and expenses of referees as authorized by the Act of June 28, 1946, as amended (11 U.S.C. 68, 102), not to exceed $5,630,000, to be derived from the Referees' salary and expense fund established in pursuance of said Act.

Estimate 1961, [a] **$5,630,000**

[a] Estimate is for activities previously carried under "Salaries of referees" and "Expenses of referees." The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

Amounts Available for Appropriation

	1959 actual	1960 estimate	1961 estimate
Unappropriated balance at beginning of year:			
Salaries of referees	$4,159,608	$4,786,275	
Expenses of referees	1,882,972	1,813,917	
Salaries and expenses of referees			$7,093,692
Total, unappropriated balance at beginning of year	6,042,580	6,600,192	7,093,692
Receipts:			
Salaries of referees	2,525,743	2,480,000	
Expenses of referees	2,760,770	3,020,000	
Salaries and expenses of referees			5,700,000
Unobligated balance returned to unappropriated receipts:			
Salaries of referees	3,554		
Expenses of referees	5		
Total available for appropriation:			
Salaries of referees	6,688,905	7,266,275	
Expenses of referees	4,643,747	4,833,917	
Salaries and expenses of referees			12,793,692
Deduct appropriation:			
Salaries of referees	1,902,630	2,006,500	
Expenses of referees	2,829,830	3,000,000	
Salaries and expenses of referees			5,630,000
Unappropriated balance at end of year:			
Salaries of referees	4,786,275	5,259,775	
Expenses of referees	1,813,917	1,833,917	
Salaries and expenses of referees			7,163,692
Total unappropriated balance at end of year	6,600,192	7,093,692	7,163,692

Program and Financing

Program by activities:			
Salaries and expenses of referees (total obligations)	$4,732,460	$5,006,500	$5,630,000
Financing:			
Comparative transfers from (−) other accounts	−4,732,460	−5,006,500	
Appropriation (new obligational authority)			5,630,000

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COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES—Continued

Current authorizations—Continued

Salaries and Expenses of Referees—Continued

Public Law 86–110, approved July 28, 1959, consolidates, effective July 1, 1960, the Referees' salary fund and the Referees' expense fund into one fund to be known as the Referees' salary and expense fund. The appropriation also has been consolidated for 1961 to be consistent with the provisions of Public Law 86–110.

The district courts of the United States are constituted courts of bankruptcy, vested with original jurisdiction at law and in equity in proceedings brought under the bankruptcy statutes. This jurisdiction primarily is exercised through referees appointed by the several district courts. The salaries of referees, their clerical employees, and all miscellaneous expenses are paid from special funds created by payments of fees and charges by parties to the proceedings. The system is self-sustaining, and no appropriation from the general fund of the Treasury is required.

Increases in the number of referees, their clerical employees and expenses are requested for 1961 to cope with rising caseloads forecast for the current and ensuing years. Supplemental appropriations for Salaries of referees and Expenses of referees for 1960 are anticipated under Proposed for later transmission.

CASELOAD

	1958	*1959*
Pending, beginning of year	68,459	80,446
Filed during year	91,668	100,672
Closed during year	79,681	96,845
Pending, end of year	80,446	84,273

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Total number of permanent positions	575	587	656
	Full-time equivalent of all other positions	88	86	86
	Average number of all employees	638	656	733
	Number of employees at end of year	722	738	815
01	Personal services:			
	Permanent positions	$3,329,231	$3,547,050	$3,981,050
	Positions other than permanent	586,345	565,750	570,750
	Other personal services	8,998	17,200	9,700
	Total personal services	3,924,574	4,130,000	4,561,500
02	Travel	72,933	80,000	80,000
03	Transportation of things	6,768	8,000	8,000
04	Communication services	56,068	65,000	69,500
	Penalty mail	133,700	170,000	170,000
05	Rents and utility services	68,598	75,000	97,500
06	Printing and reproduction	28,397	30,000	30,000
07	Other contractual services	24,197	27,500	77,500
08	Supplies and materials	73,018	75,000	78,500
09	Equipment	94,904	82,000	165,000
11	Grants, subsidies, and contributions	246,865	262,000	290,500
15	Taxes and assessments	2,438	2,000	2,000
	Total obligations	4,732,460	5,006,500	5,630,000

[Salaries of Referees]

(Indefinite special fund)

[For salaries of referees as authorized by the Act of June 28, 1946, as amended (11 U.S.C. 68), not to exceed $2,006,500, to be derived from the referees' salary fund established in pursuance of said Act.] (*Judiciary Appropriation Act, 1960.*)

Appropriated 1960, **$2,006,500**

Note.—Estimate for 1961 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses of referees." The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Financing:			
Comparative transfers to other accounts	$1,902,630	$2,006,500	
Appropriation (new obligational authority)	1,902,630	2,006,500	

[Expenses of Referees]

(Indefinite special fund)

[For miscellaneous expenses of referees, United States courts, including the salaries of their clerical assistants, travel, purchase of envelopes without regard to the Act of June 26, 1906 (34 Stat. 476), not to exceed $3,000,000, to be derived from the referees' expense fund established in pursuance of the Act of June 28, 1946, as amended (11 U.S.C. 68(c)(4)).] (*11 U.S.C. 102(a)(2); Judiciary Appropriation Act, 1960.*)

Appropriated 1960, **$3,000,000**

Note.—Estimate for 1961 for activities previously carried under this title has been transferred in the estimates to "Salaries and expenses of referees." The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Financing:			
Comparative transfers to other accounts	$2,829,830	$3,000,000	
Appropriation (new obligational authority)	2,829,830	3,000,000	

Proposed for later transmission:

Salaries of Judges

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Salaries and related costs (total obligations)		$100,000	
Financing:			
Proposed supplemental appropriation		100,000	

Under existing legislation, 1960.—The amount appropriated for 1960 is sufficient to pay on the average the salaries and related costs of 383 circuit, district, senior, and resigned judges. Recent confirmations by the Congress of a number of judgeship appointments and a steady increase in the number of senior judges indicates that present funds are inadequate and it is estimated that an additional sum of $100,000 will be required to pay salaries.

Salaries of Supporting Personnel

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Salaries and related costs (total obligations)		$320,000	
Financing:			
Proposed supplemental appropriation		320,000	

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Under existing legislation, 1960.—The amendment to section 752 of title 28, U.S. Code, by Public Law 86–221, approved September 1, 1959, provides that district judges may appoint necessary law clerks and secretaries subject to the limitation on their aggregate salaries stated in the language of this appropriation. The estimate for salaries of law clerks and secretaries to judges for 1961 was prepared on the basis of an allotment per judge, within which judges may appoint such employees and includes a request for an additional sum of $961,400 for their salaries and related costs. It is anticipated that approximately $320,000 will be required in 1960 to provide judges with additional law clerks and secretaries for the last 4 months of the year.

Fees of Jurors and Commissioners

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Fees, expenses, and costs (total obligations)		$20,000	
Financing:			
Proposed supplemental appropriation		20,000	

Under existing legislation, 1960.—A supplemental appropriation is anticipated to cover an increase in payments of fees and related costs of U.S. commissioners.

Travel and Miscellaneous Expenses

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Travel and miscellaneous expenses (total obligations)		$447,000	
Financing:			
Proposed supplemental appropriation		447,000	

Under existing legislation, 1960.—A supplemental appropriation is anticipated to cover: (*a*) the increase in subsistence allowance for judges under Public Law 86–138 ($70,000); (*b*) the cost of transcripts for an increasing number of defendants allowed to proceed in forma pauperis ($12,000); (*c*) the purchase of furniture for court personnel in GSA buildings which prior to 1960 was provided by the General Services Administration ($255,000); and (*d*) travel and miscellaneous expenses, including equipment and furniture, for additional law clerks and secretaries of judges under the amendment to title 28, U.S. Code, section 752, by Public Law 86–221, approved September 1, 1959 ($110,000).

Salaries of Referees

(Indefinite special fund)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Salaries and related costs (total obligations)		$25,000	
Financing:			
Proposed supplemental appropriation		25,000	

Under existing legislation, 1960.—A supplemental appropriation of $25,000 is anticipated to cover the cost of additional referee positions and salary increases to be effective April 1, 1960.

Expenses of Referees

(Indefinite special fund)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Clerk hire and miscellaneous expenses (total obligations)		$75,000	
Financing:			
Proposed supplemental appropriation		75,000	

Under existing legislation, 1960.—A supplemental appropriation of $75,000 is anticipated to cover (*a*) the salaries and related expenses (including equipment and furniture) of 30 additional clerks for the last 3 months of the year, (*b*) the purchase of furniture for personnel in General Services Administration operated buildings which was previously provided by that agency, and (*c*) additional telephone and rent expenses of referees.

GENERAL PROVISIONS—THE JUDICIARY

Sec. 302. Sixty per centum of the expenditures for the District Court of the United States for the District of Columbia from all appropriations under this title and 30 per centum of the expenditures for the United States Court of Appeals for the District of Columbia from all appropriations under this title shall be reimbursed to the United States from any funds in the Treasury to the credit of the District of Columbia.

Sec. 303. The reports of the United States Court of Appeals for the District of Columbia shall not be sold for a price exceeding that approved by the court and for not more than $6.50 per volume. (*Judiciary Appropriation Act, 1960.*)

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EXECUTIVE OFFICE OF THE PRESIDENT

New obligational authority of $87 million is recommended for the Executive Office of the President for 1961. Of this amount, 87% is for the Office of Civil and Defense Mobilization, which coordinates all mobilization and civil defense functions of the executive branch and carries out nonmilitary defense programs in cooperation with States and localities. About 6% is for the Bureau of the Budget, which is the staff arm of the President in preparing and reviewing the Federal budget and in working on Government-wide problems such as organization, accounting, statistics, and legislative coordination. The remainder is for compensation of the President, staff assistance and special projects in the White House offices, and for other smaller agencies in the executive office.

The new obligational authority requested for 1961 is $21 million more than estimated for 1960. The increase is almost entirely for the Office of Civil and Defense Mobilization, largely to finance the first full-year cost of a new program, authorized in 1958, for Federal sharing in the cost of State and local civil defense personnel and administration. The 1960 recommended new obligational authority includes a request for a supplemental appropriation to start this program in the latter part of 1960.

Civil defense activities also account for almost all of the increase in estimated expenditures of the executive offices from $67 million in 1960 to $79 million in 1961.

New obligational authority and expenditures for the Executive Office of the President are shown in the following table:

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
Commerce and housing:						
520 Civil and defense mobilization	$45,285	$55,885	$76,350	$45,784	$56,500	$68,000
General government:						
603 Executive direction and management	10,012	10,256	10,977	10,004	10,104	10,882
Total, Executive Office of the President	55,297	66,141	87,327	55,788	66,604	78,882

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
							1961 estimate		
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	Total	From new obligational authority	From prior authority
COMPENSATION OF THE PRESIDENT									
Current authorizations:									
Compensation of the President	603	$150	$150	$150	$150	$150	$150	$150	
THE WHITE HOUSE OFFICE									
Current authorizations:									
Salaries and expenses	603	2,222	2,221	2,398	2,253	2,146	2,373	2,134	$239
SPECIAL PROJECTS									
Current authorizations:									
Special projects	603	1,330	1,500	1,500	1,269	1,444	1,500	1,350	150
EXECUTIVE MANSION AND GROUNDS									
Current authorizations:									
Executive Mansion and grounds	603	449	475	505	475	470	500	487	13
Extraordinary alterations and repairs	603	100		100	47	53	75	75	
Total, Executive Mansion and grounds		549	475	605	522	523	575	562	13
BUREAU OF THE BUDGET									
Current authorizations:									
Salaries and expenses	603	4,551	4,665	5,100	4,615	4,619	5,061	4,747	314
COUNCIL OF ECONOMIC ADVISERS									
Current authorizations:									
Salaries and expenses	603	393	395	395	383	389	394	371	23
NATIONAL SECURITY COUNCIL									
Current authorizations:									
Salaries and expenses	603	759	792	779	767	772	779	694	85
OFFICE OF CIVIL AND DEFENSE MOBILIZATION									
Current authorizations:									
Salaries and expenses	520	23,285	29,535	25,750	22,311	27,400	25,000	19,426	5,574
Federal contributions	520		10,000	22,000	8,955	10,000	16,700	10,300	6,400
Emergency supplies and equipment	520	20,000	6,950	11,400	9,641	13,000	9,000	4,000	5,000
Research and development	520	2,000	4,000	7,200	5,003	3,525	6,530	2,500	4,030
Civil defense and defense mobilization functions of Federal agencies	520			10,000	24		8,500	8,500	
Construction of facilities	520		2,400			190	1,700		1,700
Public enterprise funds:									
Civil defense procurement fund	520				−151	−115	70		70
Intragovernmental funds:									
Advances and reimbursements	520				1				
Proposed for later transmission:									
Under existing legislation: Federal contributions	520		3,000			2,500	500		500
Total, Office of Civil and Defense Mobilization		45,285	55,885	76,350	45,784	56,500	68,000	44,726	23,274
PRESIDENT'S ADVISORY COMMITTEE ON GOVERNMENT ORGANIZATION									
Current authorizations:									
Salaries and expenses	603	58	58	50	54	58	50	48	2
MISCELLANEOUS									
Intragovernmental funds:									
Career Executive Board: Advances and reimbursements	603				−3	3			
President's Committee on Fund-Raising Within the Federal Service: Advances and reimbursements	603				−5				
Total new obligational authority and budget expenditures		55,297	66,141	87,327	55,788	66,604	78,882	54,782	24,100

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate		
							Total	From new obligational authority	From prior authority
RECAPITULATION									
Enacted or recommended in this document:									
Current authorizations:									
Appropriations		$55,297	$63,141	$87,327	$55,788	$64,104	$78,382	$54,782	$23,600
Proposed for later transmission:									
Appropriations			3,000			2,500	500		500
Total new obligational authority and budget expenditures		55,297	66,141	87,327	55,788	66,604	78,882	54,782	24,100

EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

[In thousands]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1959	1960	1961	1959	1960	1961	1959	1960	1961
OFFICE OF CIVIL AND DEFENSE MOBILIZATION										
Civil defense procurement fund	520	$127	$120	$418	$278	$235	$348	−$151	−$115	$70

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ANALYSIS OF UNEXPENDED BALANCES

[In thousands]

Description	Balance, start of 1959		Balance, start of 1960		Balance, start of 1961		Balance, start of 1962	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document:								
Appropriations:								
Extraordinary alterations and repairs, Executive Mansion and grounds			$52	$53				$25
Salaries and expenses, Office of Civil and Defense Mobilization		$5,178		5,570		$7,705		8,455
Federal contributions, Office of Civil and Defense Mobilization	$14,270	31,529		19,041		19,041		24,341
Emergency supplies and equipment, Office of Civil and Defense Mobilization		8,577		12,924		6,874		9,274
Research and development, Office of Civil and Defense Mobilization	2,767	7,844	1,386	4,841		5,316		5,986
Construction of facilities, Office of Civil and Defense Mobilization					$135	2,210		510
Other		899		640		829		2,400
Total, appropriations	17,037	54,027	1,438	43,069	135	41,975		50,991
Revolving and management funds	921	1,191	1,281	1,346	1,151	1,459	$849	1,389
Proposed for later transmission:								
Appropriations						500		
Total, Executive Office of the President	17,958	55,218	2,719	44,415	1,286	43,934	849	52,380

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

Description	1959 actual	1960 estimate	1961 estimate
Balances brought forward at start of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	$54,027	$43,069	$41,975
Revolving and management funds	1,191	1,346	1,459
Proposed for later transmission: Appropriations			500
Total balances brought forward	55,218	44,415	43,934
New obligational authority:			
Enacted or recommended in this document: Current authorizations:			
Appropriations	55,297	63,141	87,327
Proposed for later transmission: Appropriations		3,000	
Total new obligational authority	55,297	66,141	87,327
Other amounts available: Appropriations available in prior years	−172		
Total budget authorizations available	110,343	110,556	131,261
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	55,788	64,104	54,782
Out of balances of prior obligational authority			23,600
Total expenditures from obligational authority enacted or recommended	55,788	64,104	78,382
From obligational authority proposed for later transmission:			
Out of new obligational authority		2,500	
Out of balances of prior obligational authority			500
Total budget expenditures	55,788	66,604	78,882
Amounts no longer available:			
Unobligated balances expiring and lapsing	4,941	17	
Adjustment of balances downward in expired accounts, net	5,199		
Total amounts no longer available	10,141	17	
Balances carried forward at close of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	43,069	41,975	50,991
Revolving and management funds	1,346	1,459	1,389
Proposed for later transmission: Appropriations		500	
Total balances carried forward at close of year	44,415	43,934	52,380
Obligations incurred, net	$65,423	$67,557	$87,764

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COMPENSATION OF THE PRESIDENT

Current authorizations:

COMPENSATION OF THE PRESIDENT

For compensation of the President, including an expense allowance at the rate of $50,000 per annum as authorized by the Act of January 19, 1949 (3 U.S.C. 102), $150,000. *(General Government Matters Appropriation Act, 1960.)*

Appropriated 1960, **$150,000** Estimate 1961, **$150,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Compensation of the President (object class 01)	$150,000	$150,000	$150,000
Financing:			
Appropriation (new obligational authority)	150,000	150,000	150,000

THE WHITE HOUSE OFFICE

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for The White House Office, including not to exceed $215,000 for services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), at such per diem rates for individuals as the President may specify, and other personal services without regard to the provisions of law regulating the employment and compensation of persons in the Government service; newspapers, periodicals, teletype news service, and travel, and official entertainment expenses of the President, to be accounted for solely on his certificate; [$2,221,000] *$2,398,500. (General Government Matters Appropriation Act, 1960.)*

Appropriated 1960, **$2,221,000** Estimate 1961, **$2,398,500**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Administration (total obligations)	$2,222,000	$2,221,000	$2,398,500
Financing:			
New obligational authority	2,222,000	2,221,000	2,398,500
New obligational authority:			
Appropriation	$2,051,970	$2,221,000	$2,398,500
Transferred from "Special projects" (73 Stat. 54)	170,030		
Appropriation (adjusted)	2,222,000	2,221,000	2,398,500

These funds provide the President with staff assistance and provide administrative services for the White House Office.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	275	272	272
Full-time equivalent of all other positions	7	7	7
Average number of all employees	275	274	274
Number of employees at end of year	280	278	278
Average GS grade and salary	6.8 $5,863	7.0 $5,883	7.0 $5,986
Average salary of ungraded positions	$3,578	$3,666	$3,672
01 Personal services:			
Permanent positions	$1,671,413	$1,737,033	$1,816,750
Positions other than permanent	124,341	125,467	125,250
Other personal services	83,186	63,000	70,500
Total personal services	1,878,940	1,925,500	2,012,500
02 Travel expense of the President	$40,000	$40,000	$40,000
Other travel	13,112	25,000	25,000
04 Communication services	69,107	50,000	65,000
05 Rents and utility services	2,894	4,000	4,000
06 Printing and reproduction	46,285	30,000	50,000
07 Other contractual services	5,744	6,000	6,000
Services performed by other agencies	1,222	1,500	1,500
08 Supplies and materials	51,979	30,000	47,500
09 Equipment	9,724	10,000	35,000
11 Grants, subsidies, and contributions	97,577	93,000	106,000
15 Taxes and assessments	5,416	6,000	6,000
Total obligations	2,222,000	2,221,000	2,398,500

SPECIAL PROJECTS

Current authorizations:

SPECIAL PROJECTS

For expenses necessary to provide staff assistance for the President in connection with special projects, to be expended in his discretion and without regard to such provisions of law regarding the expenditure of Government funds or the compensation and employment of persons in the Government service as he may specify, $1,500,000: *Provided,* That not to exceed 10 per centum of this appropriation may be used to reimburse the appropriation for "Salaries and expenses, The White House Office", for administrative services. *(General Government Matters Appropriation Act, 1960.)*

Appropriated 1960, **$1,500,000** Estimate 1961, **$1,500,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Administration (total obligations)	$1,240,000	$1,500,000	$1,500,000
Financing:			
Unobligated balance no longer available	89,970		
New obligational authority	1,329,970	1,500,000	1,500,000
New obligational authority:			
Appropriation	$1,500,000	$1,500,000	$1,500,000
Transferred to "Salaries and expenses," The White House Office (73 Stat. 54)	−170,030		
Appropriation (adjusted)	1,329,970	1,500,000	1,500,000

This fund is used by the President for staff assistance on special problems which arise from time to time but cannot be considered the responsibility of an existing agency. Examples of the type of assistance provided during the current year are projects on the coordination of the Nation's scientific effort, foreign economic policy, and coordination of public works planning.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Average number of all employees	120	115	110
Number of employees at end of year	124	125	120
01 Personal services: Positions other than permanent	$838,289	$1,025,175	$950,000
02 Travel	107,603	144,750	150,000
04 Communication services	19,898	20,500	25,000
06 Printing and reproduction	10,359	10,000	15,000
07 Other contractual services	31,950	71,500	75,000
Services performed by other agencies	112,500	150,000	150,000
08 Supplies and materials	36,076	27,250	40,000
09 Equipment	40,914	10,000	50,000
11 Grants, subsidies, and contributions	38,666	36,000	40,000
15 Taxes and assessments	3,745	4,825	5,000
Total obligations	1,240,000	1,500,000	1,500,000

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EXECUTIVE MANSION AND GROUNDS

Current authorizations:

EXECUTIVE MANSION AND GROUNDS

For the care, maintenance, repair and alteration, refurnishing, improvement, heating and lighting, including electric power and fixtures, of the Executive Mansion and the Executive Mansion grounds, and traveling expenses, to be expended as the President may determine, notwithstanding the provisions of this or any other Act, [$475,000] *$505,000. (3 U.S.C. 109–110; D.C. Code 8–108, 1951 edition; General Government Matters Appropriation Act, 1960.)*

Appropriated 1960, **$475,000** Estimate 1961, **$505,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Care, maintenance, and operation of the Executive Mansion and the surrounding grounds	$449,400	$475,000	$505,000
2. 1959 program obligated in 1958	−3,946		
Total obligations	445,454	475,000	505,000
Financing:			
1959 appropriation available in 1958	3,946		
Appropriation (new obligational authority)	449,400	475,000	505,000

These funds provide for the care, maintenance, and operation of the Executive Mansion and the surrounding grounds.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	72	72	72
Full-time equivalent of all other positions	7	6	6
Average number of all employees	72	74	77
Number of employees at end of year	72	72	72
Average salary of ungraded positions	$4,384	$4,539	$4,577
01 Personal services			
Permanent positions	$284,452	$311,241	$326,516
Positions other than permanent	30,306	24,945	24,945
Other personal services	28,241	23,395	23,395
Total personal services	342,999	359,581	374,856
03 Transportation of things	33		
05 Rents and utility services	35,622	34,890	37,330
06 Printing and reproduction	128	125	125
07 Other contractual services	8,849	14,100	20,100
08 Supplies and materials	41,316	41,175	46,175
09 Equipment	365	4,984	4,984
11 Grants, subsidies, and contributions	19,942	20,000	21,285
15 Taxes and assessments	146	145	145
1959 program obligated in 1958	−3,946		
Total obligations	445,454	475,000	505,000

EXTRAORDINARY ALTERATIONS AND REPAIRS

For extraordinary alterations, repairs, furniture, and furnishings of the Executive Mansion and Grounds, to be expended as the President may determine, notwithstanding any other provisions of this or any other Act, $100,000, to remain available until expended.

Estimate 1961, **$100,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Alterations, repairs, furniture, and furnishings of the Executive Mansion and grounds (total obligations)	$47,915	$52,085	$100,000
Financing:			
Unobligated balance brought forward		−52,085	
Unobligated balance carried forward	52,085		
Appropriation (new obligational authority)	100,000		100,000

Funds available in this account are used for extraordinary alterations, repairs, furniture, and furnishings of the Executive Mansion and grounds.

Object Classification

	1959 actual	1960 estimate	1961 estimate
01 Personal services	$14,400		
03 Transportation of things	14		
07 Other contractual services	16,329	$25,000	$60,000
08 Supplies and materials	15,528	15,000	25,000
09 Equipment	1,644	12,085	15,000
Total obligations	47,915	52,085	100,000

BUREAU OF THE BUDGET

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for the Bureau of the Budget, including not to exceed [$110,000] *$120,000* for expenses of travel, and not to exceed $20,000 for services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), at rates not to exceed [$50] *$75* per diem for individuals, [$4,665,000] *$5,100,000. (31 U.S.C. 1–24, 665, 847–849, 852; 5 U.S.C. 46e, 133t, 139–139f, 835–842, 1151, 2133; 39 U.S.C. 902(g); 40 U.S.C. 356(e); 44 U.S.C. 220; General Government Matters Appropriation Act, 1960.)*

Appropriated 1960, **$4,665,000** Estimate 1961, **$5,100,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Office of accounting	$243,120	$235,600	$248,700
2. Office of budget review	445,795	459,000	534,300
3. Office of legislative reference	204,619	202,500	207,000
4. Office of management and organization	443,341	468,300	616,500
5. Office of statistical standards	382,405	430,000	441,400
6. Program divisions:			
(*a*) Commerce and finance	409,458	411,900	433,500
(*b*) International	310,058	322,000	334,700
(*c*) Labor and welfare	443,190	437,300	453,500
(*d*) Military	505,294	517,600	578,700
(*e*) Resources and civil works	485,328	504,600	538,200
7. Executive direction and administration	636,593	677,600	710,500
Total program costs	4,509,201	4,666,400	5,097,000
8. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)	−3,136	−1,400	
Obligations incurred for costs of other years, net			3,000
Total program (obligations)	4,506,065	4,665,000	5,100,000
Financing:			
1959 appropriation available in 1958	18,433		
Unobligated balance no longer available	26,102		
Appropriation (new obligational authority)	4,550,600	4,665,000	5,100,000

The Bureau assists the President in the discharge of his budgetary, management, and other executive responsibilities.

1. *Office of accounting.*—Direction is given to programs for improving accounting and financial management in the executive agencies, in collaboration with the General Accounting Office and the Treasury Department.

2. *Office of budget review.*—Budget instructions and procedures are developed, review of agency estimates is coordinated, and the budget document is prepared.

3. *Office of legislative reference.*—Proposed legislation and agency reports on pending legislation and enrolled bills are reviewed for the President.

4. *Office of management and organization.*—Programs and plans are developed for improved Government organization and procedures, and guidance is provided

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BUREAU OF THE BUDGET—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

in the work of the Bureau to improve agency management and operations.

5. *Office of statistical standards.*—Proposed agency reporting plans and forms are reviewed, and the Government's statistical activities, coverage, and methods are coordinated and improved.

6. *Program divisions.*—Agency programs, budget requests, and management activities are examined, appropriations are apportioned, proposed changes in agency functions are studied, and agencies are assisted in the improvement of their administration. Responsibility for this work with respect to particular agencies is divided among five divisions: (*a*) commerce and finance, (*b*) international, (*c*) labor and welfare, (*d*) military, and (*e*) resources and civil works.

8. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order but not yet received)	$32,666	$22,140	$22,188	$25,188
Advances (payments for goods and services on order not yet received)	5,797	7,248	5,800	5,800
Total selected resources at end of year	38,463	29,388	27,988	30,988
Selected resources at start of year (−)	−38,463	−29,388	−27,988	
Adjustment of selected resources reported at start of year		5,939		
Costs financed from obligations of other years, net (−)		−3,136	−1,400	
Obligations incurred for costs of other years, net				3,000

Object Classification

	1959 actual		1960 estimate		1961 estimate	
Total number of permanent positions	433		433		466	
Full-time equivalent of all other positions	2		5		5	
Average number of all employees	422		428		458	
Number of employees at end of year	427		427		460	
Average GS grade and salary	10.8	$9,067	11.0	$9,212	11.1	$9,320
01 Personal services:						
Permanent positions	$3,826,189		$3,907,500		$4,250,100	
Positions other than permanent	12,141		42,000		40,000	
Other personal services	32,931		50,400		29,400	
Total personal services	3,871,261		3,999,900		4,319,500	
02 Travel	95,325		110,000		120,000	
03 Transportation of things	1,179		2,000		2,000	
04 Communication services	55,071		56,000		60,000	
06 Printing and reproduction	122,261		135,000		135,000	
07 Other contractual services	19,952		18,400		45,500	
Services performed by other agencies	32,815		30,000		39,700	
08 Supplies and materials	36,222		33,000		35,500	
09 Equipment	39,810		22,000		63,000	
11 Grants, subsidies, and contributions	250,336		257,700		278,800	
13 Refunds, awards, and indemnities	75					
15 Taxes and assessments	191		1,000		1,000	
1959 program obligated in 1958	−18,433					
Total obligations	4,506,065		4,665,000		5,100,000	

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Office of accounting	$425	$600	$600
2. Office of legislative reference	59		
3. Program divisions:			
(*a*) Commerce and finance	3,315	2,000	2,000
(*b*) International	533		
4. Executive direction and administration	10,332	9,400	9,400
Total obligations	14,664	12,000	12,000
Financing:			
Advances and reimbursements from—			
Other accounts	$13,647	$11,400	$11,400
Non-Federal sources (58 Stat. 845)	1,017	600	600
Total financing	14,664	12,000	12,000

Object Classification

	1959 actual		1960 estimate		1961 estimate	
Total number of permanent positions	2		2		2	
Average number of all employees	2		2		2	
Number of employees at end of year	2		2		2	
Average GS grade and salary	10.0	$8,414	10.0	$8,487	10.0	$8,487
01 Personal services:						
Permanent positions	$14,437		$12,000		$12,000	
Positions other than permanent	192					
Other personal services	35					
Total obligations	14,664		12,000		12,000	

COUNCIL OF ECONOMIC ADVISERS

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Council in carrying out its functions under the Employment Act of 1946 (15 U.S.C. 1021), including newspapers and periodicals (not exceeding $400); not exceeding $15,000 for expenses of [travels] *travel;* and press clippings (not exceeding $300); $395,000. *(General Government Matters Appropriation Act, 1960.)*

Appropriated 1960, **$395,000** Estimate 1961, **$395,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Economic analysis (total obligations)	$377,908	$395,000	$395,000
Financing:			
Unobligated balance no longer available	15,092		
Appropriation (new obligational authority)	393,000	395,000	395,000

The Council of Economic Advisers analyzes the national economy and its various segments; advises the President on economic developments; recommends policies for economic growth and stability; appraises economic programs and policies of the Federal Government; and assists in preparation of the annual Economic Report of the President to Congress.

Object Classification

	1959 actual		1960 estimate		1961 estimate	
Total number of permanent positions	31		31		31	
Full-time equivalent of all other positions	1		1		1	
Average number of all employees	31		31		31	
Number of employees at end of year	31		31		31	
Average GS grade and salary	6.5	$5,341	6.7	$5,390	6.7	$5,480
Average salary of ungraded positions		$13,067		$13,272		$13,272
01 Personal services:						
Permanent positions	$299,109		$304,200		$304,200	
Positions other than permanent	8,050		8,500		9,600	
Other personal services	14,858		16,300		15,200	
Total personal services	322,017		329,000		329,000	
02 Travel	2,571		10,000		10,000	
04 Communication services	4,612		5,000		5,000	
06 Printing and reproduction	11,018		12,000		12,000	
07 Other contractual services	1,407		1,500		1,500	
Services performed by other agencies	13,110		13,500		13,500	
08 Supplies and materials	2,363		2,000		2,000	
09 Equipment	2,714		1,500		1,500	
11 Grants, subsidies, and contributions	17,545		20,000		20,000	
15 Taxes and assessments	551		500		500	
Total obligations	377,908		395,000		395,000	

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NATIONAL SECURITY COUNCIL

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for the National Security Council, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), at rates not in excess of $50 per diem for individuals; *purchase of one passenger motor vehicle;* and acceptance and utilization of voluntary and uncompensated services; [$792,000] *$779,000. (50 U.S.C. 402; General Government Matters Appropriation Act, 1960.)*

Appropriated 1960, **$792,000** Estimate 1961, **$779,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Policy coordination	$260,484	$287,912	$288,230
2. Operations coordination	485,744	488,407	490,770
Total program costs	746,228	776,319	779,000
3. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)		−1,319	
Obligations incurred for costs of other years (unpaid undelivered orders), net	1,247		
Total program (obligations)	747,475	775,000	779,000
Financing:			
Unobligated balance no longer available	11,925	17,000	
Appropriation (new obligational authority)	759,400	792,000	779,000

1. *Policy coordination.*—The National Security Council advises the President regarding national security policies. Also, the Central Intelligence Agency is under the direction of the Council. Members of the Council are the President, Vice President, Secretary of State, Secretary of Defense, Director of the Office of Civil and Defense Mobilization, and, as directed by the President, other high officials. This appropriation provides staff services for the Council's policy coordination activities.

2. *Operations coordination.*—The Operations Coordinating Board, within the structure of the Council, advises with the responsible executive agencies to assist in coordinating implementation of national security policies assigned by the President to the Operations Coordinating Board for coordination. The Board is composed of the Under Secretary of State for Political Affairs, Deputy Secretary of Defense, Director of Central Intelligence, Director of the United States Information Agency, Director of the International Cooperation Administration, and one or more representatives of the President, and as necessary, officials of other agencies. This appropriation provides staff services for the Board.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $72, and 1959, $1,319.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	77	76	76
Full-time equivalent of all other positions	1	1	1
Average number of all employees	62	74	74
Number of employees at end of year	65	76	76
Average GS grade and salary	10.2 $8,615	10.3 $8,667	10.3 $8,721
01 Personal services:			
Permanent positions	$500,546	$654,243	$657,883
Positions other than permanent	1,000	1,000	1,000
Other personal services	140,640	7,538	5,033
Total personal services	642,186	662,781	663,916
02 Travel	$5,946	$6,000	$6,000
04 Communication services	9,806	10,000	10,000
06 Printing and reproduction	1,313	2,000	2,000
07 Other contractual services	3,504	4,545	7,105
Services performed by other agencies	38,380	39,374	39,374
08 Supplies and materials	7,130	8,174	7,800
09 Equipment	1,621	3,445	2,805
11 Grants, subsidies, and contributions	36,342	40,000	40,000
Total costs	746,228	776,319	779,000
Costs financed from obligations of other years, net (−)		−1,319	
Obligations incurred for costs of other years, net	1,247		
Total obligations	747,475	775,000	779,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operations coordination (total costs—obligations)	$1,209		
Financing:			
Advances and reimbursements from other accounts	1,209		

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	1		
Average number of all employees	1		
Number of employees at end of year	0		
Average GS grade and salary	7.0 $5,886		
01 Personal services: Permanent positions	$1,132		
07 Other contractual services	4		
11 Grants, subsidies, and contributions	73		
Total obligations	1,209		

OFFICE OF CIVIL AND DEFENSE MOBILIZATION

This Office was created by Reorganization Plan No. 1 of 1958 through the merger of the Federal Civil Defense Administration and the Office of Defense Mobilization. It coordinates all civil defense and mobilization activities of the Federal Government and provides guidance and assistance to the States and their political subdivisions in the planning of preparedness measures as an integral part of the national plan for civil defense and defense mobilization. Operational capability for attack warning and emergency communications is provided, stockpiles of medical and engineering equipment are maintained for emergency use, financial contributions are made to States and political subdivisions for civil defense personnel and administrative costs and the provision of facilities and equipment, and radiological defense equipment is furnished to the States and localities for training and operational use. Policies are developed for the administration of the Defense Production Act and the strategic and critical materials stockpile.

In 1961, major emphasis will continue to be devoted to programs for strengthening the capability of all governments to act effectively in emergencies, for developing an effective radiological defense, and for increasing the availability of appropriate fallout shelter.

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OFFICE OF CIVIL AND DEFENSE MOBILIZATION—Continued

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for the Office of Civil and Defense Mobilization, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); reimbursement of the General Services Administration for security guard services; expenses of attendance of cooperating officials and individuals at meetings concerned with civil defense functions; not to exceed $8,500 for the purchase of newspapers, periodicals and teletype news services; not to exceed $1,000,000 for expenses of travel; and not to exceed $6,000 for emergency and extraordinary expenses to be expended under the direction of the Director for such purposes as he deems proper, and his determination thereon shall be final and conclusive; [$23,285,000, of which $185,000 shall be available for the Interdepartmental Radio Advisory Committee] *$25,750,000: Provided,* That contracts for not to exceed eight persons under this appropriation for temporary or intermittent services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), may be renewed annually, *and one such contract, for the services of an expert or consultant for telecommunications, may provide for a per diem rate of not to exceed $75.*

[For an additional amount for "Salaries and Expenses," to be allocated for expenses necessary to discharge such civil defense and defense mobilization functions performed by other Federal Agencies as may be designated by the Office of Civil and Defense Mobilization, $3,000,000.]

[For an additional amount for "Salaries and expenses", to be allocated for expenses necessary to discharge such civil defense and defense mobilization functions performed by other Federal agencies, as may be designated by the Office of Civil and Defense Mobilization, including payments by Department of Labor to State employment security agencies for the full cost of administration of defense manpower mobilization activities, $3,250,000.] (*Independent Offices Appropriation Act, 1960; Supplemental Appropriation Act, 1960; Mutual Security Appropriation Act, 1960.*)

Appropriated 1960, **$29,535,000** Estimate, 1961, [a] **$25,750,000**

[a] Excludes $10,000,000 for activities transferred in the estimates to "Civil defense and defense mobilization functions of Federal agencies." The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Executive direction and policy planning	$915,422	$956,047	$969,400
2. Research and development	911,177	815,156	701,500
3. Emergency planning	1,847,848	2,094,907	2,196,700
4. Warning and communications	3,248,846	3,285,021	3,832,900
5. Training, education, and public affairs	3,657,512	4,263,322	5,026,300
6. Resources and production planning	1,731,476	1,876,776	2,109,900
7. Field operations	5,519,224	7,210,409	7,580,400
8. Management services and stockpile operations	4,100,647	3,716,916	3,766,400
Total program costs	21,932,152	24,218,554	26,183,500
9. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−933,554	−433,500
Obligations incurred for costs of other years, net	551,361		
Total program (obligations)	22,483,513	23,285,000	25,750,000
Financing:			
Comparative transfers to other accounts	495,788	6,250,000	
1959 appropriation available in 1958	139,832		
Unobligated balance no longer available	165,867		
Appropriation (new obligational authority)	23,285,000	29,535,000	25,750,000

1. *Executive direction and policy planning.*—This activity provides the top level direction of nonmilitary programs for the defense of the United States. It also includes the development, coordination, and evaluation of civil and defense mobilization assumptions, policies, and programs for Federal, State, local, and individual implementation and participation.

2. *Research and development.*—Programs designed to meet current and projected research needs are coordinated and administered. In addition, damage assessment systems required for emergency operations and control of critical resources are provided. The administration of the research program is under this appropriation; actual research projects are financed under the Research and development appropriation.

3. *Emergency planning.*—This activity provides for the development of Federal mobilization plans and coordination of Federal, State, and local emergency operations plans. This includes supervision of Federal grant-in-aid programs for civil defense purposes; the overall coordination of civil defense and mobilization functions assigned to other Federal agencies; measures to minimize the effects of enemy attack by chemical, biological, or radiological means upon the people and national resources; and the development of shelter and other programs to reduce the vulnerability of the Nation to weapons of mass destruction. Tests are conducted to determine the adequacy of various types of emergency plans.

4. *Warning and communications.*—The Office of Civil and Defense Mobilization national warning system is being revised to make it compatible with the Air Force SAGE network. The warning system is being expanded in 1961 to 446 key warning points. In 1962 it is proposed to add 54 warning points making a total of 500. The system will then provide direct attack warning to all cities of 20,000 or more population and those cities of 10,000 to 20,000 population which are adjacent to important civil and military targets. This activity also includes the national communications system for post-attack emergency coordination of emergency government down to State level. Strengthening of the communications network will be continued in 1961 through installation of radio backup facilities in State control sites, providing a minimum emergency communications radio link to and between the eight Office of Civil and Defense Mobilization regional offices, the national and operational headquarters, and the States.

5. *Training, education, and public affairs.*—This activity provides for training methods and materials to State and local organizations and dissemination of promotional matter furthering civil defense preparedness. The 1961 request provides for an expanded program of adult education to teach the principles of individual, family, and community protection, utilizing the existing adult education network in the States. By the end of 1960, the first year for this new program, it is estimated that 100,000 adults will have received training through the resources of this adult education program.

6. *Resources and production planning.*—This office develops operating plans to stabilize the economy and manage the national resources under various emergency conditions. Plans are also developed for the restoration and rehabilitation of essential physical facilities after attack. During 1961, work will continue in exploring survival requirements, post-attack, and various methods which can be used to fill these requirements.

7. *Field operations.*—Civil and defense mobilization programs are made available to States and localities through the eight regional offices; courses in civil defense subjects including instructor training are given at four training installations; and specialized activities in connection with attack warning, damage assessment, and emergency operations are conducted at various headquarters throughout the country.

8. *Management services and stockpile operations.*—In addition to centralized administrative services, this activity also finances the management of the civil defense stock-

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pile. The stockpile is located in warehouses operated by other Federal agencies.

9. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$3,290,876	$3,790,253	$2,981,740	$2,644,740
Advances (payment for goods and services on order not yet received)	57,228	88,076	61,260	48,760
Accrued annual leave (leave earned and not taken by employees, charged to activity costs)	−1,190,545	−1,444,775	−1,543,000	−1,627,000
Total selected resources at end of year	2,157,559	2,433,554	1,500,000	1,066,500
Selected resources at start of year (−)		−2,157,559	−2,433,554	−1,500,000
Adjustment of selected resources reported at start of year		275,366		
Costs financed from obligations of other years, net (−)			−933,554	−433,500
Obligations incurred for costs of other years, net		551,361		

Object Classification

	1959 actual	1960 estimate	1961 estimate
OFFICE OF CIVIL AND DEFENSE MOBILIZATION			
Total number of permanent positions	1,571	1,700	1,700
Full-time equivalent of all other positions	25	55	47
Average number of all employees	1,555	1,667	1,711
Number of employees at end of year	1,734	1,850	1,850
Average GS grade and salary	9.3 $7,713	9.4 $7,925	9.4 $8,028
01 Personal services:			
Permanent positions	$11,720,783	$12,776,400	$13,377,700
Positions other than permanent	174,992	367,500	365,800
Other personal services	255,144	287,100	252,500
Total personal services	12,150,919	13,431,000	13,996,000
02 Travel	908,147	989,000	989,000
03 Transportation of things	199,405	240,000	193,700
04 Communication services	2,121,234	2,439,500	2,920,400
05 Rents and utility services	171,114	175,550	172,300
06 Printing and reproduction	1,375,081	828,160	1,114,800
07 Other contractual services	1,068,254	1,309,500	1,981,100
Services performed by other agencies	638,923	728,475	706,400
08 Supplies and materials	418,871	350,675	363,200
09 Equipment	255,293	331,640	229,800
11 Grants, subsidies, and contributions	665,379	1,049,350	1,088,900
12 Pensions and insurance	37,675	42,200	45,000
13 Refunds and awards	3,789	3,100	3,500
15 Taxes and assessments	27,185	23,850	25,100
Unvouchered	6,000	6,000	6,000
1959 program obligated in 1958	−139,832		
Total, Office of Civil and Defense Mobilization	19,907,437	21,948,000	23,835,200
ALLOCATION ACCOUNTS			
Total number of permanent positions	19	22	22
Average number of all employees	13	20	22
Number of employees at end of year	16	20	22
Average GS grade and salary	8.8 $7,055	9.4 $7,404	9.4 $7,575
01 Personal services:			
Permanent positions	$166,494	$249,700	$263,800
Other personal services	270	400	600
Total personal services	166,764	250,100	264,400
02 Travel	2,058	11,000	11,000
03 Transportation of things	8,400	2,600	1,400
04 Communication services	720	1,800	2,000
06 Printing and reproduction	200		500
07 Other contractual services	982,903	1,062,000	1,573,500
08 Supplies and materials	439	1,200	2,000
09 Equipment	1,409,694		50,500
11 Grants, subsidies, and contributions	3,532	6,400	7,300
12 Pensions, annuities, and insurance claims		200	200
15 Taxes and assessments	1,366	1,700	2,000
Total, allocation accounts	2,576,076	1,337,000	1,914,800
Total obligations	22,483,513	23,285,000	25,750,000
Obligations are distributed as follows:			
Office of Civil and Defense Mobilization	$19,907,437	$21,948,000	$23,835,200
General Services Administration	489,142	235,000	218,000
Army	1,344,541	45,000	
Department of Health, Education, and Welfare	742,393	1,057,000	1,696,800

Federal Contributions

For financial contributions to the States for civil defense purposes pursuant to the Federal Civil Defense Act of 1950, as amended, to be equally matched with State funds, [$10,000,000] *$22,000,000, of which $12,000,000 shall be available for allocation to the States pursuant to section 205 of said Act.* (*Independent Offices Appropriation Act, 1960.*)

Appropriated 1960, **$10,000,000** Estimate 1961, **$22,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Attack warning	$971,294	$1,483,100	$1,455,000
2. Communications	4,099,342	9,529,000	8,918,000
3. Public safety devices	485,139	383,000	389,000
4. Medical supplies and equipment	692,996	641,500	579,000
5. Education services	418,130	850,700	862,000
6. Mass care equipment	2,272	142,800	119,000
7. Engineering supplies and equipment	675,927	1,535,400	1,597,000
8. Construction and general equipment	555,920	998,300	2,454,000
9. Chemical, biological, and radiological defense equipment		41,200	100,000
10. Personnel and administrative costs			12,000,000
Total program costs	7,901,020	15,605,000	28,473,000
11. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−5,605,000	−6,473,000
Obligations incurred for costs of other years, net	8,417,458		
Total program (obligations) (object class 11)	16,318,478	10,000,000	22,000,000
Financing:			
Unobligated balance brought forward	−14,270,097		
Recovery of prior year obligations	−2,107,250		
Unobligated balance no longer available	58,869		
Appropriation (new obligational authority)		10,000,000	22,000,000

1–9. *Equipment and facilities.*—The Federal contributions program was limited to matching funds for facilities and equipment only through 1959. All States have participated in this program and a total of $91 million has been contributed by the Federal Government, of which about 50% has been used for warning and communications equipment and 16% for medical supplies and equipment.

10. *Personnel and administrative costs.*—This new program for matching the personnel and administrative expenses of State and local civil defense organizations results from legislation enacted by the 85th Congress making civil defense the joint responsibility of the States and Federal Government. This new requirement accounts for more than half of the 1961 appropriation request and also accounts for a supplemental appropriation for the last quarter of 1960, which is anticipated under Proposed for later transmission.

11. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$16,690,059	$18,922,125	$17,000,091	$11,327,091
Advances (payments for goods and services on order not yet received)	9,879,187	10,482,966	6,800,000	6,000,000
Total selected resources at end of year	26,569,246	29,405,091	23,800,091	17,327,091
Selected resources at start of year (−)		−26,569,246	−29,405,091	−23,800,091
Adjustment of selected resources reported at start of year		5,581,613		
Costs financed from obligations of other years, net (−)			−5,605,000	−6,473,000
Obligations incurred for costs of other years, net		8,417,458		

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OFFICE OF CIVIL AND DEFENSE MOBILIZATION—Continued

Current authorizations—Continued

EMERGENCY SUPPLIES AND EQUIPMENT

For expenses necessary for procurement, warehousing, distribution, and maintenance of emergency civil defense materials as authorized by subsection (h) of section 201 of the Federal Civil Defense Act of 1950, as amended, [$6,950,000] *$11,400,000*. (*Independent Offices Appropriation Act, 1960.*)

Appropriated 1960, **$6,950,000** Estimate 1961, **$11,400,000**

Program and Financing

	Costs to this appropriation			Analysis of 1961 financing		
	1959 actual	1960 estimate	1961 estimate	Deduct selected resources, start of year	Add selected resources, end of year	Appropriation required for 1961
Program by activities:						
1. Medical supplies and equipment:						
(*a*) Emergency hospitals	$1,008,370	$132,100				
(*b*) Medical and surgical	469,228	3,200				
(*c*) Blood and blood derivatives	420,428	30,100				
2. Chemical, biological, and radiological, defense equipment	1,927,678	2,414,400	$4,237,200	$2,581,000	$4,843,800	$6,500,000
3. Stockpile management	4,519,685	8,477,200	8,231,300	5,703,526	2,372,226	4,900,000
Total program costs	8,345,389	11,057,000	12,468,500	8,284,526	7,216,026	11,400,000
4. Unfunded adjustments to total program costs: Property transferred in (−) without charge (net)	−96,000					
Total program costs, funded	8,249,389	11,057,000	12,468,500			
5. Relation of costs to obligations:						
Costs financed from obligations of other years, net (−)		−4,107,000	−1,068,500			
Obligations incurred for costs of other years, net	7,175,046					
Total program (obligations)	15,424,435	6,950,000	11,400,000			
Financing:						
1959 appropriation available in 1958	9,960					
Unobligated balance no longer available	4,565,605					
Appropriation (new obligational authority)	20,000,000	6,950,000	11,400,000			

2. *Chemical, biological, and radiological defense equipment*—(*a*) *Chemical and biological.*—A civilian protective mask has been developed for the chemical and biological protection of the citizens of the Nation. As a prerequisite to large scale production of these masks certain production tests are required. Funds requested herein for chemical and biological equipment will therefore be used for the preparation of detailed production techniques, including molds, for the civilian protective mask. (*b*) *Radiological.*—Equipment is procured and granted to the States and localities for training and operational purposes. The main objective of this program is to provide a national radiological monitoring system consisting of 150,000 fixed monitoring stations. Instruments to be procured in 1961 will provide training equipment for the remaining counties throughout the Nation and will equip approximately 36,500 monitoring stations with one monitoring set each.

3. *Stockpile management.*—Materials and equipment not normally available or not present in the quantities needed to cope with the conditions which would be caused by enemy attack are stockpiled at strategic locations. The Office of Civil and Defense Mobilization stockpile procured to date including medical supplies, emergency engineering equipment, and radiological instruments is stored and maintained in a nationwide warehouse system consisting of 34 medical and general storage facilities. These medical and general storage facilities are divided into three categories. (*a*) *Minor storage locations.*—Ranging between 10,000 and 20,000 square feet. These are generally located fairly close to target areas on a calculated risk basis in federally owned depots and used principally for the storage of functional assemblies. (*b*) *Major storage locations.*—Ranging between 30,000 and 100,000 square feet. These generally are located for direct support of specific target areas and are used for the storage of bulk backup medical supplies as well as functional assemblies including civil defense emergency hospitals. (*c*) *Reserve storage locations.*—Ranging between 100,000 and 500,000 square feet. These are located a greater distance from target areas, preferably in more isolated sections, and are designed to give reserve support to regional groupings of target areas. Factors considered in selecting these are available transportation facilities, security, strategic coverage, and geographical distribution. In general, bulk backup reserve supplies are stored at these locations.

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

Selected resources at end of year:	*1958 actual*	*1959 actual*	*1960 estimate*	*1961 estimate*
Inventories and items on order:				
Advances (payments for goods and services on order not yet received)	$1,061,117	$52,592	$50,000	$50,000
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	5,592,108	12,338,934	8,234,526	7,166,026
Total selected resources at end of year	6,653,225	12,391,526	8,284,526	7,216,026
Selected resources at start of year (−)		−6,653,225	−12,391,526	−8,284,526
Adjustment of selected resources reported at start of year		1,436,745		
Costs financed from obligations of other years, net (−)			−4,107,000	−1,068,500
Obligations incurred for costs of other years, net		7,175,046		

Object Classification

	1959 actual	1960 estimate	1961 estimate
OFFICE OF CIVIL AND DEFENSE MOBILIZATION			
03 Transportation of things	$931,576	$860,000	$860,000
07 Other contractual services	7,511,723	155,300	155,300
Services performed by other agencies	2,743,120	2,721,585	2,745,585
08 Supplies and materials	1,903,737	636,115	882,115
09 Equipment	2,082,354	2,320,000	6,500,000
1959 program obligated in 1958	−9,960		
Total, Office of Civil and Defense Mobilization	15,162,550	6,693,000	11,143,000

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Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
ALLOCATION TO VETERANS ADMINISTRATION			
Total number of permanent positions	48	47	47
Average number of all employees	46	45	45
Number of employees at end of year	46	45	45
Average GS grade and salary	3.9 $4,213	3.9 $4,213	3.9 $4,213
01 Personal services:			
Permanent positions	$211,561	$212,400	$213,300
Other personal services	7,637	6,700	5,800
Total personal services	219,198	219,100	219,100
02 Travel	695		
04 Communication services	382	400	400
05 Rents and utility services	5,439	5,400	5,400
07 Other contractual services	11,147	7,650	7,650
08 Supplies and materials	11,088	10,900	10,900
09 Equipment	349		
11 Grants, subsidies, and contributions	13,542	13,525	13,525
15 Taxes and assessments	45	25	25
Total, Veterans Administration	261,885	257,000	257,000
Total obligations	15,424,435	6,950,000	11,400,000

Research and Development

For expenses, not otherwise provided for, necessary for studies and research to develop measures and plans for evacuation, shelter, and the protection of life and property, as authorized by section 201(d) of the Federal Civil Defense Act of 1950, as amended, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), [$4,000,000,] *$7,200,000,* to remain available until expended. (*Independent Offices Appropriation Act, 1960.*)

Appropriated 1960, **$4,000,000** Estimate 1961, **$7,200,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Fallout shelter prototypes and surveys:			
(a) Prototypes		$500,000	$3,100,000
(b) Sampling surveys of shelter availability		250,000	1,050,000
2. Contract research:			
(a) Shelter research, engineering, and testing	$485,305	922,670	735,000
(b) Radiological defense	763,133	838,157	720,000
(c) Operations	336,705	313,303	280,000
(d) Economics	79,376	74,960	235,000
(e) Health and medical	374,002	200,352	120,000
(f) Warning and communications	300,742	156,875	159,000
(g) Social and other	205,068	269,631	401,000
3. Survival planning	3,578,828	160,436	
Total program costs	6,123,159	3,686,384	6,800,000
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—)	—2,099,540		
Obligations incurred for costs of other years, net		1,799,612	400,000
Total program (obligations)	4,023,619	5,485,996	7,200,000
Financing:			
Unobligated balance brought forward	—2,766,914	—1,385,996	
Recovery of prior year obligations	—642,701	—100,000	
Unobligated balance carried forward	1,385,996		
Appropriation (new obligational authority)	2,000,000	4,000,000	7,200,000

1. *Fallout shelter prototypes and surveys.*—Under the national shelter policy, Federal example and leadership is recognized as an indispensable element in stimulating State and local governments, private industry, and the people to build shelters for their protection. To set the example, Federal prototype shelters of various kinds are to be constructed in different climatic areas. Also, sampling surveys will be conducted in many areas to determine the potential of existing buildings, caves, etc., for sheltering the population during an emergency.

2. *Contract research.*—This activity finances the development and application of scientific knowledge to the strategic requirements of the nonmilitary defense of the Nation through research contracts with Federal agencies, universities, industry and private institutions. The 1961 program will emphasize research in the social sciences and will cover such subjects as control and allocation of consumer requirements, alternatives to survival stockpiling, and human behavior in stress situations.

3. *Survival planning.*—In 1959, the survival studies undertaken by the States were terminated in all but two States, New Mexico and South Carolina. Studies in these States will be completed in 1960.

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Inventories and items on order:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$3,765,673	$2,403,196	$4,830,000	$5,230,000
Advances (payments for goods and services on order not yet received)	2,106,956	727,192		
Total selected resources at end of year	5,872,629	3,130,388	4,830,000	5,230,000
Selected resources at start of year (—)		—5,872,629	—3,130,388	—4,830,000
Adjustment of selected resources reported at start of year		642,701	100,000	
Costs financed from obligations of other years, net (—)		—2,099,540		
Obligations incurred for costs of other years, net			1,799,612	400,000

Object Classification

	1959 actual	1960 estimate	1961 estimate
OFFICE OF CIVIL AND DEFENSE MOBILIZATION			
07 Other contractual services	$2,940,497	$3,495,683	$4,910,000
Services performed by other agencies	684,605	1,392,460	1,810,000
Total, Office of Civil and Defense Mobilization	3,625,102	4,888,143	6,720,000
ALLOCATION ACCOUNTS			
Total number of permanent positions	20	12	7
Full-time equivalent of all other positions		1	
Average number of all employees	12	8	4
Number of employees at end of year	12	8	0
Average GS grade and salary	7.2 $5,620	9.0 $6,978	9.0 $6,743
01 Personal services:			
Permanent positions	$73,136	$49,880	$24,300
Positions other than permanent		4,800	500
Other personal services	452	200	
Total personal services	73,588	54,880	24,800
02 Travel	3,451	12,200	1,500
03 Transportation of things	44	400	
04 Communication services	99	300	200
05 Rents and utility services	1,055		
06 Printing and reproduction	17	2,500	500
07 Other contractual services	286,968	515,581	451,600
08 Supplies and materials	24,967	5,600	200
09 Equipment	4,763	3,000	
11 Grants, subsidies, and contributions	3,103	3,192	1,200
15 Taxes and assessments	462	200	
Total, allocation accounts	398,517	597,853	480,000
Total obligations	4,023,619	5,485,996	7,200,000
Obligations are distributed as follows:			
Office of Civil and Defense Mobilization	$3,625,102	$4,888,143	$6,720,000
Department of Defense	59,913	300,087	345,000
General Services Administration	69,220	61,915	
Department of Health, Education, and Welfare	120,466	235,851	30,000
Atomic Energy Commission	69,171		
Department of Commerce	371		70,000
Department of Labor	14,000		
Department of the Interior	65,376		
Federal Reserve System			35,000

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OFFICE OF CIVIL AND DEFENSE MOBILIZATION—Continued

Current authorizations—Continued

CIVIL DEFENSE AND DEFENSE MOBILIZATION FUNCTIONS OF FEDERAL AGENCIES

For expenses necessary to enable other Federal agencies to perform such civil defense and defense mobilization functions as may be designated by the Office of Civil and Defense Mobilization, including payments by the Department of Labor to State employment security agencies for the full cost of administration of defense manpower mobilization activities, $10,000,000.

Estimate 1961, [a] **$10,000,000**

[a] Includes $10,000,000 for activities previously carried under "Salaries and expenses," Office of Civil and Defense Mobilization. The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Department of Agriculture		$240,000	$500,000
2. Civil Aeronautics Board			45,000
3. Department of Commerce	$2,037,419	2,329,000	2,753,000
4. Rivers and harbors and flood control, Department of the Army	22,237		
5. Federal Aviation Agency		90,000	193,000
6. Federal Communications Commission		15,000	15,000
7. General Services Administration	760,000	752,000	752,000
8. Department of Health, Education, and Welfare	75,051	1,442,000	3,077,000
9. Housing and Home Finance Agency	102,078	140,000	300,000
10. Department of the Interior	253,163	373,000	450,000
11. Interstate Commerce Commission		20,000	170,000
12. Department of Labor	85,000	800,000	1,500,000
13. Post Office Department	12,343	19,000	180,000
14. Small Business Administration		15,000	50,000
15. Veterans Administration		15,000	15,000
Total obligations	3,347,291	6,250,000	10,000,000
Financing:			
Comparative transfers from (−) other accounts	−3,347,291	−6,250,000	
Appropriation (new obligational authority)			10,000,000

This appropriation finances, on a consolidated basis, the civil defense and defense mobilization functions of other Federal agencies under presidential assignments called for in Reorganization Plan No. 1 of 1958. These assignments are based on the principle that existing government must provide the standby nonmilitary defense organization for leadership in the event of an emergency.

During 1960 and 1961, major emphasis is being placed on extending Federal planning effort from the Washington level to the Federal establishment in the field. This involves the acceleration of radiological defense training to assure a monitoring capability in the event of nuclear attack and the provision of liaison representatives at various regional offices of the Federal Government, who have the specialized knowledge needed to strengthen the capability of government at local levels to survive and function in a post-attack situation.

To the maximum extent possible, each agency will conduct emergency preparedness activities as an integral part of the planning and execution of its regular program without extra cost. Certain specialized emergency missions of these agencies designated by Office of Civil and Defense Mobilization which cannot be absorbed are being financed by this separate account.

1. *Department of Agriculture.*—Agriculture's nationwide network of local county agents has been assigned responsibility for radiological monitoring on a widely dispersed basis. The 1961 program will be devoted to radiological defense training for this purpose and to food management planning.

2. *Civil Aeronautics Board.*—The Board is responsible for developing a plan for the mobilization of civil air transport capability in an emergency.

3. *Department of Commerce.*—This Department will continue to plan for the mobilization of industrial production and decentralization of controls; provide specialized weather data including radiological fallout forecasts; develop the defense air transport program; and compile statistical resources data needed to assess damage from attack under various conditions.

5. *Federal Aviation Agency.*—This Agency will continue the planning and preparedness measures initiated in 1960 for development of operational plans, technical standards, and procedures for improving the emergency readiness of the Nation's airlift capability and its supporting elements.

7. *General Services Administration.*—Provision is made for continuing the emergency communications system to connect the Federal Government relocation sites in the field.

8. *Department of Health, Education, and Welfare.*—Responsibilities have been assigned to this Department to improve the Nation's civil defense capability in the areas of health and welfare. This involves the training of medical personnel at the local level on a pilot basis in a selected area of the country, and the preparation and dissemination of welfare guidance material to the States to stimulate welfare planning.

9. *Housing and Home Finance Agency.*—This Agency is charged with the responsibility of providing housing for the population under emergency conditions. The increase in 1961 results from the addition of a civil defense liaison specialist in each of the Agency's eight regional offices as a source of guidance to State and local housing authorities.

10. *Department of the Interior.*—The Department's responsibilities include the mobilization planning required for strategic minerals and to marshal the fuel and power resources of the Nation to cope with an emergency. The Department will also provide radiological monitoring stations at dispersed locations throughout the United States.

11. *Interstate Commerce Commission.*—The Commission is assigned the responsibility for guidance to the domestic surface transportation industry on disaster preparedness. This covers the Nation's railroads, motor carriers, and inland waterway transportation systems.

12. *Department of Labor.*—Funds made available in 1960 permitted this Department to initiate programs to meet manpower problems at all levels of government in a post-attack period. The 1961 budget will permit continuation and expansion of programs involving emergency management of the labor force, including manpower planning in various State employment security agencies.

13. *Post Office Department.*—The 1961 program covers development of procedures and field training necessary to establish a system of registration for locating displaced persons and reuniting separated families in a post-attack period.

14. *Small Business Administration.*—The 1961 budget permits starting development of emergency plans for financial assistance to small business and for developing an emergency capability for the production of survival items while heavy industry is recovering from the effects of attack.

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Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	63	480	602
Full-time equivalent of all other positions	6	15	39
Average number of all employees	195	402	726
Number of employees at end of year	58	360	592
Average GS grade and salary	11.2 $9,279	10.2 $8,080	10.1 $7,900
01 Personal services:			
Permanent positions	$1,699,025	$3,282,689	$5,643,047
Positions other than permanent	10,719	90,868	208,672
Other personal services	9,501	33,935	34,645
Total personal services	1,719,245	3,407,492	5,886,364
02 Travel	100,272	412,459	746,953
03 Transportation of things	76	35,570	37,800
04 Communication services	35,844	58,229	78,810
05 Rents and utility services	2,229	16,100	29,950
06 Printing and reproduction	42,369	73,940	135,770
07 Other contractual services	777,550	973,990	1,171,260
Services performed by other agencies	534,347	424,500	489,600
08 Supplies and materials	13,494	89,424	171,086
09 Equipment	11,190	78,875	97,155
11 Grants, subsidies, and contributions	109,694	674,236	1,147,061
12 Pensions and insurance	39	55	512
13 Refunds and awards	354	100	100
15 Taxes and assessments	588	5,030	7,579
Total obligations	3,347,291	6,250,000	10,000,000
Obligations are distributed as follows:			
Department of Agriculture		$240,000	$500,000
Civil Aeronautics Board			45,000
Department of Commerce	$2,037,419	2,329,000	2,753,000
Rivers and harbors and flood control, Department of the Army	22,237		
Federal Aviation Agency		90,000	193,000
Federal Communications Commission		15,000	15,000
General Services Administration	760,000	752,000	752,000
Department of Health, Education, and Welfare	75,051	1,442,000	3,077,000
Housing and Home Finance Agency	102,078	140,000	300,000
Department of the Interior	253,163	373,000	450,000
Interstate Commerce Commission		20,000	170,000
Department of Labor	85,000	800,000	1,500,000
Post Office Department	12,343	19,000	180,000
Small Business Administration		15,000	50,000
Veterans Administration		15,000	15,000

[Construction of Facilities]

[For expenses necessary for the design, construction, and equipment of a protected regional facility for the Office of Civil and Defense Mobilization, $2,400,000, to remain available until expended.] (*Supplemental Appropriation Act, 1960.*)

Appropriated 1960, **$2,400,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Design and supervision		$155,000	$35,000
2. Construction		310,000	1,900,000
Total program costs		465,000	1,935,000
3. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)			−1,800,000
Obligations incurred for costs of other years (unpaid undelivered orders), net		1,800,000	
Total program obligations		2,265,000	135,000
Financing:			
Unobligated balance brought forward			−135,000
Unobligated balance carried forward		135,000	
Appropriation (new obligational authority)		2,400,000	

The 1960 appropriation provides for the construction of a regional underground control center for the Office of Civil and Defense Mobilization. This is the first protected facility of this nature and it will serve as a prototype for similar centers to be requested for the other regional offices. It is planned to construct this first center at Denton, Tex. The proposed facility is designed for day-to-day operations as well as attack emergency conditions.

3. *Relation of costs to obligations.*—Year-end balance of unpaid undelivered orders, 1960, $1,800,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
07 Other contractual services		$155,000	$35,000
10 Land and structures		2,110,000	100,000
Total obligations		2,265,000	135,000

No part of any appropriation in this Act shall be available for the construction of warehouses or for the lease of warehouse space in any building which is to be constructed specifically for the use of the Office of Civil and Defense Mobilization. (*Independent Offices Appropriation Act, 1960.*)

Public enterprise funds:

Civil Defense Procurement Fund

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Public safety programs	$14,821	$43,000	$247,000
Medical supplies and equipment program	106,887	59,000	77,000
Training program	5,198	18,000	24,000
Total program costs, funded	126,906	120,000	348,000
Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)	−90,724		
Obligations incurred for costs of other years, net		130,000	302,000
Total program (obligations)	36,182	250,000	650,000
Financing:			
Amounts becoming available:			
Reimbursements from—			
"Federal contributions" appropriation	63,453	60,000	174,000
States	63,453	60,000	174,000
Recovery of prior year obligations	269,860		
Total amounts becoming available	396,766	120,000	348,000
Unobligated balance brought forward	920,657	1,281,241	1,151,241
Total amounts available	1,317,423	1,401,241	1,499,241
Unobligated balance carried forward	−1,281,241	−1,151,241	−849,241
Financing applied to program	36,182	250,000	650,000

This fund finances the procurement of civil defense materials toward which contributions to the States are authorized on a matching fund basis. The fund is reimbursed for purchases from the Federal contributions appropriation and from funds provided by the States (65 Stat. 61). Increased procurement of radiological instruments for the State and local governments is anticipated during 1960 and 1961, thus accounting for the increased obligations projected for these years.

Relation of costs to obligations.—The relationship is derived by year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Unpaid undelivered orders	$579,343	$218,759	$348,759	$650,759
Selected sources at start of year (−)		−579,343	−218,759	−348,759
Adjustment due to recovery of prior year obligations		269,800		
Costs financed from obligations of other years, net (−)		−90,724		
Obligations incurred for costs of other years, net			130,000	302,000

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OFFICE OF CIVIL AND DEFENSE MOBILIZATION—Continued

Public enterprise funds—Continued

CIVIL DEFENSE PROCUREMENT FUND—Continued

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Procurement of civil defense materials	$126,906	$120,000	$348,000
Increase in selected working capital			70,000
Total gross expenditures	126,906	120,000	418,000
Receipts from operations (fund provided):			
Reimbursement from States and from Federal contributions appropriation	126,906	120,000	348,000
Decrease in selected working capital	150,597	114,855	
Total receipts from operations	277,503	234,855	348,000
Budget expenditures	−150,597	−114,855	+70,000

Financial Condition

Assets:			
Cash with Treasury	$1,340,145	$1,455,000	$1,385,000
Accounts receivable, net	159,993	45,000	115,000
Total assets	1,500,138	1,500,000	1,500,000
Liabilities:			
Current	138		
Government investment:			
Non-interest-bearing capital: Start and end of year	1,500,000	1,500,000	1,500,000

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash with Treasury	$1,189,548	$1,340,145	$1,455,000	$1,385,000
Obligated balance, net:				
Accounts payable	166	138		
Unpaid undelivered orders	579,343	218,759	348,759	650,759
Accounts receivable, net (−)	−310,618	−159,993	−45,000	−115,000
Total obligated balance	268,891	58,904	303,759	535,759
Unobligated balance	920,657	1,281,241	1,151,241	849,241

Object Classification

	1959 actual	1960 estimate	1961 estimate
03 Transportation of things	$2,170	$15,000	$39,000
08 Supplies and materials	3,255	4,500	4,500
09 Equipment	30,757	230,500	606,500
Total obligations	36,182	250,000	650,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Fire research	$25,127	$20,000	$20,000
2. Health services	3,058	3,000	3,000
3. Resources and production planning	6,000		
4. Miscellaneous services to other accounts	13,150	17,000	17,000
Total obligations	47,335	40,000	40,000
Financing:			
Advances and reimbursements from other accounts	47,335	40,000	40,000

Object Classification

	1959 actual	1960 estimate	1961 estimate
01 Personal services	$6,000		
02 Travel	3,058	$3,000	$3,000
07 Other contractual services	38,277	37,000	37,000
Total obligations	47,335	40,000	40,000

Proposed for later transmission:

FEDERAL CONTRIBUTIONS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Personnel and administrative costs (total obligations)		$3,000,000	
Financing:			
Proposed supplemental appropriation		3,000,000	

Under existing legislation, 1960.—A supplemental appropriation for 1960 in the amount of $3 million is anticipated to meet the last quarter costs of the new program authorized by Public Law 85–606, approved August 8, 1958, to provide Federal contributions to States and political subdivisions for civil defense personnel and administrative costs.

PRESIDENT'S ADVISORY COMMITTEE ON GOVERNMENT ORGANIZATION

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the President's Advisory Committee on Government Organization, established by Executive Order 10432 of January 24, 1953, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), at rates not to exceed $50 per diem for individuals, [$57,500] *$50,000.* (*General Government Matters Appropriations Act, 1960.*)

Appropriated 1960, **$57,500** Estimate 1961, **$50,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations: Staff services, administration, and research	$51,543	$57,500	$50,000
Reimbursable obligations: Staff services, administration, and research	4,105		
Total obligations	55,648	57,500	50,000
Financing:			
Advances and reimbursements from other accounts	−4,105		
Unobligated balance no longer available	5,957		
Appropriation (new obligational authority)	57,500	57,500	50,000

The President's Advisory Committee on Government Organization advises the President, the Assistant to the President, and the Director of the Bureau of the Budget in the identification of major organizational and management problems and the development of proposed corrective actions by means of reorganization plans and other legislative proposals for submission to Congress, Executive orders, and other administrative actions.

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Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	5	4	3
Full-time equivalent of all other positions		1	1
Average number of all employees	6	5	4
Number of employees at end of year	4	5	3
Average GS grade and salary	12.0 $10,135	12.5 $10,734	11.7 $10,160
01 Personal services:			
Permanent positions	46,760	39,745	30,480
Positions other than permanent	200	6,000	6,000
Total personal services	46,960	45,745	36,480
02 Travel	1,417	2,500	3,500
04 Communication services	757	1,500	1,500
07 Other contractual services	2,718	3,000	4,000
08 Supplies and materials	763	1,500	1,500
11 Grants, subsidies, and contributions	3,028	3,105	2,870
15 Taxes and assessments	5	150	150
Total obligations	55,648	57,500	50,000

MISCELLANEOUS

Intragovernmental funds:

Career Executive Board

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Development of a civil service career executive program (total obligations)	$19,492		
Financing:			
Advances and reimbursements from other accounts	19,492		

Object Classification

Total number of permanent positions	3		
Average number of all employees	2		
Number of employees at end of year	4		
Average GS grade and salary	13.3 $11,912		
01 Personal services:			
Permanent positions	$15,213		
Positions other than permanent	1,674		
Other personal services	137		
Total personal services	17,024		
02 Travel	1,254		
04 Communication services	46		
07 Other contractual services	62		
11 Grants, subsidies, and contributions	1,106		
Total obligations	19,492		

President's Committee on Fund Raising Within the Federal Service

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
President's Committee on Fund Raising Within the Federal Service (total obligations)	$43,173	$54,000	$54,000
Financing:			
Advances and reimbursements from other accounts	45,000	54,000	54,000
Unobligated balance no longer available	−1,827		
Total financing	43,173	54,000	54,000

Executive Order 10728 established the President's Committee on Fund Raising Within the Federal Service to be responsible for the periodic review of the conduct and operation of the fund raising program.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	4	7	5
Average number of all employees	3	5	5
Number of employees at end of year	4	5	5
Average GS grade and salary	12.8 $10,103	10.0 $8,201	10.0 $8,902
01 Personal services:			
Permanent positions	$36,261	$45,120	$44,400
Positions other than permanent	257		
Other personal services	159	350	175
Total personal services	36,677	45,470	44,575
02 Travel	284	1,280	2,500
04 Communication services	466	1,250	1,250
06 Printing and reproduction	336		
07 Other contractual services	262	1,170	1,275
Services performed by other agencies	1,340	370	
08 Supplies and materials	456	1,500	1,500
09 Equipment	978		
11 Grants, subsidies, and contributions	2,368	2,960	2,900
15 Taxes and assessments	6		
Total obligations	43,173	54,000	54,000

GENERAL PROVISIONS

Departments, Agencies, and Corporations

Sec. 201. Unless otherwise specifically provided, the maximum amount allowable during the current fiscal year, in accordance with section 16 of the Act of August 2, 1946 (5 U.S.C. 78), for the purchase of any passenger motor vehicle (exclusive of buses and ambulances), is hereby fixed at $1,500 except station wagons for which the maximum shall be $1,950.

Sec. 202. Unless otherwise specified and during the current fiscal year, no part of any appropriation contained in this or any other Act shall be used to pay the compensation of any officer or employee of the Government of the United States (including any agency the majority of the stock of which is owned by the Government of the United States) whose post of duty is in continental United States unless such person (1) is a citizen of the United States, (2) is a person in the service of the United States on the date of enactment of this Act who, being eligible for citizenship, had filed a declaration of intention to become a citizen of the United States prior to such date, (3) is a person who owes allegiance to the United States, or (4) is an alien from the Baltic countries lawfully admitted to the United States for permanent residence: *Provided,* That for the purpose of this section, an affidavit signed by any such person shall be considered prima facie evidence that the requirements of this section with respect to his status have been complied with: *Provided further,* That any person making a false affidavit shall be guilty of a felony and, upon conviction, shall be fined not more than $4,000 or imprisoned for not more than one year, or both: *Provided further,* That the above penal clause shall be in addition to, and not in substitution for, any other provisions of existing law: *Provided further,* That any payment made to any officer or employee contrary to the provisions of this section shall be recoverable in action by the Federal Government. This section shall not apply to citizens of the Republic of the Philippines or to nationals of those countries allied with the United States in the current defense effort, or to temporary employment of translators, or to temporary employment in the field service (not to exceed sixty days) as a result of emergencies.

Sec. 203. Appropriations of the executive departments and independent establishments for the current fiscal year, available for expenses of travel or for the expenses of the activity concerned, are hereby made available for living quarters allowances in accordance with the Act of June 26, 1930 (5 U.S.C. 118a), and regulations prescribed thereunder, and cost-of-living allowances similar to those allowed under section 901(2) of the Foreign Service Act of 1946, in accordance with and to the extent prescribed by regulations of the President, for all civilian officers and employees of the Government permanently stationed in foreign countries: *Provided,* That the availability of appropriations made to the Department of State for carrying out the provisions of the Foreign Service Act of 1946 shall not be affected hereby.

Sec. 204. No part of any appropriation for the current fiscal year contained in this or any other Act shall be paid to any person for the filling of any position for which he or she has been nominated after the Senate has voted not to approve the nomination of said person.

Sec. 205. No part of any appropriation contained in this or any other Act for the current fiscal year shall be used to pay in excess of $4 per volume for the current and future volumes of the United States Code Annotated, and such volumes shall be purchased on condition and with the understanding that latest published cumulative annual pocket parts issued prior to the date of purchase shall

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GENERAL PROVISIONS—Continued

DEPARTMENTS, AGENCIES, AND CORPORATIONS—Continued

be furnished free of charge, or in excess of $4.25 per volume for the current or future volumes of the Lifetime Federal Digest.

SEC. 206. Funds made available by this or any other Act for administrative expenses in the current fiscal year of the corporations and agencies subject to the Government Corporation Control Act, as amended (31 U.S.C. 841), shall be available, in addition to objects for which such funds are otherwise available, for rent in the District of Columbia; services in accordance with section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); and the objects specified under this head, all the provisions of which shall be applicable to the expenditure of such funds unless otherwise specified in the Act by which they are made available: *Provided*, That in the event any functions budgeted as administrative expenses are subsequently transferred to or paid from other funds, the limitations on administrative expenses shall be correspondingly reduced.

SEC. 207. No part of any funds of or available to any wholly owned Government corporation shall be used for the purchase or construction, or in making loans for the purchase or construction of any office building, without specific authority in law therefor, primarily for occupancy by any department or agency of the United States Government or by any corporation owned by the United States Government.

SEC. 208. Pursuant to section 1415 of the Act of July 15, 1952 (66 Stat. 662), foreign credits (including currencies) owed to or owned by the United States may be used by Federal agencies for any purpose for which appropriations are made for the current fiscal year (including the carrying out of Acts requiring or authorizing the use of such credits), only when reimbursement therefor is made to the Treasury from applicable appropriations of the agency concerned: *Provided*, That such credits received as exchange allowances or proceeds of sales of personal property may be used in whole or part payment for acquisition of similar items, to the extent and in the manner authorized by law, without reimbursement to the Treasury: *Provided further*, That nothing in section 1415 of the Act of July 15, 1952, or in this section shall be construed to prevent the making of new or the carrying out of existing contracts, agreements, or executive agreements for periods in excess of one year, in any case where such contracts, agreements, or executive agreements for periods in excess of one year were permitted prior to the enactment of this Act under section 32(b)(2) of the Surplus Property Act of 1944, as amended (50 U.S.C. App. 1641(b)(2)), and the performance of all such contracts, agreements, or executive agreements shall be subject to the availability of appropriations for the purchase of credits as provided by law.

SEC. 209. No part of any appropriation contained in this Act, or of the funds available for expenditure by any individual, corporation, or agency included in this Act, shall be used for publicity or propaganda purposes designed to support or defeat legislation pending before Congress.

[SEC. 210. (a) Section 1311(b) of the Supplemental Appropriation Act, 1955 (68 Stat. 830; 31 U.S.C. 200(b)), is amended to read as follows: "Hereafter, in connection with the submission of all requests for proposed appropriations to the Bureau of the Budget, the head of each Federal agency shall report that any statement of obligations furnished therewith consists of valid obligations as defined in subsection (a) hereof."]

[(b) Section 1(c) of the Act of July 25, 1956 (70 Stat. 648; 31 U.S.C. 701(c)), is amended by striking the words "reported pursuant to section 1311(b) of the Supplemental Appropriation Act, 1955 (68 Stat. 830; 31 U.S.C. 200(b))."] (*General Government Matters Appropriation Act, 1960.*)

Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1961

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
BUREAU OF THE BUDGET								
Salaries and expenses							$2,500	For transportation of officials and staff of the Bureau of the Budget in the Washington area.
COUNCIL OF ECONOMIC ADVISERS								
Salaries and expenses							400	For transportation of officials and staff members of the Council of Economic Advisers to departmental offices in Washington.
NATIONAL SECURITY COUNCIL								
Salaries and expenses: Station wagon	1	$1,950	1	$195	$1,755	1		For courier service.
OFFICE OF CIVIL AND DEFENSE MOBILIZATION								
Salaries and expenses							63,200	In the transaction of official business of the Office, rented General Services Administration motor pool vehicles are assigned as follows: Director (Washington); deputy director (Washington); general needs of the Washington office; executive assistant director and emergency trips in Battle Creek, Mich.; general needs of the Battle Creek, Mich., office; classified location; Olney facility; OCDM Eastern Training Center; OCDM Western Training Center; a total of 25 vehicles will be assigned to the 8 regional offices for use of regional directors and staff.
Total, Executive Office of the President.	1	1,950	1	195	1,755	1	66,100	

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FUNDS APPROPRIATED TO THE PRESIDENT

Funds for several Government programs are appropriated directly to the President, who may designate officials or agencies to act for him in carrying out the activities involved.

The most notable example is the mutual security program, under which the United States helps strengthen free world defenses and promotes stability and economic growth in less-developed countries. This program, consisting of military and economic assistance, is conducted under the Mutual Security Act of 1954, as amended. Responsibility for its execution has been delegated by the President to the Secretaries of State and Defense. The Secretary of State has been delegated responsibility for coordination. Funds for military assistance appear in this document in the chapter on Department of Defense—Military and are therefore not included in the amounts discussed here.

Also financed through funds appropriated to the President are activities authorized by the Defense Production Act to encourage the expansion of productive capacity for materials needed for defense, mainly by means of loans, purchase contracts, and commitments to purchase output not sold by the producer on the open market. These activities are carried out by a number of agencies designated by the President and are financed by borrowings from the Treasury up to a limit of $2.1 billion outstanding at any one time.

Other smaller programs included in this chapter of the budget are the President's special international program for trade fairs and cultural exchanges, disaster relief assistance to State and local governments, the President's national defense emergency fund, expenses of management improvement, transitional grants to Alaska, and a special program for using foreign currencies for translation of publications and scientific cooperation.

The economic assistance portion of the mutual security program accounts for $2,175 million out of the $2,191 million recommended new obligational authority for 1961 for programs included in the Funds Appropriated to the President chapter. Increased appropriations requested for economic assistance for 1961 are the primary reason for the estimated $247 million increase in the total of new obligational authority as compared with 1960. No new commitments are anticipated for defense production expansion for 1960 or 1961.

Expenditures are estimated at $1,814 million in 1961. Of this amount, $1,700 million or 94% is for economic assistance. Expenditures for expansion of defense production, arising under commitments made in prior years, are expected to amount to $89 million or 5% of the total for 1961.

New obligational authority and expenditures by function are shown below:

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
Major national security:						
067 Stockpiling and defense production expansion	$108,000			$239,119	$169,582	$89,145
International affairs and finance:						
152 Economic and technical development	1,933,092	$1,925,813	$2,175,000	1,524,365	1,550,001	1,700,000
153 Foreign information and exchange activities	6,410	6,146	8,600	8,010	6,700	8,100
Total, international affairs and finance	1,939,502	1,931,959	2,183,600	1,532,375	1,556,701	1,708,100
Labor and welfare:						
215 Promotion of science, research, libraries, and museums	5,100				1,480	1,280
Commerce and housing:						
521 Disaster insurance, loans, and relief				4,678	8,000	8,000
General government:						
603 Executive direction and management	1,000	1,125	1,350	514	1,414	1,252
610 Other general government		10,500	6,000		10,500	6,000
Total, general government	1,000	11,625	7,350	514	11,914	7,252
Total, funds appropriated to the President	2,053,603	1,943,584	2,190,950	1,776,687	1,747,677	1,813,777

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
							1961 estimate		
		1959 enacted	1960 estimate	1961 estimate	1959 enacted	1960 estimate	Total	From new obligational authority	From prior authority
DISASTER RELIEF									
Current authorizations:									
Disaster relief	521				$4,678	$8,000	$8,000		$8,000
EMERGENCY FUND FOR THE PRESIDENT, NATIONAL DEFENSE									
Current authorizations:									
Emergency fund for the President, national defense	603	$1,000	$1,000	$1,000	415	1,199	1,000	$900	100
EXPANSION OF DEFENSE PRODUCTION									
Public enterprise funds:									
Revolving fund, Defense Production Act (current appropriation)	067	108,000			239,119	169,582	89,145		89,145
EXPENSES OF MANAGEMENT IMPROVEMENT									
Current authorizations:									
Expenses of management improvement	603		125	350	99	215	252	150	102
MUTUAL SECURITY—ECONOMIC									
Current authorizations:									
Economic assistance:									
Defense support:									
Defense support	152	750,000	695,000	[1] 724,000					
Mutual defense financing, defense support, economic and technical assistance, Europe	152								
Mutual defense financing, defense support, economic and technical assistance, Formosa and the Associated States of Cambodia, Laos, and Vietnam	152				881,248	740,000	730,000	225,000	505,000
Special economic assistance, India and Pakistan	152								
Southeast Asia and Western Pacific	152								
Technical cooperation:									
Technical cooperation, general authorization	152	150,000	150,000	[1] 172,000					
Economic and technical assistance, defense support, Asia and Pacific, other than Formosa and the Associated States of Cambodia, Laos, and Vietnam	152				145,944	146,800	150,700	74,500	76,200
Economic and technical assistance, Near East and Africa	152								
United Nations, expanded program of technical assistance, general and related fund	152	20,000	30,000	[1] 33,000	21,751	22,000	23,000	15,000	8,000
Technical cooperation programs of the Organization of American States	152	1,500	1,200	[1] 1,500	1,160	1,200	1,300	500	800
Special assistance:									
Special assistance, general authorization	152	200,000	245,000	[1] 268,500					
Development assistance	152								
Development assistance, Asia	152				257,049	250,000	255,000	100,000	155,000
Development assistance, Near East and Africa	152								
Special assistance in joint control areas of Europe	152								
Other programs:									
Intergovernmental Committee for European Migration	152	12,500	7,371	10,000	8,886	7,900	8,500	4,000	4,500
Program of United Nations High Commissioner for Refugees	152	1,200	1,100	[1] 1,500	233	800	1,000		1,000
Escapee program	152	8,600	4,632	[1] 3,500	6,085	5,000	4,000	3,000	1,000
United Nations children's fund	152	11,000	12,000	[1] 12,000	10,186	11,000	11,000	3,000	8,000
United Nations Relief and Works Agency	152	25,000	25,000	[1] 18,500	20,854	20,000	21,250	14,000	7,250
Palestine refugee program	152								
Ocean freight charges, U.S. voluntary relief agencies	152	2,100	1,910	[1] 2,000	1,289	1,500	1,500	1,200	300
Ocean freight charges, surplus agricultural commodities	152								
Administrative expenses (sec. 411(b))	152	33,000	38,000	[1] 40,000	36,419	37,200	38,500	35,700	2,800
Administrative expenses (sec. 411(c))	152	6,692	8,100	8,300	8,887	8,000	8,500	6,000	2,500
Control Act expenses	152	1,000							
Atoms for Peace	152	5,500	1,500	[1] 3,400	1,638	2,000	4,500	3,000	1,500
President's fund for Asian economic development	152				2,619	5,000	10,000		10,000
Mutual security loans, Export-Import Bank of Washington	152				343				
North Atlantic Treaty Organization	152				1,330	1,000	200	100	100
NATO science program	152			[1] 1,800					
Special Presidential fund	152				22,825	7,577	3,805		3,805
Total, economic assistance		1,228,092	1,220,813	1,300,000	1,428,746	1,266,977	1,272,755	485,000	787,755
Contingencies: President's special authority and contingency fund	152	155,000	155,000	[1] 175,000	30,395	110,000	130,000	30,000	100,000

[1] To carry out authorizing legislation to be proposed for 1961.

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate		
							Total	From new obligational authority	From prior authority
MUTUAL SECURITY—ECONOMIC—Continued									
Public enterprise funds:									
Development Loan Fund (current appropriation)	152	$550,000	$550,000	$700,000	$66,490	$175,000	$300,000	$35,000	$265,000
Limitation on administrative expenses, Development Loan Fund		(1,250)	(1,820)	(2,150)					
Foreign investment guarantee fund	152				−1,367	−1,900	−2,700		−2,700
Intragovernmental funds:									
Expenses, Inspector General and Comptroller, Mutual Security, State	152					−77	−55		−55
Total, mutual security—economic		1,933,092	1,925,813	2,175,000	1,524,264	1,550,000	1,700,000	550,000	1,150,000
PRESIDENT'S SPECIAL INTERNATIONAL PROGRAM									
Current authorizations:									
President's special international program	153	6,410	6,146	8,600	8,010	6,700	8,100	5,505	2,595
REFUGEE RELIEF									
Current authorizations:									
Refugee relief	152				1	1			
SPECIAL FOREIGN CURRENCY PROGRAMS									
Current authorizations:									
Translation of publications and scientific cooperation	215	5,100				1,480	1,280		1,280
TRANSITIONAL GRANTS TO ALASKA									
Current authorizations:									
Transitional grants to Alaska	610		10,500	6,000		10,500	6,000	6,000	
MISCELLANEOUS									
Current authorizations:									
Defense aid, special fund	152				−3				
Obligations, defense aid, liquidation lend-lease program	152				103				
Total, miscellaneous					100				
Total new obligational authority and budget expenditures		2,053,603	1,943,584	2,190,950	1,776,687	1,747,677	1,813,777	562,555	1,251,222
RECAPITULATION									
Enacted or recommended in this document:									
Current authorizations:									
Appropriations		$2,053,603	$1,943,584	$2,190,950	$1,776,687	$1,747,677	$1,813,777	$562,555	$1,251,222

EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

[In thousands]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1959	1960	1961	1959	1960	1961	1959	1960	1961
EXPANSION OF DEFENSE PRODUCTION										
Revolving fund, Defense Production Act	067	$319,738	$229,321	$132,187	$80,619	$59,739	$43,042	$239,119	$169,582	$89,145
MUTUAL SECURITY—ECONOMIC										
Development Loan Fund	152	67,451	190,700	338,000	961	15,700	38,000	66,490	175,000	300,000
Foreign investment guarantee fund	152				1,367	1,900	2,700	−1,367	−1,900	−2,700
Total, public enterprise funds		387,189	420,021	470,187	82,947	77,339	83,742	304,242	342,682	386,445

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ANALYSIS OF UNEXPENDED BALANCES

[In thousands]

Description	Balance, start of 1959		Balance, start of 1960		Balance, start of 1961		Balance, start of 1962	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document:								
Appropriations:								
Disaster relief	$24,852	$32,583	$16,515	$27,904	$8,215	$19,905		$11,905
Expenses of management improvement	366	426	260	327	150	237	$250	335
Defense support, mutual security—economic		918,749	2,922	787,501	5,600	742,501		736,501
Technical cooperation, mutual security—economic	538	167,998	7,733	168,317	1,600	179,509		211,009
Special assistance, mutual security—economic	2,929	327,418	1,070	271,630	1,000	266,630		280,130
President's fund for Asian economic development, mutual security—economic	5,743	91,022		85,846		80,846		70,846
Special Presidential fund, mutual security—economic		38,010		15,184		7,607		3,802
President's special authority and contingency fund, mutual security—economic			183	124,605		169,942		214,942
Other programs, mutual security—economic	2,428	40,224	16,675	54,633	6,800	59,744		61,794
President's special international program	2,370	5,527	1,861	3,927	500	3,508	675	3,873
Translation of publications and scientific cooperation, special foreign currency program			4,809	5,100		3,620		2,340
Defense aid, special fund	83	217	85	220	85	220	85	220
Other		94		300		100		100
Total, appropriations	39,309	1,622,268	52,113	1,545,494	23,950	1,534,369	1,010	1,597,797
Authorizations to expend from debt receipts:								
Revolving fund, Defense Production Act	178,975	376,588	96,393	150,076	16,590	90,533	−42,942	1,638
Mutual security loans, Export-Import Bank of Washington, mutual security—economic	312	891	312	548	310	310	310	310
Foreign investment guarantee fund, mutual security—economic	107,519	199,072	73,684	199,072	50,984	199,072	18,434	199,072
Total, authorizations to expend from debt receipts	286,806	576,551	170,389	349,696	67,884	289,915	−24,198	201,020
Revolving and management funds:								
Revolving fund, Defense Production Act		22,903		118,296		8,257		8,007
Development Loan Fund, mutual security—economic	197,900	298,500	225,678	782,010	203,241	1,157,010	215,084	1,557,010
Other		2,683		4,050		6,027		8,782
Total, revolving and management funds	197,900	324,086	225,678	904,356	203,241	1,171,294	215,084	1,573,799
Total, funds appropriated to the President	524,015	2,522,905	448,180	2,799,546	295,075	2,995,578	191,896	3,372,616

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

Description	1959 actual	1960 estimate	1961 estimate
Balances brought forward at start of year from authorizations enacted or recommended in this document:			
Appropriations	$1,622,268	$1,545,494	$1,534,369
Authorizations to expend from debt receipts	576,551	349,696	289,915
Revolving and management funds	324,086	904,356	1,171,294
Total balances brought forward	2,522,905	2,799,546	2,995,578
New obligational authority:			
Enacted or recommended in this document: Current authorizations:			
Appropriations	2,053,603	1,943,584	2,190,950
Other amounts available:			
Appropriations available in prior year			−135
Appropriations available from subsequent year		135	
Adjustment of balances upward in expired accounts, net	95		
Total budget authorizations available	4,576,603	4,743,265	5,186,393
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	1,776,687	1,747,677	562,555
Out of balances of prior obligational authority			1,251,222
Total budget expenditures	1,776,687	1,747,677	1,813,777
Amounts no longer available: Unobligated balances expiring and lapsing	370	11	
Balances carried forward at close of year from authorizations enacted or recommended in this document:			
Appropriations	1,545,494	1,534,369	1,597,797
Authorizations to expend from debt receipts	349,696	289,915	201,020
Revolving and management funds	904,356	1,171,294	1,573,799
Total balances carried forward at close of year	2,799,546	2,995,578	3,372,616
Obligations incurred, net	$2,129,068	$2,096,813	$2,293,994

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DISASTER RELIEF

Current authorizations:

DISASTER RELIEF

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Administration	$194,702	$232,878	$242,000
2. Aid to disaster areas	6,400,563	13,533,645	12,460,000
Total program costs	6,595,265	13,766,523	12,702,000
3. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—)		−5,466,523	−4,486,581
Obligations incurred for costs of other years, net	1,755,947		
Total program (obligations)	8,351,212	8,300,000	8,215,419
Financing:			
Unobligated balance brought forward	−24,852,288	−16,515,419	−8,215,419
Recovery of prior year obligations	−14,343		
Unobligated balance carried forward	16,515,419	8,215,419	
Appropriation (new obligational authority)			

This program provides for a coordinated effort by the Federal Government to assist States and their political subdivisions affected by major disaster when they are unable to cope with the situation physically or financially.

Responsibility for administration of this program is delegated to the Office of Civil and Defense Mobilization. Disaster relief operations of the entire Federal Government are coordinated and funds are made available to affected areas and to reimburse Federal agencies for disaster operations.

State and local civil defense organizations are active in disaster operations and receive valuable operational training as a result. Unused prior year appropriations of $16.5 million carried into the current year should be adequate to meet needs in both 1960 and 1961.

Major disasters proclaimed by the President and allocation of funds made to States in 1959 are:

State	*Type*	*Date declared*	*Allocation*
Louisiana	Flood	July 28, 1958	$300,000
Iowa	——do	Sept. 5, 1958	600,000
Texas	——do	Sept. 15, 1958	200,000
North Carolina	Hurricane	Dec. 15, 1958	750,000
Kansas	Flood	——do	185,000
Louisiana	——do	——do	105,000
Iowa	——do	——do	175,000
Indiana	Severe weather conditions	Feb. 13, 1959	250,000
Ohio	——do	——do	2,000,000
North Carolina	Hurricane	Mar. 5, 1959	200,000
Pennsylvania	Severe weather conditions	Mar. 12, 1959	3,000,000
Indiana	——do	Apr. 21, 1959	250,000
Total 1959 declarations			8,015,000
Administrative allocations			240,450
Returns to the President's fund (—)			−3,704,295
Obligations from prior year declarations			3,800,057
Total obligations (1959)			8,351,212

3. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources as reflected in the following table:

Selected resources at end of year:	*1958 actual*	*1959 actual*	*1960 estimate*	*1961 estimate*
Inventories and items on order:				
Unpaid undelivered orders (appropriation balance obligated for goods and services on order not yet received)	$5,863,135	$10,945,225	$8,489,044	$8,504,463
Advances (payments for goods and services on order not yet received)	15,840,831	12,511,780	9,500,000	5,000,000
Accrued annual leave (leave earned and not taken by employees, charged to activity costs)	−14,346	−11,438	−10,000	−12,000
Total selected resources at end of year	21,689,620	23,445,567	17,979,044	13,492,463
Selected resources at start of year (—)	−21,689,620	−23,445,567	−17,979,044	
Costs financed from obligations of other years, net (—)			−5,466,523	−4,486,581
Obligations incurred for costs of other years, net		1,755,947		

Object Classification

	1959 actual	1960 estimate	1961 estimate
ALLOCATION TO OFFICE OF CIVIL AND DEFENSE MOBILIZATION			
Total number of permanent positions	10	5	5
Full-time equivalent of all other positions	12	21	21
Average number of all employees	22	26	36
Number of employees at end of year	18	5	5
Average GS grade and salary	9.2 $7,487	8.6 $7,113	8.6 $7,288
01 Personal services:			
Permanent positions	$74,870	$35,567	$36,442
Positions other than permanent	77,633	156,433	155,558
Other personal services	1,730	2,000	2,000
Total personal services	154,233	194,000	194,000
02 Travel	24,185	30,000	30,000
03 Transportation of things		1,000	1,000
04 Communication services		2,000	2,000
05 Rents and utility services		1,000	1,000
08 Supplies and materials		1,500	1,500
09 Equipment		1,000	1,000
11 Grants, subsidies, and contributions	7,699,266	7,962,242	7,983,419
12 Pensions, annuities, and insurance claims	425	600	600
15 Taxes and assessments	870	900	900
Total, Office of Civil and Defense Mobilization	7,878,979	8,194,242	8,215,419
ALLOCATION TO RIVERS AND HARBORS AND FLOOD CONTROL, ARMY—CIVIL			
Total number of permanent positions	9	9	
Full-time equivalent of all other positions	1	1	
Average number of all employees	10	9	
Number of employees at end of year	8		
Average GS grade and salary	7.2 $5,252	7.3 $5,403	
01 Personal services:			
Permanent positions	$47,271	$48,625	
Positions other than permanent	3,096	3,275	
Total personal services	50,367	51,900	
07 Other contractual services	400,086	33,436	
Services performed by "Revolving fund, Corps of Engineers"	16,513	17,037	
08 Supplies and materials	1,911	200	
09 Equipment	272		
11 Grants, subsidies, and contributions	3,084	3,185	
Total, rivers and harbors and flood control, Army—Civil	472,233	105,758	
Total obligations	8,351,212	8,300,000	8,215,419

EMERGENCY FUND FOR THE PRESIDENT

Current authorizations:

EMERGENCY FUND FOR THE PRESIDENT, NATIONAL DEFENSE

For expenses necessary to enable the President, through such officers or agencies of the Government as he may designate, and without regard to such provisions of law regarding the expenditure of Government funds or the compensation and employment of persons in the Government service as he may specify, to provide in his discretion for emergencies affecting the national interest, security, or defense which may arise at home or abroad during the current fiscal year, $1,000,000: *Provided*, That no part of this appropriation shall be available for allocation to finance a function or project for which function or project a budget estimate of appropriation was transmitted pursuant to law during the Eighty-sixth Congress, *second session, and Eighty-seventh Congress, first session*, and such appropriation denied after consideration thereof by the Senate or House of Representatives or by the Committee on Appropriations of either body. (*General Government Matters Appropriation Act, 1960.*)

Appropriated 1960, **$1,000,000** Estimate 1961, **$1,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Emergency programs (total obligations)	$630,028	$1,000,000	$1,000,000
Financing:			
Unobligated balance no longer available	369,972		
Appropriation (new obligational authority)	1,000,000	1,000,000	1,000,000

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EMERGENCY FUND FOR THE PRESIDENT—Con.

Current authorizations—Continued

EMERGENCY FUND FOR THE PRESIDENT, NATIONAL DEFENSE—Continued

These funds are to enable the President to provide for emergencies affecting the national interest, security, or defense.

Object Classification

	1959 actual	1960 estimate	1961 estimate
EMERGENCY FUND FOR THE PRESIDENT			
Reserved for future allocations		$1,000,000	$1,000,000
ALLOCATION ACCOUNTS			
Average number of all employees	6		
Number of employees at end of year	18		
01 Personal services:			
Positions other than permanent	$39,549		
Other personal services	2,072		
Total personal services	41,621		
02 Travel	39,382		
04 Communication services	964		
06 Printing and reproduction	1,660		
07 Other contractual services	539,197		
08 Supplies and materials	3,140		
09 Equipment	2,557		
11 Grants, subsidies, and contributions	926		
15 Taxes and assessments	581		
Total, allocation accounts	630,028		
Total obligations	630,028	1,000,000	1,000,000
Obligations are distributed as follows:			
Reserved for future allocation		$1,000,000	$1,000,000
Commission on International Rules of Judicial Procedure	$17,314		
Department of Commerce	134,077		
Department of Defense	478,637		

EXPANSION OF DEFENSE PRODUCTION

Public enterprise funds:

REVOLVING FUND, DEFENSE PRODUCTION ACT

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs:			
1. Minerals and metals production program (General Services Administration):			
Purchase of commodities:			
Aluminum	$75,823,089	$25,734,000	$14,760,000
Chrome	4,043,919	3,916,000	3,867,000
Cobalt	21,192,700	18,131,000	17,456,000
Copper	20,992,527	2,141,000	3,753,000
Manganese	34,137,461	24,887,000	12,507,000
Mica	12,284,628	11,726,000	5,286,000
Nickel	60,412,314	68,320,000	56,495,000
Titanium	6,902,761	6,182,000	6,039,000
Other	10,775,278	2,362,000	200,000
Other program expense	10,698,597	6,366,000	5,369,000
2. Machine tool program (General Services Administration)	1,004,389	535,000	520,000
3. Rubber program (General Services Administration)	42,877		
4. Other (General Services Administration):			
Administrative	2,218,921	1,968,000	1,537,000
Interest	42,526,171	617,000	
Custodial	1,545,325	4,069,000	4,396,000
Net transfers to other agencies and writeoffs of working capital	499,876		
5. Agricultural commodities program (Agriculture):			
Interest	1,664,527	3,576	
Other program expense	12,876	411,122	
6. Mineral exploration program (Interior):			
Interest	797,137		
Other program expense	5,406,263	1,333,334	300,000
7. Domestic lending program (Treasury):			
Interest	4,127,394	4,350,000	4,400,000
Other program expense	452,197	420,000	90,000

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
Operating costs—Continued			
8. Foreign lending program (Export-Import Bank):			
Interest	$699,608	$690,000	$550,000
Other program expense	1,972	2,000	2,000
Total operating costs	318,262,807	184,164,032	137,527,000
Unfunded adjustments to total operating costs:			
Depreciation included above (General Services Administration) (−)	−5,274,598	−5,500,000	−5,500,000
Provision for self-insurance at Government-owned plant (General Services Administration) (−)	−240,648	−200,000	−200,000
Loss on disposal of assets (General Services Administration) (−)	−5,016,853		
Writeoff of advances to contractors (General Services Administration) (−)	−3,122,003		
Provision for losses on loans (Interior) (−)	−5,075,159	−500,000	−300,000
Total operating costs, funded	299,533,546	177,964,032	131,527,000
Capital outlay:			
1. Minerals and metals production program (General Services Administration): Structures, equipment and advances	14,934,722		
4. Administrative expenses (General Services Administration): Office equipment	8,704	10,000	10,000
6. Mineral exploration program (Interior): Loans	1,471,226	450,000	200,000
8. Foreign lending program (Export-Import Bank): Loans	48,185		
Total capital outlay	16,462,837	460,000	210,000
Total program costs, funded	315,996,383	178,424,032	131,737,000
9. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−44,200,618	−38,038,590	−31,818,000
Total program (obligations)	271,795,765	140,385,442	99,919,000
Financing:			
Amounts becoming available:			
Appropriation for restoration of capital impairment	108,000,000		
Revenue and receipts:			
Collection of loans	16,121,284	13,838,212	14,095,000
Repayment of advances	23,396,024	4,874,000	1,775,000
Proceeds from sale of fixed assets	1,383,869	958,000	473,000
Sale of commodities	24,892,553	29,834,000	13,954,000
Other receipts	12,176,945	9,704,449	8,765,000
Adjustment of prior year revenue	183,335		
Recovery of prior year obligations	3,060,031	1,373,618	1,325,000
Total amounts becoming available	189,214,041	60,582,279	40,387,000
Unobligated balance brought forward (authorization to expend from public debt receipts)	178,974,886	96,393,162	16,589,999
Total amounts available	368,188,927	156,975,441	56,976,999
Unobligated balance carried forward (−) (authorization to expend from public debt receipts)	−96,393,162	−16,589,999	42,942,001
Total financing applied to program	271,795,765	140,385,442	99,919,000

NOTE.—Accrued interest to Treasury for General Services Administration, Department of Agriculture, and Department of the Interior totaling $64,820,577 in 1960 and $76,492,966 in 1961 is excluded from operating costs. Legislation is being proposed to eliminate the requirement for payment of interest to Treasury for activities carried on by these agencies.

Under section 304(b) of the Defense Production Act of 1950, as amended, designated agencies are authorized with Presidential approval to incur obligations and make expenditures to secure expanded production of critical materials in furtherance of the defense effort. The program is conducted primarily through a revolving fund, with financing by borrowings from the Treasury. The amount borrowed must not exceed $2.1 billion outstanding at any one time, but the act permits contingent liabilities to be considered as obligations only to the extent of the probable ultimate net costs to the United States, rather than in the full amount of the gross commitments outstanding. To the extent that money must be expended to fulfill commitments, even though the expenditures are considered to be ultimately recoverable (through repayments of loans and sale of inventories, for example), portions of the borrowing authority are used for working

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capital on a current basis. Due to the imminent exhaustion of this borrowing authority, a direct appropriation of $108 million was enacted for 1959, thus providing cumulative financing authority of $2,208 million.

Programs must be certified as essential to the national defense by the Office of Civil and Defense Mobilization. The gross transactions (gross commitments) and financing authorized as of September 30, 1959, are as follows:

[In thousands]

		Financing authority		
	Gross transactions	*Total*	*Working capital*	*Probable ultimate net cost*
General Services Administration	$7,643,898	$1,912,000	$888,701	$1,023,299
Treasury Department	430,389	166,600	165,000	1,600
Department of Agriculture	109,939	67,784	---	67,784
Department of the Interior	35,800	35,800	---	35,800
Export-Import Bank of Washington	45,170	25,500	25,500	---
Total authorized	8,265,196	2,207,684	1,079,201	1,128,483
Unused balance		316		
Total financing authority		2,208,000		

As one of the inducements for expanding production most of the contracts provided a guaranteed market for the production from the expanded facilities. Significant amounts of materials are being delivered to the Defense Production Act inventory under these contracts. Investment in inventory of $1,145 million on June 30, 1958, and $1,372 million on June 30, 1959, is expected to increase to $1,620 million by June 30, 1961.

Sales to the national stockpile were discontinued in November 1957 and no stockpiling funds have been budgeted for this purpose since that time. Defense Production Act materials are not disposed of where sales would disrupt markets. Therefore, there is little likelihood in the near future of substantial disposal of the large inventories being accumulated.

Interest continues to accrue, payable by the fund to the Treasury, not only on the borrowings invested in loans and inventories, but also on the borrowings which have been used to cover losses. Since there is no way for the fund to recover its realized losses, the perpetuation of the interest-bearing arrangement on such expended capital merely makes the cumulative deficit even greater as the interest accrues.

Legislation is being requested which would direct the Secretary of the Treasury to honor non-interest-bearing notes and cancel accrued interest on existing notes for borrowings to carry out activities under section 303 of the act. If such legislation is enacted, existing financing authority of $2,208 million may be sufficient to cover cumulative net disbursements through 1961. Future cash requirements are subject to the many variables involved in unexpired options of expansion contracts and sales potential of Defense Production Act raw material and real property inventories.

General Services Administration.—Financing of $1,912,000,000 has been authorized as of September 30, 1959, to cover the expansion of productive capacity for strategic metals, minerals, and machine tools. This amount includes $1,023,299,000 for probable ultimate net cost of specific programs of which $792,474,000 is for metals and minerals programs, $18,294,000 for machine tool and marine turbine and gear capacity programs, and $212,531,000 for Treasury interest, custodial, and administrative expenses. The financing also includes $888,701,000 of working capital required for carrying inventories for which no sale is now foreseen.

The bulk of the Defense Production Act expansion programs have been contracted for and physical expansion completed. The plants are in production and the contracts are now in the administration phase with the major problems being receipt, custody, and eventual disposition of the materials and facilities. Future deliveries of materials under the contracts are expected to be substantial but will depend upon economic and business conditions. The exercise of option rights by contractors has been carefully examined with a view to reducing deliveries to the Government as far as possible within the terms of the contracts whenever basic stockpiling objectives have been attained. Between July 1, 1957, and November 30, 1959, a reduction of $339,748,000 in gross commitments had been attained through renegotiation of contracts.

A summary of transactions involving strategic minerals and metals (including work-in-process inventory) under this fund follows:

[In millions]

	1959 actual	*1960 estimate*	*1961 estimate*
Opening inventory	$1,144.6	$1,371.6	$1,511.4
Deliveries during year	246.6	163.4	120.4
Total available for sale	1,391.2	1,535.0	1,631.8
Less cost of goods sold:			
Sales receipts	24.9	29.8	14.0
Profit on sales	5.3	6.2	2.2
Cost of goods sold	19.6	23.6	11.8
Closing inventory	1,371.6	1,511.4	1,620.0

Major Defense Production Act programs administered by General Services Administration are as follows:

1. Basic expansion programs to increase mining or refining capacity of such materials as aluminum, copper, and nickel by offering guaranteed markets under specific contracts and for specific projects.

2. Domestic purchase programs designed to increase domestic production by fixed incentive prices available to all domestic producers of materials such as beryl and mica.

3. Research and pilot plant programs to develop new processes for economic recovery of low-grade domestic ores and for developing new processes for producing new materials, such as titanium and synthetic mica.

4. A program for the production of nickel from the Government-owned Nicaro nickel plant in Cuba.

5. A program of sales, leases, and machine tools storage and standby machine tool production contracts.

As of June 30, 1959, a total of $7,489.9 million in gross value of contracts has been entered into by the General Services Administration under Defense Production Act authority. Of this amount a total of $6,387.7 million has been completed as measured by procurement, expiration of contractor options on guaranteed production, completion of facilities, completed research, etc. The balance of $1,102.2 million includes a total of $942.5 million of commodity contracts, some of which will not mature until 1965.

Cumulative losses from resale of commodities, interest, and operating expenses through June 30, 1959, amount to $262 million.

Department of Agriculture.—The purchase, management, and resale of agricultural commodities, except forest products, are carried out by the Commodity Credit Corporation, which is reimbursed from this fund for the net costs involved.

In addition to purchase and resale operations, the Secretary of Agriculture may recommend to the Office of Civil and Defense Mobilization the certification of certain loans for increasing plant capacity to process or store agricultural commodities. No loans were certified during 1959 and none are expected to be certified during 1960 and 1961.

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EXPANSION OF DEFENSE PRODUCTION—Con.

Public enterprise funds—Continued

REVOLVING FUND, DEFENSE PRODUCTION ACT—Continued

During 1959, the Corporation continued the management of inventories of castor beans and the remaining American-Egyptian cotton acquired under programs initiated in prior years. Nearly all of the American-Egyptian cotton inventories had been disposed of by June 30, 1959. The remainder of the cotton and castor beans will be sold during 1960. Net realized loss on purchase and resale operations amounted to $12,876 during 1959 and is estimated at $411,122 during 1960, completing the programs.

Export-Import Bank of Washington.—Pursuant to section 311 of Executive Order No. 10480 of August 15, 1953, which superseded order No. 10161, the Export-Import Bank, with funds provided under section 304 of the Defense Production Act of 1950, as amended, is responsible for making and administering all loans under section 302 of the act, upon receipt of certificates of essentiality issued by the Director of Defense Mobilization or the General Services Administrator, where the expansion, development, or production so financed is carried on in foreign countries.

No certifications were received and no new loans were authorized by the Bank during 1959. It is contemplated that there will be no additional certifications to the Export-Import Bank in connection with these operations. No additional obligational authority will be required. It is estimated that net budget receipts for 1961 will be $4,983,000.

During 1959 borrowing authority allocated to Export-Import Bank under the Defense Production Act of 1950 was reduced from $35 million to $25.5 million. As of June 30, 1959, the outstanding balance of notes due the Treasury was $24,767,162.

Treasury Department.—The function of making and administering loans to private business enterprises under the authority of section 302 of the Defense Production Act of 1950, as amended, was assigned to the Secretary of the Treasury by Executive Order No. 10489, dated September 26, 1953. Applications for loans are considered only upon certification of essentiality by Office of Civil and Defense Mobilization.

During 1959 a certificate of essentiality was issued for an additional loan to one of the present borrowers. This loan was disbursed by a bank in the amount of $850,000 with the Government executing a deferred participation agreement with the bank covering 90% of the loan. No disbursement of Treasury funds is expected on account of such $765,000 commitment. It is contemplated that there will be no additional certifications to Treasury in 1960 and 1961.

Loans outstanding on June 30, 1959, totaled $169,418,212, and there were $15,818,618 in commitments to participate in loans made by banks wherein disbursement of Treasury funds is deferred. By the close of 1961 it is estimated that the loans will be reduced to $150,025,000 and the deferred participation commitments to $13,120,000.

Department of the Interior.—Operations within the Department of the Interior with regard to the expansion of defense production have been limited to the encouragement of exploration for strategic and critical minerals and metals. As of June 30, 1959, the Office of Civil and Defense Mobilization had certified to the Defense Minerals Exploration Administration borrowing authority in the amount of $35,800,000. From the beginning of the program through June 30, 1958, the terminal date for executing new contracts, Defense Minerals Exploration Administration had entered into 1,159 contracts. On June 30, 1959, the Government's share of estimated costs was $34,823,125 and the total estimated contract costs were $56,802,182.

On June 30, 1959, Defense Minerals Exploration Administration had certified discoveries on 374 projects involving total estimated contract amounts of $25,443,931. The Government's share on these contracts was $16,023,763, of which $12,969,781 had been spent. If production takes place on these projects within a 10-year period, some part, at least, of the Government funds advanced will be repaid according to a royalty arrangement. Royalties on production to date from Defense Minerals Exploration Administration projects total $3,127,070.

Under Public Law 85–701, enacted August 21, 1958, the Office of Minerals Exploration in the Department of the Interior is continuing a program of financial assistance for minerals exploration using appropriated funds. Administrative expenses in connection with contracts entered into under the Defense Production Act are paid from these funds.

9. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Advances to other Government agencies, agents, and employees	$284,824	$183,454	$183,454	$183,454
Supplies	6,143,486	6,080,119	6,080,119	6,080,119
Deferred charges	1,267,940	793,999	793,999	793,999
Undisbursed commitments and unpaid undelivered orders	169,434,179	122,812,208	83,400,000	50,257,000
Total selected resources at end of year	177,130,429	129,869,780	90,457,572	57,314,572
Selected resources at start of year (−)		−177,130,429	−129,869,780	−90,457,572
Adjustment due to recovery of prior year obligations		3,060,031	1,373,618	1,325,000
Costs financed from obligations of other years, net (−)		−44,200,618	−38,038,590	−31,818,000

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
General Services Administration:			
Minerals and metals program:			
Acquisition of assets	$14,934,722		
Expense:			
Purchases and manufacturing costs	243,097,875	$163,399,000	$120,363,000
Other expense	1,295,936	1,166,000	169,000
Machine tool program: Expense	224,177	35,000	20,000
Rubber program: Expense	42,877		
Undistributed:			
Acquisition of administrative equipment	8,704	10,000	10,000
Expense	46,285,990	6,654,000	5,933,000
Net transfers to other agencies and writeoffs of working capital	499,876		
Increase in selected working capital	3,741,208	44,867,000	
Total, General Services Administration	310,131,365	216,131,000	126,495,000
Department of Agriculture:			
Expense	1,677,403	414,698	
Increase in selected working capital		6,030,171	
Total, Department of Agriculture	1,677,403	6,444,869	
Department of the Interior: Loan program:			
Acquisition of loans	1,471,226	450,000	200,000
Expense	1,128,241	833,334	
Increase in selected working capital			450,000
Total, Department of the Interior	2,599,467	1,283,334	650,000
Treasury Department: Expense	4,579,591	4,770,000	4,490,000

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Sources and Application of Funds (Operations)—Continued

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied)—Con.			
Export-Import Bank of Washington:			
Acquisition of loans	$48,185		
Expense	701,580	$692,000	$552,000
Total, Export-Import Bank of Washington	749,765	692,000	552,000
Total gross expenditures	319,737,591	229,321,203	132,187,000
Receipts from operations (funds provided):			
General Services Administration:			
Minerals and metals program:			
Proceeds from sale of fixed assets	1,128,177	308,000	223,000
Advances repaid	23,396,024	4,874,000	1,775,000
Revenue	26,265,960	30,034,000	13,979,000
Machine tool program:			
Proceeds from sale of equipment	255,692	650,000	250,000
Revenue	522,054	150,000	90,000
Rubber program: Revenue	139		
Total, General Services Administration	51,568,046	36,016,000	16,317,000
Department of Agriculture: Decrease in selected working capital	1,503,734		
Department of the Interior: Loan program:			
Loans repaid	618,823	500,000	400,000
Decrease in selected working capital	70,000		
Total, Department of the Interior	688,823	500,000	400,000
Treasury Department:			
Loans repaid	11,452,910	8,878,212	9,225,000
Revenue	8,815,968	8,075,449	7,595,000
Adjustment of prior year revenue	183,335		
Decrease in selected working capital	854,419	510,149	3,970,000
Total, Treasury Department	21,306,632	17,463,810	20,790,000
Export-Import Bank of Washington:			
Loans repaid	4,049,551	4,460,000	4,470,000
Revenue	1,465,377	1,279,000	1,055,000
Decrease in selected working capital	36,701	20,000	10,000
Total, Export-Import Bank of Washington	5,551,629	5,759,000	5,535,000
Total receipts from operations	80,618,864	59,738,810	43,042,000
Budget expenditures	239,118,727	169,582,393	89,145,000

Revenue, Expense, and Retained Earnings

General Services Administration:			
Minerals and metals program:			
Revenue	$26,265,960	$30,034,000	$13,979,000
Expense	22,409,444	30,039,000	17,090,000
Net operating income or loss (−), minerals and metals program	3,856,516	−5,000	−3,111,000
Machine tool program:			
Revenue	522,054	150,000	90,000
Expense	697,678	535,000	520,000
Net operating loss (−), machine tool program	−175,624	−385,000	−430,000
Rubber program:			
Revenue	139		
Expense	42,877		
Net operating loss (−), rubber program	−42,738		
Undistributed: Expense: Net operating loss (−) undistributed	−46,290,417	−6,654,000	−5,933,000
Nonoperating income or loss(−):			
Proceeds from sale of assets:			
Minerals and metals program	1,128,177	308,000	223,000
Machine tool program	255,692	650,000	250,000
Net book value of assets sold (−)	−6,400,722	−958,000	−473,000
Net loss (−) from sale of assets	−5,016,853		
Writeoff of advances to contractors	−3,122,003		
Net nonoperating loss (−)	−8,138,856		
Net loss (−) for the year, General Services Administration	−50,791,119	−7,044,000	−9,474,000
Department of Agriculture: Expense (net operating loss (−) for the year)	−1,677,403	−414,698	
Department of the Interior: Expense	1,128,241	833,334	
Nonoperating loss:			
Writeoff of loan	−5,075,159	−500,000	−300,000
Decrease in valuation allowances	5,075,159	500,000	300,000
Net loss (−) for the year, Department of the Interior	−1,128,241	−833,334	

Revenue, Expense, and Retained Earnings—Continued

	1959 actual	1960 estimate	1961 estimate
Treasury Department:			
Revenue	$8,815,968	$8,075,449	$7,595,000
Expense	4,579,591	4,770,000	4,490,000
Net operating income	4,236,377	3,305,449	3,105,000
Nonoperating income or loss (−):			
Writeoff of loans	−829,455	−1,290,000	
Increase (−) or decrease in valuation allowances	−4,150,000	1,800,000	450,000
Net nonoperating income or loss (−)	−4,979,455	510,000	450,000
Net income or loss (−) for the year, Treasury Department	−743,078	3,815,449	3,555,000
Export-Import Bank of Washington:			
Revenue	1,465,377	1,279,000	1,055,000
Expense	701,580	692,000	552,000
Net income for the year, Export-Import Bank of Washington	763,797	587,000	503,000
Net loss (−) for the year	−53,576,044	−3,889,583	−5,416,000
Analysis of deficit:			
Deficit (−), beginning of year	−284,809,892	−230,202,601	−234,092,184
Appropriation for restoration of capital impairment	108,000,000		
Adjustment of prior year revenue	183,335		
Deficit (−), end of year	−230,202,601	−234,092,184	−239,508,184

Financial Condition

Assets:			
Cash with Treasury	$118,296,003	$8,256,610	$8,006,610
Accounts receivable, net	11,142,450	10,609,727	7,324,727
Advances to other Government agencies, agents, and employees	183,454	183,454	183,454
Commodities for sale	1,371,614,929	1,511,340,929	1,619,982,929
Supplies	6,080,119	6,080,119	6,080,119
Deferred charges	793,999	793,999	793,999
Loans receivable, net	189,158,454	176,280,242	162,835,242
Advances on long term contracts	8,409,566	3,535,566	1,760,566
Land, structures, and equipment, net	110,716,462	104,268,462	98,305,462
Total assets	1,816,395,436	1,821,349,108	1,905,273,108
Liabilities:			
Current	60,308,921	9,409,176	9,654,176
Reserves, Government-owned plant	782,346	982,346	1,182,346
Total liabilities and reserves	61,091,267	10,391,522	10,836,522
Government investment:			
Interest-bearing capital:			
Start of year	1,723,412,026	1,949,924,162	2,009,467,162
Borrowings from Treasury during year, net	226,512,136	59,543,000	88,895,000
End of year	1,949,924,162	2,009,467,162	2,098,362,162
Non-interest-bearing capital:			
Start of year	35,618,769	35,582,608	35,582,608
Donated assets during year	757,524		
Writeoff of capital and current assets lost through civil hostilities in Cuba	−793,685		
End of year	35,582,608	35,582,608	35,582,608
Deficit (−)	−230,202,601	−234,092,184	−239,508,184
Total Government investment	1,755,304,169	1,810,957,586	1,894,436,586

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash	$22,902,594	$118,296,003	$8,256,610	$8,006,610
Budget authorizations	376,587,974	150,075,838	90,532,838	1,637,838
Total unexpended balance	399,490,568	268,371,841	98,789,448	9,644,448
Obligated balance, net:				
Current liabilities	66,625,200	60,308,921	9,409,176	9,654,176
Undisbursed commitments and unpaid undelivered orders	169,434,179	122,812,208	83,400,000	50,257,000
Accounts receivable, net (−)	−15,543,697	−11,142,450	−10,609,727	−7,324,727
Total obligated balance	220,515,682	171,978,679	82,199,449	52,586,449
Unobligated balance	178,974,886	96,393,162	16,589,999	−42,942,001

NOTE.—Excludes contingent liabilities as follows: 1958, $1,053,886,000; 1959, $640,376,000; 1960, $408,528,000; 1961, $228,753,000.

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EXPANSION OF DEFENSE PRODUCTION—Con.

Public enterprise funds—Continued

REVOLVING FUND, DEFENSE PRODUCTION ACT—Continued

Object Classification—Administrative Expenses

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	200	160	137
Full time equivalent of other positions	1		
Average number of all employees	177	153	107
Number of employees at end of year	172	136	86
Average GS grade and salary	8.4 $7,316	8.4 $6,876	8.0 $6,676
Average salary of ungraded positions	$4,014	$4,779	$5,420
01 Personal services:			
Permanent positions	$1,294,978	$1,052,038	$714,329
Positions other than permanent	7,156	400	
Other personal services	21,629	20,237	15,071
Total personal services	1,323,763	1,072,675	729,400
02 Travel	43,558	49,500	44,000
03 Transportation of things	3,880	2,425	2,425
04 Communication services	25,737	25,900	22,900
05 Rents and utility services	13,072	17,000	1,000
06 Printing and reproduction	5,966	8,000	7,000
07 Other contractual services	21,408	18,375	18,150
Services performed by other agencies	1,148,882	1,106,775	815,775
08 Supplies and materials	54,106	26,150	21,750
09 Equipment	19,644	10,500	10,000
11 Grants, subsidies, and contributions	69,578	68,000	46,700
13 Refunds, awards, and indemnities	5,201	2,700	2,900
15 Taxes and assessments	2,200	2,000	2,000
Total accrued administrative expenditures	2,736,995	2,410,000	1,724,000
Accrued administrative expenditures are distributed as follows:			
General Services Administration	$2,227,625	$1,978,000	$1,547,000
Department of the Interior	401,973	330,000	85,000
Treasury Department	105,425	100,000	90,000
Export-Import Bank of Washington	1,972	2,000	2,000

EXPENSES OF MANAGEMENT IMPROVEMENT

Current authorizations:

EXPENSES OF MANAGEMENT IMPROVEMENT

For expenses necessary to assist the President in improving the management of executive agencies and in obtaining greater economy and efficiency through the establishment of more efficient business methods in Government operations, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), at rates for individuals not to exceed $75 per diem, by allocation to any agency or office in the executive branch for the conduct, under the general direction of the Bureau of the Budget, of examinations and appraisals of, and the development and installation of improvements in, the organization and operations of such agency or of other agencies in the executive branch, [$125,000] *$350,000*, to remain available until expended, and to be available without regard to the provisions of subsection (c) of section 3679 of the Revised Statutes, as amended. (General Government Matters Appropriation Act, 1960.)

Appropriated 1960, **$125,000** Estimate 1961, **$350,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Improving the management of executive agencies (total obligations)	$105,938	$235,295	$250,000
Financing:			
Unobligated balance brought forward	−366,233	−260,295	−150,000
Unobligated balance carried forward	260,295	150,000	250,000
Appropriation (new obligational authority)		125,000	350,000

These funds enable the President to have studies conducted of the organization and operations of the executive branch and to develop and install improvements therein.

Object Classification

	1959 actual	1960 estimate	1961 estimate
EXPENSES OF MANAGEMENT IMPROVEMENT			
Reserved for future allocations		$164,394	$250,000
ALLOCATION TO BUREAU OF THE BUDGET, EXECUTIVE OFFICE OF THE PRESIDENT			
Average number of all employees	4	1	
Number of employees at end of year	2	2	
01 Personal services:			
Positions other than permanent	$39,420	$9,131	
Other personal services	109	18,000	
Total personal services	39,529	27,131	
02 Travel	31	6,000	
07 Other contractual services	63,341	35,222	
11 Grants, subsidies, and contributions	2,001	2,548	
15 Taxes and assessments	36		
Total, Bureau of the Budget	105,938	70,901	
Total obligations	105,938	235,295	250,000

MUTUAL SECURITY—*ECONOMIC*

Economic assistance is provided to help maintain political and economic stability, to assist in meeting the costs of relatively large military forces maintained by some of the less-developed countries as part of the common defense, and to help improve economic conditions in the less-developed areas of the world. Mutual security economic programs consist of defense support, technical cooperation, special assistance, Development Loan Fund, investment guarantee program, a contingency appropriation, and a number of other programs, such as contributions to certain special activities of the United Nations and other international agencies. Authorization for the economic programs for 1961 is required, with the primary exceptions of the Development Loan Fund and the investment guarantee program. Information on the military assistance program appears in the chapter on Department of Defense—Military.

Current authorizations:

For expenses necessary to enable the President to carry out the provisions of the Mutual Security Act of 1954, as amended, to remain available until June 30, [1960] *1961*, unless otherwise specified herein, as follows:

ECONOMIC ASSISTANCE

Defense support: For assistance authorized by section 131(b), [$650,000,000, and in addition for Defense support for Spain, authorized by section 131(b), $45,000,000, exclusive of technical cooperation] *$724,000,000*;

Technical cooperation, general authorization: For assistance authorized by section 304, [$150,000,000] *$172,000,000*;

United Nations expanded program of technical assistance and related fund: For contributions authorized by section 306(a), [$30,000,000] *$33,000,000*;

Technical cooperation programs of the Organization of American States: For contributions authorized by section 306(b), [$1,200,000] *$1,500,000*;

Special assistance, general authorization: For assistance authorized by section 400(a), [$245,000,000] *$268,500,000*;

[Special assistance, special authorization: For assistance authorized by section 400(c) in the planning for construction of the American Research Hospital for Children in Poland at the University of Krakow, the equivalent of $50,000 in local currencies;]

Intergovernmental Committee for European Migration: For contributions authorized by section 405(a), [$7,371,000] *$10,000,000*: *Provided*, That no funds appropriated in this [title] *Act* shall be used to assist directly in the migration to any nation in the Western Hemisphere of any person not having a security clearance based on reasonable standards to insure against Communist infiltration in the Western Hemisphere;

Program of United Nations High Commissioner for Refugees: For contributions authorized by section 405(c), [$1,100,000] *$1,500,000*;

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Escapee program: For assistance authorized by section 405(d), [$4,632,000] *$3,500,000;*

United Nations Children's Fund: For contributions authorized by section 406, $12,000,000;

United Nations Relief and Works Agency: For contributions and expenditures authorized by section 407, [$25,000,000] *$18,500,000;*

North Atlantic Treaty Organization science program: For contributions authorized by section 408(a), $1,800,000;

Ocean freight charges, United States voluntary relief agencies: For payments authorized by section 409(c), [$1,910,000] *$2,000,000;*

General administrative expenses: For expenses authorized by section 411(b), [$38,000,000] *$40,000,000;*

Administrative and other expenses: For expenses [of the Department of State as] authorized by section 411(c) [of the Mutual Security Act of 1954, as amended, $8,100,000], *$8,300,000;*

Atoms for peace: For assistance authorized by section 419, [$1,500,000] *$3,400,000.*

Unobligated balances of funds heretofore made available under authority of the Mutual Security Act of 1954, as amended, and available as of June 30, [1959] *1960,* are, except as otherwise provided, hereby continued available for the fiscal year [1960] *1961,* for the same general purposes for which appropriated.

Funds appropriated under each paragraph of this [title (other than appropriations under the head of military assistance)] *Act,* including unobligated balances continued available, and amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated against appropriations heretofore made for the same general purpose as such paragraph, which amounts are hereby continued available (except as may otherwise be specified in this [title] *Act*) for the same period as the respective appropriations in this [title] *Act* for the same general purpose, may be consolidated in one account for each paragraph. (*Mutual Security Appropriation Act, 1960; authorizing legislation to be proposed for 1961.*)

Appropriated 1960, **$1,220,813,000** Estimate 1961, **$1,300,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Defense support:			
(a) Europe and Africa	$59,893,800	$51,000,000	$803,600,000
(b) Near East and south Asia	192,647,608	213,791,803	
(c) Far East	594,578,366	500,761,485	
(d) Nonregional programs	816,000	75,000	
Total, defense support	847,935,774	765,628,288	803,600,000
2. Technical cooperation:			
(a) General	159,015,455	165,813,140	218,100,000
(b) United Nations	21,400,000	30,000,000	
(c) Organization of American States	1,488,494	1,500,000	
(d) Nonregional programs		20,000	
Total, technical cooperation	181,903,949	197,333,140	218,100,000
3. Special assistance:			
(a) Europe and Africa	81,282,192	96,563,748	298,500,000
(b) Near East and south Asia	86,778,326	95,565,626	
(c) Far East	13,357,318	5,396,971	
(d) Latin America	28,063,810	29,292,412	
(e) Nonregional programs	29,736,196	46,163,043	
Total, special assistance	239,217,842	272,981,800	298,500,000
4. Other programs:			
(a) Migrants, refugees, and escapee programs	22,581,345	18,583,704	15,000,000
(b) United Nations children's fund	11,000,000	12,000,000	12,000,000
(c) United Nations Relief and Works Agency	23,000,000	23,275,934	25,000,000
(d) Ocean freight charges, U.S. voluntary relief agencies	1,710,000	3,078,004	2,000,000
(e) Administrative expenses	35,986,339	38,429,145	40,300,000
(f) Administrative and other expenses (State)	8,073,917	8,289,668	8,300,000
(g) Atoms for Peace	3,222,731	3,599,699	3,400,000
(h) NATO science program	500,000	1,200,000	1,800,000
(i) President's fund for Asian economic development	712,000	2,493,125	
Total obligations	1,375,843,897	1,346,892,507	1,428,000,000
Financing:			
Comparative transfers from other accounts	−3,135,663	−26,166	
Unobligated balance brought forward:			
Annual appropriation acts	−2,428,000	−26,940,114	−15,000,000
Other legislative authority:			
Appropriation	−9,210,245	−1,460,203	
Authorization to expend from public debt receipts	−311,851	−311,851	−310,335
Recovery of prior year obligations	−161,377,806	−113,000,000	−113,000,000

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Financing—Continued			
Unobligated balance transferred to "Contingencies" (68 Stat. 849) (annual appropriation acts)		$337,121	
Unobligated balance carried forward:			
Annual appropriation acts	$26,940,114	15,000,000	
Other legislative authority:			
Appropriation	1,460,203		
Authorization to expend from public debt receipts	311,851	310,335	$310,335
Unobligated balance no longer available		11,371	
Appropriation (new obligational authority)	1,228,092,500	1,220,813,000	1,300,000,000

1. *Defense support.*—Defense support is economic aid provided to 12 of the lesser developed countries in order to assist them to make a specific contribution to the common defense effort. The existence of defense support is rooted in a specific military requirement, continued contribution of forces of over 3 million men and military facilities vital to the United States. The dimensions of support are determined by analysis of the capability of a country to make its defense contribution without incurring political or economic instability. Funds are primarily used to finance imports of food, raw materials, and machinery, which are sold in commercial markets for local currency which in turn is used for support of military budgets and essential civilian economic activities.

(*a*) *Europe and Africa.*—Spain, where the United States has bases of strategic importance, is the only country in this region which receives defense support aid.

(*b*) *Near East and South Asia.*—Greece, Turkey, Iran, and Pakistan are the countries in this area which receive defense support. All of them are members of regional defense pacts which are part of the common defense.

(*c*) *Far East.*—The major portion of defense support is allocated to the Far East countries of Korea, Taiwan, Vietnam, Cambodia, Laos, the Philippines, and Thailand.

2. *Technical cooperation.*—This is a program for the international exchange of technical knowledge and skills through training, demonstration programs and surveys designed to introduce innovations and to increase the skills of peoples in less developed countries to enable them to achieve an improved standard of living. Programs in health, education, agriculture, industry, and other fields are designed to lead to an early impact as well as to bring about long-term material benefits. The major share of the U.S. contribution to the widespread effort to improve knowledge and skills in the underdeveloped countries is provided through bilateral programs; the United States also contributes to two international organizations operating in the field of technical assistance.

(*a*) *General.*—The bilateral program is being increased in accordance with our ability to recruit American technicians to carry out the program overseas and with the increasing ability of the cooperating countries to make good use of their services. Currently there are 3,300 U.S. direct hire technicians overseas, plus 2,000 U.S. nationals employed by contractors receiving program funds.

(*b*) *United Nations.*—The United Nations expanded program of technical assistance is aiding over 90 countries and territories through the provision of experts and the financing of fellowships for training abroad. The special

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MUTUAL SECURITY—*ECONOMIC*—Continued

Current authorizations—Continued

ECONOMIC ASSISTANCE—Continued

fund emphasizes interregional surveys and training institutes. The program is financed by voluntary contributions from some 80 governments, of which the United States contribution is about 40% of the total. The program has been expanding the last several years as a result of higher contributions from European and Commonwealth countries.

(*c*) *Organization of American States.*—This appropriation provides for the annual U.S. contribution, which is 70% of the total, to the technical assistance programs of the Organization of American States.

3. *Special assistance.*—This is economic aid which is necessary to achieve political, economic, or other objectives of the United States in countries where the United States is not providing military assistance in support of significant military forces and where the needs for economic assistance cannot be provided under other programs, such as technical cooperation or the Development Loan Fund. Special assistance is also the source of funding for certain worldwide programs in the field of health and education. The country programs being implemented during the present year serve the following broad objectives: (1) To maintain or develop economic stability in countries in which U.S. support is essential to continued independence or identification with the free world; (2) to secure or maintain U.S. military facilities or other rights in a country or to deal with economic and other problems arising out of the existence of such facilities. Special assistance programs are also being implemented in health and education, the largest being the worldwide malaria eradication program. Others are support of international medical research activities and American schools abroad.

(*a*) *Europe and Africa.*—Nearly all of the special assistance for this area is furnished to countries in Africa. Certain of the programs in Africa are to be increased in 1961. In some of these countries, many of which are just now becoming independent, considerable improvements in education, administration, public health, and other fundamental skills must be made as a foundation for economic development.

(*b*) *Near East and South Asia.*—Countries in this area receive special assistance in order to help meet budgetary requirements, to overcome balance-of-payments difficulties, and to help resist Communist pressure.

(*c*) *Far East.*—Because most of the countries in the Far East have military agreements with the United States, they are eligible for defense support aid. There are only two, Burma and Indonesia, which are supported by special assistance and the programs in these countries are relatively small.

(*d*) *Latin America.*—Two of the countries in Latin America which have especially critical balance-of-payments problems receive the bulk of special assistance in that area.

(*e*) *Nonregional.*—This category includes the various worldwide programs in health and education mentioned above.

Loans.—Although the bulk of loans made from mutual security program funds are now made from the Development loan fund, a portion of the special assistance funds are loaned each year rather than granted. These loans are almost all for economic development projects, and may be repayable in either dollars or foreign currency. The tables below show the current status of these loans. Information on loans extended by the Development loan fund and under the authority of the Agricultural Trade Development and Assistance Act are shown in separate schedules.

The following table gives data on loans made from current mutual security obligational authority for both dollars and related foreign currencies in millions of dollars and dollar equivalents:

	1959 actual	*1960 estimate*	*1961 estimate*
Loan obligations incurred:			
U.S. currency	$63	$42	$40
Foreign currency	24	5	---
Loan disbursements made:			
U.S. currency	61	50	40
Foreign currency	152	90	60
Loan principal repayments:			
U.S. currency	23	26	28
Foreign currency	1	1	2
Interest collections:			
U.S. currency	38	38	41
Foreign currency	6	12	16

The table below shows the status of loans in millions of dollars at the end of the respective years. The bulk of the loans outstanding were made to European countries in the early years of the European recovery program and are repayable in dollars:

End-of-year	*1958 actual*	*1959 actual*	*1960 estimate*	*1961 estimate*
Loans outstanding	$2,198	$2,387	$2,500	$2,570
Undisbursed loan obligations	358	232	139	79
Interest past due	4	------	------	------

4. *Other programs.*—Other programs include U.S. contributions to various international agencies, minor bilateral programs, and the costs of administering activities under the Mutual Security Act and related acts.

The United States assists in moving surplus populations and refugees from Europe and helps recent escapees from the Soviet bloc through contributions to the Intergovernmental Committee for European Migration and the United Nations High Commissioner for Refugees, as well as the U.S. escapee program.

Through its contribution to the United Nations children's fund, the United States joins with other contributors in improving the health and welfare of children and mothers primarily in underdeveloped areas. The U.S. contribution to the United Nations Relief and Works Agency (UNRWA) assists in providing essential care and maintenance for the Arab refugees displaced in Palestine. Through the atoms for peace program the United States makes available to other countries the benefits derived from peaceful use of atomic science.

Administrative expense funds are used by the International Cooperation Administration in Washington and in 65 oversea locations for administering economic assistance programs and by the Department of State for personnel involved in coordinating and conducting policy review of the entire mutual security program in Washington and abroad and for other functions.

The United States contributes along with other NATO countries to support the NATO science program, which includes exchanges of scientists among the NATO countries and an advanced institutes program. The NATO science program, for which funds have previously been provided under special assistance, is included in the other programs category together with the other appropriations involving contributions to international organizations.

The proposed level of all other programs represents a slight reduction from the present year's level. Reductions proposed in the fields of assistance to migrants, refugees, and escapees, atoms for peace, and ocean freight are partially offset by increases in the United Nations Relief

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and Works Agency, the NATO science program, and administrative expense.

Object Classification

	1959 actual	1960 estimate	1961 estimate
INTERNATIONAL COOPERATION ADMINISTRATION			
Total number of permanent positions	11,824	12,437	13,017
Full-time equivalent of all other positions	67	85	87
Average number of all employees	10,633	11,230	11,816
Number of employees at end of year	10,972	11,687	12,228
Average GS grade and salary	8.8 $7,241	8.7 $7,265	8.7 $7,366
Average grade and salary established by the Foreign Service Act of 1946, as amended (22 U.S.C. 801-1158):			
Foreign Service reserve	3.9 $10,200	4.1 $10,188	4.1 $10,206
Foreign Service staff	10.2 $5,562	11.1 $4,844	11.2 $4,853
Average salary of ungraded positions	$1,085	$1,123	$1,166
01 Personal services:			
Permanent positions	$53,975,675	$59,091,034	$63,841,300
Positions other than permanent	385,286	525,800	528,000
Other personal services	10,674,114	11,579,355	12,386,000
Total personal services	65,035,075	71,196,189	76,755,300
02 Travel	13,469,716	14,900,000	18,850,000
03 Transportation of things	37,029,568	38,500,000	41,000,000
04 Communication services	811,979	920,000	1,426,000
05 Rents and utility services	5,192,693	6,363,000	8,470,000
06 Printing and reproduction	553,999	566,300	750,000
07 Other contractual services	60,598,249	65,000,000	72,245,000
Services performed by other agencies	19,012,503	21,318,000	25,645,000
08 Supplies and materials	630.979,784	635,292,000	663,790,000
09 Equipment	158,796,920	160,601,000	188,920,000
10 Lands and structures	297,820	706,000	850,000
11 Grants, subsidies, and contributions	226,750,567	176,204,212	180,700,000
12 Pensions, annuities, and insurance claims	85,090	1,335,000	1,500,000
13 Refunds, awards, and indemnities	18,128	18,000	20,000
15 Taxes and assessments	71,338	81,000	100,000
16 Investments and loans	53,931,954	41,500,000	40,000,000
Unvouchered	5,808	9,000	15,000
Total, International Cooperation Administration	1,272,641,191	1,234,509,701	1,321,036,300
ALLOCATION ACCOUNTS			
Total number of permanent positions	1,020	1,261	1,232
Full-time equivalent of all other positions	54	53	50
Average number of all employees	1,291	1,373	1,362
Number of employees at end of year	1,169	1,233	1,223
Average GS grade and salary	6.7 $6,934	8.3 $6,794	8.3 $6,850
Average grade and salary established by the Director, International Cooperation Administration (68 Stat. 833)	5.1 $10,394	4.9 $10,380	5.6 $9,864
01 Personal services:			
Permanent positions	$8,971,793	$10,275,679	$10,365,482
Positions other than permanent	361,313	364,755	338,476
Other personal services	749,381	1,000,687	1,044,303
Total personal services	10,082,487	11,641,121	11,748,261
02 Travel	1,287,565	1,611,974	1,570,770
03 Transportation of things	8,230,114	9,875,237	9,957,022
04 Communication services	88,523	101,937	108,216
05 Rents and utility services	23,091	7,023	4,951
06 Printing and reproduction	65,278	65,454	69,833
07 Other contractual services	14,016,344	10,889,896	9,494,023
Services performed by other agencies	6,994,633	7,545,379	7,761,508
08 Supplies and materials	58,404,981	57,835,638	57,972,527
09 Equipment	6,355,500	13,319,488	7,032,058
11 Grants, subsidies, and contributions	94,952,150	108,559,558	104,274,317
13 Refunds, awards, and indemnities	2,857	3,240	2,840
15 Taxes and assessments	27,900	23,868	19,742
16 Investments and loans			4,100
Subtotal	200,531,423	221,479,813	210,020,168
Deduct—			
Quarters and subsistence charges	1,894	712	712
Portion of foregoing obligations originally charged to other object classes under International Cooperation Administration:			
Department of Agriculture	11,024,186	12,833,603	12,833,603
Department of Commerce	7,033,928	6,262,135	6,958,275
Department of Defense:			
Military:			
Army	24,355,663	24,137,600	24,137,600
Navy	1,199,029	1,570,000	1,600,000
Civil: Rivers and harbors and flood control, Army	50,737	98,941	
Farm Credit Administration	33,387	40,000	40,000
Federal Communications Commission	112,824	120,000	120,000
General Services Administration	34,032,581	34,332,000	34,332,000
Department of Health, Education, and Welfare	7,386,989	7,984,657	7,995,557
Housing and Home Finance Agency	205,423	469,200	293,000
Department of the Interior	2,741,889	3,421,747	3,905,471
Department of Labor	2,962,578	2,933,400	2,942,250
Federal Aviation Agency	6,085,151	14,893,012	7,898,000
United States Information Agency	102,458		
Total, allocation accounts	103,202,706	112,382,806	106,963,700
Total obligations	1,375,843,897	1,346,892,507	1,428,000,000

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
Obligations are distributed as follows:			
International Cooperation Administration	$1,272,641,191	$1,234,509,701	$1,321,036,300
Department of Defense—Military:			
Army	1,934,589	1,933,500	1,933,500
Atomic Energy Commission	2,379,231	2,291,000	1,300,000
Department of Commerce	139,609	160,000	160,000
Department of State	98,749,277	107,998,306	103,570,200

CONTINGENCIES

President's special authority and contingency fund: For assistance authorized by section 451(b), [$155,000,000] *$175,000,000. (Mutual Security Appropriation Act, 1960; authorizing legislation to be proposed for 1961.)*

Appropriated 1960, **$155,000,000** Estimate 1961, **$175,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Contingencies:			
1. Europe and Africa	$34,051,927		
2. Near East and South Asia	99,435,688		
3. Far East	8,579,000	$155,520,092	$175,000,000
4. Latin America	4,400,000		
5. Nonregional programs	8,350,414		
Total obligations	154,817,029	155,520,092	175,000,000
Financing:			
Unobligated balance brought forward (annual appropriation act)		−182,971	
Unobligated balance transferred from "Economic assistance" (68 Stat. 849) (annual appropriation act)		−337,121	
Unobligated balance carried forward (annual appropriation act)	182,971		
Appropriation (new obligational authority)	155,000,000	155,000,000	175,000,000

This is a special fund, rather than a separate category of aid, which is used to meet requirements for which no specific provision can be made in the regular categories of assistance because requirements are uncertain or unknown at the time the budget is prepared. These funds can be used for both economic and military assistance. While in earlier years, they were used to meet unforeseen economic requirements, recently a portion has been required to meet military assistance needs.

Object Classification

	1959 actual	1960 estimate	1961 estimate
ALLOCATION ACCOUNTS			
Total number of permanent positions	1		
Average number of all employees	2		
Number of employees at end of year	1		
Average grade and salary established by the Director, International Cooperation Administration (68 Stat. 833)	5.0 $11,170		
01 Personal services:			
Permanent positions	$12,021		
Other personal services	246		
Total personal services	12,267		
02 Travel	172,457		
03 Transportation of things	212,367		
04 Communication services	8,525		
05 Rents and utility services	145,968		
06 Printing and reproduction	33,753		
07 Other contractual services	3,361,320		
08 Supplies and materials	1,040,528		
09 Equipment	2,430,346		
10 Lands and structures	15,000,000		
11 Grants, subsidies, and contributions	127,017,928		
16 Investments and loans	6,000,000		
Undistributed		$155,520,092	$175,000,000
Subtotal	155,435,459	155,520,092	175,000,000
Deduct—			
Department of Defense—Military:			
Army	134,623		
Department of Commerce	6,000		
Federal Aviation Agency	177,807		
General Services Administration	300,000		
Total obligations	154,817,029	155,520,092	175,000,000

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MUTUAL SECURITY—*ECONOMIC*—Continued

Current authorizations—Continued

CONTINGENCIES—Continued

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
Obligations are distributed as follows:			
International Cooperation Administration	$125,019,053	$155,520,092	$175,000,000
Department of Defense—Military: Army	15,000,000		
Department of Commerce	3,297,976		
Department of State	5,500,000		
Export-Import Bank of Washington	6,000,000		

INFORMATIONAL FOREIGN CURRENCY SCHEDULES

Foreign Currencies, Mutual Security

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Military purposes:			
(a) Projects	$17,189,414	$21,556,152	$27,000,000
(b) Budget support	65,805,519	60,000,000	65,000,000
(c) Military procurement		3,447,848	
2. Economic purposes:			
(a) Projects	100,774,799	41,462,414	40,000,000
(b) Budget support	26,037,451	10,000,000	22,000,000
(c) Procurement for third countries	48,874,867	10,112,260	11,000,000
Total obligations	258,682,050	146,578,674	165,000,000
Financing:			
Unobligated balance brought forward	−176,197,255	−139,234,472	−142,655,798
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents	8,849		
Recovery of prior year obligations	−112,260		
Unobligated balance carried forward	139,234,472	142,655,798	137,655,798
Unobligated balance no longer available	580,378		
Authorization to expend foreign currency receipts (permanent)	222,196,234	150,000,000	160,000,000

A part of the mutual security dollar appropriations is to be used to purchase agricultural surplus commodities which are then to be sold to friendly countries for their currencies. Local currencies accruing from these sales are deposited in a special account and are used for economic and military activities in furtherance of mutual security objectives. These activities include the local costs of projects, budget support of the lesser developed countries, and procurement of supplies and materials for third countries.

Object Classification

		1959 actual	1960 estimate	1961 estimate
	INTERNATIONAL COOPERATION ADMINISTRATION			
08	Supplies and materials		$112,260	
11	Grants, subsidies, and contributions	$203,023,108	107,251,950	$159,000,000
16	Investments and loans	45,823,397	35,766,616	6,000,000
	Total, International Cooperation Administration	248,846,505	143,130,826	165,000,000
	DEPARTMENT OF DEFENSE			
07	Other contractual services	7,335,545	56,264	
08	Supplies and materials	1,000,000	50,000	
09	Equipment	1,500,000	3,341,584	
	Total, Department of Defense	9,835,545	3,447,848	
	Total obligations	258,682,050	146,578,674	165,000,000

Analysis of expenditures

	1959 actual	1960 estimate	1961 estimate
Obligated balance, start of year	$141,296,006	$137,663,113	$124,179,527
Obligations incurred during year	258,569,790	146,578,674	165,000,000
Adjustment of prior obligations in expired accounts	−131,732		
Obligated balance, end of year	−137,663,113	−124,179,527	−114,489,234
Expenditures	262,070,951	160,062,260	174,690,293
Expenditures are distributed as follows:			
Sec. 402, Mutual Security Act of 1954	$258,269,004	$150,000,000	$170,000,000
Sec. 502, Mutual Security Act of 1954	3,783,949	10,000,000	4,640,293
Sec. 505(a), Mutual Security Act of 1954		62,260	50,000
Counterpart funds (payment of prior year U.S. obligations)	17,998		

Foreign currency realized under the Agricultural Trade Development and Assistance Act, as amended (7 U.S.C. 1704, 104 (c) (e) and (g))

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Military procurement	$108,645,503	$40,000,000	$30,000,000
2. Promoting balanced economic development and trade among nations	103,994,063	100,000,000	125,000,000
3. Loans for multilateral trade and economic development	644,731,058	610,000,000	645,000,000
Total obligations	857,370,624	750,000,000	800,000,000
Financing:			
Unobligated balance brought forward	−1,143,068,417	−835,247,846	−920,247,846
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents	9,219,733		
Unobligated balance carried forward	835,247,846	920,247,846	920,247,846
Unobligated balance no longer available	5,400,000		
Authorization to expend foreign currency receipts (permanent)	564,169,786	835,000,000	800,000,000

A portion of the foreign currencies received from the sale of agricultural surplus commodities under this act is allocated to the Department of Defense for military procurement for the common defense and to the International Cooperation Administration for activities supporting the common defense and to promote economic development and international trade as indicated below.

Object Classification

		1959 actual	1960 estimate	1961 estimate
	INTERNATIONAL COOPERATION ADMINISTRATION			
11	Grants, subsidies, and contributions	$199,124,253	$120,000,000	$135,000,000
16	Investments and loans	644,731,058	610,000,000	645,000,000
	Total, International Cooperation Administration	843,855,311	730,000,000	780,000,000
	DEPARTMENT OF DEFENSE			
07	Other contractual services	9,915,313	13,000,000	13,000,000
08	Supplies and materials	2,500,000	5,000,000	5,000,000
09	Equipment	1,100,000	2,000,000	2,000,000
	Total, Department of Defense	13,515,313	20,000,000	20,000,000
	Total obligations	857,370,624	750,000,000	800,000,000

Analysis of Expenditures

	1959 actual	1960 estimate	1961 estimate
Obligated balance, start of year	$30,511,138	$466,146,259	$666,146,259
Obligations incurred during year	857,370,624	750,000,000	800,000,000
Obligated balance, end of year	−466,146,259	−666,146,259	−816,146,259
Expenditures	421,735,503	550,000,000	650,000,000

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Status of Unfunded Allocations

	1959 actual	1960 estimate	1961 estimate
Unfunded balance, start of year	$1,158,334,714	$1,101,287,011	$1,336,287,011
Allocations	569,569,732	835,000,000	800,000,000
Adjustments due to changes in exchange rates to permit conversion to dollar equivalents	70,695		
Unfunded balance expiring or lapsing	−5,400,000		
Unfunded balance, end of year	−1,101,287,011	−1,336,287,011	−1,436,287,011
Transfers into agency accounts	621,288,130	600,000,000	700,000,000

Foreign currency realized under the Agricultural Trade Development and Assistance Act, as amended (7 U.S.C. 1704, 104(d))

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Purchase of goods or services for other countries (total obligations) (object class 11)	$11,940,012	$13,577,770	
Financing:			
Unobligated balance brought forward	−11,060,019	−1,950,917	
Unobligated balance carried forward	1,950,917		
Unobligated balance expiring or lapsing	517,108		
Authorization to expend foreign currency receipts (permanent)	3,348,018	11,626,853	

A portion of the foreign currencies received from the sale of agricultural surplus commodities is used by the International Cooperation Administration to finance the purchase abroad of goods and services for other friendly countries.

Analysis of Expenditures

	1959 actual	1960 estimate	1961 estimate
Obligated balance, start of year	$34,563	$4,624,142	$11,821,442
Obligations incurred during year	11,940,012	13,577,770	
Obligated balance, end of year	−4,624,142	−11,821,442	
Expenditures	7,350,433	6,380,470	11,821,442

Status of Unfunded Allocations

Unfunded balance, start of year	$11,059,993	$3,449,366	
Allocations	3,348,018	11,626,853	
Unfunded balance expiring or lapsing	−517,108		
Unfunded balance, end of year	−3,449,366		
Transfers into agency accounts	10,441,537	15,076,219	

Corporation

The Development Loan Fund is hereby authorized to make such expenditures within the limits of funds available to it, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided in section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the fiscal year [1960] *1961* for such corporation, except as hereinafter provided: (*Mutual Security Appropriation Act, 1960.*)

Public enterprise funds:

Development Loan Fund

[Development Loan Fund:] For advances to the Development Loan Fund as authorized by section 203, [$550,000,000] *$700,000,000,* to remain available until [expended;] *expended.* (*Mutual Security Appropriation Act, 1960.*)

Appropriated 1960, **$550,000,000** Estimate 1961, **$700,000,000**

Program and Financing

	APPROPRIATED FUNDS			Foreign currencies (in dollar equivalents)			Total		
	1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
Program by activities:									
1. Direct loan commitments	$516,706,000	$570,000,000	$690,000,000		$500,000	$5,000,000	$516,706,000	$570,500,000	$695,000,000
2. Guaranteed loan commitments	4,500,000	5,000,000	10,000,000				4,500,000	5,000,000	10,000,000
3. Administration	1,214,078	1,820,000	2,150,000				1,214,078	1,820,000	2,150,000
4. Other expenses	27,176	80,000	300,000	$61			27,237	80,000	300,000
Total program (obligations)	522,447,254	576,900,000	702,450,000	61	500,000	5,000,000	522,447,315	577,400,000	707,450,000
Financing:									
Amounts becoming available:									
Appropriations	550,000,000	550,000,000	700,000,000				550,000,000	550,000,000	700,000,000
Collection of loans		2,000,000	4,900,000	75,000	6,700,000	12,300,000	75,000	8,700,000	17,200,000
Interest earned	196,236	1,600,000	6,800,000	590,106	5,300,000	13,700,000	786,342	6,900,000	20,500,000
Fees for guarantees issued	29,175	100,000	300,000				29,175	100,000	300,000
Proceeds from sale of foreign currencies		763,000	2,293,000		−763,000	−2,293,000			
Total amounts becoming available	550,225,411	554,463,000	714,293,000	665,106	11,237,000	23,707,000	550,890,517	565,700,000	738,000,000
Unobligated balance brought forward	197,900,000	225,678,157	203,241,157		665,045	11,402,045	197,900,000	226,343,202	214,643,202
Total amounts available	748,125,411	780,141,157	917,534,157	665,106	11,902,045	35,109,045	748,790,517	792,043,202	952,643,202
Unobligated balance carried forward	−225,678,157	−203,241,157	−215,084,157	−665,045	−11,402,045	−30,109,045	−226,343,202	−214,643,202	−245,193,202
Financing applied to program	522,447,254	576,900,000	702,450,000	61	500,000	5,000,000	522,447,315	577,400,000	707,450,000

The Development Loan Fund finances loans, credits, or guarantees to governments or to private or other entities in underdeveloped countries in order to encourage the economic development of friendly nations. The Fund is a source of financing for economic development which does not compete with either private investment capital or the activities of the Export-Import Bank of Washington and the International Bank for Reconstruction and Development.

Budget program.—As of June 30, 1959, the Fund has signed 68 loans and 1 guarantee agreement for development assistance in 33 countries. These loans cover power, irrigation, transportation, industry, and other projects contributing to economic development. About three-fourths of the projects have been in the categories of roads and railroads, electric power generation, manufacturing industry, and industrial development banks. Because the usual rate of completion of major developmental projects extends over a period of years, only initial expenditures for these projects have been made in 1959, the first full year of the Fund's operation. However, sizable increases are estimated in 1960 and 1961 as these projects develop and new ones are added. It is estimated that about 80 loan agreements will be signed in 1960 and

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MUTUAL SECURITY—*ECONOMIC*—Continued

Public enterprise funds—Continued

DEVELOPMENT LOAN FUND—Continued

about 100 in 1961. It is also anticipated that additional guarantees will be issued during both fiscal years.

DATA ON DEVELOPMENT LOAN FUND LENDING ACTIVITY

[In millions of dollars]

	1959 actual	*1960 estimate*	*1961 estimate*
Loans and guarantees approved	$568.2	$565.0	$725.0
Loan and guarantee agreements signed	521.2	575.5	705.0
Loan disbursements	65.6	177.6	312.1
Loan principal repayments (dollars and local currencies in dollar equivalent)	.1	8.7	17.2
Loans outstanding, June 30	67.0	235.9	530.8
Undisbursed loan and guarantee commitments, June 30	556.2	954.1	1,347.0

Financing.—The program is financed from appropriations. Appropriations totaling $1.4 billion have been provided through 1960. In addition, financing is provided by receipts from operations.

Repayment of loan principal and payment of interest may be made either in local currency or in dollars or other currencies as specified in the loan agreement and these amounts will be available to the Fund for further lending activity. As these amounts are directly related to loans outstanding, they will not reach appreciable proportions until 1961. Other available revenue is anticipated from fees received for issuance of loan guarantees.

Operating results.—Revenue of the Fund from interest and fees will be both in dollars and local currencies. Such revenue in 1959 included $225,411 in dollars and $590,106 in dollar equivalents of local currencies. In 1960 and 1961 such revenue is expected to increase substantially, to about $1,700,000 in dollars and $5,300,000 in local currencies for 1960, and to about $7,100,000 and $13,700,000, respectively, for 1961. Such earnings will be retained for future relending. Local currency receipts will also be made available for sale by the U.S. Treasury and the dollar proceeds will become available to the Development Loan Fund.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Acquisition of loans:			
Dollar loans:			
Receivable in dollars	$25,655,634	$40,000,000	$65,000,000
Receivable in foreign currencies (in dollar equivalents)	39,790,527	137,484,000	246,533,000
Foreign currency loans: Receivable in foreign currencies (in dollar equivalents)	111,518	150,000	600,000
Acquisition of equipment	33,991	32,881	35,652
Expense	1,193,969	1,865,355	2,404,348
Increase in selected working capital:			
Dollars		80,764	320,000
Foreign currencies (in dollar equivalents)	665,045	11,087,000	23,107,000
Total gross expenditures	67,450,684	190,700,000	338,000,000
Receipts from operations (funds provided):			
Repayment of loans:			
Repaid in dollars		2,000,000	4,900,000
Repaid in foreign currencies (in dollar equivalents)	75,000	6,700,000	12,300,000
Revenue:			
Dollars	225,411	1,700,000	7,100,000
Foreign currencies (in dollar equivalents)	590,106	5,300,000	13,700,000
Decrease in selected working capital:			
Dollars	70,648		
Total receipts from operations	961,165	15,700,000	38,000,000
Budget expenditures	66,489,519	175,000,000	300,000,000

Revenue, Expense, and Retained Earnings

	1959 actual	1960 estimate	1961 estimate
Revenue:			
Dollars:			
Interest on loans	$196,236	$1,600,000	$6,800,000
Fees on guarantees	29,175	100,000	300,000
Foreign currencies (in dollar equivalents)	590,106	5,300,000	13,700,000
Total revenue	815,517	7,000,000	20,800,000
Expense	1,199,421	1,875,793	2,417,938
Net operating income or loss (−) for the year	−383,904	5,124,207	18,382,062
Nonoperating income or loss (−):			
Proceeds from sale of foreign currency		763,000	2,293,000
Net book value of assets sold (−)		−763,000	−2,293,000
Net gain or loss (−) from sale			
Net income or loss (−) for the year	−383,904	5,124,207	18,382,062
Retained earnings or deficit (−), beginning of year		−383,904	4,740,303
Retained earnings or deficit (−), end of year	−383,904	4,740,303	23,122,365

Financial Condition

	1959 actual	1960 estimate	1961 estimate
Assets:			
Cash with Treasury	$782,010,481	$1,157,010,481	$1,557,010,481
Foreign currencies in banks (in dollar equivalents)	330,119	11,217,119	33,424,119
Loans receivable:			
Dollar loans:			
Receivable in dollars	25,655,634	63,655,634	123,755,634
Receivable in foreign currencies (in dollar equivalents)	41,215,527	172,019,527	406,292,527
Foreign currency loans: Receivable in foreign currencies (in dollar equivalents)	111,518	241,518	801,518
Interest receivable:			
Receivable in dollars	188,114	300,000	700,000
Receivable in foreign currencies (in dollar equivalents)	334,926	534,926	1,434,926
Other accounts receivable	2,208		
Furniture and equipment (net)	50,629	73,071	95,133
Total assets	849,899,156	1,405,052,276	2,123,514,338
Liabilities:			
Current liabilities	215,971	289,884	369,884
Deferred income	45,000		
Total liabilities	260,971	289,884	369,884
Government investment:			
Non-interest-bearing capital:			
Start of year	300,021,649	850,022,089	1,400,022,089
Adjustment in initial capitalization of donated property	440		
Appropriations during year	550,000,000	550,000,000	700,000,000
End of year	850,022,089	1,400,022,089	2,100,022,089
Retained earnings or deficit (−)	−383,904	4,740,303	23,122,365
Total Government investment	849,638,185	1,404,762,392	2,123,144,454

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash with Treasury	$298,500,000	$782,010,481	$1,157,010,481	$1,557,010,481
Obligated balance, net:				
Current liabilities		215,971	289,884	369,884
Deferred income		45,000		
Undisbursed program obligations:				
Direct loans:				
Repayable in dollars		94,262,366	168,262,366	241,262,366
Repayable in foreign currencies (in dollar equivalents)	100,600,000	457,357,472	775,873,472	1,081,340,472
Foreign currency loans: Repayable in foreign currencies (in dollar equivalents)		128,482	478,482	4,878,482
Guaranteed loans		4,500,000	9,500,000	19,500,000
Unpaid undelivered orders		11,147	15,120	25,120
Interest receivable (−):				
Dollars		−188,114	−300,000	−700,000
Foreign currencies (in dollar equivalents)		−334,926	−534,926	−1,434,926

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Status of Certain Fund Balances—Continued

	1958 actual	1959 actual	1960 estimate	1961 estimate
Obligated balance, net—Continued				
Foreign currencies in banks (in dollar equivalents) (—)		—$330,119	—$11,217,119	—$33,424,119
Total obligated balance	$100,600,000	555,667,279	942,367,279	1,311,817,279
Unobligated balance is distributed as follows:				
Dollars	197,900,000	225,678,157	203,241,157	215,084,157
Foreign currencies (in dollar equivalents)		665,045	11,402,045	30,109,045

Limitation on Administrative Expenses, Development Loan Fund

Not to exceed [$1,820,000] *$2,150,000* of the funds of the Development Loan Fund shall be available during the fiscal year [1960] *1961* for administrative expenses of the Fund covering the categories set forth in the fiscal year [1960] *1961* budget estimates for such expenses: *Provided, That necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Fund or in which it has an interest as a result of its financing activities, including expenses of collections of pledged collateral, shall be considered as nonadministrative expenses for the purposes hereof.* (*Mutual Security Appropriation Act, 1960.*)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Administration (total obligations)	$1,214,078	$1,820,000	$2,150,000
Financing:			
Unobligated balance no longer available	35,922		
Limitation	1,250,000	1,820,000	2,150,000

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Total number of permanent positions	74	124	178
	Full-time equivalent of all other positions	5	4	3
	Average number of all employees	54	100	150
	Number of employees at end of year	68	120	170
	Average GS grade and salary	9.9 $8,205	9.8 $8,118	9.5 $7,604
01	Personal services:			
	Permanent positions	$447,063	$852,700	$1,297,000
	Positions other than permanent	15,559	30,000	20,000
	Other personal services	126,840	109,800	70,000
	Total personal services	589,462	992,500	1,387,000
02	Travel	54,081	120,000	150,000
03	Transportation of things	2	100	100
04	Communication services	17,629	31,300	37,000
05	Rents and utility services	68,694	111,000	146,000
06	Printing and reproduction	36,168	61,400	53,000
07	Other contractual services	107,420	53,834	152,355
	Services performed by other agencies	255,304	333,166	71,645
08	Supplies and materials	9,534	17,200	22,200
09	Equipment	47,198	40,600	41,000
11	Grants, subsidies, and contributions	27,750	57,200	88,500
15	Taxes and assessments	836	1,700	1,200
	Total obligations	1,214,078	1,820,000	2,150,000

Foreign Investment Guarantee Fund

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Guarantees issued against the risk of inconvertibility	$108,562,845	$40,000,000	$65,000,000
2. Guarantees issued against the risk of loss by expropriation	133,322,080	99,000,000	103,000,000
3. Guarantees issued against the risk of loss by war		1,000,000	7,000,000
Total guarantees issued	241,884,925	140,000,000	175,000,000

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
Less amount not obligated under fractional reserve basis	$181,413,694	$105,000,000	$131,250,000
Total obligations (object class 16)	60,471,231	35,000,000	43,750,000
Financing:			
Amounts becoming available:			
Fees collected	1,367,334	1,900,000	2,700,000
Adjustment for change in fractional reserve	1,678,159		
Recovery of prior year obligations	23,591,076	10,400,000	8,500,000
Total amounts becoming available	26,636,569	12,300,000	11,200,000
Unobligated balance brought forward (authorization to expend from public debt receipts)	107,518,627	73,683,965	50,983,965
Total amounts available	134,155,196	85,983,965	62,183,965
Unobligated balance carried forward (authorization to expend from public debt receipts)	—73,683,965	—50,983,965	—18,433,965
Financing applied to program	60,471,231	35,000,000	43,750,000

The investment guarantee program encourages and facilitates private American investment in economically underdeveloped areas of the world. It provides guarantee protection against loss from the following noncommercial risks: (*a*) inconvertibility of local currency receipts from the investment; (*b*) expropriation or confiscation of all or part of the investment; and (*c*) war damage. Guarantee authority was increased by Congress during the current year from $500 million to $1 billion. The guarantees, which have a maximum term of 20 years, are now available in any economically underdeveloped country whose government has agreed with the U.S. Government to institute the program. A total of 43 countries and their overseas dependent territories have participated through December 1959. However, as a result of an amendment in the 1959 legislation approximately 8 of these countries which are now regarded as economically developed were eliminated from the program. Negotiations for agreements with other countries are continuing.

Budget program.—Obligations of the program after June 30, 1956, are based on a fractional reserve, which is 25% of total guarantees issued since that date. Guarantees issued prior to June 30, 1956, were issued with 100% backing. Guarantees to be issued during 1961 are estimated at $175 million. Under the fractional reserve basis, this would require obligations of $44 million in 1961 to support the guarantees issued in that year.

Financing.—The reserve funds for the program against which obligations are made come from the following three sources, and these sources would be used for payment of claims in the order given:

(*a*) Revenue from a fee of approximately 0.5% charged the investor for guarantee protection provided.

(*b*) Money recovered from the sale of assets or local currency acquired by the U.S. Government as a result of a loss due to payment of a claim.

(*c*) Borrowing authority given the program by the Congress.

Operating results and administration.—The fund has sustained no loss and no claims are pending. Fees collected through June 30, 1959, are $4 million and are carried forward as retained earnings as a reserve against possible future loss. The fund bears no expense. Administrative expenses are paid from funds appropriated for general administrative expenses of the economic assistance programs and allocated to the International Cooperation Administration.

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MUTUAL SECURITY—*ECONOMIC*—Continued

Public enterprise funds—Continued

FOREIGN INVESTMENT GUARANTEE FUND—Continued

POSITION WITH RESPECT TO GUARANTEE ISSUING AUTHORITY

	1959 actual	*1960 estimate*	*1961 estimate*
Authorized guarantee authority	$500,000,000	$500,000,000	$1,000,000,000
Increase in guarantee authority	----------	500,000,000	----------
Total authorized guarantee authority	500,000,000	1,000,000,000	1,000,000,000
Recovery of prior year guarantees (cumulative)	79,219,418	95,619,418	108,619,418
Gross guarantee authority	579,219,418	1,095,619,418	1,108,619,418
Guarantees issued (cumulative):			
Guarantees issued against the risk of inconvertibility	246,535,341	286,535,341	351,535,341
Guarantees issued against the risk of loss by expropriation	202,162,034	301,162,034	404,162,034
Guarantees issued against the risk of loss by war	----------	1,000,000	8,000,000
Total guarantees issued	448,697,375	588,697,375	763,697,375
Unused guarantee authority	130,522,043	506,922,043	344,922,043

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Prior year adjustment affecting working capital	$286	----------	----------
Receipts from operations (funds provided):			
Revenue	1,367,334	$1,900,000	$2,700,000
Budget expenditures	−1,367,048	−1,900,000	−2,700,000

Revenue, Expense, and Retained Earnings

Guarantees issued against the risk of inconvertibility: Revenue	$427,967	$615,000	$700,000
Guarantees issued against the risk of loss by expropriation: Revenue	939,367	1,280,000	1,960,000
Guarantees issued against the risk of loss by war: Revenue	----------	5,000	40,000
Net income for the year	1,367,334	1,900,000	2,700,000
Analysis of retained earnings:			
Retained earnings, beginning of year	2,682,805	4,049,853	5,949,853
Prior year adjustment affecting working capital	−286	----------	----------
Retained earnings, end of year	4,049,853	5,949,853	8,649,853

Financial Condition

Assets:			
Cash with Treasury	$4,049,853	$5,949,853	$8,649,853
Government investment:			
Retained earnings	4,049,853	5,949,853	8,649,853

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash with Treasury	$2,682,805	$4,049,853	$5,949,853	$8,649,853
Budget authorization	199,071,521	199,071,521	199,071,521	199,071,521
Total unexpended balance	201,754,326	203,121,374	205,021,374	207,721,374
Obligated balance, net:				
Undisbursed guaranteed obligations	−94,235,699	−129,437,409	−154,037,409	−189,287,409
Unobligated balance	107,518,627	73,683,965	50,983,965	18,433,965

NOTE.—Guarantees outstanding net of those expired and revoked are as follows: Actual June 30, 1958, $156,783,497; actual, 1959, $369,477,957; estimate, 1960, $493,077,957; estimate, 1961, $655,077,957.

Intragovernmental funds:

EXPENSES, INSPECTOR GENERAL AND COMPTROLLER, MUTUAL SECURITY, STATE

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Evaluation, investigation, and financial management (total obligations)	----------	$767,000	$1,250,000
Financing:			
Advances and reimbursements from other accounts	----------	767,000	1,250,000

The office of Inspector General and Comptroller, Mutual Security, was established in the Department of State in accordance with section 533(a) of the Mutual Security Act of 1954, as amended. It has broad responsibility for (*a*) systems of financial controls and reports, and audit programs relating to all mutual security programs, (*b*) evaluation of the effectiveness of mutual security programs in achieving their objectives (other than strictly military objectives under the military assistance program), and procedures designed to ensure that recommendations to correct mutual security program deficiencies are considered and acted upon, and (*c*) investigations to seek out improper activities in connection with mutual security programs.

The expenses of this office are to be incurred in this account, being funded through expenditure transfers from various mutual security appropriations. Estimated requirements from the various appropriations are as follows:

	1960 estimate	*1961 estimate*
Defense support	$75,000	$400,000
Technical cooperation, general authorization	20,000	100,000
Special assistance, general authorization	25,000	150,000
President's special authority and contingency fund	100,000	----------
President's fund for Asian economic development	417,000	----------
Military assistance	50,000	300,000
Development Loan Fund	80,000	300,000
Total	767,000	1,250,000

Object Classification

		1959 actual	1960 estimate		1961 estimate	
	Total number of permanent positions	----------	100		100	
	Full-time equivalent of all other positions	----------	1		2	
	Average number of all employees	----------	52		91	
	Number of employees at end of year	----------	80		95	
	Average GS grade and salary	----------	9.8	$8,000	9.8	$8,028
	Average grade and salary established by the Foreign Service Act of 1946, as amended (22 U.S.C. 801–1158):					
	Foreign Service officer	----------	1.0	$16,151	1.0	$16,588
	Foreign Service reserve	----------	2.8	$12,589	2.8	$12,914
	Foreign Service staff	----------	10.8	$4,950	10.8	$5,047
01	Personal services:					
	Permanent positions	----------		$462,833		$818,758
	Positions other than permanent	----------		3,800		16,800
	Other personal services	----------		59,960		104,950
	Total personal services	----------		526,593		940,508
02	Travel	----------		96,406		151,600
03	Transportation of things	----------		1,400		5,900
07	Other contractual services	----------		3,000		10,302
	Services performed by other agencies	----------		109,518		81,971
11	Grants, subsidies, and contributions	----------		30,083		59,719
	Total obligations	----------		767,000		1,250,000

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Advances and Reimbursements, Economic Assistance

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Defense support	$592,417	$500,000	$500,000
2. Technical cooperation	758,470	682,900	682,900
3. Special assistance	1,157,926	100,000	100,000
4. Administrative expenses	790,807	811,000	559,300
Total obligations	3,299,620	2,093,900	1,842,200
Financing:			
Advances and reimbursements from—			
Other accounts	3,179,668	1,943,900	1,672,200
Non-Federal sources (40 U.S.C. 481(c))	119,952	150,000	170,000
Total financing	3,299,620	2,093,900	1,842,200

Object Classification

		1959 actual		1960 estimate		1961 estimate	
Total number of permanent positions		39		39		6	
Average number of all employees		27		31		6	
Number of employees at end of year		34		31		6	
Average GS grade and salary		8.9	$6,845	8.9	$6,999	4.0	$4,649
Average grade and salary established by the Foreign Service Act of 1946, as amended (22 U.S.C. 801–1158):							
Foreign Service reserve		2.8	$1,383	2.5	$1,392	2.3	$14,803
Foreign Service staff		9.7	$5,921	1.0	$5,554	1.0	$5,762
Average salary of ungraded positions			$3,360				
01	Personal services:						
	Permanent positions		$232,611		$248,600		$59,400
	Other personal services		2,230		1,600		200
	Total personal services		234,841		250,200		59,600
02	Travel		32,360		5,000		
03	Transportation of things		7,236				
04	Communication services		9,865		6,500		
05	Rents and utility services		926				
06	Printing and reproduction		29,701		20,000		20,000
07	Other contractual services		927,784		798,700		788,000
	Services performed by other agencies		1,936,889		838,900		800,800
08	Supplies and materials		5,001		8,500		
09	Equipment		100,377		150,000		170,000
11	Grants, subsidies, and contributions		14,629		16,100		3,800
15	Taxes and assessments		11				
	Total obligations		3,299,620		2,093,900		1,842,200

General Provisions

[Sec. 102. No part of any appropriation contained in this title shall be used for publicity or propaganda purposes within the United States not heretofore authorized by the Congress.]

Sec. [103] *102.* None of the funds herein appropriated for Defense Support, the Development Loan Fund, Special Assistance, or the President's Special Authority and Contingency Fund shall be used to finance the construction of any new flood control, reclamation, or other water or related land resource project or program which has not met the standards and criteria used in determining the feasibility of flood control, reclamation and other water and related land resource programs and projects proposed for construction within the [continental limits of the] United States of America as per circular A–47 of the Bureau of the Budget, dated December 31, 1952.

Sec. [104] *103.* Payments made from funds appropriated herein *and from funds appropriated pursuant to chapter I of the Mutual Security Act of 1954, as amended,* for engineering and architectural fees and services to any individual or group of engineering and architectural firms on any one project in excess of $25,000 shall be reported to the Committee on Appropriations of the Senate and House of Representatives at least twice annually.

[Sec. 105. Except for the appropriations entitled "President's special authority and contingency fund" and "Development Loan Fund", not more than 20 per centum of any appropriation item made available by this title shall be obligated and/or reserved during the last month of availability.]

[Sec. 106. The appropriations and authority with respect thereto in this Act shall be available from July 1, 1959, for the purposes provided in such appropriations and authority. All obligations incurred during the period between June 30, 1959, and the date of enactment of this Act in anticipation of such appropriations and authority are hereby ratified and confirmed if in accordance with the terms hereof.]

Sec. [107] *104.* None of the funds provided by this [title] *Act* nor any of the counterpart funds generated as a result of assistance under this [title] *Act* or any prior Act shall be used to pay pensions, annuities, retirement pay or adjusted service compensation for any persons heretofore or hereafter serving in the armed forces of any recipient country.

[Sec. 108. None of the funds herein appropriated shall be used to carry out the provisions of Section 205(1) of the Mutual Security Act of 1959.]

[Sec. 109. None of the funds herein appropriated shall be used to carry out the provisions of Section 401(b) of the Mutual Security Act of 1959.]

[Sec. 110. None of the funds herein appropriated shall be used to carry out the provisions of Section 501 of the Mutual Security Act of 1959.]

Sec. [111] *105.* (a) Within sixty days following the date of enactment of this Act, the President shall transmit to the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives a report containing a full and complete revision of the data presented to such committees in justification of appropriations requested for the Mutual Security program for the fiscal year [1960] *1961,* showing any changes in such program approved subsequent to such presentation, including changes necessary to reflect actual appropriations for the program.

(b) Within thirty days following the approval of any change in the Mutual Security program for the fiscal year [1960] *1961,* which will result in furnishing assistance of a kind, for a purpose, in an area, or in an amount, different from that described in the report transmitted under subsection (a), and which involves $1,000,000 or more, or 5 per centum of the amount [appropriated under any paragraph of this title] *of any appropriation made herein or pursuant to chapter I of the Mutual Security Act of 1954, as amended,* whichever is the lesser, the President shall transmit to the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives a full and complete report of such change and the reasons therefor.

(c) This section shall not apply to programs authorized by section 451 of the Mutual Security Act of 1954, as amended.

(d) None of the funds herein appropriated shall be used to carry out any provision of chapter II, III, or IV of the Mutual Security Act of 1954, as amended, in any country, or with respect to any project or activity, after the expiration of the thirty-five day period which begins on the date the General Accounting Office or any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering legislation or appropriations for, or expenditures of, the International Cooperation Administration, has delivered to the office of the Director of the International Cooperation Administration a written request that it be furnished any document, paper, communication, audit, review, finding, recommendation, report, or other material relating to the administration of such provision by the International Cooperation Administration in such country or with respect to such project or activity, unless and until there has been furnished to the General Accounting Office, or to such committee or subcommittee, as the case may be, (1) the document, paper, communication, audit, review, finding, recommendation, report, or other material so requested, or (2) a certification by the President that he has forbidden its being furnished pursuant to such request, and his reason for so doing.

Sec. [112] *106.* The Congress hereby reiterates its opposition to the seating in the United Nations of the Communist China regime as the representative of China, and it is hereby declared to be the continuing sense of the Congress that the Communist regime in China has not demonstrated its willingness to fulfill the obligations contained in the Charter of the United Nations and should not be recognized to represent China in the United Nations. In the event of the seating of representatives of the Chinese Communist regime in the Security Council or General Assembly of the United Nations, the President is requested to inform the Congress insofar as is compatible with the requirements of national security, of the implications of this action upon the foreign policy of the United States and our foreign relationships, including that created by membership in the United Nations, together with any recommendations which he may have with respect to the matter.

Sec. [113] *107.* It is the sense of Congress that any attempt by foreign nations to create distinctions because of their race or religion among American citizens in the granting of personal or commercial access or any other rights otherwise available to United States citizens generally is repugnant to our principles; and in all negotiations between the United States and any foreign state arising as a result of funds appropriated [under this Act] *herein and funds appropriated pursuant to chapter I of the Mutual Security Act of 1954, as amended,* these principles shall be applied as the President may determine. (*Mutual Security Appropriation Act, 1960; authorizing legislation to be proposed for 1961.*)

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PRESIDENT'S SPECIAL INTERNATIONAL PROGRAM

Current authorizations:

PRESIDENT'S SPECIAL INTERNATIONAL PROGRAM

For expenses necessary to enable the President to carry out the provisions of the "International Cultural Exchange and Trade Fair Participation Act of 1956", [$6,145,500] *$8,600,000,* to remain available until expended: *Provided, That $135,000 of this appropriation shall be immediately available: Provided further,* That not to exceed a total of [$25,000] *$70,700* may be expended for representation. (*Departments of State and Justice, the Judiciary, and Related Agencies Appropriation Act, 1960.*)

Appropriated 1960, **$6,145,500** Estimate 1961, **$8,600,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Trade fairs and exhibitions	$3,494,725	$5,154,775	$5,390,000
2. Artistic and athletic presentations	2,528,315	2,565,000	2,950,000
3. Universal and international exhibition of Brussels, 1958	1,181,910	34,563	
Total obligations	7,204,950	7,754,338	8,340,000
Financing:			
Appropriation available from subsequent year		−135,000	
Appropriation available in prior year			135,000
Unobligated balance brought forward	−2,370,379	−1,860,873	−500,000
Recovery of prior year obligations	−284,944	−112,965	−50,000
Unobligated balance carried forward	1,860,873	500,000	675,000
Appropriation (new obligational authority)	6,410,500	6,145,500	8,600,000

The purpose of this fund is to strengthen the ties which unite us with other nations by demonstrating the cultural interests, developments, and achievements of the people of the United States, and the contributions being made by the U.S. economic and social system toward a peaceful and more fruitful life for its own people and other people throughout the world.

The Director of the United States Information Agency serves as coordinator of the following activities. The Agency also publicizes the projects abroad and absorbs the cost of such publicity and coordination.

1. *Trade fairs and exhibitions.*—The Department of Commerce administers this program, which provides United States exhibits, trade missions, and labor missions (conducted by the Department of Labor) at important international trade fairs and other strategic locations overseas. Authorizations for 1959 provided for 14 trade fair and solo exhibits, 12 trade missions, and 3 labor missions. This compares with 15 exhibits, 12 trade missions, and 3 labor missions in 1960, and 18 exhibits, 13 trade missions, and 6 labor missions in 1961.

2. *Artistic and athletic presentations.*—The Department of State administers this program, which supports outstanding American cultural attractions appearing abroad. This support is necessary primarily because of high international transportation costs and itineraries to places where commercial revenues are inadequate to cover operating expenses. Approved projects, with itineraries reaching all areas of the world, numbered 15 for 1959, and are estimated at 26 during 1960, and 32 during 1961.

3. *Universal and international exhibition of Brussels.*—No estimate is included for this activity inasmuch as the fair ended in October 1958.

Object Classification

	1959 actual	1960 estimate	1961 estimate
ALLOCATION ACCOUNTS			
Total number of permanent positions	203	154	161
Full-time equivalent of all other positions	99	4	2
Average number of all employees	251	146	158
Number of employees at end of year	141	147	161
Average GS grade and salary	9.3 $7,324	9.4 $7,786	9.5 $7,846
Average grade and salary:			
Grades established by the Secretary of State, equivalent to GS grades	7.0 $5,481		
Grades established by the Foreign Service Act of 1946 (22 U.S.C. 801-1158):			
Foreign Service officer	2.5 $13,593	4.0 $11,565	4.0 $11,565
Foreign Service reserve	3.5 $11,962	3.0 $13,000	3.0 $13,312
Foreign Service staff	10.3 $5,592	6.0 $8,549	6.0 $8,757
01 Personal services:			
Permanent positions	$1,239,943	$1,076,704	$1,214,145
Positions other than permanent	410,608	32,000	25,000
Other personal services	84,126	30,378	24,805
Total personal services	1,734,677	1,139,082	1,263,950
02 Travel	558,422	734,178	829,050
03 Transportation of things	400,943	402,150	435,850
04 Communication services	147,160	120,759	112,450
05 Rents and utility services	288,546	271,168	290,100
06 Printing and reproduction	43,606	51,150	59,800
07 Other contractual services	1,273,840	2,248,356	2,255,868
Services performed by other agencies	16,187		
08 Supplies and materials	178,714	176,775	139,550
09 Equipment	96,196	206,500	162,750
11 Grants, subsidies, and contributions	2,408,374	2,400,820	2,787,232
12 Pensions, annuities, and insurance claims	1,475		
13 Refunds, awards, and indemnities	745	200	200
15 Taxes and assessments	56,065	3,200	3,200
Total obligations	7,204,950	7,754,338	8,340,000
Obligations are distributed as follows:			
Department of Commerce	$3,442,219	$5,108,199	$5,265,000
Department of Labor	52,506	46,576	125,000
Department of State	3,710,225	2,599,563	2,950,000

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Trade fairs and exhibitions	$2,971		
2. Participation in Brussels Exhibition	183,625		
Total obligations	186,596		
Financing:			
Advances and reimbursements from other accounts	186,596		

Object Classification

01 Personal services:			
Permanent positions	$899		
Other personal services	70,046		
Total personal services	70,945		
02 Travel	29,743		
05 Rents and utility services	40,030		
07 Other contractual services	45,822		
11 Grants, subsidies, and contributions	56		
Total obligations	186,596		

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SPECIAL FOREIGN CURRENCY PROGRAMS

TRANSLATION OF PUBLICATIONS AND SCIENTIFIC COOPERATION

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Financing:			
Comparative transfers to other accounts	$290,589	$4,809,411	
Unobligated balance brought forward		−4,809,411	
Unobligated balance carried forward	4,809,411		
Appropriation (new obligational authority)	5,100,000		

This program is being administered by the National Science Foundation under Salaries and expenses (special foreign currency program) and by the Department of Agriculture under Salaries and expenses, Agricultural Research Service (special foreign currency program), as indicated by the above comparative transfers.

TRANSITIONAL GRANTS TO ALASKA

Current authorizations:

TRANSITIONAL GRANTS TO ALASKA

For grants to the State of Alaska to assist in accomplishing an orderly transition from Territorial status to statehood and to facilitate the assumption of responsibilities hitherto performed in Alaska by the Federal Government, and for expenses of providing Federal services or facilities in Alaska for an interim period, as authorized by law[, $10,500,000] (73 Stat. 151), *$6,000,000.* (*Supplemental Appropriation Act, 1960.*)

Appropriated 1960, **$10,500,000** Estimate 1961, **$6,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Grants to Alaska		$10,048,000	$6,000,000
2. Operation of intermediate airports		452,000	
Total obligations		10,500,000	6,000,000
Financing:			
Appropriation (new obligational authority)		10,500,000	6,000,000

Section 44 of the Alaska Omnibus Act (73 Stat. 151) authorizes grants to the State of Alaska for a 5-year period ending June 30, 1964, to facilitiate assumption by the State of responsibilities hitherto performed in Alaska by the Federal Government.

These funds are to enable the President (*a*) to make grants to the State to assist in financing functions transferred from the Federal Government, and (*b*) to finance continued Federal operations for an interim period when the State requests a delay in transfer of functions. In June 1959, the State requested that the Federal Government continue operation of 17 primary and intermediate airports, and allocations were made to the Federal Aviation Agency for this purpose.

The $6 million requested for 1961 is the maximum authorized by law.

Object Classification

	1959 actual	1960 estimate	1961 estimate
TRANSITIONAL GRANTS TO ALASKA			
Reserved for future allocations			$6,000,000
ALLOCATION ACCOUNTS			
Total number of permanent positions		33	
Average number of all employees		31	
Number of employees at end of year		31	
Average salary of ungraded positions		$6,939	

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
ALLOCATION ACCOUNTS—continued			
01 Personal services:			
Permanent positions		$217,237	
Other personal services		61,189	
Total personal services		278,426	
02 Travel		23,404	
03 Transportation of things		16,270	
05 Rents and utility services		16,775	
07 Other contractual services		712	
08 Supplies and materials		112,003	
11 Grants, subsidies, and contributions		10,062,235	
Subtotal		10,509,825	
Deduct quarters and subsistence charges		9,825	
Total, allocation accounts		10,500,000	
Total obligations		10,500,000	$6,000,000
Obligations are distributed as follows:			
Reserved for future allocation			$6,000,000
Bureau of the Budget		$10,048,000	
Federal Aviation Agency		452,000	

MISCELLANEOUS

Permanent authorizations:

DEFENSE AID, SPECIAL FUND

(Indefinite special fund)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Payment of claims (object class 13)	$343		
Financing:			
Unobligated balance brought forward	−82,512	−$85,297	−$85,297
Recovery of prior year obligations	−3,128		
Unobligated balance carried forward	85,297	85,297	85,297
Appropriation (new obligational authority)			

INFORMATIONAL FOREIGN CURRENCY SCHEDULE

Foreign currency realized under the Agricultural Trade Development and Assistance Act, as amended (7 U.S.C. 1704)

	1959 actual	1960 estimate	1961 estimate
Balance brought forward	$717,228,316	$818,558,379	$685,771,309
Recoveries from prior allocations	10,962,752	1,780,516	
Sales agreements entered into	873,685,000	1,000,000,000	1,100,000,000
Subtotal	1,601,876,068	1,820,338,895	1,785,771,309
Sales by Treasury to appropriations and funds:			
Regular appropriations and funds	83,326,273	69,170,000	66,477,000
Special appropriations			47,649,400
Authorized for use by agencies with long-term reimbursement to Commodity Credit Corporation: Department of Defense: Construction	22,683,242	1,306,000	
Total to be realized in dollars	106,009,515	70,476,000	114,126,400
Adjustment to market rate for Treasury sales and allocations for U.S. uses	27,909,115	40,000,000	40,000,000
Other adjustments	−77,927,333		
Authorizations for use by agencies without reimbursement to Commodity Credit Corporation:			
Mutual security program	567,517,804	846,626,853	800,000,000
Export-Import Bank	134,818,519	126,000,000	126,000,000
United States Information Agency	4,498,576	4,944,440	
Department of Agriculture:			
Agricultural Research Service	7,596,484	12,056,500	
Foreign Agricultural Service	5,653,829	5,843,378	
Commodity Credit Corporation		100,000	
Department of Defense: Operation and maintenance	47,228	200,000	
Department of State:			
Educational exchange	7,187,196	28,320,415	
Counterpart fund, sec. 708(c), Public Law 118, July 16, 1953	6,756		
Total adjustments and authorizations for free use	677,308,174	1,064,091,586	966,000,000
Balance carried forward	818,558,379	685,771,309	705,644,909

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MISCELLANEOUS—Continued

INFORMATIONAL FOREIGN CURRENCY SCHEDULE—Continued

Title I of the Agricultural Trade Development and Assistance Act of 1954 authorizes the sale of surplus agricultural commodities to friendly nations for their currencies, with reasonable precautions neither to displace U.S. sales for dollars nor to disrupt unduly world commodity prices. Such sales may include up to $1.5 billion of commodities a year, plus unused prior authority. The Commodity Credit Corporation finances the costs. The foreign currencies generated by these sales may be used (*a*) to help develop new markets for U.S. agricultural commodities, (*b*) to purchase strategic and critical materials, (*c*) to procure military materiel and services for the common defense, (*d*) to purchase goods and services for other friendly nations, (*e*) to promote balanced economic development and trade among nations including loans to American and foreign business firms abroad, (*f*) to pay U.S. obligations abroad, (*g*) to make loans to promote multilateral trade and economic development abroad, (*h*) to finance international education exchange activities, (*i*) to translate and publish books and other publications abroad, (*j*) to aid American-sponsored schools, libraries, and binational centers overseas, (*k*) to finance the translation of scientific and technical publications and support scientific activities overseas, (*l*) to acquire buildings and grounds abroad, (*m*) to finance participation in trade fairs and related activities, (*n*) to acquire books from abroad, (*o*) to aid American educational institutions abroad, (*p*) to support workshops and chairs in American studies, (*q*) to provide emergency relief, and (*r*) to finance audiovisual materials and programs.

Most of the currencies are used for grants to and loans in the foreign country without charge to appropriations. Some are sold to appropriations, and the proceeds of such sales go to the Commodity Credit Corporation. Beginning in 1961, recommendations in this document provide appropriations to purchase all currencies used for U.S. programs. A lump-sum appropriation is recommended to reimburse the Commodity Credit Corporation for its losses which are not made up through such sales.

As of June 30, 1960, it is estimated agreements will have been signed calling for deposits of sales proceeds totaling $4.7 billion. This will represent the market value of commodities and ocean transportation in which the Commodity Credit Corporation investment will be approximately $6.4 billion.

Schedules covering special currency uses are included in the budgets for the Library of Congress, mutual security program, Export-Import Bank, United States Information Agency, and the Departments of Agriculture, Commerce, Defense, Health, Education, and Welfare, and State. These schedules do not cover use of currencies for sale to regular appropriations.

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INDEPENDENT OFFICES

The total recommended new obligational authority for the independent offices for 1961 is $10,400 million. Over three-quarters of this total is for two agencies: $5,465 million (or 52%) for the Veterans Administration and $2,666 million (or 26%) for the Atomic Energy Commission. Two other agencies—the National Aeronautics and Space Administration and the Federal Aviation Agency—account for another 15% of the total. The remainder is scattered among the 42 other independent agencies and 9 historical and memorial commissions.

The 1961 total of new obligational authority is $366 million less than the estimate for 1960. The major factor in this decline is a decrease of $744 million for the Tennessee Valley Authority, reflecting the nonrecurring revenue bond authority of $750 million enacted in 1960. Other decreases, mainly for the Atomic Energy Commission and the Small Business Administration, are more than offset by increases recommended for the National Aeronautics and Space Administration, the Federal Aviation Agency, the Veterans Administration, and the Civil Service Commission.

Expenditures of the independent offices in 1961 are estimated at $10,181 million, of which 53% is accounted for by the Veterans Administration, 26% by the Atomic Energy Commission, 7% by the Federal Aviation Agency, and 6% by the National Aeronautics and Space Administration. Most of the increase of $688 million over the 1960 estimate is for these agencies, mainly NASA and FAA.

New obligational authority and expenditures for the independent offices are shown in the following table:

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RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
Major national security:						
066 Development and control of atomic energy	$2,723,325	$2,801,983	$2,665,800	$2,541,060	$2,675,121	$2,689,000
International affairs and finance:						
151 Conduct of foreign affairs	1,959	2,135	2,455	2,004	2,108	2,420
152 Economic and technical development				390,398	−56,087	−7,310
153 Foreign information and exchange activities	118,924	118,234	123,793	109,454	110,300	124,400
Total, international affairs and finance	120,883	120,369	126,248	501,856	56,321	119,510
Veterans services and benefits:						
101 Veterans education and training	547,074	480,480	285,912	573,693	455,480	315,949
102 Other veterans readjustment benefits	133,426	104,520	124,088	133,438	104,872	124,105
103 Veterans compensation and pensions	3,273,300	3,405,000	3,840,000	3,274,568	3,407,050	3,840,000
104 Veterans insurance and servicemen's indemnities	51,787	53,690	49,485	35,256	35,780	31,322
105 Veterans hospitals and medical care	898,922	945,279	1,008,471	920,587	965,692	990,450
106 Other veterans services and administration	168,150	169,737	157,894	184,737	171,006	158,760
Total, veterans services and benefits	5,072,659	5,158,706	5,465,850	5,122,279	5,139,880	5,460,586
Labor and welfare:						
211 Labor and manpower	48,195	50,170	55,968	48,322	48,775	54,942
213 Promotion of public health	5	5	5	5	5	5
214 Promotion of education	64,356	66,735	69,675	50,947	53,930	58,584
215 Promotion of science, research, libraries, and museums	83,522	97,590	145,041	67,101	87,443	128,836
Total, labor and welfare	196,078	214,500	270,689	166,375	190,153	242,367
Agriculture and agricultural resources:						
352 Financing farm ownership and operation	1,997	2,335	2,480	4,552	5,602	7,649
Natural resources:						
401 Conservation and development of land and water resources	24,161	773,719	31,276	29,544	50,552	87,257
405 Recreational use of natural resources	170	870	1,180	81	835	1,131
Total, natural resources	24,331	774,589	32,456	29,625	51,387	88,388
Commerce and housing:						
512 Promotion of aviation	617,379	639,903	788,640	493,948	627,395	749,984
513 Space exploration and flight technology	305,365	523,575	802,000	145,491	325,000	600,000
516 Public housing programs	38	40		35	43	−6
517 Other aids to housing	150,000	250,000		72,218	180,804	−96,992
518 Other aids to business	231,511	153,940	65,725	106,644	101,760	120,201
519 Regulation of commerce and finance	49,160	52,065	58,100	50,447	51,358	56,677
521 Disaster insurance, loans, and relief		1,000		3,186	315	313
Total, commerce and housing	1,353,453	1,620,523	1,714,465	871,969	1,286,675	1,430,177
General government:						
602 Judicial functions	178	180	196	169	183	196
604 Federal financial management	43,568	46,185	45,603	44,601	44,678	45,436
605 General property and records management				6,252	16,000	19,200
606 Central personnel management and employment costs	22,357	21,570	71,175	22,668	21,588	70,893
608 Protective services and alien control	1,602	1,560	1,857	1,358	1,621	1,851
609 Territories and possessions, and the District of Columbia	243	2,686	2,833	1,595	2,445	4,706
610 Other general government	1,153	914	599	1,028	1,035	825
Total, general government	69,101	73,095	122,263	77,671	87,550	143,107
Total, independent offices	9,561,825	10,766,100	10,400,251	9,315,387	9,492,690	10,180,785

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
							1961 estimate		
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	Total	From new obligational authority	From prior authority
ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS									
Current authorizations:									
Advisory Commission on Intergovernmental Relations	610	----------	$50	----------	----------	$45	$5	----------	$5
Proposed for later transmission:									
Under existing legislation: Advisory Commission on Intergovernmental Relations	610	----------	----------	$175	----------	----------	170	$170	----------
Total, Advisory Commission on Intergovernmental Relations		----------	50	175	----------	45	175	170	5
ALASKA INTERNATIONAL RAIL AND HIGHWAY COMMISSION									
Current authorizations:									
Salaries and expenses	518	$240	----------	----------	$31	155	60	----------	60
AMERICAN BATTLE MONUMENTS COMMISSION									
Current authorizations:									
Salaries and expenses	106	1,268	1,295	1,320	1,237	1,270	1,285	1,135	150
Construction of memorials and cemeteries	106	----------	----------	----------	2,325	1,800	1,500	----------	1,500
Total, American Battle Monuments Commission		1,268	1,295	1,320	3,562	3,070	2,785	1,135	1,650
ATOMIC ENERGY COMMISSION									
Current authorizations:									
Operating expenses	066	2,395,406	2,387,114	2,427,300	2,326,200	2,415,000	2,409,000	1,492,273	916,727
Reappropriation	066	77,990	152,369	23,000					
Plant acquisition and construction	066	249,929	262,500	[1] 215,500	214,981	260,000	280,000	33,000	247,000
Public enterprise funds:									
Defense production guarantees	518	----------	----------	----------	−61	−23	−2	----------	−2
Intragovernmental funds:									
Advances and reimbursements	066	----------	----------	----------	−121	121	----------	----------	----------
Total, Atomic Energy Commission		2,723,325	2,801,983	2,665,800	2,540,999	2,675,098	2,688,998	1,525,273	1,163,725
CENTRAL INTELLIGENCE AGENCY									
Current authorizations:									
Construction	605	----------	----------	----------	6,252	16,000	19,200	----------	19,200
CIVIL AERONAUTICS BOARD									
Current authorizations:									
Salaries and expenses	519	6,438	6,925	7,600	6,601	6,828	7,555	7,070	485
Payments to air carriers (liquidation of contract authorization)	512	(54,844)	(58,500)	(68,984)	52,548	60,395	68,984	----------	68,984
Permanent authorizations:									
Payments to air carriers (contract authorization) (indefinite)	512	52,398	66,408	71,640					
Total, Civil Aeronautics Board		58,837	73,333	79,240	59,150	67,223	76,539	7,070	69,469
CIVIL SERVICE COMMISSION									
Current authorizations:									
Salaries and expenses	606	19,787	19,120	20,030	20,263	19,023	19,893	18,614	1,279
Investigation of United States citizens for employment by international organizations	608	450	400	467	379	441	466	428	38
Annuities under special acts	606	2,570	2,450	2,316	2,449	2,489	2,328	2,146	182
Government payment for annuitants, Employees health benefits fund	606	----------	----------	2,500	----------	----------	2,400	2,400	----------
Payment to Civil service retirement and disability fund	606	----------	----------	46,329	----------	----------	46,329	46,329	----------
Limitation on administrative expenses, Employees life insurance fund (trust fund)		(124)	(249)	(250)					
Intragovernmental funds:									
Investigations (revolving fund)	606	----------	----------	----------	−44	76	−57	----------	−57
Total, Civil Service Commission		22,807	21,970	71,642	23,047	22,029	71,359	69,917	1,442

[1] To carry out authorizing legislation to be proposed for 1961.

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
							1961 estimate		
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	Total	From new obligational authority	From prior authority
COMMISSION ON CIVIL RIGHTS									
Current authorizations:									
Salaries and expenses	608	$777	$780	$995	$655	$800	$990	$940	$50
COMMISSION ON INTERNATIONAL RULES OF JUDICIAL PROCEDURE									
Current authorizations:									
Salaries and expenses	610	25				25			
EXPORT-IMPORT BANK OF WASHINGTON									
Public enterprise funds:									
Export-Import Bank of Washington fund	152				396,514	−50,000			
Limitation on administrative expenses		(2,207)	(2,500)	(2,675)					
Liquidation of certain Reconstruction Finance Corporation assets	152				−6,116	−6,087	−7,310		−7,310
Total, Export-Import Bank of Washington					390,398	−56,087	−7,310		−7,310
FARM CREDIT ADMINISTRATION									
Permanent authorizations:									
Administrative expenses (indefinite special fund)	352	1,997	2,335	2,480	2,122	2,327	2,488	2,300	188
Limitation on administrative expenses, Farm Credit Administration		(2,125)	(2,125)	(2,480)					
Public enterprise funds:									
Federal Farm Mortgage Corporation fund	352				−2,035	−1,666	−1,738		−1,738
Federal intermediate credit banks investment fund	352				11,300	10,500	11,000		11,000
Production credit associations investment fund	352				−45	2,900	3,400		3,400
Agricultural marketing revolving fund	352				−6,791	−8,459	−7,500		−7,500
Proposed for later transmission:									
Under existing legislation: Limitation on administrative expenses			(210)						
Total, Farm Credit Administration		1,997	2,335	2,480	4,552	5,602	7,650	2,300	5,350
FEDERAL AVIATION AGENCY									
Current authorizations:									
Expenses	512	256,519	318,700	383,000	250,595	310,400	372,600	340,000	32,600
Establishment of air navigation facilities	512	158,500	118,200	195,000	98,081	100,000	140,000	26,000	114,000
Grants-in-aid for airports (liquidation of contract authorization)	512	(48,000)	(47,500)	(80,000)	50,505	56,872	80,000		80,000
Research and development	512	33,396	48,725	65,000	23,738	36,000	50,000	29,000	21,000
Operation and maintenance, National Capital airports	512	2,490	2,400	6,000	2,091	2,700	5,970	5,741	229
Construction, National Capital airports	512			5,000	623	308	800	700	100
Construction and development, additional Washington airport	512	50,000	22,470		8,756	44,759	30,230		30,230
Operation and maintenance of public airports in Alaska	512	1,076			806	315			
Claims, Federal Airport Act	512				131	91			
Construction of public airports in Alaska	512				1	3			
Grants-in-aid for airports, Federal Airport Act	512				6,073	4,552	1,400		1,400
Permanent authorizations:									
Grants-in-aid for airports (contract authorization)	512	63,000	63,000	63,000					
Proposed for later transmission:									
Under existing legislation: Grants-in-aid for airports (liquidation of contract authorization)	512		(11,000)			11,000			
Total, Federal Aviation Agency		564,981	573,495	717,000	441,400	567,000	681,000	401,441	279,559
FEDERAL COAL MINE SAFETY BOARD OF REVIEW									
Current authorizations:									
Salaries and expenses	211	70	70	70	51	69	70	67	3
FEDERAL COMMUNICATIONS COMMISSION									
Current authorizations:									
Salaries and expenses	519	9,781	10,550	13,500	9,920	10,177	12,110	11,560	550

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
							1961 estimate		
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	Total	From new obligational authority	From prior authority
FEDERAL HOME LOAN BANK BOARD									
Public enterprise funds:									
Federal Home Loan Bank Board revolving fund	517								
Limitation on administrative expenses		($1,699)	($1,800)	($2,075)	$52	−$186	$159		$159
Limitation on examination expenses		(6,744)	(7,700)	(8,537)					
Federal Savings and Loan Insurance Corporation fund	517				−41,064	−49,509	−57,368		−57,368
Limitation on administrative expenses		(751)	(775)	(800)					
Home Owners' Loan Corporation fund	517				3	3	3		3
Proposed for later transmission:									
Under proposed legislation: Federal Savings and Loan Insurance Corporation fund: Premium rate increase	517						−27,633		−27,633
Total, Federal Home Loan Bank Board					−41,009	−49,692	−84,839		−84,839
FEDERAL MEDIATION AND CONCILIATION SERVICE									
Current authorizations:									
Salaries and expenses	211	3,879	3,905	4,093	3,990	3,894	4,082	$3,847	235
FEDERAL POWER COMMISSION									
Current authorizations:									
Salaries and expenses	401	6,932	7,218	7,795	6,918	7,320	7,743	7,417	326
Permanent authorizations:									
Payments to States under Federal Power Act (indefinite special fund)	401	59	57	61	49	59	57	57	
Total, Federal Power Commission		6,991	7,275	7,856	6,967	7,379	7,800	7,474	326
FEDERAL TRADE COMMISSION									
Current authorizations:									
Salaries and expenses	519	6,488	6,840	7,600	6,687	6,789	7,525	7,100	425
FOREIGN CLAIMS SETTLEMENT COMMISSION									
Current authorizations:									
Salaries and expenses	610	611	408	260	619	411	255	216	39
Payment of Korean claims	610		6			5	3		3
Total, Foreign Claims Settlement Commission		611	414	260	619	416	258	216	42
GENERAL ACCOUNTING OFFICE									
Current authorizations:									
Salaries and expenses	604	39,020	41,800	41,150	40,034	40,266	41,000	38,046	2,954
HISTORICAL AND MEMORIAL COMMISSIONS									
Current authorizations:									
Boston National Historic Sites Commission	405	20	20		20	20	1		1
Civil War Centennial Commission	610	86	100	100	88	100	100	83	17
Reappropriation	610	14							
Corregidor Bataan Memorial Commission	610	4		40	6		40	40	
Franklin Delano Roosevelt Memorial Commission	610		150			20	137		137
Hudson-Champlain Celebration Commission	610	50	25		22	50	3		3
Jamestown-Williamsburg-Yorktown Celebration Commission	610				6	15			
Lincoln Sesquicentennial Commission	610	350	145		192	271	24		24
Theodore Roosevelt Centennial Commission	610				42	4			
United States Territorial Expansion Memorial Commission	610		4			4			
Total, historical and memorial commissions		524	444	140	377	484	305	123	182
INDIAN CLAIMS COMMISSION									
Current authorizations:									
Salaries and expenses	602	178	180	196	169	183	196	191	5

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
							1961 estimate		
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	Total	From new obligational authority	From prior authority
INTERSTATE COMMERCE COMMISSION									
Current authorizations:									
Salaries and expenses	519	$18,748	$19,650	$20,500	$19,341	$19,561	$20,687	$19,463	$1,224
INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN									
Current authorizations:									
Contribution to Interstate Commission on the Potomac River Basin	213	5	5	5	5	5	5	5	----
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION									
Current authorizations:									
Salaries and expenses	513	86,286	91,400	[1] 167,560	86,679	93,000	165,000	155,000	10,000
Research and development	513	171,078	320,350	[1] 545,153	34,021	185,000	350,000	100,000	250,000
Construction and equipment	513	48,000	88,825	[1] 89,287	24,723	43,984	70,000	10,000	60,000
Construction and equipment, unitary plan	513	----	----	----	68	16	----	----	----
Proposed for later transmission:									
Under existing legislation:									
Research and development	513	----	12,000	----	----	2,000	10,000	----	10,000
Construction and equipment	513	----	11,000	----	----	1,000	5,000	----	5,000
Total, National Aeronautics and Space Administration	----	305,365	523,575	802,000	145,491	325,000	600,000	265,000	335,000
NATIONAL CAPITAL HOUSING AUTHORITY									
Current authorizations:									
Operation and maintenance of properties	516	38	40	----	35	43	----	----	----
Public enterprise funds:									
Operation and maintenance of properties	516	----	----	----	----	----	−6	----	−6
NATIONAL CAPITAL PLANNING COMMISSION									
Current authorizations:									
Salaries and expenses	609	243	400	408	241	400	408	376	32
Land acquisition, National Capital park, parkway, and playground system	609	----	2,286	2,425	1,234	2,000	4,298	2,425	1,873
Salaries and expenses, Washington regional mass transportation survey	609	----	----	----	121	45	----	----	----
Total, National Capital Planning Commission	----	243	2,686	2,833	1,595	2,445	4,706	2,801	1,905
NATIONAL LABOR RELATIONS BOARD									
Current authorizations:									
Salaries and expenses	211	13,257	14,730	17,300	12,580	14,435	16,955	15,756	1,199
Proposed for later transmission:									
Under existing legislation: Salaries and expenses	211	----	750	----	----	735	15	----	15
Total, National Labor Relations Board	----	13,257	15,480	17,300	12,580	15,170	16,970	15,756	1,214
NATIONAL MEDIATION BOARD									
Current authorizations:									
Salaries and expenses	211	1,432	1,437	1,555	1,393	1,421	1,545	1,420	125
NATIONAL SCIENCE FOUNDATION									
Current authorizations:									
Salaries and expenses:									
(Promotion of education in the sciences)	214	64,356	66,735	69,675	50,947	53,930	58,584	43,800	14,784
(Promotion of scientific research)	215	71,644	88,038	120,325	48,392	68,990	100,043	38,710	61,333
Salaries and expenses (special foreign currency program)	215	----	----	1,600	----	----	1,000	1,000	----
International Geophysical Year	215	2,500	----	----	7,423	1,750	----	----	----
Intragovernmental funds:									
Advances and reimbursements	215	----	----	----	−320	330	----	----	----
Total, National Science Foundation	----	138,500	154,773	191,600	106,442	125,000	159,627	83,510	76,117

[1] To carry out authorizing legislation to be proposed for 1961.

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
							1961 estimate		
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	Total	From new obligational authority	From prior authority
OUTDOOR RECREATION RESOURCES REVIEW COMMISSION									
Current authorizations:									
Salaries and expenses	405	$150	$850	$1,180	$61	$815	$1,130	$1,010	$120
PERMANENT COMMITTEE FOR THE OLIVER WENDELL HOLMES DEVISE									
Permanent authorizations:									
Oliver Wendell Holmes Devise Fund (indefinite special fund)	610	13	26	24	52	85	88	----------	88
RAILROAD RETIREMENT BOARD									
Current authorizations:									
Limitation on salaries and expenses (trust fund)	------	(9,374)	(9,460)	(9,485)					
RENEGOTIATION BOARD									
Current authorizations:									
Salaries and expenses	604	3,026	2,850	2,870	3,082	2,881	2,874	2,698	176
RIVER BASIN STUDY COMMISSION FOR SOUTH CAROLINA-GEORGIA-ALABAMA-FLORIDA									
Current authorizations:									
Salaries and expenses	401	150	740	1,600	51	700	1,500	1,386	114
RIVER BASIN STUDY COMMISSION FOR TEXAS									
Current authorizations:									
Salaries and expenses	401	170	800	1,300	38	740	1,200	1,099	101
SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION									
Public enterprise funds:									
Saint Lawrence Seaway Development Corporation fund	401	----------	----------	----------	15,358	7,200	3,800	----------	3,800
Limitation on administrative expenses, Saint Lawrence Seaway Development Corporation	------	(414)	(414)	(414)					
SECURITIES AND EXCHANGE COMMISSION									
Current authorizations:									
Salaries and expenses	519	7,705	8,100	8,900	7,898	8,003	8,800	8,300	500
SELECTIVE SERVICE SYSTEM									
Current authorizations:									
Salaries and expenses	211	29,557	29,278	32,950	30,308	28,221	32,275	29,454	2,821
SMALL BUSINESS ADMINISTRATION									
Current authorizations:									
Salaries and expenses	518	3,725	4,940	5,725	2,655	4,789	5,362	3,486	1,876
Grants for research and management counseling (indefinite special fund)	518	27,546	----------	----------	----------	2,562	973	----------	973
Public enterprise funds:									
Revolving fund:									
(Business loans) (current appropriation)	518	200,000	149,000	60,000	109,258	97,037	115,130	----------	115,130
(Disaster loans and relief) (current appropriation)	521	----------	1,000	----------	3,186	315	313	----------	313
Reconstruction Finance Corporation liquidation fund	518	----------	----------	----------	−5,239	−2,760	−1,322	----------	−1,322
Total, Small Business Administration	------	231,271	154,940	65,725	109,860	101,943	120,456	3,486	116,970

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
							1961 estimate		
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	Total	From new obligational authority	From prior authority
SMITHSONIAN INSTITUTION									
Current authorizations:									
Salaries and expenses	215	$7,588	$7,718	$7,768	$7,239	$8,138	$7,768	$5,916	$1,852
Additions to the Natural History Building	215			13,500	213	221	1,000	777	223
Museum of History and Technology	215				2,315	6,158	17,185		17,185
Salaries and expenses, National Gallery of Art	215	1,790	1,834	1,848	1,821	1,833	1,840	1,734	106
Intragovernmental funds:									
Advances and reimbursements, Smithsonian Institution	215				17	23			
Total, Smithsonian Institution		9,378	9,552	23,116	11,606	16,373	27,793	8,427	19,366
SUBVERSIVE ACTIVITIES CONTROL BOARD									
Current authorizations:									
Salaries and expenses	608	375	380	395	324	380	395	381	14
TARIFF COMMISSION									
Current authorizations:									
Salaries and expenses	151	1,959	2,135	2,455	2,004	2,108	2,420	2,298	122
TAX COURT OF THE UNITED STATES									
Current authorizations:									
Salaries and expenses	604	1,522	1,535	1,583	1,485	1,531	1,562	1,481	81
TENNESSEE VALLEY AUTHORITY									
Public enterprise funds:									
Tennessee Valley Authority fund:									
Current appropriation	401	16,850	14,904	20,520	7,130	34,533	72,957	20,520	52,437
Authorization to expend from debt receipts	401		750,000						
Total, Tennessee Valley Authority		16,850	764,904	20,520	7,130	34,533	72,957	20,520	52,437
UNITED STATES INFORMATION AGENCY									
Current authorizations:									
Salaries and expenses	153	101,674	101,557	105,800	102,478	101,821	105,510	90,988	14,522
Salaries and expenses (special foreign currency program)	153			3,493			900	900	
Acquisition and construction of radio facilities	153	14,750	9,000	9,200	1,432	5,000	9,000		9,000
Public enterprise funds:									
Informational media guarantee fund (current appropriation)	153	2,500	2,750	5,300	5,544	3,479	4,990	1,096	3,894
Proposed for later transmission:									
Under existing legislation: Salaries and expenses (special foreign currency program) [1]	153		4,927				4,000		4,000
Total, United States Information Agency		118,924	118,234	123,793	109,454	110,300	124,400	92,984	31,416
VETERANS ADMINISTRATION									
Current authorizations:									
General operating expenses	106	164,680	163,373	154,054	168,268	162,671	153,554	143,054	10,500
Medical administration and miscellaneous operating expenses	105	26,726	29,349	28,469	26,003	29,147	28,269	25,108	3,161
Inpatient care	105	769,318	792,079	817,021	766,309	785,795	812,000	762,480	49,520
Outpatient care	105	82,333	83,866	86,481	81,874	83,097	85,881	80,081	5,800
Maintenance and operation of supply depots	106	2,202	2,218	2,520	2,213	2,205	2,513	2,383	130
Compensation and pensions	103	3,273,300	3,300,000	3,840,000	3,274,568	3,302,050	3,840,000	3,837,000	3,000
Readjustment benefits:									
(Education and training)	101	547,074	480,480	285,912	573,693	455,480	315,949	283,097	32,852
(Other readjustment benefits)	102	132,126	104,520	124,088	132,126	104,520	124,088	124,088	
Veterans insurance and indemnities	104	51,100	53,000	48,800	51,770	52,875	50,657	48,437	2,220
Grants to the Republic of the Philippines	105	1,250	2,000	1,500	964	1,327	1,500	1,500	
Construction of hospital and domiciliary facilities	105	19,295	31,659	75,000	45,437	60,000	62,800	12,500	50,300
Permanent authorizations:									
Veterans insurance and indemnities (indefinite general fund)	104	687	690	685	687	690	685	685	

[1] Language to provide this appropriation is recommended in this document.

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
							1961 estimate		
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	Total	From new obligational authority	From prior authority
VETERANS ADMINISTRATION—Continued									
Public enterprise funds:									
Canteen service revolving fund	106				−$1,118	−$78	$23		$23
Direct loans to veterans and reserves:									
Current authorization to expend from debt receipts	517		$100,000		113,227	230,496	−12,153		−12,153
Permanent authorization to expend from debt receipts	517	$150,000	150,000						
Rental, maintenance, and repair of quarters	106				−24	1	1		1
Service-disabled veterans insurance fund	104				869	918	236		236
Soldiers' and sailors' civil relief (current appropriation)	102	1,300			1,312	352	17		17
Veterans special term insurance fund	104				−18,070	−18,703	−20,256		−20,256
Vocational rehabilitation revolving fund	106				5				
Intragovernmental funds:									
Supply fund	106				11,831	286	−116		−116
Proposed for later transmission:									
Under existing legislation:									
General operating expenses	106		2,817			2,817			
Inpatient care	105		6,326			6,326			
Maintenance and operation of supply depots	106		34			34			
Compensation and pensions	103		105,000			105,000			
Total, Veterans Administration		5,221,391	5,407,411	$5,464,530	5,231,942	5,367,307	5,445,648	$5,320,413	125,235
Total new obligational authority and budget expenditures		9,561,825	10,766,100	10,400,251	9,315,387	9,492,690	10,180,785	7,958,762	2,222,023
RECAPITULATION									
Enacted or recommended in this document:									
Current authorizations:									
Appropriations		$9,215,667	$9,338,361	$10,239,186					
Appropriations to liquidate contract authorizations		(102,844)	(106,000)	(148,984)					
Authorizations to expend from debt receipts			850,000						
Reappropriations		78,004	152,369	23,000	$9,315,387	$9,363,778	$10,189,233	$7,958,592	$2,230,641
Permanent authorizations:									
Appropriations		2,756	3,108	3,250					
Authorizations to expend from debt receipts		150,000	150,000						
Contract authorizations		115,398	129,408	134,640					
Proposed for later transmission:									
Appropriations			142,854	175		128,912	−8,448	170	−8,618
Appropriations to liquidate contract authorizations			(11,000)						
Total new obligational authority and budget expenditures		9,561,825	10,766,100	10,400,251	9,315,387	9,492,690	10,180,785	7,958,762	2,222,023

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EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

[In thousands]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1959	1960	1961	1959	1960	1961	1959	1960	1961
ATOMIC ENERGY COMMISSION										
Defense production guarantees	518	$1	$1	$1	$61	$24	$3	−$61	−$23	−$2
EXPORT-IMPORT BANK OF WASHINGTON										
Export-Import Bank of Washington fund	152	819,598	813,419	722,108	423,084	863,419	722,108	396,514	−50,000	
Liquidation of certain Reconstruction Finance Corporation assets	152	317	195	74	6,433	6,282	7,384	−6,116	−6,087	−7,310
Total, Export-Import Bank of Washington		819,915	813,614	722,182	429,517	869,701	729,492	390,398	−56,087	−7,310
FARM CREDIT ADMINISTRATION										
Federal Farm Mortgage Corporation fund	352	7	3	3	2,042	1,669	1,742	−2,035	−1,666	−1,738
Federal intermediate credit banks investment fund	352	11,300	10,500	11,000				11,300	10,500	11,000
Production credit associations investment fund	352	835	4,900	5,000	880	2,000	1,600	−45	2,900	3,400
Agricultural marketing revolving fund	352				6,791	8,459	7,500	−6,791	−8,459	−7,500
Total, Farm Credit Administration		12,142	15,403	16,003	9,713	12,128	10,842	2,429	3,275	5,162
FEDERAL HOME LOAN BANK BOARD										
Revolving fund	517	8,884	9,908	11,001	8,832	10,095	10,842	52	−186	159
Federal Savings and Loan Insurance Corporation fund	517	1,512	1,526	1,688	42,576	51,035	59,055	−41,064	−49,509	−57,368
Proposed for later transmission	517						27,633			−27,633
Home Owners' Loan Corporation fund	517	3	3	3				3	3	3
Total, Federal Home Loan Bank Board		10,399	11,437	12,692	51,408	61,130	97,530	−41,009	−49,692	−84,839
NATIONAL CAPITAL HOUSING AUTHORITY										
Operation and maintenance of properties	516			42			48			−6
SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION										
Saint Lawrence Seaway Development Corporation fund	401	16,267	12,677	8,596	910	5,477	4,796	15,358	7,200	3,800
SMALL BUSINESS ADMINISTRATION										
Revolving fund:										
(Business loans)	518	182,330	208,125	257,394	73,072	111,088	142,264	109,258	97,037	115,130
(Disaster loans and relief)	521	14,541	14,559	16,262	11,355	14,244	15,949	3,186	315	313
Reconstruction Finance Corporation liquidation fund	518	1,079	874	775	6,318	3,634	2,097	−5,239	−2,760	−1,322
Total, Small Business Administration		197,950	223,558	274,431	90,745	128,966	160,310	107,205	94,592	114,121
TENNESSEE VALLEY AUTHORITY										
Tennessee Valley Authority fund	401	276,327	313,063	368,196	269,197	278,530	295,239	7,130	34,533	72,957
UNITED STATES INFORMATION AGENCY										
Informational media guarantee fund	153	10,773	9,436	9,904	5,230	5,958	4,914	5,544	3,479	4,990
VETERANS ADMINISTRATION										
Canteen service revolving fund	106	34,399	37,064	37,388	35,517	37,142	37,365	−1,118	−78	23
Direct loans to veterans and reserves	517	200,239	348,966	131,184	87,012	118,470	143,337	113,227	230,496	−12,153
Rental, maintenance, and repair of quarters	106	101	110	108	125	109	107	−24	1	1
Service-disabled veterans insurance fund	104	3,701	5,632	6,725	2,832	4,714	6,489	869	918	236
Soldiers and sailors civil relief	102	1,460	355	19	148	2	2	1,312	352	17
Veterans special term insurance fund	104	5,834	8,651	9,392	23,903	27,355	29,648	−18,070	−18,703	−20,256
Vocational rehabilitation revolving fund	106	347	300	300	342	300	300	5		
Total, Veterans Administration		246,079	401,078	185,116	149,878	188,092	217,248	96,201	212,986	−32,132
Total, public enterprise funds		1,589,853	1,800,267	1,597,163	1,006,659	1,550,006	1,520,422	583,195	250,263	76,742

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ANALYSIS OF UNEXPENDED BALANCES

[In thousands]

Description	Balance, start of 1959		Balance, start of 1960		Balance, start of 1961		Balance, start of 1962	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document:								
Appropriations:								
Salaries and expenses, Alaska International Rail and Highway Commission	$19	$24	$223	$225	$50	$70	----------	$10
Construction of memorials and cemeteries, American Battle Monuments Commission	5,268	7,478	3,685	5,153	1,885	3,353	$585	1,853
Operating expenses, Atomic Energy Commission	----------	821,547	----------	815,244	----------	916,727	----------	958,027
Plant acquisition and construction, Atomic Energy Commission	222,864	480,210	209,916	515,158	----------	517,658	----------	453,158
Construction, Central Intelligence Agency	44,273	49,240	6,941	42,988	5,355	26,988	3,661	7,788
Salaries and expenses, Commission on International Rules of Judicial Procedure	----------	----------	25	25	----------	----------	----------	----------
Administrative expenses, Farm Credit Administration	987	1,188	940	1,063	940	1,071	940	1,063
Expenses, Federal Aviation Agency	----------	23,711	----------	26,650	----------	34,951	----------	45,351
Establishment of air navigation facilities, Federal Aviation Agency	21,406	151,287	76,735	211,706	64,935	229,906	89,935	284,906
Research and development, Federal Aviation Agency	----------	14,484	2,038	24,002	----------	36,727	----------	51,727
Construction, National Capital airports, Federal Aviation Agency	542	1,031	170	408	----------	100	1,470	4,300
Construction and development, additional Washington airport, Federal Aviation Agency	6,062	11,275	31,420	52,519	220	30,230	----------	----------
Claims, Federal Airport Act, Federal Aviation Agency	103	324	4	94	----------	----------	----------	----------
Franklin Delano Roosevelt Memorial Commission	7	7	7	7	134	137	----------	----------
Hudson-Champlain Celebration Commission	----------	----------	26	28	----------	3	----------	----------
Theodore Roosevelt Centennial Commission	44	47	4	4	----------	----------	----------	----------
Research and development, National Aeronautics and Space Administration	----------	----------	20,936	162,599	20,000	297,949	25,000	493,102
Construction and equipment, National Aeronautics and Space Administration	29,431	53,269	39,414	76,545	30,070	121,386	21,570	140,673
Construction and equipment, unitary plan, National Aeronautics and Space Administration	118	190	106	122	----------	----------	----------	----------
Land acquisition, National Capital park, parkway, and playground system, National Capital Planning Commission	2,066	2,820	835	1,587	1,000	1,873	----------	----------
Salaries and expenses, Washington regional mass transportation survey, National Capital Planning Commission	57	169	----------	45	----------	----------	----------	----------
Salaries and expenses, National Science Foundation	1,329	32,962	4,389	69,623	----------	101,476	----------	132,849
International Geophysical Year, National Science Foundation	5,140	6,673	1,708	1,750	----------	----------	----------	----------
Outdoor Recreation Resources Review Commission	----------	----------	75	89	----------	124	----------	174
Oliver Wendell Holmes devise fund, Permanent Committee for the Oliver Wendell Holmes Devise	409	410	370	370	311	311	247	247
Grants for research and management counseling, Small Business Administration	----------	----------	25,644	27,546	----------	1,421	----------	448
Additions to the Natural History Building, Smithsonian Institution	219	657	194	444	155	224	1,678	12,723
Museum of History and Technology, Smithsonian Institution	34,532	35,582	32,804	33,267	6,239	27,108	3,514	9,923
Acquisition and construction of radio facilities, United States Information Agency	4,406	5,655	14,122	18,973	4,708	22,973	9,200	23,173
Medical administration and miscellaneous operating expenses, Veterans Administration	23	2,823	66	2,998	----------	3,200	----------	3,400
Inpatient care, Veterans Administration	----------	55,091	----------	44,236	----------	50,520	----------	55,541
Compensation and pensions, Veterans Administration	4,483	6,318	2,170	5,050	----------	3,000	----------	3,000
Readjustment benefits, Veterans Administration	32,472	34,470	5,665	7,852	30,665	32,852	----------	2,815
Veterans insurance and indemnities, Veterans Administration	2,792	2,766	1,891	2,096	2,220	2,220	363	363
Construction of hospital and domiciliary facilities, Veterans Administration	108,854	169,328	65,124	143,187	55,783	114,846	41,812	127,046
Other	----------	100,933	----------	74,963	----------	60,672	----------	69,980
Total, appropriations	527,906	2,071,969	547,647	2,368,616	224,670	2,640,076	199,975	2,883,640
Authorizations to expend from debt receipts:								
Export-Import Bank of Washington fund	3,223,715	4,492,000	3,175,481	4,077,400	2,788,843	4,104,700	2,436,320	4,082,200
Investment in Federal Deposit Insurance Corporation	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Investment in Federal home loan banks	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Federal Savings and Loan Insurance Corporation fund, Federal Home Loan Bank Board	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Saint Lawrence Seaway Development Corporation fund	31,678	43,300	25,812	27,500	17,661	20,300	13,944	16,500
Tennessee Valley Authority fund	----------	----------	----------	----------	662,762	750,000	524,754	635,000
Informational media guarantee fund, United States Information Agency	1,816	11,188	494	8,177	560	7,413	370	7,717
Total, authorizations to expend from debt receipts	8,007,209	9,296,488	7,951,787	8,863,077	8,219,826	9,632,413	7,725,388	9,491,417
Contract authorizations:								
Payments to air carriers, Civil Aeronautics Board	----------	----------	----------	1,686	----------	8,052	----------	8,700
Grants-in-aid for airports, Federal Aviation Agency	57,880	113,500	47,924	128,500	35,924	133,000	23,924	116,000
Total, contract authorizations	57,880	113,500	47,924	130,186	35,924	141,052	23,924	124,700

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ANALYSIS OF UNEXPENDED BALANCES—Continued

[In thousands]

Description	Balance, start of 1959		Balance, start of 1960		Balance, start of 1961		Balance, start of 1962	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document—Continued								
Revolving and management funds:								
Federal intermediate credit banks investment fund, Farm Credit Administration	$39,400	$39,400	$28,100	$28,100	$17,600	$17,600	$6,600	$6,600
Production credit associations investment fund, Farm Credit Administration	56,090	56,090	56,135	56,135	53,235	53,235	49,835	49,835
Agricultural marketing revolving fund, Farm Credit Administration	44,328	44,328	51,119	51,119	59,579	59,579	67,079	67,079
Federal Savings and Loan Insurance Corporation fund, Federal Home Loan Bank Board	289,535	296,851	305,346	312,349	353,974	361,858	410,264	419,225
Revolving fund, Small Business Administration	12,605	100,072	145,998	187,628	171,096	240,276	82,207	184,833
Tennessee Valley Authority fund	−9,811	66,150	−5,595	73,955	4,847	54,326	3,329	65,889
Direct loans to veterans and reserves, Veterans Administration	97,443	143,522	104,084	180,295	78,342	199,799	93,097	128,952
Veterans special term insurance fund, Veterans Administration	43,479	48,805	61,337	66,875	79,705	85,579	99,544	105,835
Other	4,097	45,281	9,020	28,368	5,945	24,460	5,970	24,179
Total, revolving and management funds	577,166	840,499	755,544	984,824	824,323	1,096,712	817,925	1,052,427
Proposed for later transmission:								
Appropriations:								
Research and development, National Aeronautics and Space Administration						10,000		
Construction and equipment, National Aeronautics and Space Administration						10,000		5,000
Salaries and expenses (special foreign currency program), United States Information Agency					1,897	4,927	706	927
Other						15		5
Total, appropriations					1,897	24,942	706	5,932
Revolving and management funds: Federal Savings and Loan Insurance Corporation fund, Federal Home Loan Bank Board							27,633	27,633
Total, proposed for later transmission					1,897	24,942	28,339	33,565
Total, independent offices	9,170,161	12,322,456	9,302,900	12,346,704	9,306,640	13,535,195	8,795,551	13,585,749

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

Description	1959 actual	1960 estimate	1961 estimate
Balances brought forward at start of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	$2,071,969	$2,368,616	$2,640,076
Authorizations to expend from debt receipts	9,296,488	8,863,077	9,632,413
Contract authorizations	113,500	130,186	141,052
Revolving and management funds	840,499	984,824	1,096,712
Proposed for later transmission: Appropriations			24,942
Total balances brought forward	12,322,456	12,346,704	13,535,195
New obligational authority:			
Enacted or recommended in this document:			
Current authorizations:			
Appropriations	9,215,667	9,338,361	10,239,186
Appropriations to liquidate contract authorizations	(102,844)	(106,000)	(148,984)
Authorizations to expend from debt receipts		850,000	
Reappropriations	78,004	152,369	23,000
Total new obligational authority under current authorizations	9,293,671	10,340,730	10,262,186
Permanent authorizations:			
Appropriations	2,756	3,108	3,250
Authorizations to expend from debt receipts	150,000	150,000	
Contract authorizations	115,398	129,408	134,640
Total new obligational authority under permanent authorizations	268,154	282,516	137,890
Total new obligational authority enacted or recommended	9,561,825	10,623,246	10,400,076
Proposed for later transmission:			
Appropriations		142,854	175
Appropriations to liquidate contract authorizations		(11,000)	
Total new obligational authority	9,561,825	10,766,100	10,400,251
Other amounts available:			
Net transfers of balances from other agencies	25,541		
Appropriations available in prior years	−19,491		
Total other amounts available	6,050		
Total budget authorizations available	21,890,331	23,112,804	23,935,446
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	9,315,387	9,363,778	7,958,592
Out of balances of prior obligational authority			2,230,641
Total expenditures from obligational authority enacted or recommended	9,315,387	9,363,778	10,189,233
From obligational authority proposed for later transmission:			
Out of new obligational authority		128,912	170
Out of balances of prior obligational authority			−8,618
Total expenditures from obligational authority proposed for later transmission		128,912	−8,448
Total budget expenditures	9,315,387	9,492,690	10,180,785
Amounts no longer available:			
Unobligated balances rescinded		23,564	
Unobligated balances expiring and lapsing	164,734	30,630	89,119
Capital transfers from revolving funds to receipt accounts	58,987	29,184	77,785
Adjustment of balances downward in expired accounts, net	4,519	1,542	2,008
Total amounts no longer available	228,240	84,920	168,912
Balances carried forward at close of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	2,368,616	2,640,076	2,883,640
Authorizations to expend from debt receipts	8,863,077	9,632,413	9,491,417
Contract authorizations	130,186	141,052	124,700
Revolving and management funds	984,824	1,096,712	1,052,427
Proposed for later transmission:			
Appropriations		24,942	5,932
Revolving and management funds			27,633
Total balances carried forward at close of year	12,346,704	13,535,195	13,585,749
Obligations incurred, net	$9,211,415	$10,678,982	$10,744,436

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[ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS]

Current authorizations:

[ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS]

[For expenses necessary for the Advisory Commission on Intergovernmental Relations, $50,000: *Provided*, That this appropriation shall be effective only upon the enactment into law of H.R. 6904.] (*Mutual Security Appropriation Act, 1960.*)

Appropriated 1960, **$50,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Continuing attention to intergovernmental relations (object class undistributed)		$50,000	
Financing:			
Appropriation (new obligational authority)		50,000	

This Commission, authorized by Public Law 86–380, approved September 24, 1959, will give continuing attention to interrelations of Federal, State, and local governments. A supplemental appropriation for 1961 is anticipated under Proposed for later transmission.

Proposed for later transmission:

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Continuing attention to intergovernmental relations (total obligations)			$175,000
Financing:			
Proposed supplemental appropriation			175,000

Under existing legislation, 1961.—When the Commission has had an opportunity to review its financial requirements, a supplemental appropriation presently estimated at $175,000 is anticipated to finance its requirements in 1961.

[ALASKA INTERNATIONAL RAIL AND HIGHWAY COMMISSION]

Current authorizations:

[SALARIES AND EXPENSES]

[Funds available under this heading shall remain available until June 30, 1961.] (*Supplemental Appropriation Act, 1960.*)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Study of rail and highway routes (total obligations)	$28,268	$173,000	$49,683
Financing:			
Unobligated balance brought forward	−18,605	−222,683	−49,683
Unobligated balance carried forward	222,683	49,683	
Unobligated balance no longer available	7,654		
Appropriation (new obligational authority)	240,000		

The Commission was established to study the economic and military feasibility of additional rail and highway connections between the United States and Alaska. The final report will be submitted to Congress no later than June 1, 1961.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	4	2	2
Average number of all employees	2	2	2
Number of employees at end of year	2	2	0
Average salary of ungraded positions	$10,006	$11,745	$11,818
01 Personal services:			
Permanent positions	$23,634	$23,636	$23,800
Positions other than permanent		814	800
Other personal services	54	180	
Total personal services	23,688	24,630	24,600
02 Travel	140	21,440	18,483
04 Communication services	592	840	800
06 Printing and reproduction	786	1,470	2,800
07 Other contractual services	739	122,107	600
08 Supplies and materials	549	560	600
09 Equipment	465	450	200
11 Grants, subsidies, and contributions	1,309	1,500	1,600
15 Taxes and assessments		3	
Total obligations	28,268	173,000	49,683

AMERICAN BATTLE MONUMENTS COMMISSION

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, of the American Battle Monuments Commission, including the acquisition of land or interest in land in foreign countries; purchase and repair of uniforms for caretakers of national cemeteries and monuments outside of the United States and its Territories and possessions; not to exceed [$70,000] *$69,000* for expenses of travel; rent of office and garage space in foreign countries; *purchase (one for replacement only) and* hire of passenger motor vehicles; and insurance of official motor vehicles in foreign countries when required by law of such countries; [$1,295,000] *$1,320,000*: *Provided*, That where station allowance has been authorized by the Department of the Army for officers of the Army serving the Army at certain foreign stations, the same allowance shall be authorized for officers of the Armed Forces assigned to the Commission while serving at the same foreign stations, and this appropriation is hereby made available for the payment of such allowance: *Provided further*, That when traveling on business of the Commission, officers of the Armed Forces serving as members or as secretary of the Commission may be reimbursed for expenses as provided for civilian members of the Commission: *Provided further*, That the Commission shall reimburse other Government agencies, including the Armed Forces, for salary, pay, and allowances of personnel assigned to it. (*General Government Matters Appropriation Act, 1960.*)

Appropriated 1960, **$1,295,000** Estimate 1961, **$1,320,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Administration	$89,972	$93,822	$94,000
2. World War I memorials and cemeteries	387,595	390,307	382,200
3. World War II memorials and cemeteries	775,492	802,364	835,300
4. Latin-American memorials and cemeteries	8,914	8,507	8,500
Total obligations	1,261,973	1,295,000	1,320,000
Financing:			
Unobligated balance no longer available	6,027		
Appropriation (new obligational authority)	1,268,000	1,295,000	**1,320,000**

The American Battle Monuments Commission maintains cemeteries and memorials located in battle areas to commemorate the participation of American Armed Forces in the campaigns of World War I and World War II. Interred in the cemeteries are the remains of 125,612 servicemen who lost their lives in battle, and an addi-

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AMERICAN BATTLE MONUMENTS COMMISSION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

tional 91,614 dead whose remains were not recovered are commemorated by memorial structures inscribed with their names. There are 8 cemeteries, each with a memorial chapel, and 11 memorials outside the cemeteries at World War I sites, and 14 cemeteries and memorials at World War II sites. In addition, the Commission maintains the U.S. National Cemetery, Mexico City, Mexico, and the Santiago, Cuba, Surrender Tree Site.

Large numbers of American and local citizens visit the cemeteries and memorials annually to pay homage and to see these points of historic and artistic interest.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	420	406	405
Full-time equivalent of all other positions	25	30	30
Average number of all employees	438	435	435
Number of employees at end of year	430	430	430
Average GS grade and salary	6.1 $5,039	6.1 $5,062	6.2 $5,087
Average salary of ungraded positions	$1,477	$1,554	$1,656
01 Personal services:			
Permanent positions	$772,439	$783,587	$808,689
Positions other than permanent	28,858	40,716	40,772
Other personal services	91,763	110,390	90,539
Total personal services	893,060	934,693	940,000
02 Travel	55,477	58,132	69,000
03 Transportation of things	6,608	6,700	7,500
04 Communication services	9,833	8,704	9,100
05 Rents and utility services	38,473	36,794	38,000
06 Printing and reproduction	4,966	3,500	4,300
07 Other contractual services	67,036	74,030	79,100
08 Supplies and materials	124,643	116,350	117,000
09 Equipment	26,558	17,875	18,000
11 Grants, subsidies, and contributions	35,319	38,222	38,000
Total obligations	1,261,973	1,295,000	1,320,000

CONSTRUCTION OF MEMORIALS AND CEMETERIES

[Not to exceed $160,000 of funds heretofore appropriated under this head shall be available for necessary expenses of appropriate dedications of World War I and II memorials, erected under the authority of the Act of July 25, 1956 (36 U.S.C. 123), including travel and such other purposes as the Commission may deem necessary and proper, and such amount may be expended without regard to the provisions of other laws or regulations relating to the expenditure of public funds (except that this exemption shall not be construed as waiving the requirement for the submission of accounts and vouchers to the General Accounting office for audit): *Provided*, That, when in the discretion of the head of any other Government agency it would be in the public interest, personnel, services, supplies, equipment, and facilities of such agency may be furnished without reimbursement to the Commission for the purposes of these dedications.]

During the current fiscal year, not to exceed [$5,000] *$1,000* of funds heretofore appropriated under this head shall be available for travel expenses (other than in connection with dedications of memorials). (*General Government Matters Appropriation Act, 1960.*)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Administration	$336,963	$213,196	$146,500
2. Construction:			
(a) European theater	486,257	209,370	45,000
(b) Mediterranean theater	29,957	42,512	10,000
(c) Pacific theater	348,290	1,225,922	957,500
(d) United States	381,424	25,000	65,000
3. Dedication of World War II memorials and cemeteries		84,000	76,000
Total obligations	1,582,891	1,800,000	1,300,000

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Financing:			
Unobligated balance brought forward	−$5,267,653	−$3,684,762	−$1,884,762
Unobligated balance carried forward	3,684,762	1,884,762	584,762
Appropriation (new obligational authority)			

This is the 12th year of a $36-million program of construction of 14 cemeteries and memorials in foreign countries to commemorate the services of the American Armed Forces in World War II. Nearly all the facilities will be built by the end of 1960. In the summer of 1960, eight cemeteries and memorials will be dedicated; the other six cemeteries were dedicated in 1956.

The 1961 construction program will finance the completion of memorials in the Hawaii National Cemetery and in New York City. The Hawaii memorial commemorates American dead of the Pacific theater of World War II and the Korean conflict whose remains were not recovered or identified. The east coast memorial in New York City will honor the World War II servicemen who lost their lives in the western Atlantic.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	70	43	9
Full-time equivalent of all other positions	23		
Average number of all employees	93	39	9
Number of employees at end of year	83	24	9
Average GS grade and salary	6.1 $5,039	6.1 $5,062	6.2 $5,087
Average salary of ungraded positions	$1,477	$1,554	$1,656
01 Personal services:			
Permanent positions	$135,149	$99,582	$58,927
Positions other than permanent	19,569		
Other personal services	140,527	87,607	74,073
Total personal services	295,245	187,189	133,000
02 Travel	6,972	3,955	1,000
03 Transportation of things	2,177	600	100
04 Communication services	52	40	
06 Printing and reproduction	805	400	200
07 Other contractual services	20,308	16,785	8,800
08 Supplies and materials	6,168		
09 Equipment	210		
10 Lands and structures	1,245,928	1,586,804	1,153,600
11 Grants, subsidies, and contributions	5,026	4,227	3,300
Total obligations	1,582,891	1,800,000	1,300,000

ATOMIC ENERGY COMMISSION

Current authorizations:

OPERATING EXPENSES

For necessary operating expenses of the Commission in carrying out the purposes of the Atomic Energy Act of 1954, as amended, including the employment of aliens; rental in or near the District of Columbia; services authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); purchase of equipment; purchase, maintenance, and operation of aircraft; publication and dissemination of atomic information; purchase, repair, and cleaning of uniforms; purchase of newspapers and periodicals (not to exceed $6,000); official entertainment expenses (not to exceed $30,000); not to exceed [$3,550,000] *$3,650,000* for expenses of travel; reimbursement of the General Services Administration for security guard services; not to exceed [$52,750,000] *$53,600,000* for personal services; purchase (not to exceed [three hundred and ninety-six] *four hundred and sixty*, of which [three hundred and sixty-six] *four hundred and thirty-seven* are for replacement only, including [one] *two* at not to exceed $4,000 *each*) and hire of passenger motor vehicles; [$2,389,114,000] *$2,427,300,000, which*, together with the unexpended balances, as of June 30, [1959] *1960*, of prior year appropriations made available under this head to the Atomic Energy Commission, and[, in addition,] any moneys (except sums received from disposal of property under the Atomic Energy Community

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Act of 1955 (42 U.S.C. 2301)) received by the Commission, notwithstanding the provisions of section 3617 of the Revised Statutes (31 U.S.C. 484), *shall remain available until expended*: *Provided*, That of such amounts $100,000 may be expended for objects of a confidential nature and in any such case the certificate of the Commission as to the amount of the expenditure and that it is deemed inadvisable to specify the nature thereof shall be deemed a sufficient voucher for the sum therein expressed to have been expended: *Provided further*, That from this appropriation transfers of sums may be made to other agencies of the Government for the performance of the work for which this appropriation is made, and in such cases the sums so transferred may be merged with the appropriation to which transferred: *Provided further*, [That of the funds appropriated herein, $2,000,000 shall be transferred to and merged with funds appropriated to the National Science Foundation: *Provided further*,] That no part of this appropriation shall be used in connection with the payment of a fixed fee to any contractor or firm of contractors engaged under a cost-plus-a-fixed-fee contract or contracts at any installation of the Commission, where that fee for community management is at a rate in excess of $90,000 per annum, or for the operation of a transportation system where that fee is at a rate in excess of $45,000 per annum: [*Provided further*, That in the event the Commission deems it desirable to design and construct at a Commission installation any power reactor prototype for which cooperative arrangements are authorized under the Commission's authorization Act for the fiscal year 1960, as part of the cooperative power reactor demonstration program, and for which direct construction by the Commission is authorized as an alternative to a cooperative arrangement, not to exceed $16,000,000 of the amount appropriated herein may be transferred to the appropriation for "Plant acquisition and construction"] *Provided further, That the annual accrued expenditures under this appropriation account, covering amounts becoming payable as a result of obligations incurred both in the current fiscal year and in prior fiscal years, shall not exceed $2,466,195,000: Provided further, That this limitation shall not include annual accrued expenditures attributable to reimbursable work performed under this appropriation account for other Federal agencies. (42 U.S.C. 2011, 2291; Atomic Energy Commission Appropriation Act, 1960.)*

Appropriated 1960, **$2,389,114,000** Estimate 1961, **$2,427,300,000**
Appropriated (adjusted) 1960, **$2,387,114,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Raw materials	$705,512,144	$733,646,000	$630,000,000
2. Special nuclear materials	541,303,455	563,000,000	567,700,000
3. Weapons	484,879,166	492,100,000	495,000,000
4. Reactor development	347,057,273	402,400,000	436,200,000
5. Physical research	114,645,885	147,644,000	158,900,000
6. Biology and medicine	42,007,757	49,000,000	54,200,000
7. Training, education, and information	13,033,893	13,500,000	14,200,000
8. Civilian applications of isotopes development and nuclear explosives	5,762,397	12,000,000	12,500,000
9. Communities	16,509,601	14,632,000	10,204,000
10. Program direction and administration	49,412,165	52,000,000	54,900,000
11. Security investigations	6,995,176	6,097,000	5,862,000
12. Other costs	5,559,672	5,800,000	6,500,000
13. Adjustment to prior year costs	−3,483,142		
Total program costs [1]	2,329,195,442	2,491,819,000	2,446,166,000
14. Relation of costs to accrued expenditures:			
Costs financed from accrued expenditures of other years, net (−)	−14,641,975	−8,866,760	
Expenditures accrued for costs of other years, net			20,029,000
Total accrued expenditures	2,314,553,467	2,482,952,240	2,466,195,000
Unpaid undelivered orders brought forward	−608,003,590	−641,038,142	−701,063,322
Adjustment of unpaid undelivered orders brought forward	−127,216		
Unpaid undelivered orders carried forward	641,038,142	701,063,322	707,768,322
Total program (obligations)	2,347,460,803	2,542,977,420	2,472,900,000
Financing:			
Comparative transfers to other accounts	516,185	356,000	
1959 appropriation available in 1958	1,129,167		
Advances and reimbursements from non-Federal sources (revenue applied)	−28,079,323	−26,850,000	−22,600,000
Unobligated balance no longer available	152,369,420	23,000,000	
New obligational authority	2,473,396,252	2,539,483,420	2,450,300,000

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
New obligational authority:			
Appropriation	$2,397,406,000	$2,389,114,000	$2,427,300,000
Transferred to "Salaries and expenses," National Science Foundation (72 Stat. 881; 73 Stat. 364)	−2,000,000	−2,000,000	
Appropriation (adjusted)	2,395,406,000	2,387,114,000	2,427,300,000
Reappropriation	77,990,252	152,369,420	23,000,000

[1] Includes capital outlay for equipment: 1959, $87,478,311; 1960, $93,358,000; 1961, $99,180,000. See table below.

The Commission procures raw materials; manufactures special nuclear materials and atomic weapons; develops improved weapons; conducts research and development aimed at generation of atomic power and protection of health against possible hazards arising from atomic energy operations; conducts investigations in the physical and life sciences related to atomic energy, including investigation of controlled thermonuclear reactions; establishes and enforces regulations for civilian uses of atomic energy; promotes industrial participation in atomic energy development for peaceful purposes; encourages scientific and industrial progress through the dissemination of atomic energy information; and participates in programs of international cooperation in peaceful applications of atomic energy.

The program is administered in the field through 12 major offices. Most of the Commission's activities are carried on in Government-owned facilities by industrial concerns and educational institutions operating under contracts. Coordination with the armed services is achieved through the Military Liaison Committee of the Department of Defense.

Total program costs in 1961 are estimated at $2,446.2 million, or $45.6 million less than the estimated 1960 costs of $2,491.8 million, and $117 million greater than actual costs of $2,329.2 million for 1959. In 1961, principal increases occur in civilian and military power and propulsion reactor development, and in research in the physical and biomedical sciences. These increases are offset by a major reduction in raw materials procurement.

In 1961, as in 1959 and 1960, total program obligations exceed program costs, the difference being obligations incurred for costs which will not materialize until future years. Total program obligations for operating expenses in 1961 are estimated to be $2,472.9 million compared to $2,543 million in 1960 and $2,347.5 million in 1959.

1. *Raw materials.*—Uranium ores and concentrates are procured for processing in the production facilities of the Commission. An estimated 31,566 tons of concentrates, of which more than half will come from domestic sources, will be obtained in 1961. This is a decrease of 3,768 tons under the 35,334 tons estimated to be procured in 1960. Procurement in 1959 was 33,326 tons. Resource evaluation will continue in the development of data on uranium reserves.

2. *Special nuclear materials.*—Uranium concentrates are processed into feed materials from which (*a*) plutonium is produced in the reactors at Hanford, Wash., and Savannah River, S.C., or (*b*) the isotope uranium 235 is extracted in plants at Oak Ridge, Tenn., Paducah, Ky., and Portsmouth, Ohio. Production of special nuclear materials will be at rates required to meet weapons production schedules and non-weapons requirements. Work will continue on process improvement to assure continuity and safety of operation and more economic methods of production.

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ATOMIC ENERGY COMMISSION—Continued

Current authorizations—Continued

OPERATING EXPENSES—Continued

3. *Weapons.*—This program encompasses the production of weapons; the maintenance of stockpiled weapons in a state of constant readiness; the development and design of new weapons types; and the maintenance of test areas on a standby basis. The production and development effort in 1961 will remain at essentially the 1959 and 1960 level.

4. *Reactor development.*—This program includes primarily the development of (*a*) reliable and economic civilian power reactors, including associated work on fuel element development and related technology, (*b*) commercial ship reactors, (*c*) power and propulsion reactors for a variety of military and space applications, and (*d*) nuclear technology for other civilian applications, such as the process heat reactors.

The costs by major category are:

Category:	*1959 actual*	*1960 estimate*	*1961 estimate*
Civilian power reactors:			
Government program	$84,628,520	$99,994,000	$97,900,000
Cooperative arrangements program	15,540,185	19,595,000	25,400,000
Euratom program	2,099	2,100,000	5,000,000
General supporting reactor research and development program	28,735,758	43,934,000	49,500,000
Subtotal, civilian power reactors	128,906,562	165,623,000	177,800,000
Merchant ship propulsion reactors	4,695,851	7,474,000	8,300,000
Army power reactors	9,009,951	11,958,000	15,000,000
Naval propulsion reactors	83,401,324	86,800,000	85,000,000
Aircraft propulsion reactors	66,850,575	62,832,000	73,000,000
Missile propulsion reactors	22,072,515	34,750,000	40,300,000
Satellite power sources	7,654,347	12,400,000	14,000,000
Operational services and equipment	24,466,148	20,563,000	22,800,000
Total, reactor development	347,057,273	402,400,000	436,200,000

The Commission's civilian power reactor program provides a foundation of technical knowledge through a program of research and development on promising reactor concepts; design, fabrication, and operation of power reactor experiments; the development of experimental reactors; and development of prototype powerplants usually on a cooperative basis with industry. Through the cooperative arrangements program, the Commission provides financial aid in development of full-scale power reactors built by private industry and public power bodies. This aid provides a basis for a privately financed nuclear power industry.

Costs of $5 million shown for Euratom are for research and development under a joint program with the European Atomic Energy Community for which $10 million has been authorized and appropriated in prior years.

To provide broad support primarily for civilian power reactor projects, the Commission's programs include general research and development on materials, components, moderators, control techniques, fuel elements, spent fuels reprocessing, and radioactive residues. Some of this work is also applicable to military reactor development programs. Increases are provided for developing improved fuel elements, reactor systems, and reactor components to accelerate development of economic power.

The Commission's program for 1961 includes the continuation of work to develop atomic powerplants for use in commercial vessels. The nuclear-powered merchant ship, the NS *Savannah*, is scheduled for completion in 1960, and will undergo test operations in 1961. Research and development work will continue.

Efforts will be continued to develop reactors to meet requirements of the Department of Defense and the National Aeronautics and Space Administration. These include propulsion reactors for submarines, surface combatant ships, military aircraft and missiles, space rockets, and transportable powerplants for the generation of electric power and heat in satellites and at remote military installations. Development of a new improved reactor concept for naval ship propulsion will be continued. Many of the advances in military reactor development contribute significantly to the civilian power program. Increased cost levels for these programs in 1961 are principally related to the missile and satellite programs, increased effort on nuclear aircraft applications, and development of advanced compact reactors under the Army reactor program.

The Commission also operates the National Reactor Testing Station in Idaho, including two test reactors which provide irradiation services for the Commission's programs, and for private industry on a reimbursable basis.

5. *Physical research.*—Basic and long-range investigations in the fields of physics, mathematics, chemistry, and metallurgy are undertaken to provide an ever-expanding fund of theoretical and practical knowledge in fields related to nuclear energy. Approximately 90 particle accelerators ranging in energy from several thousand electron volts to several billion electron-volts, are utilized in the program. Research and development directed toward the production of power from the controlled fusion of heavy hydrogen nuclei (controlled thermonuclear program) will continue. Approximately 72% of the research is conducted at 13 laboratories owned by or operated for the Commission, and the remainder, comprising approximately 500 projects, is supported in more than 140 universities, colleges, institutes, and independent laboratories. The budget provides increases in 1961 for research in nuclear physics, primarily for the operating and equipping of new particle accelerators in the multibillion electron volt range, and in chemistry and metallurgy.

6. *Biology and medicine.*—Research is conducted on the effect of radiation on living things. It includes investigations of the biological effects of radioactivity in the body and the development of methods for minimizing exposure to radioactive materials of all kinds and for minimizing and protecting against the injurious effects of radiation. Support is given to the development of methods of utilizing radioactive materials for human welfare, and to the diagnosis, treatment, and understanding of human diseases, such as cancer. Evaluation of the significance of human exposure to radioactivity from all sources is given special emphasis. Research provides the basis for establishment of standards to insure that the Commission's activities are conducted with safety.

The major portion of the research is carried on at 15 laboratories which are owned by or operated for the Commission, and the remainder, approximately 550 projects, is supported in more than 220 universities, colleges, hospitals, and independent laboratories. The program includes the operation of several facilities in the United States devoted to cancer research and two laboratories in Japan for the determination of long-term effects of atomic bombs on the population.

7. *Training, education, and information.*—This activity includes operation of special schools; conduct of specialized courses; granting of fellowships for graduate students; assistance to high schools, colleges, and universities; and dissemination of technical information, including participation in international conferences and exhibits on nuclear science and technology.

Two schools will be operated in 1961: The International Institute of Nuclear Science and Engineering at the

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Argonne National Laboratory and the Puerto Rico Training Center. Specialized courses are conducted at the Oak Ridge Institute of Nuclear Studies. In addition, at the New York Health and Safety Laboratory, at the Oak Ridge National Laboratory, and at the Shippingport reactor site, specialized courses including radiochemical and counting procedures and reactor hazards and supervisory instruction will be offered.

Under the fellowship program in 1961, approximately 150 college graduates, compared to 134 in 1960 and 117 in 1959, will receive assistance for graduate studies in reactor technology. Other fellowships are offered in the fields of radiological physics, industrial hygiene, and industrial medicine.

Assistance to schools to provide for educational programs in atomic energy will be continued. Grants are made to universities to help them acquire reactor training equipment, teaching aids, demonstration apparatus, and special laboratory equipment. University summer courses in general radiobiology are made available to high school science teachers, and special faculty training in reactor technology and radiobiology for university faculty members is provided.

To broaden the dissemination of information on matters relating to atomic energy, the Commission operates the technical information service, maintains libraries, performs translation services, and conducts tours with traveling atomic energy exhibits. The Commission arranges for nuclear exhibits at selected foreign conferences and exhibitions in order to demonstrate U.S. technology.

8. *Civilian applications of isotopes development and nuclear explosives.*—This program provides for Commission participation in development of isotopes and the peaceful uses of nuclear explosives (Project Plowshare).

The costs for these programs are:

	1959 actual	*1960 estimate*	*1961 estimate*
Isotope development	$3,131,576	$4,000,000	$4,500,000
Peaceful uses of nuclear explosives	2,630,821	8,000,000	8,000,000
Total	5,762,397	12,000,000	12,500,000

The first of these is directed at the development of principles of new and expanded applications for the use of radioisotopes and radiation in industry, agriculture, and medical products. It provides for participation in research and development projects with educational, industrial, and research organizations in developing this technology. Training in radiation technology is supported through special courses and equipment grants to universities.

The project Plowshare provides for the investigation and development of the peaceful uses of nuclear explosives, including research, development, and experimentation on specific applications. Applications include those for civil engineering, oil recovery, power and isotope production, mining, and development of unique scientific data.

9. *Communities.*—Under the provisions of the Atomic Energy Community Act of 1955 (Public Law 84–221), the communities of Oak Ridge, Tenn., and Richland, Wash., incorporated as cities as of June 1959 and December 1958, respectively. It is anticipated that all facilities will have been transferred to the newly incorporated cities or other local entities by the end of 1960, thereby ending Government ownership and operation of these communities. The 1961 estimates provide for the first full year of assistance payments to these communities under the provisions of Public Law 84–221.

The Commission will continue to operate the town of Los Alamos, N. Mex., with an estimated population in 1961 of 14,000 and provide limited community services at other locations.

The relationship between costs and revenue included under Advances and reimbursements from non-Federal sources (revenue applied) is indicated in the following table:

	1959 actual	*1960 estimate*	*1961 estimate*
Revenue	$13,188,623	$10,501,000	$5,697,000
Operating costs, including Atomic Energy Commission costs related to disposal	16,509,601	14,632,000	10,204,000
Excess of costs over revenue	3,320,978	4,131,000	4,507,000

10. *Program direction and administration.*—In addition to general management, this activity includes the negotiation and administration of contracts, and the establishment and enforcement of regulations for civilian uses of atomic energy, including the issuance of licenses. The costs under this activity represent 2.2% of total program costs in 1961 compared to 2.1% in 1960 and 1959. The increase of $2.9 million provides for higher average employment and, for the first time, funds to cover the costs of the Federal Employee Health Benefits Act of 1959 (Public Law 86–382).

11. *Security investigations.*—The Atomic Energy Act of 1954 requires background investigations of those persons proposed for access to restricted data of the atomic energy program. The number of full background investigations to be completed in 1961 is estimated at 16,225 compared with 17,258 for 1960 and 21,139 for 1959.

12. *Other costs.*—In furthering the objectives of the Atomic Energy Act of 1954 concerning the utilization of atomic energy for peaceful purposes, the Commission furnishes materials and services, apart from those which it provides normally for its own basic programs, to industrial organizations and other private parties. Costs for these are incurred only upon the request of others. Charges made for such products and services are reflected in the budget under Advances and reimbursements from non-Federal sources (revenue applied) and are applied as a source of funds, thereby reducing the amount of appropriations required. The items included are:

	1959 actual	*1960 estimate*	*1961 estimate*
Costs of products sold	$4,271,026	$4,515,000	$5,162,000
Costs of services performed	1,288,646	1,285,000	1,338,000
Total other funded costs (excluding depreciation)	5,559,672	5,800,000	6,500,000
Related revenue	7,750,870	8,160,000	8,600,000
Excess of revenue over funded costs	2,191,198	2,360,000	2,100,000

14. *Relation of costs to accrued expenditures.*—The relationship is derived from year-end balances of accrued resources as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Accrued resources at end of year: Inventories and items on order:				
Inventories of Atomic Energy Commission and integrated contractors (goods unconsumed by activities)	$186,634,182	$191,790,775	$185,798,000	$182,307,000
Advances (payments for goods and services on order not yet received):				
To other Federal agencies	4,556,161	3,451,772	3,451,772	3,451,772
To nonintegrated contractors	2,678,615	2,327,846	2,327,846	2,327,846
Prepaid expenses of Atomic Energy Commission and integrated contractors: Payments for:				
Collateral funds and other deposits	21,006,725	20,693,649	20,684,000	20,684,000
Goods and services on order not yet received	40,622,945	22,592,611	19,728,275	43,248,275
Total accrued resources at end of year	255,498,628	240,856,653	231,989,893	252,018,893
Accrued resources at start of year (−)		−255,498,628	−240,856,653	−231,989,893
Costs financed from accrued expenditures of other years, net (−)		−14,641,975	−8,866,760	
Expenditures accrued for costs of other years, net				20,029,000

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ATOMIC ENERGY COMMISSION—Continued

Current authorizations—Continued

OPERATING EXPENSES—Continued

The increase in 1961 over the 1960 estimate is related principally to increases in working capital balances related to procurement of uranium concentrates deferred until future years.

Unpaid undelivered orders.—The increase in unpaid undelivered orders balances in 1961 over 1960 is attributable primarily to higher operating levels for the reactor development and research programs.

Advances and reimbursements from non-Federal sources (revenue applied).—This item shown as a source of financing on the Program and financing schedule, reduces appropriation requirements and is obtained from services performed; the sale and lease of products, including sale and lease of nuclear materials produced as a part of the Commission's own basic program; the operation of the Atomic Energy Commission-owned communities and housing; the sale of special reactor materials; and products and services for which costs are incurred only upon the request of others and are included under Other costs. The items included are:

	1959 actual	*1960 estimate*	*1961 estimate*
Income from products sold and services performed the costs of which are included in program costs of current or prior years:			
Sale of source and special nuclear materials and related products	$1,351,404	$1,600,000	$1,032,000
Income from lease of materials and consumption charges for special nuclear materials	1,058,374	2,302,000	2,448,000
Income from sale of steam	2,222,888	1,560,000	2,060,000
Income from research hospitals	374,274	375,000	375,000
Income from training, education, and information	286,484	334,000	370,000
Income from communities	13,188,623	10,501,000	5,697,000
Miscellaneous income	1,846,406	2,018,000	2,018,000
Subtotal	20,328,453	18,690,000	14,000,000
Income from other products sold and services performed costs of which are incurred at request of others and included under Other costs:			
Products sold	6,719,118	6,568,000	6,920,000
Services performed	1,031,752	1,592,000	1,680,000
Subtotal	7,750,870	8,160,000	8,600,000
Total, Advances and reimbursements from non-Federal sources (revenue applied)	28,079,323	26,850,000	22,600,000

Equipment not included in construction projects.—Equipment not included in construction projects is budgeted under the individual operating programs, and such costs are included in the amounts shown for each program on the program and financing schedule.

A tabulation of capital outlays for equipment included in the operating programs is as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Equipment costs incurred:			
Raw materials	−$22,575	$50,000	$50,000
Special nuclear materials	20,519,997	22,342,000	22,323,000
Weapons	30,878,848	32,500,000	32,500,000
Reactor development	21,213,582	19,895,000	21,800,000
Physical research	11,322,334	14,145,000	18,183,000
Biology and medicine	1,788,516	1,956,000	2,188,000
Training, education, and information	446,350	524,000	386,000
Civilian applications of isotopes development and nuclear explosives	436,279	900,000	510,000
Communities	430,223	374,000	145,000
Program direction and administration	464,757	672,000	1,095,000
Total	87,478,311	93,358,000	99,180,000

Object Classification

	1959 actual	1960 estimate	1961 estimate
ATOMIC ENERGY COMMISSION			
Total number permanent positions	7,413	7,373	7,479
Full-time equivalent of all other positions	86	51	54
Average number of all employees	6,872	6,894	7,002
Number of employees at end of year	6,855	7,012	7,094
Average grade and salary, grades established by the Atomic Energy Commission	8.7 $7,126	8.9 $7,272	8.9 $7,346

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
01 Personal services:			
Permanent positions	$48,252,876	$49,656,845	$51,029,608
Positions other than permanent	492,300	366,000	400,000
Other personal services	1,971,793	2,261,155	2,170,392
Total personal services	50,716,969	52,284,000	53,600,000
02 Travel	2,837,707	3,339,000	3,650,000
03 Transportation of things	6,610,180	11,186,000	13,114,000
04 Communication services	4,673,953	4,472,000	4,680,000
05 Rents and utility services	209,981,716	212,889,000	214,557,000
06 Printing and reproduction	481,868	560,000	619,000
07 Other contractual services	1,232,117,590	1,326,548,647	1,305,624,000
Services performed by other agencies	24,832,863	29,196,000	31,276,000
08 Supplies and materials	694,324,709	769,156,000	703,318,000
09 Equipment	86,518,167	95,995,000	101,606,000
11 Grants, subsidies, and contributions	7,693,507	7,971,000	10,655,000
12 Pensions, annuities, and insurance claims	1,059		
13 Refunds, awards, and indemnities	23,598	68,000	71,000
15 Taxes and assessments	18,043	7,000	7,000
Unvouchered	432	100,000	100,000
1959 program obligated in 1958	−1,129,167		
Total, Atomic Energy Commission	2,319,703,194	2,513,771,647	2,442,877,000
ALLOCATION ACCOUNTS			
Total number of permanent positions	39	56	53
Full-time equivalent of all other positions	1	2	2
Average number of all employees	39	57	55
Number of employees at end of year	39	56	56
Average GS grade and salary	6.7 $5,565	6.9 $5,814	7.0 $5,909
01 Personal services:			
Permanent positions	$218,277	$315,795	$311,300
Positions other than permanent	2,312	7,000	7,000
Other personal services	22,174	23,605	15,500
Total personal services	242,763	346,400	333,800
02 Travel	427	1,021	1,000
03 Transportation of things	2,054	4,750	5,000
04 Communication services	320	700	700
05 Rents and utility services	583	1,300	1,400
07 Other contractual services	27,244,091	28,653,221	29,503,216
08 Supplies and materials	262,254	177,270	156,400
09 Equipment	698	1,200	1,000
11 Grants, subsidies, and contributions	4,247	19,711	20,284
13 Refunds, awards, and indemnities	165	100	100
15 Taxes and assessments	7	100	100
Total, allocation accounts	27,757,609	29,205,773	30,023,000
Total obligations	2,347,460,803	2,542,977,420	2,472,900,000
Obligations are distributed as follows:			
Atomic Energy Commission	$2,319,703,194	$2,513,771,647	$2,442,877,000
Department of State	−8,488		
Department of the Interior:			
Geological Survey	−2,316		
Bureau of Mines	163,712	369,553	350,000
Navy	−255	20,260	
Department of Health, Education, and Welfare (Public Health Service)	−117		
Army	27,605,073	28,815,960	29,673,000

PLANT ACQUISITION AND CONSTRUCTION

For expenses of the Commission, as authorized by law, in connection with the purchase and construction of plant and other expenses incidental thereto necessary in carrying out the purposes of the Atomic Energy Act of 1954, as amended, including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion; and hire of passenger motor vehicles; [$262,500,000] *$215,500,000*, to remain available until expended: *Provided, That not to exceed $10,000,000 of this appropriation may be transferred to the appropriation for "Operating expenses", if the Commission determines such transfer is necessary to carry out the purposes of the cooperative power reactor demonstration program authorized under the Commission's authorization Act for the fiscal year 1961. (42 U.S.C. 2017; 73 Stat. 81; Atomic Energy Commission Appropriation Act, 1960; authorizing legislation to be proposed for 1961.)*

Appropriated 1960, **$262,500,000** Estimate 1961, **$215,500,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Facilities for—			
1. Raw materials	$78,717	$100,000	$100,000
2. Special nuclear materials	76,410,307	159,755,000	56,966,000
3. Weapons	36,800,220	42,449,000	27,500,000
4. Reactor development	130,705,216	190,332,500	101,644,000

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Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
Facilities for—Continued			
5. Physical research	$41,099,069	$67,796,000	$23,000,000
6. Biology and medicine	2,198,127	3,772,000	4,300,000
7. Training, education, and information	896,209	1,043,000	150,000
8. Civilian applications of isotopes development and nuclear explosives		3,400,000	
9. Communities	2,282,149	3,227,000	1,240,000
10. Administration	656,968	691,000	600,000
Total obligations	291,126,982	472,565,500	215,500,000
Financing:			
Unobligated balance brought forward	−222,864,482	−209,915,500	
Recovery of prior year obligations	−28,249,000	−150,000	
Unobligated balance carried forward	209,915,500		
Appropriation (new obligational authority)	249,929,000	262,500,000	215,500,000

From this appropriation the Atomic Energy Commission constructs the plants and facilities necessary for its production, research and development, and supporting operations. Appropriations for plant acquisition and construction and for financial assistance in the development of reactors require specific authorization by the Congress. Of the new obligational authority being requested for 1961, $47.2 million applies to construction projects previously authorized, with the balance of $168.3 million being applicable to projects for which authorization is being requested in 1961.

The details of the 1961 estimates by activity are as follows:

1. *Raw materials.*—This activity provides for minor construction to support the Government-owned procurement installations.

2. *Special nuclear materials.*—This activity provides for additions, modifications, and improvements to feed materials plants, the gaseous diffusion plants, and the production reactor installations. Obligational requirements in 1961 include $25 million to complete the funding for the new production reactor at Hanford, Wash., already authorized.

3. *Weapons.*—This activity provides for the construction and modification of facilities for the production of weapons and for the development and engineering of new weapon types.

4. *Reactor development.*—This activity provides for the construction of laboratory buildings for fundamental engineering work on reactor concepts and materials, facilities for the housing of reactor experiments, civilian power experimental reactors generating electrical energy or producing over 10,000 kilowatts of heat, prototype power reactors as part of the cooperative arrangements program between the Commission and industry, prototype reactors for military purposes, and construction of testing and development installations. Funds provided in 1961 for new projects requiring authorization relate principally to construction of an additional civilian power prototype reactor under the cooperative power reactor demonstration program, an advanced test reactor, and test facilities for development of nuclear rocket and ramjet engines and long-lived power sources for space vehicles. Obligational requirements in 1961 include $22.2 million to complete the funding for projects already authorized, principally a power reactor to demonstrate nuclear superheat and a ground prototype for a naval natural circulation reactor.

The budget provides that funds available for the cooperative power reactor demonstration program may be transferred to Operating expenses, if the Commission determines that such transfer is necessary to carry out the purposes of that program as authorized in the Commission's authorization act for 1961. The funds transferred would be used to provide research and development assistance toward the construction of one or more power reactor prototypes by public or private utility groups.

5. *Physical research.*—This activity provides for construction of large research machines and laboratory buildings to further research in physics, chemistry, and metallurgy. It includes construction and modification of ultra-high energy particle accelerators in the multibillion electron-volt range, which will assist in obtaining new knowledge about the atomic nucleus and the elementary particles, and in 1961 construction of a high-flux isotope reactor for the production of transuranium elements.

6. *Biology and medicine.*—This activity provides for construction supporting biomedical research in atomic energy.

7. *Training, education, and information.*—This activity provides for construction in connection with the Commission's training program.

8. *Civilian applications of isotopes development and nuclear explosives.*—This activity provides for the construction of facilities required for the research and development directed toward the civilian applications of isotopes and the peaceful uses of nuclear explosives. No new obligational authority is being requested in 1961.

9. *Communities.*—This activity provides for improvements to facilities in the communities of Los Alamos and Sandia, N. Mex.

10. *Administration.*—This activity provides for improvements and modifications of administrative facilities at the Commission headquarters in Germantown, Md.

The costs to this appropriation and the financing of these projects are analyzed in the following table:

PROGRAM BY ACTIVITIES

[In thousands]

	Costs to this appropriation					*Analysis of 1961 financing*			
	Total estimate	*To June 30, 1958*	*1959 actual*	*1960 estimate*	*1961 estimate*	*Deduct selected resources start of year*	*Add selected resources end of year*	*Appropriation required for 1961*	*Appropriation required to complete*
1. Raw materials	$7,093	$5,807	$601	$560	$100	$25	$25	$100	------
2. Special nuclear materials	2,425,919	2,085,841	43,471	65,666	123,971	168,975	101,970	56,966	$5,000
3. Weapons	373,469	228,739	39,127	51,458	33,600	26,645	20,545	27,500	------
4. Reactor development	827,132	252,129	97,297	140,846	141,484	187,202	147,362	101,644	48,014
5. Physical research	204,144	35,875	22,124	39,514	47,152	68,681	44,529	23,000	14,950
6. Biology and medicine	19,105	7,670	1,263	2,932	4,570	2,940	2,670	4,300	------
7. Training, education, and information	4,800	149	1,253	2,673	675	575	50	150	------
8. Civilian applications of isotopes development and nuclear explosives	3,400	--------	--------	900	2,500	2,500	--------	--------	------
9. Communities	18,347	7,351	4,803	3,868	2,085	1,085	240	1,240	------
10. Administration	15,604	12,551	1,561	692	600	200	200	600	------
Estimated lag in construction costs	----------	----------	----------	−40,000	−65,000	40,000	105,000	--------	------
Total program costs	3,899,013	2,636,112	211,500	269,109	291,737	498,828	422,591	215,500	67,964
12. Relation of costs to obligations:									
Costs financed from obligations of other years, net (−)			--------	--------	−76,237				
Obligations incurred for costs of other years, net			79,627	203,456	--------				
Total program (obligations)			291,127	472,565	215,500				

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ATOMIC ENERGY COMMISSION—Continued

Current authorizations—Continued

PLANT ACQUISITION AND CONSTRUCTION—Continued

Relation of costs to obligations.—This relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

[In thousands]

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$242,732	$295,522	$498,828	$422,591
Selected resources at start of year (−)		−242,732	−295,522	−498,828
Recovery of prior year obligations and adjustment of selected resources reported at start of year		26,837	150	
Costs financed from obligations of other years, net (−)				−76,237
Obligations incurred for costs of other years, net		79,627	203,456	

Object Classification

	1959 actual	1960 estimate	1961 estimate
ATOMIC ENERGY COMMISSION			
03 Transportation of things	$19,818	$69,000	$38,000
04 Communication services	560	1,000	1,000
07 Other contractual services	7,654,541	20,554,000	21,638,000
Services performed by other agencies	8,707		
08 Supplies and materials	3,642,536	10,000,000	3,000,000
10 Lands and structures	273,438,663	437,189,914	190,023,000
13 Refunds, awards, and indemnities	61,853	100,000	100,000
Total, Atomic Energy Commission	284,826,678	467,913,914	214,800,000
ALLOCATION ACCOUNTS			
Total number of permanent positions	5	17	
Average number of all employees	3	16	
Number of employees at end of year	0	0	
Average GS grade and salary	6.2 $5,215	6.1 $5,230	
01 Personal services:			
Permanent positions	$18,810	$79,688	
Positions other than permanent	233	5,000	
Other personal services	233	812	
Total personal services	19,276	85,500	
02 Travel	1,188	5,041	
03 Transportation of things	6,640	517	
04 Communication services	28	129	
05 Rents and utility services	1,261	3,000	
06 Newspapers and periodicals	43		
07 Other contractual services	408,954	580,575	$700,000
Services performed by other agencies	5,633	5,000	
08 Supplies and materials	4,358,363	905	
10 Land and structures	1,498,903	3,970,919	
11 Grants, subsidies, and contributions	15		
Total, allocation accounts	6,300,304	4,651,586	700,000
Total obligations	291,126,982	472,565,500	215,500,000
Obligations are distributed as follows:			
Atomic Energy Commission	$284,826,678	$467,913,914	$214,800,000
Department of Agriculture (Soil Conservation Service)	13,209		
Department of Commerce:			
Bureau of Public Roads	110,399	13,804	
Maritime activities	1,202,820	3,044,758	
Department of the Interior (Bureau of Indian Affairs)	1,587		
General Services Administration	4,362,620		
Army	609,669	1,593,024	700,000

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations as follows:
"Research and development," Office of Civil and Defense Mobilization.
"Ship construction," maritime activities, Department of Commerce.
"Operation and maintenance, Navy."
"Shipbuilding and conversion, Navy."
"Navy management fund."
"Military construction, Army."
"Research, development, test, and evaluation, Army."
"Procurement of equipment and missiles, Army."
"Operation and maintenance, Army."
"Research and development," National Aeronautics and Space Administration.
"Research, development, test, and evaluation, Air Force."
"Procurement other than aircraft and missiles (Air Force)."
"Mutual security," funds appropriated to the President.

GENERAL PROVISIONS

Any appropriation available under this or any other Act to the Atomic Energy Commission may initially be used subject to limitations in this Act during the fiscal year [1960] *1961* to finance the procurement of materials, services, or other costs which are a part of work or activities for which funds have been provided in any other appropriation available to the Commission: *Provided,* That appropriate transfers or adjustments between such appropriations shall subsequently be made for such costs on the basis of actual application determined in accordance with generally accepted accounting principles.

Not to exceed 5 per centum of any appropriation herein may be transferred to any other such appropriation, but no such appropriation, except as otherwise provided herein, shall be increased by more than 5 per centum by any such transfers, and any such transfers shall be reported promptly to the Appropriations Committees of the House and Senate.

No part of any appropriation herein shall be used to confer a fellowship on any person who advocates or who is a member of an organization or party that advocates the overthrow of the Government of the United States by force or violence or with respect to whom the Commission finds, upon investigation and report by the Civil Service Commission on the character, associations, and loyalty of whom, that reasonable grounds exist for belief that such person is disloyal to the Government of the United States: *Provided,* That any person who advocates or who is a member of an organization or party that advocates the overthrow of the Government of the United States by force or violence and accepts employment or a fellowship the salary, wages, stipend, grant, or expenses for which are paid from any appropriation contained herein shall be guilty of a felony and, upon conviction, shall be fined not more than $1,000 or imprisoned for not more than one year, or both: *Provided further,* That the above penal clause shall be in addition to, and not in substitution for, any other provisions of existing law. (*42 U.S.C. 2011; Atomic Energy Commission Appropriation Act, 1960.*)

Public enterprise funds:

DEFENSE PRODUCTION GUARANTEES

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs: Administrative expenses (total costs—obligations) (object class 07)	$672	$1,000	$1,000
Financing:			
Amounts becoming available: Revenue and receipts: Guarantee and commitment fees	61,180	24,370	2,826
Unobligated balance brought forward	436,049	496,557	519,927
Total amounts available	497,229	520,927	522,753
Unobligated balance carried forward	496,557	519,927	521,753
Financing applied to program	672	1,000	1,000

Guarantees are given on loans made by private sources to provide construction funds and working capital for defense production plants. At the beginning of 1959 guaranteed credit amounting to $5.6 million was available to 3 borrowers; at year end $3.0 million was available to 2 borrowers. Guarantees of 75% to 95% were in force on these loans. It is estimated that in 1960 and 1961 guarantees will be in force on 2 loans for which the total amount of guaranteed credit available at the end of each year will be $1 million and $100,000, respectively.

Net earnings are retained to meet possible future losses (50 U.S.C. App. 2091 and 2092).

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Administrative expenses	$672	$1,000	$1,000
Increase in selected working capital		74	
Total gross expenditures	672	1,074	1,000

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Sources and Application of Funds (Operations)—Continued

	1959 actual	1960 estimate	1961 estimate
Receipts from operations (funds provided):			
Guarantee and commitment fees	$61,180	$24,370	$2,826
Decrease in selected working capital	74		
Total receipts from operations	61,254	24,370	2,826
Budget expenditures	−60,582	−23,296	−1,826

Revenue, Expense, and Retained Earnings

Revenue	$61,180	$24,370	$2,826
Expense	672	1,000	1,000
Net income for the year	60,508	23,370	1,826
Retained earnings, beginning of year	436,049	496,557	519,927
Retained earnings, end of year	496,557	519,927	521,753

Financial Condition

Assets:			
Cash with Treasury	$496,631	$519,927	$521,753
Liabilities:			
Current	74		
Government investment:			
Retained earnings	496,557	519,927	521,753

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash with Treasury	$436,049	$496,631	$519,927	$521,753
Obligated balance: Current liabilities		74		
Unobligated balance	436,049	496,557	519,927	521,753

NOTE.—U.S. share of guarantees and commitments outstanding are as follows: June 30, 1958, $5,086,307; 1959, $2,305,026; 1960, $714,453; and 1961, $37,500.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Sale of products	$10,611,363	$10,900,000	$8,975,000
2. Income from services	3,652,245	2,585,000	1,705,000
3. Miscellaneous income	2,315,007	1,715,000	1,620,000
Total obligations	16,578,615	15,200,000	12,300,000
Financing:			
Advances and reimbursements from—			
Other accounts	9,921,347	7,900,000	6,100,000
Non-Federal sources (5 U.S.C. 61(b); 42 U.S.C. 2011)	6,657,268	7,300,000	6,200,000
Total financing	16,578,615	15,200,000	12,300,000

Object Classification

Average number of employees	1		
Number of employees at end of year	0		
Average grade and salary, grades established by the Atomic Energy Commission	11.0 $9,345		
01 Personal services: Positions other than permanent	$10,216		
02 Travel	6,763		
07 Other contractual services	16,561,636	$15,200,000	$12,300,000
Total obligations	16,578,615	15,200,000	12,300,000

CENTRAL INTELLIGENCE AGENCY

Current authorizations:

CONSTRUCTION

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Design, specifications, and supervision	$155,697	$233,000	$193,800
2. Construction of building	36,834,045	1,300,000	1,500,000
3. Construction of roads	382,281	53,517	
Total obligations	37,372,023	1,586,517	1,693,800
Financing:			
Unobligated balance brought forward	−44,273,412	−6,941,389	−5,354,872
Recovery of prior year obligations	−40,000		
Unobligated balance carried forward	6,941,389	5,354,872	3,661,072
Appropriation (new obligational authority)			

1. *Design, specifications, and supervision.*—Plans for the new headquarters installation were completed in calendar year 1958.

2. *Construction of building.*—From the $54,500,000 appropriated in prior years a contract for excavation and foundations was awarded in 1958 and work is now virtually complete. A contract for the superstructure was awarded in March 1959 and is scheduled for completion in August 1961.

3. *Construction of roads.*—Up to $8,500,000 was available for the extension of the George Washington Memorial Parkway to the headquarters site. Construction was begun in 1956 and is now complete.

Object Classification

	1959 actual	1960 estimate	1961 estimate
ALLOCATION ACCOUNTS			
Total number of permanent positions	37	34	
Full-time equivalent of all other positions	2		
Average number of all employees	32	8	
Number of employees at end of year	25	0	
Average GS grade and salary	6.5 $5,180	6.2 $5,007	
01 Personal services:			
Permanent positions	$160,532	$42,500	
Positions other than permanent	7,127		
Other personal services	14,935	2,500	
Total personal services	182,594	45,000	
02 Travel	826	2,000	$1,000
03 Transportation of things	307	1,000	
04 Communication services	1,512	1,500	
05 Rents and utility services	10,238	2,500	
06 Printing and reproduction	47,003	5,000	5,000
07 Other contractual services	283,186	233,000	193,800
08 Supplies and materials	14,866	800	
09 Equipment	662		
10 Lands and structures	36,820,249	1,294,000	1,494,000
11 Grants, subsidies, and contributions	10,402	2,925	
15 Taxes and assessments	178		
Subtotal	37,372,023	1,587,725	1,693,800
Deduct portion of foregoing obligations originally charged to object class 07		1,208	
Total obligations	37,372,023	1,586,517	1,693,800
Obligations are distributed as follows:			
General Services Administration	$36,989,742	$1,533,000	$1,693,800
Department of the Interior (National Park Service)	72,712		
Department of Commerce (Bureau of Public Roads)	309,569	53,517	

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CIVIL AERONAUTICS BOARD

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Civil Aeronautics Board, including contract stenographic reporting services; employment of temporary guards on a contract or fee basis; not to exceed $1,000 for the purchase of newspapers and periodicals (excluding scientific, technical, trade, or traffic periodicals, for official use); hire, operation, maintenance, and repair of aircraft; *purchase (one for replacement only) and* hire of passenger motor vehicles; and services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), at rates for individuals not to exceed $50 per diem; [$6,925,000] *$7,600,000. (49 U.S.C. 1301–1325, 1371–1386, 1422, 1429, 1441–1510, 1531–1542; 15 U.S.C. 21; 71 Stat. 629; Independent Offices Appropriation Act, 1960.)*

Appropriated 1960, **$6,925,000** Estimate 1961, **$7,600,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Economic regulation	$3,642,480	$3,928,000	$4,375,000
2. Safety activities	1,162,500	1,308,000	1,478,000
3. Board adjudication, executive, and legal staff activities	1,011,399	1,084,000	1,117,000
4. Administrative services	607,321	605,000	630,000
5. 1959 program obligated in 1958	−28,813		
Total obligations	6,394,887	6,925,000	7,600,000
Financing:			
1959 appropriation available in 1958	28,813		
Unobligated balance no longer available	14,500		
New obligational authority	6,438,200	6,925,000	7,600,000
New obligational authority:			
Appropriation	$6,540,200	$6,925,000	$7,600,000
Transferred to "Expenses," Federal Aviation Agency (49 U.S.C. 1341 note)	−102,000		
Appropriation (adjusted)	6,438,200	6,925,000	7,600,000

The Board regulates the economic aspects of air carrier operations, both domestic and international; investigates aircraft accidents; participates in the development of international air transportation; and participates in the development of safety rules and standards. The increase proposed for 1961 is for expansion in certain critical program areas, primarily in the routes, commercial rates, international civil aviation, enforcement, and safety areas.

1. *Economic regulation.*—This includes granting certificates of public convenience and necessity; prescribing or approving rates and rate practices of air carriers; fixing mail rate compensation; prevention of unfair competition; approval of business relationships between air carriers; and adjudication of complaints alleging violations of civil air regulations.

2. *Safety activities.*—These consist of the investigation of civil aircraft accidents involving aircraft over 12,500 pounds or causing fatalities; the determination of probable cause in all civil aircraft accidents; and the investigation of potential hazards and recommendation of preventive measures to avoid accidents in the future.

3. *Board adjudication, executive, and legal staff activities.*—In addition to adjudication of cases and top policy and decision making functions of the Board, legal advice and assistance is provided on all aspects of economic, regulatory, and safety activities; opinions of the Board are prepared; and litigation matters are handled.

SELECTED WORKLOAD DATA

	1959 actual	*1960 estimate*	*1961 estimate*
Certificate and permit applications:			
Filed during year	219	296	316
Disposed of during year	387	192	311
Mail rate proceedings:			
Processed during year	37	37	34
Pending at end of year	48	32	20
Economic hearings completed	67	75	85
Dockets uncompleted at end of year (exclusive of rate cases)	1,381	1,200	1,000
Field audits (years of carrier operations audited) completed	121	96	76
Safety: Aircraft accident investigations completed	276	550	575
Enforcement:			
Economic proceedings completed	1,182	1,584	1,694
Safety appeal hearings completed	249	140	75

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	731	766	840
Full-time equivalent of all other positions	2		
Average number of all employees	703	747	811
Number of employees at end of year	719	747	819
Average GS grade and salary	9.2 $7,386	9.3 $7,439	9.4 $7,431
01 Personal services:			
Permanent positions	$5,257,922	$5,631,400	$6,133,500
Positions other than permanent	9,119		
Other personal services	52,866	71,600	53,200
Total personal services	5,319,907	5,703,000	6,186,700
02 Travel	260,540	302,000	336,700
03 Transportation of things	16,914	12,700	15,300
04 Communication services	103,664	114,600	119,600
05 Rents and utility services	54,431	62,300	69,300
06 Printing and reproduction	71,057	71,700	87,500
07 Other contractual services	20,760	28,400	79,900
Services performed by other agencies	91,972	115,400	124,200
08 Supplies and materials	70,374	82,100	90,000
09 Equipment	78,713	60,400	87,800
11 Grants, subsidies, and contributions	328,031	366,400	397,000
13 Refunds, awards, and indemnities	3,475	2,500	2,500
15 Taxes and assessments	3,862	3,500	3,500
1959 program obligated in 1958	−28,813		
Total obligations	6,394,887	6,925,000	7,600,000

PAYMENTS TO AIR CARRIERS (*LIQUIDATION OF CONTRACT AUTHORIZATION*)

For payments to air carriers of so much of the compensation fixed and determined by the Civil Aeronautics Board under section 406 of the Federal Aviation Act of 1958 ([72 Stat. 763–765] *49 U.S.C. 1376*), as is payable by the Board, [$58,500,000] *$68,984,000*, to remain available until expended. *(39 U.S.C. 488(a); 49 U.S.C. 1302; Independent Offices Appropriation Act, 1960.)*

Appropriated 1960, **$58,500,000** Estimate 1961, **$68,984,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Domestic trunklines	$3,483,344		$79,688
2. Local service operations	35,662,789	$53,368,178	57,474,849
3. Helicopter operations	6,001,217	4,859,000	4,760,000
4. Alaskan operations	7,243,407	7,666,202	9,325,463
5. Hawaiian operations	7,649	464,791	
6. International operations		50,147	
Total obligations (object class 11)	52,398,406	66,408,318	71,640,000
Financing:			
Contract authorization (new) (indefinite)	52,398,406	66,408,318	71,640,000

Status of Unfunded Contract Authorization

Unfunded balance at beginning of year		$1,686,091	$8,052,411
Contract authorization (new) (indefinite)	$52,398,406	66,408,318	71,640,000
Administrative cancellation of contract authorization [1]	−364,313	−1,541,998	−2,008,330
Unfunded balance at end of year	−1,686,091	−8,052,411	−8,700,081
Appropriation to liquidate contract authorization	50,348,002	58,500,000	68,984,000
1959 appropriation available in 1958	4,496,498		
Appropriation	54,844,500	58,500,000	68,984,000

[1] Adjustment of obligations of prior years.

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The Civil Aeronautics Board fixes rates for transportation of airmail to promote the development of air transportation required for the commerce of the United States, the postal service, and the national defense. Many of these rates include an element of subsidy to be paid by the Board in addition to the rate for service performed which is paid by the Post Office Department.

At present, subsidy obligations incurred by the Board in carrying out its ratemaking functions under section 406 of the Federal Aviation Act of 1958 are not subject to prior budgetary and appropriation control. Congressional appropriations provide only for making subsequent payments to air carriers and have no effect on the Board's authority to obligate the Federal Government for subsidies. These appropriations to liquidate contract authorizations are available until expended but are requested only in the amounts required for payments estimated to become due in the budget year.

The obligations shown above, less the obligated balances recovered, reflect the amounts recorded each year as due the air carriers. These sums cover services performed during the year, computed at rates then in effect, plus or minus such adjustments as are needed to reflect the issuance, during the year, of rate orders affecting prior years. Approximately 1 to 2 months of obligations are due but unpaid at the end of any year.

For the local service carrier group, the 1961 estimates reflect an increase resulting from certification of additional routes, temporary costs associated with the acquisition of new equipment, and increased operating costs. The estimated 1961 obligations for Alaskan carriers reflect an increase due to retroactive adjustments for prior year operations.

The following table reflects the estimated amounts becoming due finally for each year, together with the adjustments between years:

ESTIMATED SUBSIDY EARNINGS RELATED TO OBLIGATIONS

	1959 actual	*1960 estimate*	*1961 estimate*
Estimated subsidy earnings under final Board action:			
Domestic trunklines	$1,200,888	----------	----------
Local service operations	37,504,832	$49,771,000	$55,434,000
Helicopter operations	4,857,685	4,859,000	4,760,000
Alaskan operations	7,832,704	8,722,000	7,957,000
Hawaiian operations	387,000	----------	----------
International operations	----------	----------	----------
Total earnings	51,783,109	63,352,000	68,151,000
Earnings in prior years recorded within the year	7,107,552	7,707,307	6,101,720
Earnings of the year recorded in later years (−)	−6,492,255	−4,650,989	−2,612,720
Total obligations	52,398,406	66,408,318	71,640,000

The following analysis shows the subsidy outlook for 1961 under final Board actions:

CARRIER UNITS

	Non-subsidized	*Subsidized*	
Domestic:			
Domestic trunklines	12	--	All domestic trunklines are in nonsubsidized status. Subsidy need for local service operations has increased as a result of certification of additional routes, acquisition of new equipment, and increasing costs. Subsidy will continue to support helicopter operations.
Local service operations	--	13	
Helicopter operations	--	3	
Alaskan operations	1	7	Subsidy will continue to support routes between continental United States and Alaska and to remote localities. Hawaiian and international operations are in nonsubsidized status.
Hawaiian operations	2	--	
International operations	11	--	

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Economic regulation	$2,911	----------	----------
2. Safety activities	488	----------	----------
3. Board adjudication, executive, and legal staff activities	2,443	----------	----------
4. Administrative services activities	634	----------	----------
Total obligations	6,476	----------	----------
Financing:			
Advances and reimbursement from—			
Other accounts	2,705	----------	----------
Non-Federal sources (40 U.S.C. 481(c))	3,771	----------	----------
Total financing	6,476	----------	----------

Object Classification

	1959 actual	1960 estimate	1961 estimate
01 Personal services: Positions other than permanent	$618	----------	----------
04 Communication services	3	----------	----------
08 Supplies and materials	32	----------	----------
09 Equipment	5,823	----------	----------
Total obligations	6,476	----------	----------

CIVIL SERVICE COMMISSION

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses, including not to exceed $22,000 for services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); not to exceed $10,000 for medical examinations performed for veterans by private physicians on a fee basis; not to exceed [$250] *$500* for the purchase of newspapers and periodicals (excluding scientific, technical, trade, or traffic periodicals, for official use); payment in advance for library membership in societies whose publications are available to members only or to members at a price lower than to the general public; not to exceed $77,000 for performing the duties imposed upon the Commission by the Act of July 19, 1940 (54 Stat. 767), *including travel expenses*; reimbursement of the General Services Administration for security guard services for protection of confidential files; [not to exceed $472,000 for expenses of travel;] and not to exceed $5,000 for actuarial services by contract, without regard to section 3709, Revised Statutes, as amended; [$19,120,000] *$20,030,000*: *Provided*, That no part of this appropriation shall be available for the Career Executive Board established by Executive Order 10758 of March 4, 1958, as amended.

No part of the appropriations herein made to the Civil Service Commission shall be available for the salaries and expenses of the Legal Examining Unit in the Examining and Personnel Utilization Division of the Commission, established pursuant to Executive Order 9358 of July 1, 1943. (*5 U.S.C. 22–1, 631–642, 645c–e, 652, 654, 851–869, 901–958, 1010, 1051–1052, 1071–1133, 1151, 2001–2007, 2061–2066, 2121–2123, 2251–2267, 2281–2288, 2301–2319; 39 U.S.C. 31a–b, 962; 40 U.S.C. 42, 491; 50 U.S.C. App. 459, 2160; 65 Stat. 757; 66 Stat. 122; 68 Stat. 1115; 70 Stat. 721; Executive Orders 9830, Feb. 24, 1947; 10000, Sept. 16, 1948; 10242, May 18, 1951; 10422, Jan. 9, 1953; 10450, Apr. 27, 1953; 10530, May 10, 1954; 10540, June 29, 1954; 10552, Aug. 10, 1954; 10556, Sept. 1, 1954; 10590, Jan. 18, 1955; 10647, Nov. 28, 1955; 10758, Mar. 4, 1958; 10774, July 25, 1958; 10826, June 25, 1959; Independent Offices Appropriation Act, 1960.*)

Appropriated 1960, **$19,120,000** Estimate 1961, **$20,030,000**

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CIVIL SERVICE COMMISSION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Recruiting and examining	$6,525,114	$6,368,353	$6,385,000
2. Investigation of character and fitness for employment	4,010,621	3,618,000	3,941,000
3. Inspection and classification audits	2,456,913	2,521,000	2,568,000
4. Administration of the retirement systems	2,223,117	2,084,000	2,384,000
5. Developing programs and standards	1,733,034	1,638,000	1,781,000
6. Appellate functions	879,619	903,000	945,000
7. Executive and administrative services	1,971,080	1,983,000	2,026,000
Total program costs	19,799,498	19,115,353	20,030,000
8. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−149,951		
Obligations incurred for costs of other years (unpaid undelivered orders), net		4,647	
Total program (obligations)	19,649,547	19,120,000	20,030,000
Financing:			
1959 appropriation available in 1958	118,306		
Unobligated balance no longer available	19,347		
Appropriation (new obligational authority)	19,787,200	19,120,000	20,030,000

1. *Recruiting and examining.*—Most appointments in the competitive civil service are made under the open competivive merit system through examinations held by the offices of the Commission and its boards of examiners, made up of agency personnel operating under the supervision and direction of the Commission. Appointments through such competitive examinations will accord career or career-conditional status. The number of such appointments made by boards of examiners will continue to increase in 1960 and 1961, due primarily to expansion of the board program in the Post Office Department. Physically handicapped persons are given special placement attention. Veterans are aided in securing the benefits to which they are entitled.

PRODUCTION COUNT

	1959 actual	*1960 estimate*	*1961 estimate*
Examinations announced by—			
The Commission	4,048	3,260	3,270
Boards of examiners	4,388	5,060	5,350
Total	8,436	8,320	8,620
Applications processed by—			
The Commission	604,404	487,700	467,900
Boards of examiners	1,358,873	1,446,800	1,532,100
Total	1,963,277	1,934,500	2,000,000

2. *Investigation of character and fitness for employment.*—The Commission conducts most of the investigations required for security determinations of persons being employed in sensitive positions and fitness investigations of all persons entering nonsensitive positions. The Commission also conducts other investigations connected with appeals and the merit system.

PRODUCTION COUNT

	1959 actual	*1960 estimate*	*1961 estimate*
National agency check and inquiry cases	248,349	242,000	242,000
Suitability cases resulting from national agency check and inquiry	6,558	5,900	6,900
Other personal investigations	6,269	6,520	7,420

3. *Inspections and classification audits.*—The Commission inspects agency personnel operations to insure compliance with civil service laws and regulations and to stimulate improvement in personnel practices. It also conducts classification reviews to insure compliance with classification standards. In addition, the Commission administers the incentive awards program and promotes interagency training programs for Federal employees.

4. *Administration of the retirement systems.*—Administering the Civil Service Retirement Act and other benefit acts involves adjudicating annuity, death, benefit, refund, and deposit claims as well as maintaining the control accounts for the funds and making payments to annuitants and other claimants.

PRODUCTION COUNT

	1959 actual	*1960 estimate*	*1961 estimate*
Annuity and death claims	106,858	93,300	109,700
Refund claims	156,570	163,200	172,900
Claims for deposit	33,626	25,500	40,700
Inquiries answered	237,946	214,500	224,800

5. *Developing programs and standards.*—The Commission develops programs, devises tests, issues standards and regulations, and proposed legislation to improve the Federal personnel system for both competitive and noncompetitive positions.

6. *Appellate functions.*—These consist of hearing and taking action on appeals; administering the political activities statutes; and providing advice to agencies and individuals regarding rights of appeal.

8. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1958, $287,804; 1959, $137,853; 1960, $142,500; 1961, $142,500.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	2,765	2,660	2,730
Full-time equivalent of all other positions	23	11	11
Average number of all employees	2,683	2,580	2,650
Number of employees at end of year	2,680	2,575	2,650
Average GS grade and salary	7.2 $6,081	7.3 $6,105	7.3 $6,127
01 Personal services:			
Permanent positions	$16,127,170	$15,632,953	$16,261,565
Positions other than permanent	98,313	45,247	48,135
Other personal services	264,362	145,800	87,300
Total personal services	16,489,845	15,824,000	16,397,000
02 Travel	481,602	472,000	521,000
03 Transportation of things	73,896	88,000	83,000
04 Communication services	532,528	533,000	665,800
05 Rents and utility services	85,961	97,500	97,500
06 Printing and reproduction	369,785	402,000	402,000
07 Other contractual services	135,733	141,500	284,500
Services performed by other agencies	161,077	158,100	160,100
08 Supplies and materials	250,448	250,000	250,000
09 Equipment	135,286	135,500	135,500
11 Grants, subsidies, and contributions	1,039,227	1,006,000	1,032,000
13 Refunds, awards, and indemnities	10,779	10,800	
15 Taxes and assessments	1,686	1,600	1,600
1959 program obligated in 1958	−118,306		
Total obligations	19,649,547	19,120,000	20,030,000

INVESTIGATION OF UNITED STATES CITIZENS FOR EMPLOYMENT BY INTERNATIONAL ORGANIZATIONS

For expenses necessary to carry out the provisions of Executive Order No. 10422 of January 9, 1953, as amended, prescribing procedures for making available to the Secretary General of the United Nations, and the executive heads of other international organizations, certain information concerning United States citizens employed, or being considered for employment by such organizations including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), [$400,000] *$467,000*: *Provided*, That this appropriation shall be available for advances or reimbursements to the applicable appropriations or funds of the Civil Service Commission and the Federal Bureau of Investigation for expenses incurred by such agencies under said Executive order: *Provided further*, That members of the International Organizations Employees Loyalty Board may be paid actual transportation expenses, and per diem in lieu of subsistence authorized by the Travel Expense Act of 1949, as amended, while traveling on official business away from their homes or regular places of business, including periods while en route

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to and from and at the place where their services are to be performed: *Provided further*, That nothing in sections 281 or 283 of title 18, United States Code, or in section 190 of the Revised Statutes (5 U.S.C. 99) shall be deemed to apply to any person because of appointment for part-time or intermittent service as a member of the International Organizations Employees Loyalty Board in the Civil Service Commission as established by Executive Order 10422, dated January 9, 1953, as amended. (*Independent Offices Appropriation Act, 1960.*)

Appropriated 1960, **$400,000** Estimate 1961, **$467,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Investigations (total program costs)	$368,516	$437,394	$467,000
2. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)		−37,394	
Obligations incurred for costs of other years (unpaid undelivered orders), net	44,180		
Total program (obligations)	412,696	400,000	467,000
Financing:			
Unobligated balance no longer available	37,304		
Appropriation (new obligational authority)	450,000	400,000	467,000

1. *Investigations.*—This appropriation is used primarily to pay the Civil Service Commission and Federal Bureau of Investigation for conducting investigations of U.S. citizens considered for employment in international organizations of which the U.S. Government is a member. The reports of these investigations are forwarded to the International Organizations Employees Loyalty Board of the Civil Service Commission which makes advisory determinations under the loyalty standard. The advisory determinations are transmitted, through the Secretary of State, to the Secretary General of the United Nations, or the executive heads of other international organizations.

2. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1958, $23,214; 1959, $67,394; 1960, $30,000; 1961, $30,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	5	5	5
Full-time equivalent of all other positions	1	1	1
Average number of all employees	6	6	6
Number of employees at end of year	11	12	12
Average GS grade and salary	7.2 $6,081	7.3 $6,105	7.3 $6,127
01 Personal services:			
Permanent positions	$36,940	$38,504	$38,701
Positions other than permanent	12,283	13,000	13,000
Other personal services	189	396	199
Total personal services	49,412	51,900	51,900
02 Travel	3,276	3,400	3,400
04 Communication services	311	300	300
06 Printing and reproduction	159	150	150
07 Other contractual services	889	850	850
Services performed by other agencies	355,962	340,700	407,700
11 Grants, subsidies, and contributions	2,413	2,400	2,400
15 Taxes and assessments	274	300	300
Total obligations	412,696	400,000	467,000

Annuities Under Special Acts

For payment of annuities authorized by the Act of May 29, 1944, as amended (48 U.S.C. 1373a), and the Act of August 19, 1950, as amended (33 U.S.C. 771–775), [$2,450,000] *$2,316,000.* (*Independent Offices Appropriation Act, 1960.*)

Appropriated 1960, **$2,450,000** Estimate 1961, **$2,316,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. To employees engaged in construction of the Panama Canal	$2,055,409	$2,043,500	$1,906,000
2. To widows of former employees of the Lighthouse Service	411,333	406,500	410,000
Total program (costs—obligations) (object class 12)	2,466,742	2,450,000	2,316,000
Financing:			
Unobligated balance no longer available	103,258		
Appropriation (new obligational authority)	2,570,000	2,450,000	2,316,000

Annuities are paid to persons who were employed on the construction of the Panama Canal, or to their widows; and benefits are paid to widows of former employees of the Lighthouse Service.

	June 30, 1959	*June 30, 1960*	*June 30, 1961*
Panama Canal annuitants	2,150	1,986	1,819
Lighthouse Service widows	437	439	441

Government Payment for Annuitants, Employees Health Benefits Fund

For payment to the "Employees health benefits fund" of Government contributions with respect to annuitants, as authorized by section 7 of the Federal Employees Health Benefits Act (73 Stat. 713), $2,500,000, to remain available until expended.

Estimate 1961, **$2,500,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Government contributions for annuitant's benefits (total costs—obligations) (object class 11)			$2,500,000
Financing:			
Appropriation (new obligational authority)			2,500,000

This appropriation is used to cover the Government's share of the cost of health insurance for certain annuitants as defined in the Federal Employees Health Benefits Act of 1959 (Public Law 86–382, 73 Stat. 713). The annuitants will contribute an estimated $2,750,000.

It is estimated that in 1961 approximately 20,000 annuitants will obtain coverage for themselves only and approximately 50,000 annuitants will obtain family-type coverage. Annuitants' participation is expected to be at a greater rate than active employees.

The use of these funds is reflected in the schedules for the Employees health benefits fund.

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CIVIL SERVICE COMMISSION—Continued

Current authorizations—Continued

PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

For financing the annuity benefits and increases, during the current fiscal year, provided by the Act of June 25, 1958 (72 Stat. 218), $46,329,000, to be credited to the civil service retirement and disability fund.

Estimate 1961, **$46,329,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Payment of Government share of retirement (total costs—obligations) (object class 11)			$46,329,000
Financing:			
Appropriation (new obligational authority)			46,329,000

Legislation enacted by the 85th Congress increased annuities of certain retired employees and survivors effective August 1, 1958, and provided annuities for certain widows and widowers. This legislation also requires the termination of such annuities and increases in annuities for each fiscal year after 1960, for which an appropriation has not been made to cover their cost. Annual appropriations are contemplated. The appropriation required in 1961 is $46,329,000.

LIMITATION ON ADMINISTRATIVE EXPENSES, EMPLOYEES LIFE INSURANCE FUND

(Trust fund)

Not to exceed [$249,000] *$250,000* of the funds in the "Employees Life Insurance Fund" shall be available for reimbursement to the Civil Service Commission for administrative expenses incurred by the Commission during the current fiscal year in the administration of the Federal Employees' Group Life Insurance Act of 1954, as amended (5 U.S.C. 2091–2103): *Provided*, That this limitation shall include expenses incurred under section 10 of the Act, notwithstanding the provisions of section 1 of Public Law 85–377 (5 U.S.C. 2094(c)). (*Independent Offices Appropriation Act, 1960.*)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Administration of the basic insurance program	$64,193	$70,900	$76,600
2. Beneficial association work		178,100	173,400
Total program (costs—obligations) (object class 07)	64,193	249,000	250,000
Financing:			
Unobligated balance no longer available	59,607		
Limitation	123,800	249,000	250,000

The Federal Employees' Group Life Insurance Act (5 U.S.C. 2091–2103), provides that the Employees life insurance fund is available for any expenses incurred by the Civil Service Commission in the administration of the act within such limitation as may be specified annually in appropriation acts. The use of these funds is reflected in the schedule for Advances and reimbursements.

1. *Administration of the basic insurance program.*—Expenses are incurred for functions pertaining to employees and annuitants covered under the basic provisions of the act.

2. *Beneficial association work.*—Expenses are incurred for functions pertaining to maintenance by the fund of life insurance agreements of employee beneficial associations.

Intragovernmental funds:

INVESTIGATIONS (REVOLVING FUND)

This fund finances on a reimbursable basis, full field security investigations performed at the request of other departments and agencies of the Government (66 Stat. 107).

Budget program.—Because work on some investigations will be started in 1 year and completed in another, work-in-process is recognized as an asset of the fund. Agency estimates of investigations to be requested in 1960 and 1961 as compared to 1959 experience, are presented below. In addition, the table relates estimated workload receipts to estimates of production, average positions, and unit costs.

CASELOAD, AVERAGE POSITIONS, AND UNIT COSTS

	1959 actual	*1960 estimate*	*1961 estimate*
On hand, beginning of year	4,195	3,669	3,169
Received	27,197	20,750	20,750
Total workload	31,392	24,419	23,919
Processed	27,723	21,250	21,000
On hand, end of year	3,669	3,169	2,919
Average positions	1,080	941	960
Unit cost	$348	$370	$380

The estimated increase in costs for 1960 and 1961 results, primarily from the increased number of points of investigation per case.

Operating results and financial conditions.—The capital of the fund consists of $4 million appropriated in 1952. Excess earnings are paid into miscellaneous receipts of the Treasury.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Acquisition of equipment	$1,984	$75,000	$5,000
Expense	9,273,312	7,654,324	7,844,750
Increase in selected working capital		209,203	73,452
Total gross expenditures	9,275,296	7,938,527	7,923,202
Receipts from operations (funds provided):			
Revenue	9,192,808	7,862,500	7,980,000
Proceeds from sale of equipment	3,911		
Decrease in selected working capital	122,946		
Total receipts from operations	9,319,665	7,862,500	7,980,000
Budget expenditures	−44,369	76,027	−56,798

Revenue, Expense, and Retained Earnings

Revenue	$9,192,808	$7,862,500	$7,980,000
Expense	9,196,019	7,865,000	7,982,500
Net operating loss (−)	−3,211	−2,500	−2,500
Nonoperating income:			
Proceeds from sales of equipment	3,911		
Allowances on equipment traded		15,000	5,000
Book value of equipment sold (−)	−3,810	−12,500	−2,500
Total nonoperating income	101	2,500	2,500
Net loss (−) for the year	−3,110		
Analysis of retained earnings:			
Retained earnings or deficit (−), beginning of year	5,069	−3,110	−3,110
Payment of earnings (−) to Treasury	−5,069		
Deficit (−), end of year	−3,110	−3,110	−3,110

Financial Condition

Assets:			
Cash with Treasury	$3,438,234	$3,354,958	$3,411,756
Accounts receivable, net	759,791	819,010	831,250
Advances	43,114	40,000	40,000
Work-in-process	670,501	554,575	510,825
Equipment, net	259,506	242,256	155,756
Total assets	5,171,146	5,010,799	4,949,587

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Financial Condition—Continued

	1959 actual	1960 estimate	1961 estimate
Liabilities:			
Current	$1,163,897	$1,010,799	$949,587
Government investment:			
Non-interest-bearing capital:			
Start of year	4,000,000	4,010,359	4,003,110
Donated assets during year	10,359		
Repayment of capital to Treasury		7,249	
End of year	4,010,359	4,003,110	4,003,110
Deficit (−)	−3,110	−3,110	−3,110
Total Government investment	4,007,249	4,000,000	4,000,000

NOTE.—Unpaid undelivered orders are as follows: June 30, 1958, $28,744; 1959, $22,221; 1960, $20,000; 1961, $20,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	1,175	1,025	970
Full-time equivalent of all other positions	5	5	5
Average number of all employees	1,080	941	960
Number of employees at end of year	1,020	935	960
Average GS grade and salary	7.2 $6,081	7.3 $6,105	7.3 $6,127
01 Personal services:			
Permanent positions	$6,812,291	$5,796,950	$5,912,000
Positions other than permanent	20,000	20,000	20,000
Other personal services	269,101	44,800	23,000
Total personal services	7,101,392	5,861,750	5,955,000
02 Travel	1,132,769	934,849	958,100
03 Transportation of things	24,697	18,400	18,425
04 Communication services	79,174	59,025	59,075
Penalty mail	33,100	31,000	43,400
05 Rents and utility services	99,534	89,225	89,275
06 Printing and reproduction	24,250	19,800	19,500
07 Contractual services	242,131	208,700	261,350
08 Supplies and materials	79,982	59,650	59,700
09 Equipment	2,190	75,025	5,025
11 Grants, subsidies, and contributions	455,488	371,450	380,450
15 Taxes and assessments	589	450	450
Total accrued expenditures	9,275,296	7,729,324	7,849,750
Decrease (−) in unpaid undelivered orders and advances	−17,202	−5,335	
Total obligations	9,258,094	7,723,989	7,849,750

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Administrative expenses for full field security investigation program	$167,951	$155,300	$155,300
2. Administration of Federal employees life insurance program	257,860	249,000	250,000
3. Administration of Federal employees health benefits program		800,000	843,000
4. Miscellaneous services to other agencies	120,266	226,700	144,700
Total obligations	546,077	1,431,000	1,393,000
Financing:			
Advances and reimbursements from—			
Other accounts	535,746	1,420,700	1,382,700
Non-Federal sources (5 U.S.C. 30(p), 61(b); 40 U.S.C. 481(c))	10,331	10,300	10,300
Total financing	546,077	1,431,000	1,393,000

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	85	174	194
Average number of all employees	79	147	185
Number of employees at end of year	79	163	190
Average GS grade and salary	7.2 $6,081	7.3 $6,105	7.3 $6,127
01 Personal services:			
Permanent positions	$437,706	$902,408	$1,123,000
Other personal services	1,680	6,492	4,300
Total personal services	439,386	908,900	1,127,300
02 Travel	3,608	43,500	39,000
03 Transportation of things	77	7,500	2,000
04 Communication services	9,073	16,700	17,200
05 Rents and utility services	14,000	19,000	29,000
06 Printing and reproduction	14,336	316,800	66,800
07 Other contractual services	18,733	1,500	9,500
08 Supplies and materials	$1,936	$7,500	$9,000
09 Equipment	16,537	49,700	19,700
11 Grants, subsidies and contributions	28,351	59,900	73,500
13 Refunds, awards, and indemnities	25		
15 Taxes and assessments	15		
Total obligations	546,077	1,431,000	1,393,000

COMMISSION ON CIVIL RIGHTS

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for the Commission on Civil Rights, [$280,000] *including hire of passenger motor vehicles, $995,000.*

[For an additional amount for "Salaries and expenses", $500,000: *Provided,* That section 104(b) of the Civil Rights Act of 1957 is amended by striking out the words "two years" and inserting in lieu thereof "four years".] (*Departments of State and Justice, the Judiciary, and Related Agencies Appropriation Act, 1960; Mutual Security Appropriation Act, 1960.*)

Appropriated 1960, **$780,000** Estimate 1961, **$995,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Investigations and studies of civil rights matters (total program costs) [1]	$704,476	$789,913	$995,000
2. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)		−9,913	
Obligations incurred for costs of other years (unpaid undelivered orders), net	20,913		
Total program (obligations)	725,389	780,000	995,000
Financing:			
Unobligated balance no longer available	51,611		
Appropriation (new obligational authority)	777,000	780,000	995,000

[1] Includes capital outlay as follows: June 30, 1959, $12,267; 1960, $8,215; 1961, $5,000.

1. *Investigations and studies of civil rights matters.*—The Commission on Civil Rights is responsible for investigating allegations made that citizens are being deprived of their right to vote by reason of their color, race, religion, or national origin; collecting information concerning legal developments constituting a denial of equal protection of the laws under the Constitution; and appraising laws and policies of the Federal Government on equal protection of the laws. In 1961 the Commission will extend its studies to the areas of administration of justice, employment, and the use of public facilities.

2. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1959, $20,913; 1960, $11,000; 1961, $11,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	65	68	74
Full-time equivalent of all other positions	8	14	16
Average number of all employees	62	76	89
Number of employees at end of year	82	86	92
Average GS grade and salary	7.8 $6,388	8.0 $6,715	8.0 $6,676
Average salary of ungraded positions	$3,952	$4,160	
01 Personal services:			
Permanent positions	$351,948	$430,900	$504,700
Positions other than permanent	53,994	93,800	108,200
Other personal services	10,876	13,300	11,900
Total personal services	416,818	538,000	624,800

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COMMISSION ON CIVIL RIGHTS—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Object Classification—Continued

		1959 actual	1960 estimate	1961 estimate
02	Travel	$99,371	$80,000	$116,000
03	Transportation of things	2	500	500
04	Communication services	23,479	28,000	40,000
05	Rents and utility services	313		
06	Printing and reproduction	17,684	43,800	100,000
07	Other contractual services	10,820	15,000	25,000
	Services performed by other agencies	109,885	25,000	30,000
08	Supplies and materials	10,466	12,500	15,000
09	Equipment	14,483	5,000	5,000
11	Grants, subsidies, and contributions	20,156	28,200	32,900
13	Refunds, awards, and indemnities		2,000	2,000
15	Taxes and assessments	1,912	2,000	3,800
	Total obligations	725,389	780,000	995,000

COMMISSION ON INTERNATIONAL RULES OF JUDICIAL PROCEDURE

Current authorizations:

SALARIES AND EXPENSES

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Study of international rules of judicial procedure (total costs—obligations)		$25,000	
Financing:			
Unobligated balance brought forward		−25,000	
Unobligated balance carried forward	$25,000		
Appropriation (new obligational authority)	25,000		

The Commission was established to investigate and study existing practices of judicial assistance and cooperation between the United States and foreign countries, to draft agreements to be negotiated by the Secretary of State, and to recommend legislation or other action to the President with a view to achieving improvements. An advisory committee has been established, composed of persons active in public life, particularly in the legal profession.

The Commission's 1959 activity was financed by allocation from the Emergency fund for the President, national defense.

Public Law 86–287, approved September 16, 1959, extended the term of the Commission for 2 years to December 31, 1961. Appropriated funds for the current year are available only until December 31, 1959. Legislation will be submitted to increase the Commission's authorization to enable it to complete its work.

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Average number of all employees		2	
	Number of employees at end of year		0	
01	Personal services: Positions other than permanent		$22,098	
02	Travel		1,500	
04	Communication services		300	
06	Printing and reproduction		200	
07	Other contractual services		138	
08	Supplies and materials		100	
09	Equipment		50	
11	Grants, subsidies, and contributions		378	
15	Taxes and assessments		236	
	Total obligations		25,000	

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from ot er accounts are shown in the schedules of the parent appropriation "Emergency fund for the President, national defense."

EXPORT-IMPORT BANK OF WASHINGTON

The Export-Import Bank of Washington is hereby authorized to make such expenditures within the limits of funds and borrowing authority available to such corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the fiscal year [1960] *1961* for such corporation, except as hereinafter provided: (*Mutual Security Appropriation Act, 1960.*)

Public enterprise funds:

EXPORT-IMPORT BANK OF WASHINGTON FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Loan and guarantee program:			
Direct loan commitments:			
Development project loans	$515,337,967	$477,000,000	$625,000,000
Exporter loans	18,884,321	17,000,000	20,000,000
Commodity loans	66,353,021	36,000,000	65,000,000
Emergency foreign trade loans	289,750,000	540,000,000	373,000,000
Total loan commitments	890,325,309	1,070,000,000	1,083,000,000
Reservations at beginning of year	140,584,125	367,552,018	233,000,000
Reservations at close of year (−)	−367,552,018	−233,000,000	−291,000,000
Total loan and guarantee program	663,357,416	1,204,552,018	1,025,000,000
2. Insurance	29,102,008	30,000,000	30,000,000
3. Administration:			
Expenses subject to limitation	2,151,238	2,500,000	2,675,000
Other expenses	110,085	135,500	138,000
Purchase of equipment-capitalized	45,105	50,000	50,000
Total administration	2,306,428	2,685,500	2,863,000
4. Interest on borrowings from Treasury	40,519,078	47,355,000	49,219,000
Total program (obligations)	735,284,930	1,284,592,518	1,107,082,000
Financing:			
Amounts becoming available:			
Revenue and receipts:			
Collection of loans	$275,598,261	$628,080,000	$435,000,000
Receipts from loans financed by private capital	19,242,181	96,000,000	145,000,000
Interest revenue from loans	128,158,309	139,250,000	142,000,000
Insurance premiums	31,720	32,000	32,000
Recovery of prior year obligations	286,520,659	57,091,934	55,027,500
Total amounts becoming available	709,551,130	920,453,934	777,059,500
Unobligated balance brought forward (authorization to expend from public debt receipts)	3,223,715,279	3,175,481,479	2,788,842,895
Total amounts available	3,933,266,409	4,095,935,413	3,565,902,395
Capital transfers (payment of dividend to Treasury) (−)	−22,500,000	−22,500,000	−22,500,000
Unobligated balance carried forward (authorization to expend from public debt receipts) (−)	−3,175,481,479	−2,788,842,895	−2,436,320,395
Financing applied to program	735,284,930	1,284,592,518	1,107,082,000

The Export-Import Bank of Washington facilitates and assists in financing U.S. foreign trade. To do this it participates in or guarantees credits extended by U.S. exporters, commercial banks, and other financial institutions to foreign purchasers of exports from the United States, and also makes direct loans to finance U.S. exports. In addition, the Bank insures against risks of war and expropriation certain exports held abroad on consignment awaiting sale. The total amount of dollar loans, guarantees, and insurance which the Bank may have outstanding at one time is $7 billion (12 U.S.C. 635).

The Bank's policy is to extend credit only when private capital is unavailable, and to encourage private participation in the credits extended. Loans generally are made only for specific purposes or projects. No loan is made

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unless the directors believe it has reasonable assurance of repayment.

Development project loans.—A major portion of the Bank's assistance for the exportation of U.S. materials, equipment, and services is in the form of medium and longer term credits for development projects abroad. These loans not only finance export sales, but help lay the foundation for expanded future trade through strengthening foreign economies.

It is estimated that 48 loans will be authorized by the Bank during 1961 to finance exports of equipment and related services for such projects abroad involving power, agriculture, transportation, and industrial development.

DATA ON DEVELOPMENT PROJECT LOANS

[In millions]

	1959 actual	*1960 estimate*	*1961 estimate*
Export-Import Bank funds:			
Credit authorizations	$515.3	$477.0	$625.0
Loan disbursements	439.5	399.8	283.6
Loan principal repayments	117.8	180.6	210.0
Loans outstanding June 30	1,590.9	1,810.2	1,883.8

Exporter loans.—Medium-term credit assistance requested by individual exporters is authorized on a case-by-case basis to assist them to sell abroad on deferred payments. Under each of these credits the Bank participates with an exporter or a U.S. bank in jointly financing an export sale. Such loans authorized in 1959 included credits to finance a wide range of capital goods shipped to countries throughout the world.

Some exporter credits are arranged on an individual basis, whereas others are provided under exporter credit lines. The Bank has continued to establish and renew exporter credit lines for individual exporters of capital equipment. The recipient of such a line knows in advance of new foreign sales the approximate terms he will be able to offer on such sales as are made on credit, provided that criteria on the type of export and the credit standing of the importer are met.

DATA ON EXPORTER LOANS

[In millions]

	1959 actual	*1960 estimate*	*1961 estimate*
Export-Import Bank funds:			
Credit authorizations	$18.9	$17.0	$20.0
Loan disbursements	16.2	48.2	13.4
Loan principal repayments	19.1	19.7	25.0
Loans outstanding June 30	57.0	85.5	73.9

Commodity loans.—Credits are authorized by the Bank to finance the sale abroad of U.S. commodities such as cotton, wheat, barley, soybeans, and tobacco, involving medium-term financing for periods of from 9 months to several years when credit is not available from private sources. Credits for the sale of U.S. beef and dairy cattle also have been authorized to Mexico and Latin America.

DATA ON COMMODITY LOANS

[In millions]

	1959 actual	*1960 estimate*	*1961 estimate*
Export-Import Bank funds:			
Credit authorizations	$66.4	$36.0	$65.0
Loan disbursements	40.7	17.1	28.0
Loan principal repayments	65.0	23.7	36.0
Loans outstanding June 30	42.6	36.0	28.0

Emergency foreign trade loans.—From time to time the Bank is called upon to provide financial assistance to meet emergency situations adversely affecting normal trade between the United States and another country. Such loans may take the form of lines of credit to a foreign central bank or other bank or financial institution to provide dollar exchange for a wide range of U.S. exports; credits to fund commercial arrearages resulting from dollar exchange difficulties so that normal trade may be resumed; or credits to assist in financing purchases in the United States required for reconstruction abroad following a national disaster.

In October 1959, full prepayment was received from the United Kingdom of the $250 million emergency loan balance outstanding. Simultaneously, a line of credit was reestablished for the same amount. Including this reinstatement, the estimate of emergency credits for 1960 is $540 million. The 1961 estimate is for $373 million.

DATA ON EMERGENCY FOREIGN TRADE LOANS

[In millions]

	1959 actual	*1960 estimate*	*1961 estimate*
Export-Import Bank funds:			
Credit authorizations	$289.7	$540.0	$373.0
Loan disbursements	211.6	200.0	200.0
Loan principal repayments	83.8	404.1	164.0
Loans outstanding June 30	1,769.9	1,565.8	1,601.8

Insurance.—The Bank insures against the risks of war and expropriation certain property of U.S. exporters which is held abroad on consignment awaiting sale. A total of 852 policies were issued by the Bank in 1959 covering cotton and tobacco valued at $29.1 million. It is estimated that policies covering cotton and tobacco to a value of $30 million will be issued in 1961.

Administrative expenses.—The limitation proposed by the Bank to cover adequately its needs for administrative expenses in 1961 is $2,675,000, an increase of $175,000 over 1960. The estimated additional costs are primarily for personal services and travel attributable to the current level of operations.

Other operations.—The Bank serves as administering agent for mutual security loans and guarantees against currency transfer risk and expropriation authorized by the International Cooperation Administration, and for defense production loans made by the Office of Civil and Defense Mobilization. The Bank also makes loans in foreign currency under the Cooley amendment to Public Law 480. It also acts as collecting agent for the Treasury on the debt settlement agreement with the Federal Republic of Germany, and in liquidation of certain foreign loans of the Reconstruction Finance Corporation.

Financing.—The Bank is a Government-owned corporation in which the Treasury has invested $1 billion in capital stock. It can borrow up to $6 billion from the Treasury on a revolving basis. On June 30, 1959, outstanding borrowings from the Treasury were $1,922.6 million. Notes outstanding on June 30, 1961, are expected to be $1,917.8 million.

On June 30, 1961, the total amount committed is estimated to be $5,561.0 million, leaving a margin of $1,439.0 million for additional commitments. Because disbursements occur over a period following commitment, it is estimated that the unobligated balance at June 30, 1961, of the Bank's authorization to borrow from the Treasury will be $2,436.3 million.

POSITION WITH RESPECT TO LENDING, GUARANTEE, AND INSURANCE AUTHORITY

	1959 actual	*1960 estimate*	*1961 estimate*
Statutory authority	$7,000,000,000	$7,000,000,000	$7,000,000,000
Charges against authority:			
Direct loans outstanding	3,460,442,901	3,497,512,901	3,587,512,901
Guaranteed loans outstanding	2,120,062	(1)	(1)
Undisbursed loan commitments:			
Agreements executed	933,608,856	1,352,010,874	1,682,010,874
Agreements pending	367,552,018	233,000,000	291,000,000
Unexpired insurance policies	455,494	500,000	500,000
Total charges against authority	4,764,179,331	5,083,023,775	5,561,023,775
Unused authority [2]	2,235,820,669	1,916,976,225	1,438,976,225

[1] Not determinable.
[2] Includes administrative reserve for insurance: June 30, 1958, $46,693,532; 1959, $49,544,506; 1960, $49,500,000; 1961, $49,500,000.

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EXPORT-IMPORT BANK OF WASHINGTON—Con.

Public enterprise funds—Continued

EXPORT-IMPORT BANK OF WASHINGTON FUND—Continued

Operating results and financial condition.—During the coming year the net income of the Bank is expected to amount to $90 million. The budget provides for continuation of dividends to the Treasury of $22.5 million annually through 1961 in lieu of interest on the Treasury investment in the Bank's capital stock. The remaining earnings are retained to meet future contingencies. Net investment of the Government in the corporation is expected to be $3,624.5 million at the end of 1961, consisting of $1 billion in capital stock, $1,917.8 million of borrowings from Treasury, and $706.7 million of retained earnings available for future contingencies.

In 1960, it is estimated that collections and receipts from loans financed by private capital will exceed disbursements by $50 million as compared with a net budget expenditure of $397 million in 1959. It is anticipated that total receipts will equal disbursements in 1961, resulting in no net budget expenditure.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Loan and guarantee program:			
Acquisition of loans	$767,927,252	$761,150,000	$670,000,000
Acquisition of equipment	45,105	50,000	50,000
Expense	42,748,459	49,952,500	51,991,500
Reimbursable expense	53,559	57,000	54,000
Insurance program: Expense	12,686	13,000	13,000
Increase in selected working capital	8,810,687	2,196,500	
Total gross expenditures	819,597,748	813,419,000	722,108,500
Receipts from operations (funds provided):			
Loan and guarantee program:			
Loans repaid	275,598,261	628,080,000	435,000,000
Loans financed by private capital	19,242,181	96,000,000	145,000,000
Revenue	128,158,309	139,250,000	142,000,000
Reimbursement of expense	53,559	57,000	54,000
Insurance program: Revenue	31,720	32,000	32,000
Decrease in selected working capital			22,500
Total receipts from operations	423,084,030	863,419,000	722,108,500
Budget expenditures	396,513,718	−50,000,000	

Revenue, Expense, and Retained Earnings

Loan and guarantee program:			
Revenue	$128,158,309	$139,250,000	$142,000,000
Expense	42,767,715	49,977,500	52,019,000
Net operating income, loan and guarantee program	85,390,594	89,272,500	89,981,000
Insurance program:			
Revenue	31,720	32,000	32,000
Expense	12,686	13,000	13,000
Net operating income, insurance program	19,034	19,000	19,000
Net income for the year	85,409,628	89,291,500	90,000,000
Analysis of retained earnings:			
Retained earnings, beginning of year	509,471,146	572,380,774	639,172,274
Payment of dividend to Treasury (−)	−22,500,000	−22,500,000	−22,500,000
Retained earnings, end of year	572,380,774	639,172,274	706,672,274

Financial Condition

Assets:			
Cash with Treasury and in banks	$791,764	$991,764	$991,764
Accounts receivable, net	37,980,345	40,176,845	40,154,345
Supplies	3,798	3,798	3,798
Loans receivable	3,460,442,901	3,497,512,901	3,587,512,901
Furniture and equipment, net	136,806	161,806	184,306
Total assets	3,499,355,614	3,538,847,114	3,628,847,114
Liabilities:			
Current	4,374,840	4,374,840	4,374,840

Financial Condition—Continued

	1959 actual	1960 estimate	1961 estimate
Government investment:			
Interest-bearing capital:			
Start of year	$1,508,000,000	$1,922,600,000	$1,895,300,000
Borrowings from Treasury during year, net	414,600,000	−27,300,000	22,500,000
End of year	1,922,600,000	1,895,300,000	1,917,800,000
Non-interest-bearing capital: Capital stock	1,000,000,000	1,000,000,000	1,000,000,000
Retained earnings	572,380,774	639,172,274	706,672,274
Total Government investment	3,494,980,774	3,534,472,274	3,624,472,274

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash	$5,205,483	$791,764	$991,764	$991,764
Budget authorizations	4,492,000,000	4,077,400,000	4,104,700,000	4,082,200,000
Total unexpended balance	4,497,205,483	4,078,191,764	4,105,691,764	4,083,191,764
Obligated balance, net:				
Current liabilities	4,625,689	4,374,840	4,374,840	4,374,840
Undisbursed commitments:				
Unpaid undelivered orders	20,345	11,378	20,000	20,000
Guaranteed bank loans	11,082,923	2,120,062	(1)	(1)
Guaranteed letters of credit	197,781,383	137,702,320	150,000,000	150,000,000
Commitments for loans	1,085,973,868	795,906,536	1,202,010,874	1,532,010,874
Insurance in force	3,306,468	455,494	500,000	500,000
Contingent liability for indemnification of purchaser of acquired property	120,000	120,000	120,000	120,000
Accounts receivable, net (−)	−29,420,472	−37,980,345	−40,176,845	−40,154,345
Total obligated balance	1,273,490,204	902,710,285	1,316,848,869	1,646,871,369
Unobligated balance	3,223,715,279	3,175,481,479	2,788,842,895	2,436,320,395

(1) Not determinable.

NOTE.—Undisbursed loan authorizations for which agreements have not been executed are as follows: June 30, 1958, $140,584,125; 1959, $367,552,018; 1960, $233,000,000; 1961, $291,000,000.

LIMITATION ON ADMINISTRATIVE EXPENSES, EXPORT-IMPORT BANK OF WASHINGTON

Not to exceed [$2,500,000] *$2,675,000* (to be computed on an accrual basis) of the funds of the Export-Import Bank of Washington shall be available during the current fiscal year for administrative expenses of the Bank, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), at rates not to exceed $75 per diem for individuals, and not to exceed $9,000 for entertainment allowances for members of the Board of Directors when specifically authorized by the Chairman of the Board; and, in addition, not to exceed the equivalent of $200,000 of the aggregate amount of foreign currencies made available to the Export-Import Bank for loans pursuant to the Agricultural Trade Development and Assistance Act of 1954, as amended, shall be available during the current fiscal year for expenses incurred by the Export-Import Bank incident to such loans: *Provided,* That fees or dues to international organizations of credit institutions engaged in financing foreign trade and necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Bank or in which it has an interest, including expenses of collections of pledged collateral, or the investigation or appraisal of any property in respect to which an application for a loan has been made, shall be considered as nonadministrative expenses for the purposes hereof: *Provided further, That funds available to the Bank for the purchase of capital equipment shall be available for the purchase of one passenger motor vehicle (for replacement only) at not to exceed $6,250.* (*Mutual Security Appropriation Act, 1960.*)

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Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Administration:			
Loan and guarantee program	$2,036,940	$2,337,800	$2,480,200
Insurance program	2,500	2,500	2,500
Private enterprise loans from foreign currencies	111,798	159,700	192,300
Total accrued administrative expenses	2,151,238	2,500,000	2,675,000
Financing:			
Unobligated balance no longer available	55,762		
Limitation	2,207,000	2,500,000	2,675,000

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	227	250	257
Full-time equivalent of all other positions		2	2
Average number of all employees	214	232	250
Number of employees at end of year	218	246	252
Average GS grade and salary	8.9 $7,645	8.9 $7,620	8.9 $7,596
01 Personal services:			
Permanent positions	$1,672,207	$1,812,585	$1,957,754
Positions other than permanent	2,350	13,600	15,086
Other personal services	34,586	42,450	35,100
Total personal services	1,709,143	1,868,635	2,007,940
02 Travel	63,518	120,000	143,000
03 Transportation of things	206	3,000	2,000
04 Communication services	27,184	29,925	32,700
05 Rents and utility services	145,454	160,125	176,580
06 Printing and reproduction	24,469	35,750	26,350
07 Other contractual services	28,830	38,315	55,980
Services performed by other agencies	22,250	105,000	75,000
08 Supplies and materials	21,918	20,700	27,000
11 Grants, subsidies, and contributions	107,998	118,150	128,050
15 Taxes and assessments	268	400	400
Total accrued administrative expenses	2,151,238	2,500,000	2,675,000

Liquidation of Certain Reconstruction Finance Corporation Assets

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Expense	$532	$500	$450
Interest on borrowings	316,321	194,518	74,000
Total program (costs—obligations)	316,853	195,018	74,450
Financing:			
Amounts becoming available: Revenue and receipts:			
Collection of loans	6,006,231	6,006,230	6,006,230
Sale of investments			1,250,001
Interest revenue from loans	413,485	263,124	112,877
Total amounts becoming available	6,419,716	6,269,354	7,369,108
Unobligated balance brought forward	61,011	43,591	30,997
Total amounts available	6,480,727	6,312,945	7,400,105
Repayment of borrowings from Treasury (no longer available) (−)	−6,109,751	−6,080,500	−6,053,500
Capital transfers:			
Repayment of investment to Treasury (−)	−9,347	−6,230	−1,256,231
Payment of profits to Treasury (−)	−1,185	−200	
Unobligated balance carried forward	−43,591	−30,997	−15,924
Financing applied to program	316,853	195,018	74,450

Reorganization Plan No. 2 of 1954 relating to the liquidation of the Reconstruction Finance Corporation transferring certain foreign bonds, notes, and securities to the Export-Import Bank became effective as of close of business June 30, 1954.

Liquidating proceeds of these assets are paid to the Treasury, and are not available for future borrowing. Revenue and receipts are estimated to amount to $6,281,930 in 1960 and $7,384,181 in 1961, thereby reducing the net investment of the U.S. Government to $3,022,158.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Expense	$316,853	$195,018	$74,450
Receipts from operations (funds provided):			
Loans repaid	6,006,231	6,006,230	6,006,230
Revenue	413,485	263,124	112,877
Proceeds from sale of investments			1,250,001
Decrease in selected working capital	13,137	12,576	15,073
Total receipts from operations	6,432,853	6,281,930	7,384,181
Budget expenditures	−6,116,000	−6,086,912	−7,309,731

Revenue, Expense, and Retained Earnings

	1959 actual	1960 estimate	1961 estimate
Revenue	$413,485	$263,124	$112,877
Expense	316,853	195,018	74,450
Net income for the year	96,632	68,106	38,427
Analysis of retained earnings:			
Retained earnings, beginning of year	657,080	752,527	820,433
Payment of profits to Treasury (−)	−1,185	−200	
Retained earnings, end of year	752,527	820,433	858,860

Financial Condition

	1959 actual	1960 estimate	1961 estimate
Assets:			
Cash	$18		
Accounts receivable, net	186,149	$112,573	$37,500
Loans receivable	15,018,694	9,012,464	3,006,234
Investments, net	1,250,001	1,250,001	
Total assets	16,454,862	10,375,038	3,043,734
Liabilities:			
Current	142,576	81,576	21,576
Government investment:			
Interest-bearing capital:			
Start of year	20,400,815	14,291,064	8,210,564
Repayments to Treasury during year (−)	−6,109,751	−6,080,500	−6,053,500
End of year	14,291,064	8,210,564	2,157,064
Non-interest-bearing capital:			
Start of year	1,278,042	1,268,695	1,262,465
Repayment of capital to Treasury (−)	−9,347	−6,230	−1,256,231
End of year	1,268,695	1,262,465	6,234
Retained earnings	752,527	820,433	858,860
Total Government investment	16,312,286	10,293,462	3,022,158

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance	$4,301	$18		
Obligated balance, net:				
Current liabilities	204,098	142,576	$81,576	$21,576
Accounts receivable, net (−)	−260,808	−186,149	−112,573	−37,500
Total obligated balance	−56,710	−43,573	−30,997	−15,924
Unobligated balance	61,011	43,591	30,997	15,924

Object Classification

	1959 actual	1960 estimate	1961 estimate
01 Personal services: Positions other than permanent	$532	$500	$450
14 Interest	316,321	194,518	74,000
Total obligations	316,853	195,018	74,450

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EXPORT-IMPORT BANK OF WASHINGTON—Con.

Public enterprise funds—Continued

INFORMATIONAL FOREIGN CURRENCY SCHEDULE

Private enterprise loans from foreign currencies, Agricultural Trade Development and Assistance Act of 1954, as amended

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Loans	$23,402,364	$80,000,000	$135,000,000
2. Operating expense	608	200,000	200,000
Total program (obligations)	23,402,972	80,200,000	135,200,000
Financing:			
Authorization to expend foreign currency receipts (7 U.S.C. 1704)	134,818,519	126,000,000	126,000,000
Unobligated balance brought forward	86,231,231	197,646,778	243,446,778
Unobligated balance carried forward	−197,646,778	−243,446,778	−234,246,778
Financing applied to program	23,402,972	80,200,000	135,200,000

The Export-Import Bank administers foreign currency loans to American firms for business development, and to domestic or foreign firms for facilities aiding in the utilization of U.S. agricultural products abroad. These loans are made from a share of the proceeds of the sale abroad of surplus agricultural commodities as authorized by the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1691–1724). This program was initiated in 1958. A heavy volume of such loans is anticipated for 1961.

Object Classification

	1959 actual	1960 estimate	1961 estimate
02 Travel	$414	$25,000	$30,000
03 Transportation of things		1,000	1,000
04 Communication services		5,000	5,000
05 Rents and utility services		2,500	1,900
07 Other contractual services	194	162,000	161,100
08 Supplies and materials		1,000	1,000
09 Equipment		3,500	
Total operating expense	608	200,000	200,000

Analysis of Expenditures

Obligated balance, start of year		$12,213,690	$47,413,690
Obligations incurred during year	$23,402,972	80,200,000	135,200,000
Obligated balance, end of year	−12,213,690	−47,413,690	−82,613,690
Expenditures	11,189,282	45,000,000	100,000,000

Status of Unfunded Allocations

Unfunded balance, start of year	$86,231,231	$170,758,651	$17,092,656
Allocations	134,818,519	126,000,000	126,000,000
Unfunded balance, end of year	−170,758,651	−17,092,656	−17,092,656
Transfers into agency account	50,291,099	279,665,995	126,000,000

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred from other accounts are included in the schedules of the parent appropriation "Mutual security," funds appropriated to the President.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Loans and guarantee management for other agencies (total obligations)	$53,559	$57,000	$54,000
Financing:			
Advances and reimbursements from other accounts	$53,559	$57,000	$54,000

Object Classification

Total number of permanent positions	7		8		8	
Average number of all employees	7		8		8	
Number employees at end of year	7		8		8	
Average GS grade and salary	8.9	$7,645	8.9	$7,620	8.9	$7,596
01 Personal services: Permanent positions		$46,839		$49,515		$46,695
04 Communication services		96		75		100
05 Rents and utility services		2,569		3,075		3,020
06 Printing and reproduction		1,394		1,450		1,450
07 Other contractual services		31		35		35
11 Grants, subsidies, and contributions		2,630		2,850		2,700
Total obligations		53,559		57,000		54,000

FARM CREDIT ADMINISTRATION

Permanent authorizations:

ADMINISTRATIVE EXPENSES

(Indefinite special fund):

Appropriated (est.) 1960, **$2,125,000** Estimate 1961, **$2,480,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Administrative expenses (total costs—obligations)	$2,050,998	$2,125,000	$2,480,000
Financing:			
Unobligated balance brought forward	−987,613	−940,042	−940,042
Recovery of prior year obligations	−6,490		
Unobligated balance carried forward	940,042	940,042	940,042
Appropriation (new obligational authority)	1,996,937	2,125,000	2,480,000

Assessments based upon estimated administrative expenses are collected from agencies in the farm credit system, are appropriated to this special fund account, and are made available for administrative expenses. Obligations are incurred within fiscal year limitations under Limitation on administrative expenses, Farm Credit Administration.

LIMITATION ON ADMINISTRATIVE EXPENSES, FARM CREDIT ADMINISTRATION

Not to exceed [$2,125,000] *$2,480,000* (from assessments collected from farm credit agencies) shall be obligated during the current fiscal year for administrative expenses. (*12 U.S.C. 636; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.*)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Supervision and examination of farm credit banks and associations (total program costs)	$2,069,025	$2,131,718	$2,480,000
2. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−18,027	−6,718	
Total program (obligations)	2,050,998	2,125,000	2,480,000
Financing:			
Unobligated balance no longer available	74,002		
Limitation	2,125,000	2,125,000	2,480,000

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The Administration supervises a coordinated agricultural credit system of farm credit banks and associations which make credit available to farmers and their cooperatives.

1. *Supervision and examination of farm credit banks and associations.*—Provision is made for supervision and examination of: 12 Federal land banks (wholly farmer-owned); 13 banks for cooperatives (mixed ownership); 12 Federal intermediate credit banks (mixed ownership); the Federal Farm Mortgage Corporation (wholly Government-owned); 854 Federal land bank associations; and 495 production credit associations. Also, these credit agencies are furnished such services as assistance in financing and investments, custody of collateral for bonds and debentures, credit analysis, development of appraisal standards and policies, preparation of reports and budgets, and development and distribution of information on farm credit.

2. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1958, $30,745; 1959, $12,718; 1960, $6,000; 1961, $6,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	213	220	242
Average number of all employees	212	213	240
Number of employees at end of year	210	205	240
Average GS grade and salary	9.0 $7,479	9.2 $7,672	9.3 $7,643
01 Personal services:			
Permanent positions	$1,538,579	$1,614,300	$1,854,700
Positions other than permanent:			
Board compensation	34,233	38,000	38,000
Other personal services	20,937	18,800	13,300
Total personal services	1,593,749	1,671,100	1,906,000
02 Travel	247,119	271,000	365,000
03 Transportation of things	2,600	2,500	2,500
04 Communication services	25,418	28,000	28,000
06 Printing and reproduction	11,233	9,800	9,800
07 Other contractual services	16,326	16,281	20,000
Services performed by other agencies	9,750	10,724	10,700
08 Supplies and materials	16,982	10,313	10,000
09 Equipment	42,017	2,000	2,000
11 Grants, subsidies, and contributions	102,429	108,000	124,000
13 Refunds, awards, and indemnities	1,200	1,500	1,500
15 Taxes and assessments	202	500	500
Total costs	2,069,025	2,131,718	2,480,000
Costs financed from obligations of other years, net	−18,027	−6,718	
Total obligations	2,050,998	2,125,000	2,480,000

Public enterprise funds:

FEDERAL FARM MORTGAGE CORPORATION FUND

The Federal Farm Mortgage Corporation is authorized to make such expenditures, within available funds and in accordance with law, as may be necessary to liquidate its assets: *Provided*, That funds realized from the liquidation of assets which are determined by the Board of Directors to be in excess of the requirements for expenses of liquidation shall be declared as dividends which shall be paid into the general fund of the Treasury. (*12 U.S.C. 1020; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.*)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Preserving, leasing, and disposing of reserved mineral interests	$4,516	$1,000	$1,000
Other	284		
Total program (costs—obligations) (object class 07)	4,800	1,000	1,000

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Financing:			
Amounts becoming available: Revenue and receipts:			
Collection of notes receivable	$2,041,522	$1,669,000	$1,742,000
Leases and sale of reserved mineral interests	377		
Other receipts	32		
Total amounts becoming available	2,041,931	1,669,000	1,742,000
Unobligated balance brought forward	484,004	395,335	338,335
Total amounts available	2,525,935	2,064,335	2,080,335
Capital transfer (payment of dividend to Treasury) (−)	−2,100,000	−1,700,000	−1,700,000
Unobligated balance carried forward	−395,335	−338,335	−354,335
Unobligated balance no longer available	−25,800	−25,000	−25,000
Financing applied to program	4,800	1,000	1,000

The Corporation is in liquidation, its only remaining activity being the collection of non-interest-bearing notes sold to Federal land banks on June 30, 1955, and paying the proceeds as dividends to the Treasury. Its mineral interests with the exception of two in the St. Paul district, which are in litigation, were transferred to the Department of the Interior during 1958.

Operating results.—The retained earnings at the end of 1961, after making dividend payments to the Treasury of $1.7 million, are expected to be $2.4 million. Payments will continue to be made to the Treasury until final liquidation.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Expense	$4,800	$1,000	$1,000
Increase in selected working capital	2,360	2,500	2,500
Total gross expenditures	7,160	3,500	3,500
Receipts from operations (funds provided):			
Collection of notes receivable—Federal land banks	2,041,522	1,669,000	1,742,000
Revenue	409		
Total receipts from operations	2,041,931	1,669,000	1,742,000
Budget expenditures	−2,034,771	−1,665,500	−1,738,500

Revenue, Expense, and Retained Earnings

Nonoperating income or loss (−):			
Revenue	$409		
Expense	4,800	$1,000	$1,000
Net loss (−) for the year	−4,391	−1,000	−1,000
Analysis of retained earnings:			
Retained earnings, beginning of year	7,887,540	5,783,149	4,082,149
Payment of dividend to Treasury (−)	−2,100,000	−1,700,000	−1,700,000
Retained earnings, end of year	5,783,149	4,082,149	2,381,149

Financial Condition

Assets:			
Cash with Treasury	$438,698	$379,198	$392,698
Notes receivable—Federal land banks	5,602,214	3,933,214	2,191,214
Total assets	6,040,912	4,312,412	2,583,912
Liabilities:			
Current liabilities	43,363	40,863	38,363
Bonds payable—held by public, matured principal	214,400	189,400	164,400
Total liabilities	257,763	230,263	202,763
Government investment:			
Retained earnings (total Government investment)	5,783,149	4,082,149	2,381,149

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FARM CREDIT ADMINISTRATION—Continued

Public enterprise funds—Continued

FEDERAL FARM MORTGAGE CORPORATION FUND—Continued

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash with Treasury	$529,727	$438,698	$379,198	$392,698
Obligated balance, net: Current liabilities	45,723	43,363	40,863	38,363
Unobligated balance	484,004	395,335	338,335	354,335

FEDERAL INTERMEDIATE CREDIT BANKS INVESTMENT FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities: Purchase of capital stock of Federal intermediate credit banks (total costs—obligations) (object class 16)	$11,300,000	$10,500,000	$11,000,000
Financing:			
Unobligated balance brought forward	39,400,000	28,100,000	17,600,000
Unobligated balance carried forward	−28,100,000	−17,600,000	−6,600,000
Financing applied to program	11,300,000	10,500,000	11,000,000

This fund is available to the Governor of the Farm Credit Administration as a revolving fund for investment in capital stock of the Federal intermediate credit banks (12 U.S.C. 1061(a)(1), 1131i(e).

Budget program.—Funds will be required in 1960 and 1961 for investment in class A stock of the banks. An estimate of $10,500,000 net investment is made for 1960 and $11,000,000 for 1961, leaving an unobligated balance of $6,600,000 available for future purchases of stock. The estimate of requirements is based on recent projections made by the 12 intermediate credit banks which indicate that several of the banks will need additional capital in order to keep their debt-to-capital ratios within the 10 to 1 maximum permitted by law.

Financing.—Under section 105(d)(3) of the Farm Credit Act of 1956, the revolving fund authorization was increased from $40,000,000 to $70,000,000 by making this fund in effect the owner of $30,000,000 of class A stock. Of the $87,405,000 of such stock outstanding as of January 1, 1957, $57,405,000 must be retired by payments into the Treasury as miscellaneous receipts. When the balance is reduced to $30,000,000 the remaining proceeds from retirement of such stock will be credited to the revolving fund.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied): Purchase of capital stock of the Federal intermediate credit banks	$11,300,000	$10,500,000	$11,000,000
Budget expenditures	11,300,000	10,500,000	11,000,000

Financial Condition

Assets:			
Cash with Treasury	$28,100,000	$17,600,000	$6,600,000
Investment in capital stock of Federal intermediate credit banks:			
Old issue	30,000,000	30,000,000	30,000,000
New issue	11,900,000	22,400,000	33,400,000
Total assets	70,000,000	70,000,000	70,000,000
Government investment: Non-interest-bearing capital: Start and end of year	70,000,000	70,000,000	70,000,000

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash with Treasury (unobligated balance)	$39,400,000	$28,100,000	$17,600,000	$6,600,000

PRODUCTION CREDIT ASSOCIATIONS INVESTMENT FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities: Purchase of capital stock of production credit associations (total costs—obligations) (object class 16)	$835,000	$4,900,000	$5,000,000
Financing:			
Amounts becoming available: Repayment of investment in capital stock of production credit associations	880,000	2,000,000	1,600,000
Unobligated balance brought forward	56,090,000	56,135,000	53,235,000
Total amounts available	56,970,000	58,135,000	54,835,000
Unobligated balance carried forward	−56,135,000	−53,235,000	−49,835,000
Financing applied to program	835,000	4,900,000	5,000,000

This fund is available to the Governor of Farm Credit Administration for investment in class A and class C stock of production credit associations and is designed to enable the Farm Credit Administration to supply capital needs which cannot be met by an association from local sources (12 U.S.C. 1131i(a)).

Budget program.—An estimate for purchase of stock in production credit associations of $4.9 million is made for 1960 and $5 million for 1961. The need arises primarily because the volume of business of associations is increasing more rapidly than net worth can be accumulated from local sources.

Financing.—Of the $60,000,000 in the fund authorized for financing the capital needs of the production credit associations, it is estimated that $6,765,000 will have been invested by the end of 1960. An additional $3,400,000 net investment in the associations is expected in 1961, leaving an unobligated balance of $49,835,000 available for future purchases of stock.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied): Purchase of capital stock in production credit associations	$835,000	$4,900,000	$5,000,000
Receipts from operations (funds provided): Repayment of investment in capital stock of production credit associations	880,000	2,000,000	1,600,000
Budget expenditures	−45,000	2,900,000	3,400,000

Financial Condition

Assets:			
Cash with Treasury	$56,135,000	$53,235,000	$49,835,000
Investment in capital stock of production credit associations	3,865,000	6,765,000	10,165,000
Total assets	60,000,000	60,000,000	60,000,000
Government investment: Non-interest-bearing capital: Start and end of year	60,000,000	60,000,000	60,000,000

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash with Treasury (unobligated balance)	$56,090,000	$56,135,000	$53,235,000	$49,835,000

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Agricultural Marketing Revolving Fund

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Financing:			
Amounts becoming available: Revenue and receipts:			
Retirement of investments in capital stock of—			
District banks for cooperatives	$5,138,800	$6,759,400	$6,200,000
Central Bank for Cooperatives	1,650,000	1,700,000	1,300,000
Revenue	2,297		
Total amounts becoming available	6,791,097	8,459,400	7,500,000
Unobligated balance brought forward	44,328,229	51,119,326	59,578,726
Total amounts available	51,119,326	59,578,726	67,078,726
Unobligated balance carried forward	−51,119,326	−59,578,726	−67,078,726
Financing applied to program			

This fund is available to the Governor of the Farm Credit Administration for investments in class A capital stock of the banks for cooperatives (12 U.S.C. 1134).

Budget program.—No new subscriptions of capital stock are anticipated and stock will be retired by the banks for cooperatives in accordance with section 42(a)(1) of the Farm Credit Act of 1933, as amended.

Operating results and financial condition.—Investment in capital stock will continue to be reduced through 1961, thereby increasing the cash of the fund. Earnings are retained to provide for the future purchase of stock.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Receipts from operations (funds provided):			
Retirement of investments in capital stock of—			
District banks for cooperatives	$5,138,800	$6,759,400	$6,200,000
Central Bank for Cooperatives	1,650,000	1,700,000	1,300,000
Revenue	2,297		
Total receipts from operations	6,791,097	8,459,400	7,500,000
Budget expenditures	−6,791,097	−8,459,400	−7,500,000

Revenue, Expense, and Retained Earnings

Retained earnings, beginning of year	$15,946,896	$15,949,193	$15,949,193
Revenue (net income for the year)	2,297		
Retained earnings, end of year	15,949,193	15,949,193	15,949,193

Financial Condition

Assets:			
Cash with Treasury	$51,119,326	$59,578,726	$67,078,726
Investments in capital stock of—			
District banks for cooperatives	88,248,700	81,489,300	75,289,300
Central Bank for Cooperatives	46,550,000	44,850,000	43,550,000
Total assets	185,918,026	185,918,026	185,918,026
Government investment:			
Non-interest-bearing capital (start and end of year)	169,968,833	169,968,833	169,968,833
Retained earnings	15,949,193	15,949,193	15,949,193
Total Government investment	185,918,026	185,918,026	185,918,026

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash with Treasury (unobligated balance)	$44,328,229	$51,119,326	$59,578,726	$67,078,726

Mixed-Ownership Corporations

BANKS FOR COOPERATIVES

The banks for cooperatives make loans to finance the operations of farmers' cooperatives. The banks' capital funds are from the Agricultural Marketing revolving fund and from borrowing farmers' cooperative associations (12 U.S.C. 1134). The Farm Credit Act of 1955 provides for eventual ownership of the banks by farmers' cooperatives and the retirement of the U.S. Government investment.

No new subscriptions of capital stock are anticipated and stock will be retired by the banks for cooperatives in accordance with the act. Repayments of $8,459,400 have been made for 1960, and it is estimated that $7,500,000 will be retired in 1961. As of June 30, 1959, the U.S. Government owned capital stock in the banks in the amount of $134,798,700.

STATEMENT OF FINANCIAL CONDITION AS OF JUNE 30, 1959

Assets:			
Cash			$13,218,954
U.S. securities (par $42,963,000)			43,077,611
Loans to cooperative associations		$525,880,724	
Notes receivable, sales contracts, etc		1,323,240	
Accrued interest receivable		5,061,288	
Total		532,265,252	
Less allowance for losses		3,712,210	
			528,553,042
Other assets		4,093,813	
Less allowance for losses		795,051	
			3,298,762
Total assets			588,148,369
Liabilities and capital:			
Unmatured debentures outstanding			284,500,000
Matured debentures—principal and interest			86,779
Notes payable:			
Commercial banks			28,050,000
Federal intermediate credit banks			400,000
Federal land banks			1,500,000
Dividends payable on class B capital stock and guaranty fund			447,863
Federal franchise tax payable			1,789,693
Other liabilities			2,548,214
Capital: Privately owned capital:			
Capital stock:			
Class B	$14,568,539		
Class C	23,214,786		
Other	412,387		
		38,195,712	
Earned surplus:			
Surplus—reserved	13,881,831		
Surplus allocated to patrons	7,720,210		
		21,602,041	
			59,797,753
Government investment:			
Unretired class A capital stock	126,339,800		
Class A stock called for retirement	8,458,900		
		134,798,700	
Retained earnings (reserved)		74,229,367	
			209,028,067
Total			588,148,369

Intragovernmental funds:

Advances and Reimbursements

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Miscellaneous services to other accounts (total obligations)	$39,340		
Financing:			
Advances and reimbursements from—			
Other accounts	36,395		
Non-Federal sources (5 U.S.C. 485(d))	2,945		
Total financing	39,340		

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FARM CREDIT ADMINISTRATION—Continued

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS—Continued

Object Classification

	1959 actual	1960 estimate	1961 estimate
Average number of all employees	5		
Number of employees at end of year	0		
01 Personal services: Positions other than permanent	$38,040		
03 Transportation of things	4		
04 Communication services	535		
06 Printing and reproduction	598		
08 Supplies and materials	163		
Total obligations	39,340		

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriation, "Mutual security," funds appropriated to the President.

Proposed for later transmission:

ADMINISTRATIVE EXPENSES, FARM CREDIT ADMINISTRATION

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Administrative expenses (total obligations)		$210,000	
Financing:			
Proposed supplemental appropriation		210,000	

Under existing legislation, 1960.—Assessments against agencies in the farm credit system will be increased by $210,000 to provide for the increase in the limitation to cover the costs of reviewing the work of appraisers which function was substantially enlarged by Public Law 86–168, approved August 18, 1959. The increase in assessments, which are appropriated through an indefinite special fund, will result in a like increase in new obligational authority.

FEDERAL AVIATION AGENCY

The Federal Aviation Agency encourages and fosters the development of civil aeronautics and air commerce by (*a*) managing the use of the navigable airspace and regulating both civil and military air operations; (*b*) installing and operating aids to air navigation and traffic control for civil and military aviation; (*c*) conducting research to develop facilities and techniques required to modernize the air traffic control and navigation system; (*d*) certificating the competency of airmen and the airworthiness of aircraft; (*e*) establishing standards and rules designed to promote air safety; and by (*f*) administering a program of grants-in-aid for construction and improvement of civil airports.

In accordance with the objectives of the Federal Aviation Act of 1958, the Agency is planning to assume air traffic control functions now performed by military personnel at airbases throughout the world.

Legislation will again be proposed to establish a system of airways user charges by increasing the effective tax on aviation gasoline from 2 cents to 4½ cents per gallon and by applying this rate to jet fuels which are now tax free.

Current authorizations:

EXPENSES

For necessary expenses of the Federal Aviation Agency, not otherwise provided for, including administrative expenses for research and development and for establishment of air navigation facilities, and carrying out the provisions of the Federal Airport Act; not to exceed $5,000 for the purchase of newspapers and periodicals (excluding scientific, technical, trade or traffic periodicals, for official use only); purchase of [one passenger motor vehicle at not to exceed $4,500; not to exceed $13,500,000 for expenses of travel] *twenty passenger motor vehicles for replacement only; not to exceed $5,000 for representation allowances and for official entertainment*; and purchase and repair of skis and snowshoes; [$301,700,000] *$383,000,000: Provided*, That there may be credited to this appropriation, funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred in the maintenance and operation of air navigation facilities.

[For an additional amount for "Expenses", $17,000,000, to be derived by transfer from the appropriation for "Establishment of air navigation facilities", fiscal year 1960; and the limitation under the head "Expenses" in the Independent Offices Appropriation Act, 1960, on the amount available for expenses of travel is increased from "$13,500,000" to "$14,125,000".] (*72 Stat. 731–811; 49 U.S.C. 1151–1160; 50 U.S.C. 1622 et seq; Convention on International Civil Aviation, 61 Stat. 1180; Convention on the International Recognition of Rights in Aircraft, 4 U.S.T. 1830; Independent Offices Appropriation Act, 1960; Mutual Security Appropriation Act, 1960.*)

Appropriated 1960, **$301,700,000** Estimate 1961, **$383,000,000**
Appropriated (adjusted) 1960, **$318,700,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Traffic management and facilities maintenance	$219,983,169	$273,656,000	$325,291,000
2. Research direction	2,174,296	4,201,000	5,315,000
3. Flight standards	28,566,992	35,894,000	46,977,000
4. Administration of airport program	4,506,700	4,949,000	5,417,000
5. 1959 program obligated in 1958	−1,118,621		
Total obligations	254,112,536	318,700,000	383,000,000
Financing:			
1959 appropriation available in 1958	1,118,621		
Unobligated balance no longer available	1,288,130		
New obligational authority	256,519,287	318,700,000	383,000,000
New obligational authority:			
Appropriation	$259,139,023	$301,700,000	$383,000,000
Transferred from—			
"Salaries and expenses," Civil Aeronautics Board (72 Stat. 810)	102,000		
"Establishment of air navigation facilities" (73 Stat. 724)		17,000,000	
Transferred to "Research and development" (72 Stat. 810)	−2,721,736		
Appropriation (adjusted)	256,519,287	318,700,000	383,000,000

1. *Traffic management and facilities maintenance.*—This is a program of maintaining and operating, 24 hours daily, the national network of aids to air navigation and traffic management in the United States and its possessions. Major increases in 1961 are for (*a*) operating newly commissioned air traffic management facilities, navigation aids and other facilities procured and installed with funds appropriated under Establishment of air navigation facilities; (*b*) training of traffic management and maintenance personnel; (*c*) handling workload generated by increased air traffic; and (*d*) full-year costs of facilities and services

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operated on a part-year basis in 1960. These increases carry forward the Agency's program to expand and improve the airways system in order that the increasing volume of air traffic will be accommodated safely with a minimum of restrictions.

2. *Research direction.*—This covers direction and administration of the research and development program for improving the national system of aviation facilities. Increases in 1961 are for strengthening technical supervision of the research and development effort authorized in 1960 and to support an expanded program in 1961.

3. *Flight standards.*—Inspections and certifications are made of aircraft, airmen, and operators of aircraft and air agencies, including the establishment of civil air regulations, which are designed to provide safe and competent operation of aircraft. Increases in 1961 are for handling workload incident to the increased volume of flying and new types of complex aircraft being placed in service; improving the system of airborne inspections for determining the accuracy and safe use of aids to air navigation; and providing additional technical training for Agency personnel.

4. *Administration of airport program.*—This activity includes costs of administering grants for airports construction; inspection of airport facilities to determine their utility and to assure compliance with law and regulations; and the provision of advisory services on airport design and engineering.

RECENT TRENDS IN VOLUME OF AIR TRAFFIC

	Aircraft operations at airports with FAA towers (in millions)	*Instrument operations at airports with FAA traffic control service (in millions)*	*General aviation-hours flown (in millions)*	*Revenue passenger-miles (in billions)*
1955	18.8	---	9.2	22.4
1956	20.4	---	9.9	25.8
1957	23.7	4.8	10.6	29.3
1958	26.3	5.1	11.3	31.4
1959	26.8	6.3	12.0	33.2
1960 estimate	28.2	6.7	12.7	37.2
1961 estimate	29.3	7.0	13.4	40.5

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	30,040	34,890	39,585
Full-time equivalent of all other positions	244	203	221
Average number of all employees:			
Civilian	26,634	31,843	37,026
Military	40	112	117
Number of employees at end of year:			
Civilian	29,940	34,605	39,152
Military	97	113	118
Average GS grade and salary	8.5 $6,369	8.9 $6,537	8.9 $6,550
Average salary of ungraded positions	$5,526	$5,563	$5,554
01 Personal services:			
Permanent positions	$163,395,228	$205,005,515	$239,001,123
Positions other than permanent	1,138,840	1,011,164	1,073,835
Other personal services	13,815,184	14,818,514	15,252,785
Total personal services	178,349,252	220,835,193	255,327,743
02 Travel	11,443,085	14,125,000	19,678,504
03 Transportation of things	2,090,224	2,695,128	4,442,952
04 Communication services	16,673,858	18,999,550	23,681,288
05 Rents and utility services	8,121,136	12,638,683	17,424,184
06 Printing and reproduction	668,376	800,501	918,615
07 Other contractual services	5,976,884	8,482,629	11,025,326
Services performed by other agencies	1,099,155	2,393,934	1,774,035
08 Supplies and materials	12,424,983	19,577,443	27,051,658
09 Equipment	8,001,877	5,256,847	6,694,764
10 Lands and structures	50,856		
11 Grants, subsidies, and contributions	10,412,356	13,266,188	15,466,577
13 Refunds, awards, and indemnities	222,677		
15 Taxes and assessments	107,819	88,106	90,802
1959 program obligated in 1958	−1,118,621		
Subtotal	254,523,917	319,159,202	383,486,538
Deduct quarters and subsistence charges	411,381	459,202	486,538
Total obligations	254,112,536	318,700,000	383,000,000

ESTABLISHMENT OF AIR NAVIGATION FACILITIES

For an additional amount for the acquisition, establishment, and improvement by contract or purchase and hire of air navigation facilities, including the initial acquisition of necessary sites by lease or grant; the construction and furnishing of quarters and related accommodations for officers and employees of the Federal Aviation Agency stationed at remote localities [not on foreign soil] where such accommodations are not available [(at a total cost of construction of not to exceed $50,000 per housing unit in Alaska)]; purchase of [one] *nine* aircraft; and the initial flight checking of air navigation facilities and the transportation by air to and from and within Alaska and the Territories of the United States of materials and equipment secured under this appropriation; [$135,200,000] *$195,000,000*, to remain available until expended: *Provided*, That there may be credited to this appropriation, funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred in the establishment of air navigation facilities.

[Not to exceed $4,000,000 of the appropriation made available under this head in the Independent Offices Appropriation Act, 1960, shall be available for expenses of travel.] *(72 Stat. 731 et seq.; 49 U.S.C. 175, 1156–1159; Independent Offices Appropriation Act, 1960; Mutual Security Appropriation Act, 1960.)*

Appropriated 1960, **$135,200,000** Estimate 1961, **$195,000,000**
Appropriated (adjusted) 1960, **$118,200,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Air navigation facilities:			
(a) VORTAC	$23,388,534	$12,861,000	$17,720,000
(b) Low/medium frequency and markers	711,232	776,000	1,147,000
(c) Instrument landing systems	4,024,334	5,573,000	8,357,000
(d) Approach lighting	5,416,506	5,562,000	6,800,000
(e) Intermediate fields and beacons	1,694,512	1,616,000	2,100,000
2. En route traffic control aids:			
(a) Long range radar	22,026,353	37,621,000	37,399,000
(b) Air traffic control centers	10,971,284	26,773,000	50,470,000
(c) Air traffic communications stations	6,383,131	8,646,000	13,361,000
(d) International air traffic communications stations	1,990,874	4,292,000	4,527,000
3. Terminal traffic control aids:			
(a) Airport traffic control towers	4,002,145	5,573,000	4,855,000
(b) Terminal area radar	5,965,861	6,957,000	7,615,000
4. Supporting facilities:			
(a) Aircraft	7,176,559	9,691,000	10,795,000
(b) Housing, utilities, and miscellaneous facilities	9,419,462	4,119,000	4,854,000
Total obligations	103,170,787	130,000,000	170,000,000
Financing:			
Unobligated balance brought forward	−21,406,031	−76,735,244	−64,935,244
Unobligated balance carried forward	76,735,244	64,935,244	89,935,244
New obligational authority	158,500,000	118,200,000	195,000,000
New obligational authority:			
Appropriation	$158,500,000	$135,200,000	$195,000,000
Transferred to "Expenses" (73 Stat. 724)		−17,000,000	
Appropriation (adjusted)	158,500,000	118,200,000	195,000,000

The Federal system of air navigation and traffic control facilities and services is being improved by the procurement and installation of new equipment and the modernization of existing facilities. The 1961 estimate is to carry forward a program begun in 1957 which is designed to expand the capacity of the airways system to handle growing air traffic efficiently and safely.

The cost of operating and maintaining equipment installed under this appropriation is covered by the appropriation Expenses.

1. *Air navigation facilities.*—(*a*) *VORTAC* covers the ground installation portion of the standard short-range navigation system which defines the location of the principal airways and gives pilots of equipped aircraft their distance and direction from ground stations; (*b*) *Low/*

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FEDERAL AVIATION AGENCY—Continued

Current authorizations—Continued

ESTABLISHMENT OF AIR NAVIGATION FACILITIES—Continued

medium frequency radio ranges and markers include radiobeacons, ranges and associated equipment which provide pilots of equipped aircraft with direction information and define the location of certain airways; (*c*) *Instrument landing systems* cover the ground installations of this standard system which provide pilots with direction, distance, and glide slope information necessary for making approaches to runways under conditions of poor visibility; (*d*) *Approach lighting* consists of a row of lights extending outward from runways to aid pilots during landings; and (*e*) *Intermediate fields* are chiefly emergency landing areas provided on certain air routes at locations where provision of such facilities by local governing bodies cannot be obtained.

2. *En route traffic control aids.*—(*a*) *Long-range radar* aids en route air traffic control by displaying positions of aircraft at distances up to 230 miles; (*b*) *Air traffic control centers* are facilities, including structures and equipment such as air/ground radio, which are used in controlling air traffic over extensive geographical areas; (*c*) *Air traffic communications stations* include structures, communications and other equipment used to relay traffic control information and to provide other flight assistance to pilots; and (*d*) *International air traffic communications stations* include structures and long-range communications equipment for providing flight assistance and controlling traffic on transoceanic international routes.

3. *Terminal area traffic control aids.*—(*a*) *Airport traffic control towers* include air-ground communications and other gear required to equip towers for controlling traffic on and around airports; and (*b*) *Terminal area radar* aids traffic control in the vicinity of airports by displaying aircraft positions at distances up to 70 miles.

4. *Supporting facilities.*—(*a*) *Aircraft* are used to flight check accuracy and other characteristics of navigation and traffic control aids, to provide logistic support for remote facilities and to train personnel responsible for flight testing and inspecting aircraft and certificating airmen; and (*b*) *Housing, utilities, and miscellaneous facilities* are necessary at remote locations. Included are other items not covered elsewhere.

The following table lists the major facilities already funded and those budgeted in 1961:

NUMBER OF FACILITIES

	Authorized through 1960	*Proposed in 1961*
1. Air navigation facilities:		
(*a*) VORTAC:		
Radio omniranges	661	20
Complete VORTAC installations	108	42
Equipment to convert VOR's to VORTAC	450	0
(*c*) Instrument landing systems	230	20
(*d*) Approach lighting:		
Runway approach lighting systems	157	17
Sequence flashing lights	102	72
2. En route traffic control aids:		
(*a*) Long-range radars	67	12
Air traffic control radar beacons	72	15
3. Terminal area traffic control aids:		
(*a*) Airport traffic control tower service	266	13
(*b*) Terminal area radars	82	0
Air traffic control radar beacons	6	27
Airport surface detection radars	10	0

Object Classification

	1959 actual	1960 estimate	1961 estimate
FEDERAL AVIATION AGENCY			
Total number of permanent positions	1,557	1,741	2,027
Full-time equivalent of all other positions	70	73	83
Average number of all employees	1,299	1,505	1,740
Number of employees at end of year	1,554	1,774	2,052
Average GS grade and salary	8.1 $5,937	8.5 $6,207	8.6 $6,286
Average salary of ungraded positions	$5,667	$5,509	$5,717
01 Personal services:			
Permanent positions	$7,442,620	$8,905,690	$10,414,836
Positions other than permanent	594,123	631,255	710,600
Other personal services	680,713	782,184	846,269
Total personal services	8,717,456	10,319,129	11,971,705
02 Travel	3,342,266	4,000,000	4,813,000
03 Transportation of things	1,726,187	2,036,373	2,732,815
04 Communication services	148,906	175,664	235,741
05 Rents and utility services	670,262	790,704	1,061,126
06 Printing and reproduction	23,820	28,100	37,710
07 Other contractual services	25,899,913	30,553,986	41,003,484
08 Supplies and materials	5,687,669	6,709,712	9,004,444
09 Equipment	51,060,390	60,235,664	80,836,329
10 Lands and structures	5,384,014	6,351,492	8,523,709
11 Grants, subsidies, and contributions	472,551	557,466	748,119
13 Refunds, awards, and indemnities	5,285		
15 Taxes and assessments	20,098	23,710	31,818
Subtotal	103,158,817	121,782,000	161,000,000
Deduct quarters and subsistence charges	2,030		
Total, Federal Aviation Agency	103,156,787	121,782,000	161,000,000
ALLOCATION ACCOUNTS			
07 Other contractual services	14,000		
10 Lands and structures		8,218,000	9,000,000
Total obligations	103,170,787	130,000,000	170,000,000
Obligations are distributed as follows:			
Federal Aviation Agency	$103,156,787	$121,782,000	$161,000,000
General Services Administration	14,000		
Air Force		6,800,000	9,000,000
Army—Civil		1,418,000	

GRANTS-IN-AID FOR AIRPORTS (LIQUIDATION OF CONTRACT AUTHORIZATION)

For liquidation of obligations incurred under authority granted in the Act of August 3, 1955 (69 Stat. 441), to enter into contracts, [$47,500,000] *$80,000,000*, to remain available until expended. (*49 U.S.C. 1101–1119; Independent Offices Appropriation Act, 1960.*)

Appropriated 1960, **$47,500,000** Estimate 1961, **$80,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Grants for construction of airports (object class 11)	$72,956,360	$75,000,000	$75,000,000
Financing:			
Unobligated balance brought forward (contract authorization)	−57,880,304	−47,923,944	−35,923,944
Unobligated balance carried forward (contract authorization)	47,923,944	35,923,944	23,923,944
Contract authorization (new) (permanent)	63,000,000	63,000,000	63,000,000

Status of Unfunded Contract Authorization

Unfunded balance at beginning of year	$113,500,000	$128,500,000	$133,000,000
Contract authorization (new) (permanent)	63,000,000	63,000,000	63,000,000
Transferred to proposed supplemental appropriation		−11,000,000	
Unfunded balance at end of year	−128,500,000	−133,000,000	−116,000,000
Appropriation to liquidate contract authorization	48,000,000	47,500,000	80,000,000

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Grants are made to State and local public agencies for development or improvement of civil airports. Public Law 86–72 extended this program by providing $63 million in contract authorizations for each of the years 1960 and 1961. Grants are limited to projects which are deemed essential for the safety, convenience, or comfort of the traveling public. The grants generally cover 50% of project costs. The following tabulation summarizes the activity under the Federal Airport Act, as amended:

[Dollars in millions]

	1947 through 1959 actual	*1960 estimate*	*1961 estimate*
Airports having projects in program	1,501	375	325
Projects physically completed	3,350	390	382
Grant funds	$465.8	$63.0	$63.0
Prior year balance available	-------	$47.9	$35.9
Grant obligations	$417.2	$75.0	$75.0
Federal expenditures	$321.4	$72.4	$81.4

It is estimated that an appropriation of $80 million will be required for 1961 to pay obligations incurred under available contract authorizations and that a supplemental appropriation of $11 million will be required for this purpose in 1960. The latter estimate is shown under Proposed for later transmission.

Research and Development

For expenses, not otherwise provided for, necessary for research, development, and service testing, including construction of experimental facilities and acquisition of necessary sites by lease or grant[; and purchase of not to exceed two passenger motor vehicles; $48,725,000], *$65,000,000,* to remain available until expended. (*72 Stat. 731 et seq.; Independent Offices Appropriation Act, 1960.*)

Appropriated 1960, **$48,725,000** Estimate 1961, **$65,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Research and development to improve air safety	$18,946,046	$39,105,699	$47,375,000
2. Experimentation and evaluation	12,407,136	11,657,000	17,625,000
3. 1959 program obligated in 1958	−218,755	----------	----------
Total obligations	31,134,427	50,762,699	65,000,000
Financing:			
1959 appropriation available in 1958	218,755	----------	----------
Unobligated balance brought forward	----------	−2,037,699	----------
Unobligated balance carried forward	2,037,699	----------	----------
Unobligated balance no longer available	4,932	----------	----------
New obligational authority	33,395,813	48,725,000	65,000,000
New obligational authority:			
Appropriation	$30,674,077	$48,725,000	$65,000,000
Transferred from "Expenses" (72 Stat. 810)	2,721,736	----------	----------
Appropriation (adjusted)	33,395,813	48,725,000	65,000,000

The Bureau of Research and Development of the Federal Aviation Agency carries out a program to improve and modernize the national system of aviation facilities through the development of systems, procedures, and devices which will best serve aviation needs.

Contracts are made with qualified firms, universities, and individuals to perform specific research and development work. The product secured from these contracts is tested and determinations are made as to how the data, procedures, or equipments procured can best be adapted for use in the airways system. The cost of direction and administration of the research carried out under this appropriation is included in the appropriation Expenses.

1. *Research and development to improve air safety.*—This provides for improvement in the Nation's airways system by adapting existing technology to air traffic control and navigation problems and by long-range research and development to meet future traffic control and navigation requirements. The 1961 estimate provides for an expanded program, including continued study of the present airways system and projections of future requirements, theoretical analysis of proposed facilities, development and testing of an automatic data processing and display system, and participation in the development of an aviation weather system program.

2. *Experimentation and evaluation.*—This covers experimentation, modification, testing, and evaluation of systems, procedures, and components for use in the national system of aviation facilities. It includes funds for operation and maintenance of experimental test facilities, aircraft, and laboratories at the National Aviation Facilities Experimental Center, as well as procurement of technical equipment and construction of support facilities.

Object Classification

	1959 actual	1960 estimate	1961 estimate
FEDERAL AVIATION AGENCY			
Total number of permanent positions	305	484	641
Full-time equivalent of all other positions	16	69	60
Average number of all employees:			
Civilian	253	470	626
Military	17	22	22
Number of employees at end of year:			
Civilian	359	574	734
Military	22	22	22
Average GS grade and salary	9.2 $7,239	9.5 $7,234	9.6 $7,307
Average salary of ungraded positions	$5,780	$5,767	$5,767
01 Personal services:			
Permanent positions	$2,243,373	$3,088,800	$4,298,380
Positions other than permanent	78,468	242,000	202,200
Other personal services	82,444	69,000	91,700
Total personal services	2,404,285	3,399,800	4,592,280
02 Travel	252,428	154,000	251,000
03 Transportation of things	246,409	115,000	148,100
04 Communication services	88,097	121,900	169,500
05 Rents and utility services	117,536	158,900	257,000
06 Printing and reproduction	17,776	2,700	1,300
07 Other contractual services	22,985,830	42,909,564	52,032,120
Services performed by other agencies	388,629	700,000	1,000,000
08 Supplies and materials	761,923	1,119,900	1,368,700
09 Equipment	3,192,507	1,389,600	2,574,200
10 Lands and structures	236,522	416,400	2,360,000
11 Grants, subsidies, and contributions	124,163	175,600	245,800
13 Refunds, awards, and indemnities	525	----------	----------
15 Taxes and assessments	2,987	1,900	----------
1959 program obligated in 1958	−218,755	----------	----------
Total, Federal Aviation Agency	30,600,862	50,665,264	65,000,000
ALLOCATION TO ARMY			
Total number of permanent positions	7	4	----------
Average number of all employees	6	3	----------
Number of employees at end of year	3	0	----------
Average GS grade and salary	8.0 $6,148	7.8 $6,178	----------
01 Personal services:			
Permanent positions	$35,850	$18,012	----------
Other personal services	506	288	----------
Total personal services	36,356	18,300	----------
04 Communication services	55	----------	----------
07 Other contractual services	5,880	1,074	----------
10 Lands and structures	490,910	77,996	----------
11 Grants, subsidies, and contributions	363	65	----------
15 Taxes and assessments	1	----------	----------
Total, Army	533,565	97,435	----------
Total obligations	31,134,427	50,762,699	65,000,000

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FEDERAL AVIATION AGENCY—Continued

Current authorizations—Continued

OPERATION AND MAINTENANCE, [WASHINGTON] NATIONAL [AIRPORT] *CAPITAL AIRPORTS*

For expenses incident to the care, operation, maintenance, improvement and protection of the [Washington National Airport] *federally owned civil airports in the vicinity of the District of Columbia*, including purchase of [one] *nine* passenger motor [vehicle] *vehicles (including one* for replacement only), *of which five for police-type use may exceed by $300 each the general purchase price limitation for the current fiscal year*; purchase, cleaning, and repair of uniforms; and arms and ammunition; [$2,400,000] *$6,000,000*. (*Independent Offices Appropriation Act, 1960.*)

Appropriated 1960, **$2,400,000** Estimate 1961, **$6,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs:			
1. Washington National Airport:			
(a) Terminal area	$782,696	$837,800	$982,900
(b) Hangar area	401,802	470,700	563,800
(c) Landing area	494,035	552,400	740,700
(d) Other areas	216,729	257,900	290,400
Total, Washington National Airport	1,895,262	2,118,800	2,577,800
2. Dulles International Airport			962,500
Total operating costs	1,895,262	2,118,800	3,540,300
Capital outlay:			
1. Washington National Airport	183,559	501,400	682,000
2. Dulles International Airport			1,630,000
Total capital outlay	183,559	501,400	2,312,000
Total program costs	2,078,821	2,620,200	5,852,300
3. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−220,200	
Obligations incurred for costs of other years, net	385,380		147,700
Total program (obligations)	2,464,201	2,400,000	6,000,000
Financing:			
1959 appropriation available in 1958	19,427		
Unobligated balance no longer available	6,372		
Appropriation (new obligational authority)	2,490,000	2,400,000	6,000,000

This appropriation finances management, operation, protection, and capital costs for equipment and maintenance projects at the federally owned Washington National and Dulles International Airports which serve the Washington, D.C., Metropolitan Area. Major construction projects at these airports are financed under the appropriation Construction, National Capital airports. The 1961 estimate provides for expanding operations at Washington National Airport to handle traffic growth and for the employment and training of personnel, procurement of equipment, and other costs associated with the opening of the Dulles International Airport which is expected in July 1961.

Direct operating costs and capital outlays for the airports are currently financed by direct appropriations with revenues for services to tenants and other users being deposited in the Treasury. Legislation has been proposed to establish a Federal corporation to operate these airports which would authorize the application of airport revenues to operating costs. Enactment of this legislation would reduce the appropriation required for operating and maintaining the airports by an estimated $4 million in 1961.

Relation of costs to obligations.—This relationship is derived from year-end balances of selected resources as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$77,462	$92,081	$92,000	$157,000
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	93,208	463,969	243,850	326,550
Total selected resources at end of year	170,670	556,050	335,850	483,550
Selected resources at start of year (−)	−170,670	−556,050	−335,850	
Costs financed from obligations of other years, net (−)		−220,200		
Obligations incurred for costs of other years, net	385,380			147,700

The following statements reflect financial results of the total operations including unfunded depreciation on all depreciable assets, interest on the Government's investment on a basis comparable to that of other major commercial airports, and total actual revenue together with amounts representing the value of services furnished other Government agencies for which no collections are made. This unrealized revenue includes landing fees for Government aircraft and rental charges for office and hangar space used by Government agencies.

Operations at Washington National Airport continue to show improved financial results. In 1961, income is expected to exceed operating costs by $572,000, as compared with $568,000 in 1960 and $496,521 in 1959. However, a deficit of $962,500 is anticipated for 1961 at Dulles International Airport reflecting personnel, protection, equipment, and other costs which will be incurred prior to full-scale operation of the airport.

	Costs to Operation and maintenance appropriation	*Total accrued costs (including interest and depreciation)*	*Total revenue*	*Income or loss (−), net*
1959:				
Terminal area	$782,696	$983,957	$1,336,184	$352,227
Hangar area	401,802	782,752	942,933	160,181
Landing area	494,035	1,094,072	805,936	−288,136
Other areas	216,729	372,222	644,471	272,249
Total	1,895,262	3,233,003	3,729,524	496,521
Unrealized revenue included above			84,480	84,480
Total, exclusive of unrealized revenue	1,895,262	3,233,003	3,645,044	412,041
1960:				
Terminal area	837,800	1,035,850	1,480,900	445,050
Hangar area	470,700	839,700	946,600	106,900
Landing area	552,400	1,145,900	874,300	−271,600
Other areas	257,900	410,550	698,200	287,650
Total	2,118,800	3,432,000	4,000,000	568,000
Unrealized revenue included above			78,000	78,000
Total, exclusive of unrealized revenue	2,118,800	3,432,000	3,922,000	490,000
1961:				
Washington National Airport:				
Terminal area	982,900	1,175,900	1,521,900	346,000
Hangar area	563,800	915,250	958,500	43,250
Landing area	740,700	1,323,300	1,226,400	−96,900
Other areas	290,400	438,550	718,200	279,650
Total, Washington National Airport	2,577,800	3,853,000	4,425,000	572,000
Dulles International Airport	962,500	962,500		−962,500
Total, both airfields	3,540,300	4,815,500	4,425,000	−390,500
Unrealized revenue included above			75,000	75,000
Total, exclusive of unrealized revenue	3,540,300	4,815,500	4,350,000	−465,500

FINANCIAL CONDITION

	1959 actual	*1960 estimate*	*1961 estimate*
Assets:			
Cash:			
With the Treasury	$937,413	$406,394	$4,904,094
Deposit funds	49,886	53,684	59,052
Accounts receivable, net	153,681	169,049	185,954
Supplies and materials	92,081	92,000	157,000
Land, structures, and equipment, net:			
Completed work	19,055,587	18,767,264	20,568,664
Work in process	222,751	275,000	545,400
Total assets	20,511,399	19,763,391	26,420,164
Liabilities: Current	146,120	162,512	399,785
Total Government investment	20,365,279	19,600,879	26,020,379

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Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	266	285	627
Average number of all employees	242	260	431
Number of employees at end of year	261	273	607
Average GS grade and salary	5.3 $5,050	5.6 $5,141	6.1 $4,955
Average salary of ungraded positions	$4,882	$5,133	$5,034
01 Personal services:			
Permanent positions	$1,229,416	$1,370,600	$2,291,600
Other personal services	53,703	79,400	122,600
Total personal services	1,283,119	1,450,000	2,414,200
02 Travel	3,147	1,000	20,000
03 Transportation of things	137	1,200	5,200
04 Communication services	11,230	12,000	19,500
05 Rents and utility services	211,722	254,500	344,500
06 Printing and reproduction	984	2,000	4,500
07 Other contractual services	551,869	104,350	266,700
08 Supplies and materials	193,742	203,000	412,500
09 Equipment	139,334	78,950	2,012,000
10 Lands and structures		$203,000	$347,000
11 Grants, subsidies, and contributions	$79,453	88,200	151,200
13 Refunds, awards, and indemnities	8,700	1,500	2,300
15 Taxes and assessments	191	300	400
1959 program obligated in 1958	−19,427		
Total obligations	2,464,201	2,400,000	6,000,000

Construction, National Capital Airports

For necessary expenses for construction at the federally owned civil airports in the vicinity of the District of Columbia, including acquisition of land, $5,000,000, to remain available until expended. (54 Stat. 686, as amended; 61 Stat. 94; 64 Stat. 770, as amended; 72 Stat. 354.)

Estimate 1961, **$5,000,000**

Program and Financing

	Costs to this appropriation					Analysis of 1961 financing			Appropriation required to complete
	Total estimate	To June 30, 1958	1959 actual	1960 estimate	1961 estimate	Deduct selected resources, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1961	
Program by activities:									
1. Terminal area projects	$1,808,870	$612,179	$223,727	$43,864	$107,500	$44,800	$821,600	$884,300	
2. Hangar area projects	93,913	450	35,162	3,101	55,200	55,200			
3. Landing area projects	4,365,360	1,309,086	255,133	245,641	487,300		2,068,200	2,555,500	
4. Other area projects	3,536,979	2,031	109,228	15,520	150,000		1,410,200	1,560,200	$1,850,000
Total program costs	9,805,122	1,923,746	623,250	308,126	800,000	100,000	4,300,000	5,000,000	1,850,000
5. Relation of costs to obligations:									
Costs financed from obligations of other years (unpaid undelivered orders), net (−)			−251,820	−137,924					
Obligations incurred for costs of other years (unpaid undelivered orders), net					2,730,100				
Total program (obligations)			371,430	170,202	3,530,100				
Financing:									
Unobligated balance brought forward			−541,632	−170,202					
Unobligated balance carried forward			170,202		1,469,900				
Appropriation (new obligational authority)					5,000,000				

This appropriation finances major modernization and expansion projects at Washington National Airport, the major air terminal serving the Washington, D.C., Metropolitan Area. It will also provide for any such projects required in the future at the new Dulles International Airport which is now under construction and being financed by the appropriation, Construction and development, additional Washington airport. The 1961 estimate provides for the initial phase of an improvement program at Washington National Airport designed to enable the airport to accommodate the growing volume of aircraft operations and passengers safely and efficiently. Major projects covered in the estimate include improvements in the terminal building and concourses, expansion of aircraft operating areas, provision of improved vehicle access and parking facilities, and major improvements to utility systems. All outlays for physical improvements are added to the airports' capital investment and will be recovered through revised fees and charges to airport users.

5. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1958, $489,744; 1959, $237,924; 1960, $100,000; 1961, $2,830,100.

Object Classification

	1959 actual	1960 estimate	1961 estimate
FEDERAL AVIATION AGENCY			
Total number of permanent positions	3	3	6
Average number of all employees	2	2	5
Number of employees at end of year	1	2	6
Average GS grade and salary	10.5 $7,842	11.5 $8,289	9.0 $6,921
Average salary of ungraded positions	$5,637	$5,949	$6,688
01 Personal services:			
Permanent positions	$17,134	$14,260	$34,187
Other personal services	2,032	2,955	3,400
Total personal services	19,166	17,215	37,587
02 Travel			1,000
04 Communication services			200
06 Printing and reproduction			2,500
07 Other contractual services	339,220	6,052	113
08 Supplies and materials	1,729		2,000
10 Lands and structures		146,000	3,484,500
11 Grants, subsidies, and contributions	1,066	935	2,200
Total, Federal Aviation Agency	361,181	170,202	3,530,100
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
06 Printing and reproduction	32		
07 Other contractual services	3,788		
10 Lands and structures	6,429		
Total, General Services Administration	10,249		
Total obligations	371,430	170,202	3,530,100

[Construction and Development, Additional Washington Airport]

[For an additional amount for "Construction and development, additional Washington airport", $22,470,000, to remain available until expended: *Provided*, That not to exceed $450,000 of the foregoing appropriation may be used for an access road north from

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FEDERAL AVIATION AGENCY—Continued

Current authorizations—Continued

[CONSTRUCTION AND DEVELOPMENT, ADDITIONAL WASHINGTON AIRPORT]—Continued

the airport.] (*64 Stat. 770; Supplemental Appropriation Act, 1960.*)

Appropriated 1960, **$22,470,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Engineering and supervision	$290,034	$266,000	$120,000
2. Construction	24,351,623	53,403,970	100,000
Total obligations	24,641,657	53,669,970	220,000
Financing:			
Unobligated balance brought forward	−6,061,627	−31,419,970	−220,000
Unobligated balance carried forward	31,419,970	220,000	
Appropriation (new obligational authority)	50,000,000	22,470,000	

The Dulles International Airport is under construction near Chantilly, Va., to serve the National Capital area. Appropriations totaling $84,970,000 have been made available to complete the project, including the construction of an access highway. The airport is expected to be opened for public use in July 1961.

Object Classification

	1959 actual	1960 estimate	1961 estimate
FEDERAL AVIATION AGENCY			
Total number of permanent positions	30	30	30
Average number of all employees	19	26	16
Number of employees at end of year	21	28	5
Average GS grade and salary	9.8 $8,100	9.8 $8,153	9.8 $8,153
01 Personal services:			
Permanent positions	$145,096	$219,534	$111,200
Positions other than permanent	331		
Other personal services	944	2,466	800
Total personal services	146,371	222,000	112,000
02 Travel	6,336	7,500	2,800
03 Transportation of things	1,550	2,500	
04 Communication services	191	1,400	300
05 Rents and utility services	1,200	1,200	600
06 Printing and reproduction	3,794	4,000	
07 Other contractual services	19,958,013	49,770,853	2,400
Services performed by other agencies	100,000	100,000	100,000
08 Supplies and materials	210	1,600	100
09 Equipment	5,353	4,000	200
11 Grants, subsidies, and contributions	8,280	14,000	1,600
15 Taxes and assessments	332	400	
Total, Federal Aviation Agency	20,231,630	50,129,453	220,000
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
Total number of permanent positions	1	1	
Full-time equivalent of all other positions	6	3	
Average number of all employees	7	4	
Number of employees at end of year	7	0	
Average GS grade and salary	12.0 $8,341	12.0 $8,341	
01 Personal services:			
Permanent positions	$5,184	$4,235	
Positions other than permanent	42,201	23,138	
Other personal services	3,241	727	
Total personal services	50,626	28,100	
02 Travel	19	200	
04 Communication services	3,676	3,000	
05 Rents and utility services	17,512	12,500	
06 Printing and reproduction	1,153	2,000	
07 Other contractual services	73,429	28,404	
09 Equipment	850	500	
10 Lands and structures	4,261,289	3,465,000	
11 Grants, subsidies, and contributions	636	293	
15 Taxes and assessments	837	520	
Total, General Services Administration	4,410,027	3,540,517	
Total obligations	24,641,657	53,669,970	220,000

OPERATION AND MAINTENANCE OF PUBLIC AIRPORTS IN ALASKA

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Anchorage airport	$531,717		
2. Fairbanks airport	467,326		
3. Administration	54,814		
Total obligations	1,053,857		
Financing:			
Unobligated balance no longer available	21,793		
New obligational authority	1,075,650		

Object Classification

		1959 actual	1960 estimate	1961 estimate
Total number of permanent positions		64		
Average number of all employees		63		
Number of employees at end of year		60		
Average GS grade and salary	7.1	$5,774		
Average salary of ungraded positions		$8,370		
01 Personal services:				
Permanent positions		$423,895		
Positions other than permanent		1,478		
Other personal services		156,596		
Total personal services		581,969		
02 Travel		17,880		
03 Transportation of things		12,112		
04 Communication services		4,525		
05 Rents and utility services		13,376		
06 Printing and reproduction		40		
07 Other contractual services		262,036		
08 Supplies and materials		71,504		
09 Equipment		63,443		
11 Grants, subsidies, and contributions		26,358		
13 Refunds, awards, and indemnities		175		
15 Taxes and assessments		439		
Total obligations		1,053,857		

MISCELLANEOUS FEDERAL AVIATION AGENCY ACCOUNTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. "Claims, Federal Airport Act"			
2. "Construction of public airports, State of Alaska"	$172		
Total obligations (object class 10)	172		
Financing:			
Unobligated balance brought forward	−102,800	−$3,815	
Unobligated balance carried forward	3,815		
Unobligated balance no longer available	98,813	3,815	
Appropriation (new obligational authority)			

GENERAL PROVISIONS

During the current fiscal year applicable appropriations to the Federal Aviation Agency shall be available for the *Federal Aviation Agency to conduct the* activities specified in the Act of October 26, 1949, as amended (5 U.S.C. 596a), [to the extent and in the manner prescribed by said Act;] *under determinations and regulations by the Administrator of the Federal Aviation Agency;* maintenance and operation of aircraft; hire of passenger motor vehicles and aircraft; and uniforms, or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131). (*Independent Offices Appropriation Act, 1960.*)

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations as follows:

"Salaries and expenses," Office of Civil and Defense Mobilization.
"Mutual security," funds appropriated to the President.
"Transitional grants to Alaska," funds appropriated to the President.
"Other procurement, Air Force."
"Research, development, test, and evaluation, Air Force."
"Military construction, Navy."
"Research, development, test, and evaluation, Navy."
"Procurement of aircraft and missiles, Navy."
"Procurement of equipment and missiles, Army."
"Research, development, test, and evaluation, Army."
"Payments to school districts," Office of Education, Department of Health, Education, and Welfare.

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Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Operation and construction of air navigation and related facilities:			
Air Force	$22,922,934	$7,555,097	$7,888,975
Navy	3,911,523	3,892,051	3,101,354
Army	367,585	185,453	176,541
2. Miscellaneous services to other accounts	7,737,947	9,750,399	5,704,130
Total obligations	34,939,989	21,383,000	16,871,000
Financing:			
Advances and reimbursements from—			
Other accounts	34,156,074	19,431,557	15,926,257
Non-Federal sources	783,915	1,951,443	944,743
Total financing	34,939,989	21,383,000	16,871,000

Advances and reimbursements from non-Federal sources are from sale of personal property (40 U.S.C. 481(c)); servicing of aircraft for foreign governments (49 U.S.C. 1154); and Public Law 80-647 activities (49 U.S.C. 1151).

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	1,494	1,368	1,076
Full-time equivalent of all other positions	23	35	19
Average number of all employees	1,186	1,253	997
Number of employees at end of year	1,293	1,304	1,029
Average GS grade and salary	8.3 $6,120	8.8 $6,351	9.0 $6,480
Average salary of ungraded positions	$5,260	$5,537	$5,346
01 Personal services:			
Permanent positions	$7,088,762	$7,614,538	$6,213,908
Positions other than permanent	147,717	234,104	126,661
Other personal services	665,077	1,002,596	713,268
Total personal services	7,901,556	8,851,238	7,053,837
02 Travel	253,880	296,982	239,987
03 Transportation of things	137,721	184,017	158,025
04 Communication services	494,137	493,438	627,103
05 Rents and utility services	211,116	364,828	288,154
06 Printing and reproduction	6,808	10,128	6,802
07 Other contractual services	3,423,191	2,620,776	1,825,060
08 Supplies and materials	3,404,193	3,601,815	2,693,050
09 Equipment	18,577,753	4,390,683	3,547,242
10 Lands and structures	110,000	99,000	60,358
11 Grants, subsidies, and contributions	426,477	477,184	380,292
13 Refunds, awards, and indemnities	1,720	535	425
15 Taxes and assessments	4,593	4,936	3,410
Subtotal	34,953,145	21,395,560	16,883,745
Deduct quarters and subsistence charges	13,156	12,560	12,745
Total obligations	34,939,989	21,383,000	16,871,000

Proposed for later transmission:

GRANTS-IN-AID FOR AIRPORTS (LIQUIDATION OF CONTRACT AUTHORIZATION)

Status of Unfunded Contract Authorization

	1959 actual	1960 estimate	1961 estimate
Financing:			
Unfunded obligations against contract authorization transferred from Grants-in-Aid for Airports (liquidation of contract authorization)		$11,000,000	
Proposed supplemental appropriation to liquidate contract authorization		11,000,000	

Under existing legislation, 1960.—This supplemental appropriation is anticipated to liquidate obligations estimated to be incurred under available contract authorizations for grants for airport construction and improvement projects.

FEDERAL COAL MINE SAFETY BOARD OF REVIEW

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Federal Coal Mine Safety Board of Review, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), $70,000. (*30 U.S.C. 475, 477; 66 Stat. 709; Department of the Interior and Related Agencies Appropriation Act, 1960.*)

Appropriated 1960, **$70,000** Estimate 1961, **$70,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Hearing appeals (total obligations)	$50,313	$70,000	$70,000
Financing:			
Unobligated balance no longer available	19,687		
Appropriation (new obligational authority)	70,000	70,000	70,000

Coal-mine operators, affected by orders issued by Federal coal-mine inspectors, may appeal to the Board for annulment or revision of, and temporary relief from, such orders. During 1959, a total of 108 orders were issued. When operators appeal, hearings are held and the Board rules upon the application. It is estimated that there will be 100 to 125 orders subject to appeal to the Board in 1960 and 1961.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	5	5	5
Full-time equivalent of all other positions	1	1	1
Average number of all employees	6	6	6
Number of employees at end of year	7	8	8
Average GS grade and salary	10.2 $8,829	10.2 $8,889	10.2 $8,949
01 Personal services:			
Permanent positions	$39,970	$43,274	$44,779
Positions other than permanent	3,800	12,000	12,000
Other personal services	154	352	183
Total personal services	43,924	55,626	56,962
02 Travel	1,829	7,300	6,800
03 Transportation of things		10	10
04 Communication services	897	1,028	1,005
05 Rents and utility services		100	100
06 Printing and reproduction	218	500	500
07 Other contractual services	321	600	600
08 Supplies and materials	399	500	600
09 Equipment	27	1,200	200
11 Grants, subsidies, and contributions	2,608	2,836	2,923
15 Taxes and assessments	90	300	300
Total obligations	50,313	70,000	70,000

FEDERAL COMMUNICATIONS COMMISSION

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses in performing the duties of the Commission as authorized by law, including newspapers (not to exceed [$200] *$275*), land and structures (not to exceed [$81,800] *$23,000*), special counsel fees, improvement and care of grounds and repairs to buildings (not to exceed [$13,900] *$14,600*), services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), and purchase of not to exceed three passenger motor vehicles for replacement only, [$10,550,000] *$13,500,000: Provided, That $2,250,000 of this appropriation shall be available for a special ultra-high frequency television study and shall remain available until June 30, 1962.* (*Communications Act of 1934, as amended; Independent Offices Appropriation Act, 1960.*)

Appropriated 1960, **$10,550,000** Estimated 1961, **$13,500,000**

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FEDERAL COMMUNICATIONS COMMISSION—Con.

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Applied technical research and frequency allocation	$724,690	$752,643	$796,645
2. Broadcast	1,991,595	2,192,622	2,351,005
3. Safety and special radio services	1,103,261	1,198,085	1,375,615
4. Field engineering and monitoring	3,077,883	3,169,076	3,321,028
5. Common carrier	1,088,791	1,233,133	1,258,414
6. Executive, staff, and service	1,794,501	2,004,441	2,147,293
7. Ultra-high frequency television			2,250,000
8. 1959 program obligated in 1958	−60,096		
Total obligations	9,720,625	10,550,000	13,500,000
Financing:			
1959 appropriation available in 1958	60,096		
Unobligated balance no longer available	379		
Appropriation (new obligational authority)	9,781,100	10,550,000	13,500,000

The Federal Communications Commission regulates interstate and foreign commerce in communications by wire and radio. The Communications Act requires the Commission to (1) attain and maintain maximum benefits for the people of the United States in the use of the radio spectrum and (2) regulate the rates and services of communications common carriers.

1. *Applied technical research and frequency allocation.*—The Commission undertakes broad research programs, including propagation studies and cooperative work in the development of new monitoring equipment, designed to improve the utilization of the radio spectrum. It also tests and approves for public use various types of equipment, licenses experimental radio stations, and participates in international negotiations concerning the spectrum.

2. *Broadcast.*—Standard broadcast (AM), frequency modulation (FM), television (TV), and other related services are licensed and regulated by the Commission. Workload in this area continues to increase. Pertinent data are shown in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Stations regulated [1]	4,862	5,160	5,558	5,800
Applications disposed of for new stations or major change of facilities:				
AM	423	550	768	846
FM	257	395	425	425
TV	237	230	242	242

[1] As of June 30 of each year.

3. *Safety and special radio services.*—Aviation, police, marine, amateur, and other nonbroadcast uses of radio are licensed and regulated. Pertinent data follow:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Stations regulated [1] (excluding amateur)	258,537	301,583	343,120	378,135
License applications received	212,581	250,120	320,502	351,772

[1] As of June 30 of each year.

4. *Field engineering and monitoring.*—Field employees inspect radio stations, administer operator examinations, collect engineering data, monitor the spectrum, and determine the location of lost ships and aircraft and of illegal sources of radio emission.

5. *Common carrier.*—The Commission regulates the rates and practices of communications common carriers—telephone, telegraph, and cable companies—and considers proposed mergers and acquisitions of property, extensions and reductions in service, construction of facilities, and applications to use radio in communication services.

7. *Ultra-high frequency television.*—The Commission proposes to undertake a comprehensive study of ultra-high frequency television transmission and reception. The study is intended to develop technical information essential to the resolution of the television channel allocation problem. It will involve the use of improved transmission techniques, the development of optimum performance receivers, and extensive field observations and measurements. Because of the nature of this inquiry, the $2,250,000 estimate provides funds for the entire study, which will be of 2 years' duration.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	1,281	1,365	1,427
Average number of all employees	1,130	1,221	1,288
Number of employees at end of year	1,190	1,275	1,330
Average GS grade and salary	8.0 $6,225	8.2 $6,367	8.3 $6,415
01 Personal services:			
Permanent positions	$8,016,636	$8,689,343	$9,212,341
Other personal services	123,784	166,352	107,659
Total personal services	8,140,420	8,855,695	9,320,000
02 Travel	98,250	108,730	144,000
03 Transportation of things	17,001	25,000	29,300
04 Communication services	215,277	220,000	258,500
05 Rents and utility services	112,154	110,180	160,640
06 Printing and reproduction	69,957	70,000	80,000
07 Other contractual services	112,491	98,730	2,407,579
Services performed by other agencies	47,533	110,590	108,560
08 Supplies and materials	149,144	132,195	146,770
09 Equipment	185,174	173,780	228,150
10 Lands and structures	114,734	81,800	23,000
11 Grants, subsidies, and contributions	509,055	552,800	582,501
13 Refunds, awards, and indemnities	6,283	7,000	7,500
15 Taxes and assessments	3,248	3,500	3,500
1959 program obligated in 1958	−60,096		
Total obligations	9,720,625	10,550,000	13,500,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Control of electronic radiation (Department of Defense)	$414,730	$425,000	$425,000
2. Operational research (Department of Defense)	274,025	191,250	
3. Radio technical commission for maritime services:			
Army	3,541	3,600	3,600
Navy		5,000	5,000
Department of State			5,000
Department of Commerce	4,918	5,000	10,000
Treasury Department	4,918	5,000	5,000
4. Technical assistance (International Cooperation Administration)	52,831	64,339	70,401
Total obligations	754,963	699,189	524,001
Financing:			
Advances and reimbursements from other accounts	754,963	699,189	524,001

Object Classification

Total number of permanent positions	101	89	53
Average number of all employees	91	83	51
Number of employees at end of year	91	85	53
Average GS grade and salary	7.4 $6,710	7.6 $7,007	8.9 $8,320
01 Personal services: Permanent positions	$611,272	$581,639	$425,176
02 Travel	45,250	46,000	45,000
03 Transportation of things	3,230	1,300	1,050
04 Communication services	20,590	16,700	12,000
05 Rents and utility services	20		
07 Other contractual services	10,224	7,970	6,475
08 Supplies and materials	13,187	5,850	4,500
09 Equipment	13,532	4,150	3,300
11 Grants, subsidies, and contributions	37,004	35,380	26,400
13 Refunds, awards, and indemnities	290		
15 Taxes and assessments	364	200	100
Total obligations	754,963	699,189	524,001

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FEDERAL DEPOSIT INSURANCE CORPORATION

Current authorizations:

INVESTMENT IN FEDERAL DEPOSIT INSURANCE CORPORATION

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Financing:			
Unobligated balance brought forward (authorization to expend from public debt receipts)	−$3,000,000,000	−$3,000,000,000	−$3,000,000,000
Unobligated balance carried forward (authorization to expend from public debt receipts)	3,000,000,000	3,000,000,000	3,000,000,000
Appropriation (new obligational authority)			

The Corporation insures accounts of depositors in insured banks up to $10,000. As of June 30, 1959, the deposit insurance fund for the protection of depositors amounted to $2 billion or 1.48% of all insured deposits on that date. Total insured deposits at the end of 1958 and 1959, estimated on the basis of information furnished as of June 23, 1958, and June 10, 1959, amounted to $128.7 billion and $137 billion, respectively. It is estimated that total insured deposits as of June 30, 1960 and 1961 will amount to $142.5 billion and $148.2 billion, respectively. No tax funds are used in its operations. Its expenses are paid and the fund is accumulated from assessments paid by insured banks and from income on investments in obligations of the U.S. Treasury. However, the Corporation is authorized to borrow from the Treasury, not to exceed $3 billion outstanding at any one time, as required for insurance purposes. No borrowings under this authorization have been made to date and none are anticipated in 1960 or 1961.

CORPORATIONS

The following corporations and agencies, respectively, are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the fiscal year [1960] *1961* for each such corporation or agency, except as hereinafter provided: (*Independent Offices Appropriation Act, 1960.*)

FEDERAL HOME LOAN BANK BOARD

The Federal Home Loan Bank Board formulates policies and supervises the operations of the 11 Federal home loan banks, the system of Federal savings and loan associations, and the Federal Savings and Loan Insurance Corporation.

The expenditure programs of the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation are presented as business-type budgets. Section 2 of Public Law 895, approved July 3, 1948, provides that all expenses of the division of examinations, Federal Home Loan Bank Board shall be considered nonadministrative. All expenses of the division of examinations are defrayed from fees charged against and collected from the institutions examined.

The administrative expenses of the Federal Home Loan Bank Board are paid from assessments against the 11 Federal home loan banks, the division of examinations, and the Federal Savings and Loan Insurance Corporation.

Public enterprise funds:

FEDERAL HOME LOAN BANK BOARD REVOLVING FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Administrative expense subject to limitation	$1,625,831	$1,800,000	$2,075,000
Nonadministrative expense subject to limitation	6,387,094	7,700,000	8,537,000
Other expense	237,840	215,000	215,000
Prior year expense for employees' accrued annual leave	633,413	29,877	
Credit allowed on prior year assessments		163,334	
Total program costs	8,884,178	9,908,211	10,827,000
Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)	−689		−5,115
Obligations incurred for costs of other years, net		329	
Total program (obligations)	8,883,489	9,908,540	10,821,885
Financing:			
Amounts becoming available:			
Examining fees and charges	6,627,509	7,722,000	8,551,950
Assessments for services and facilities:			
Federal Savings and Loan Insurance Corporation	680,455	738,000	871,500
Federal home loan banks	861,074	882,000	996,000
Division of examinations	162,583	180,000	207,500
Reimbursements from other accounts	79,638	65,000	65,000
Conservatorship and/or supervisory representative in charge and other income	160,492	150,000	150,000
Miscellaneous revenue	4,891		
Total amounts becoming available	8,576,642	9,737,000	10,841,950
Unobligated balance brought forward	250,884	−55,963	−227,503
Total amounts available	8,827,526	9,681,037	10,614,447
Unobligated balance carried forward	55,963	227,503	207,438
Financing applied to program	8,883,489	9,908,540	10,821,885

The three-member Board supervises the Federal home loan bank system, the system of Federal savings and loan associations and the Federal Savings and Loan Insurance Corporation (12 U.S.C. 1421 et seq., 1461 et seq., 1464 et seq.). Net administrative expenses of the Federal Home Loan Bank Board are paid from assessments against the 11 Federal home loan banks, the division of examinations, and the Federal Savings and Loan Insurance Corporation.

[Dollars in thousands]

	1959 actual	*1960 estimate*	*1961 estimate*
Number of members	4,593	4,643	4,689
Total assets of members	$58,325,000	$67,500,000	$76,600,000
Savings invested in members	$50,313,000	$57,700,000	$66,100,000
Mortgage loans of members	$48,255,000	$56,000,000	$63,500,000
Insured institutions examined and supervised	3,936	4,036	4,136
Federal home loan bank advances outstanding	$1,537,000	$1,800,000	$1,500,000

Budget program.—The Board's budget is based on six activities.

1. *Examination and supervision of Federal home loan banks.*—The Board supervises and examines the operations of the Federal home loan banks.

2. *Supervision of Federal and State-chartered institutions.*—The financial condition and operations of each insured institution is analyzed and corrective action is instituted when warranted. Supervision of insured institutions operating under State charter is carried on cooperatively under arrangements made with the respective State authorities.

3. *Chartering savings and loan associations.*—Federal savings and loan associations are chartered and regulated.

In addition, applications of State-chartered associations for conversion into Federal savings and loan associations are examined.

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FEDERAL HOME LOAN BANK BOARD—Continued

Public enterprise funds—Continued

FEDERAL HOME LOAN BANK BOARD REVOLVING FUND—Con.

4. *Examining savings and loan associations.*—Supervisory examinations are made of Federal savings and loan associations, State-chartered associations insured by the Federal Savings and Loan Insurance Corporation, and such uninsured member institutions of the Federal home loan bank system as are not examined by State examiners. Audits are also made of approximately 68% of all insured institutions in conjunction with supervisory examinations. Examinations are also made of institutions applying for insurance of accounts and for conversion from a State to a Federal charter when required by the Board. The costs of examinations and audits are assessed against the institutions examined.

5. *Executive direction and staff services.*—This includes formulation of basic policy and the furnishing of staff services that are common to the Board and the insurance corporation.

6. *Administrative services.*—These consist of auditing; accounting; budgetary and financial reporting; internal budget control; fiscal organization and management; and general housekeeping and common operating services, including printing and reproduction work.

The amounts shown in the schedules for the above activities include administrative expenses under annual limitation; nonadministrative expenses under a separate limitation; and certain additional expenses not under limitation. Administrative expenses are estimated to increase from $1,800,000 to $2,075,000 reflecting staff increases and related costs to meet increasing workload. Nonadministrative expenses covering the expenses of examining savings and loan associations are discussed separately below.

Relation of costs to obligations.—The relationship is derived by year-end balances of selected resources as reflected in the following table:

Selected resources at end of year:	*1958 actual*	*1959 actual*	*1960 estimate*	*1961 estimate*
Inventories:				
Supplies	$12,447	$14,652	$16,120	$12,130
Postage	3,110	6,031	4,825	3,700
Unpaid undelivered orders	9,748	3,933	4,000	4,000
Total selected resources at end of year	25,305	24,616	24,945	19,830
Selected resources at start of year (−)		−25,305	−24,616	−24,945
Costs financed from obligations of other years, net (−)		−689		−5,115
Obligations incurred for costs of other years, net			329	

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Purchase of equipment (fully depreciated)	$42,728	$25,155	$38,750
Expense	8,208,037	9,689,845	10,788,250
Prior year expense for employees' accrued annual leave	633,413	29,877	
Credit allowed on prior year assessments		163,334	
Increase in selected working capital			173,599
Total gross expenditures	8,884,178	9,908,211	11,000,599
Receipts from operations (funds provided):			
Revenue	8,576,642	9,737,000	10,841,950
Decrease in selected working capital	255,169	357,611	
Total receipts from operations	8,831,811	10,094,611	10,841,950
Budget expenditures	52,367	−186,400	158,649

Revenue, Expense, and Retained Earnings

	1959 actual	1960 estimate	1961 estimate
Revenue	$8,576,642	$9,737,000	$10,841,950
Expense	8,250,765	9,715,000	10,827,000
Assessments and fees in excess of expense	325,877	22,000	14,950
Analysis of deferred and undistributed credits:			
Deferred and undistributed credits, beginning of year	276,189	−31,347	−202,558
Credit allowed on prior year assessments (−)		−163,334	
Prior year expense for employees' accrued annual leave (−)	−633,413	−29,877	
Deferred and undistributed credits, end of year	−31,347	−202,558	−187,608

Financial Condition

Assets:			
Cash with Treasury	$480,662	$667,062	$508,413
Accounts receivable, net	1,385,471	1,239,680	1,360,011
Inventory:			
Supplies	14,652	16,120	12,130
Postage meter	6,031	4,825	3,700
Furniture, fixtures, and equipment	336,600	361,755	400,505
Less portion charged off as depreciation	336,600	361,755	400,505
Furniture, fixtures, and equipment, net			
Total assets	1,886,816	1,927,687	1,884,254
Liabilities:			
Current	1,918,163	2,130,245	2,071,862
Deferred and undistributed credits	−31,347	−202,558	−187,608
Total liabilities	1,886,816	1,927,687	1,884,254

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash with Treasury	$533,029	$480,662	$667,062	$508,413
Obligated balance, net:				
Current liabilities	1,291,032	1,918,163	2,130,245	2,071,862
Unpaid undelivered orders	9,748	3,933	4,000	4,000
Accounts receivable, net (−)	−1,018,635	−1,385,471	−1,239,680	−1,360,011
Total obligated balance	282,145	536,625	894,565	715,851
Unobligated balance	250,884	−55,963	−227,503	−207,438

LIMITATION ON ADMINISTRATIVE AND EXAMINATION EXPENSES, FEDERAL HOME LOAN BANK BOARD

Not to exceed a total of [$1,800,000] *$2,075,000* shall be available for administrative expenses of the Federal Home Loan Bank Board, and shall be derived from funds available to the Federal Home Loan Bank Board, including those in the Federal Home Loan Bank Board revolving fund and receipts of the Federal Home Loan Bank Administration, the Federal Home Loan Bank Board, or the Home Loan Bank Board for the current fiscal year and prior fiscal years, and the Board may utilize and may make payment for services and facilities of the Federal home-loan banks, the Federal Reserve banks, the Federal Savings and Loan Insurance Corporation, and other agencies of the Government (including payment for office space): *Provided*, That all necessary expenses in connection with the conservatorship of institutions insured by the Federal Savings and Loan Insurance Corporation or preparation for or conduct of proceedings under section 5(d) of the Home Owners' Loan Act of 1933 or section 407 of the National Housing Act and all necessary expenses (including services performed on a contract or fee basis, but not including other personal services) in connection with the handling, including the purchase, sale, and exchange, of securities on behalf of Federal home-loan banks, and the sale, issuance, and retirement of, or payment of interest on, debentures or bonds, under the Federal Home Loan Bank Act, as amended,

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shall be considered as nonadministrative expenses for the purposes hereof: *Provided further, That hereafter expenses of the Board in making studies or investigations specifically directed by law, or requested by the Congress or either House thereof or by a committee of either House, including services authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), shall be considered as nonadministrative expenses: Provided further,* That members and alternates of the Federal Savings and Loan Advisory Council shall be entitled to reimbursement from the Board as approved by the Board for transportation expenses incurred in attendance at meetings of or concerned with the work of such Council and may be paid not to exceed $25 per diem in lieu of subsistence: *Provided further,* That, notwithstanding any other provisions of this Act, except for the limitation in amount hereinbefore specified, the administrative expenses and other obligations of the Board shall be incurred, allowed, and paid in accordance with the provisions of the Federal Home Loan Bank Act of July 22, 1932, as amended (12 U.S.C. 1421–1449): *Provided further,* That the nonadministrative expenses for the examination of Federal and State chartered institutions (other than special examinations determined by the Board to be necessary) shall not exceed [$7,700,000] *$8,537,000. (Independent Offices Appropriation Act, 1960.)*

Program and Financing—Administrative Expenses

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Examination and supervision of Federal home loan banks	$206,117	$222,132	$242,014
2. Supervision of Federal and State-chartered institutions	349,675	393,397	517,770
3. Chartering savings and loan associations	97,200	112,902	134,480
5. Executive direction and staff services	611,811	678,460	744,405
6. Administrative services	361,028	393,109	436,331
Total accrued administrative expenses	1,625,831	1,800,000	2,075,000
Financing:			
Unobligated balance no longer available	73,169		
Limitation	1,699,000	1,800,000	2,075,000

Object Classification—Administrative Expenses

	1959 actual		1960 estimate		1961 estimate	
Total number of permanent positions	186		188		217	
Average number of all employees	172		185		211	
Number of employees at end of year	181		188		217	
Average GS grade and salary	8.4	$7,035	8.7	$7,240	8.9	$7,343
01 Personal services:						
Permanent positions	$1,301,030		$1,421,886		$1,606,911	
Other personal services	15,132		11,326		24,109	
Total personal services	1,316,162		1,433,212		1,631,020	
Deduct portion not charageable to limitation	23,278					
Net personal services	1,292,884		1,433,212		1,631,020	
02 Travel	44,150		53,000		57,000	
03 Transportation of things	374		900		1,000	
04 Communication services	33,223		36,531		37,144	
05 Rents and utility services	99,706		119,912		144,751	
06 Printing and reproduction	4,695		5,000		5,500	
07 Other contractual services	7,776		9,514		23,055	
Services performed by other agencies	8,898		12,618		12,563	
08 Supplies and materials	28,939		32,795		36,262	
09 Equipment	23,182		1,660		18,788	
11 Grants, subsidies, and contributions	81,614		92,871		104,930	
13 Refunds, awards, and indemnities			1,500		2,500	
15 Taxes and assessments	390		487		487	
Total accrued administrative expenses	1,625,831		1,800,000		2,075,000	

Program and Financing—Examination Expenses

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
4. Examining savings and loan associations	$6,141,580	$7,412,614	$8,208,025
5. Executive direction and staff services	245,514	287,386	328,975
Total accrued nonadministrative expenses	6,387,094	7,700,000	8,537,000
Financing:			
Unobligated balance no longer available	356,406		
Limitation	6,743,500	7,700,000	8,537,000

The division conducts regular periodic and special supervisory examinations of all Federal savings and loan associations, of State-chartered savings and loan associations, other institutions of the savings and loan type which are insured by the Federal Savings and Loan Insurance Corporation, and of noninsured member institutions of the Federal Home Loan Bank System that are not subject to State supervision. The division also examines and analyzes the financial condition of institutions which apply for membership in the system, for insurance of accounts, or for conversion from a State to a Federal charter. The institutions examined bear the costs of examination, and the fees charged therefor are calculated to defray all of the operating expenses of the division.

The following table reflects the work of the division:

[Dollars in millions]

Description	*1959 actual*	*1960 estimate*	*1961 estimate*
Examinations completed or to be completed	3,978	4,201	4,276
Average assets of insured institutions (start of year)	$12.4	$14.2	$16.1
Average volume new loans made by insured institutions during year	$3.5	$4.0	$4.0

Object Classification—Examination Expenses

	1959 actual		1960 estimate		1961 estimate	
Total number of permanent positions	701		766		832	
Average number of all employees	668		738		810	
Number of employees at end of year	674		766		832	
Average GS grade and salary	8.8	$6,312	9.1	$6,521	9.5	$6,798
01 Personal services:						
Permanent positions	$4,224,880		$4,894,192		$5,547,615	
Other personal services	59,625		38,248		56,410	
Total personal services	4,284,505		4,932,440		5,604,025	
Deduct portion not chargeable to limitation	92,414					
Net personal services	4,192,091		4,932,440		5,604,025	
02 Travel	1,520,630		1,997,000		2,027,600	
03 Transportation of things	4,495		5,000		5,000	
04 Communication services	97,052		100,825		103,700	
05 Rents and utility services	72,606		82,550		97,100	
06 Printing and reproduction	12,457		12,400		12,500	
07 Other contractual services	16,431		20,155		68,000	
Federal Home Loan Bank Board services	162,583		180,000		207,500	
Services performed by other agencies	297		750		600	
08 Supplies and materials	22,506		25,050		27,175	
09 Equipment	18,051		23,430		19,000	
11 Grants, subsidies, and contributions	267,820		318,600		362,000	
13 Refunds, awards, and indemnities			1,500		2,500	
15 Taxes and assessments	75		300		300	
Total accrued nonadministrative expenses	6,387,094		7,700,000		8,537,000	

Investment in Federal Home Loan Banks

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Financing:			
Unobligated balance brought forward (authorization to expend from public debt receipts)	$1,000,000,000	$1,000,000,000	$1,000,000,000
Unobligated balance carried forward (authorization to expend from public debt receipts)	−1,000,000,000	−1,000,000,000	−1,000,000,000
Financing applied to program			

The Federal home loan banks, together with the building and loan associations and similar institutions which are members of the banks, constitute the Federal home loan bank system and are designed to stabilize and strengthen institutions promoting private thrift and individual home ownership.

The 11 Federal home loan banks obtain their funds from capital stock, issuance of their own obligations, and deposits of member institutions. The capital stock of the

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FEDERAL HOME LOAN BANK BOARD—Continued

Public enterprise funds—Continued

INVESTMENT IN FEDERAL HOME LOAN BANKS—Continued

banks consists entirely of subscriptions of member institutions. Authority to borrow from the Treasury in the amount of $1 billion is provided in 12 U.S.C. 1431 (64 Stat. 257). No borrowings have been made to date and none is anticipated in 1961.

FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Administrative expenses (subject to limitation)	$737,971	$775,000	$800,000
2. Payment to Federal Home Loan Bank Board for—			
(a) Services and facilities	667,519	738,000	871,500
(b) Conservatorship, supervisory representative in charge, and other	13,885		
3. Purchase of equipment (fully depreciated)	9,436	13,300	16,300
4. Charges applicable to prior years	83,048		
Total program costs	1,511,859	1,526,300	1,687,800
5. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−402,371	−10,900	
Total program (obligations)	1,109,488	1,515,400	1,687,800
Financing:			
Amounts becoming available:			
Sale of assets acquired	5,654	27,100	27,123
Insurance premiums and admission fees	35,230,957	41,499,900	47,709,800
Interest on U.S. securities	7,249,002	8,607,000	10,239,500
Other revenue	1,096	1,100	1,200
Credits applicable to prior years		8,628	
Total amounts becoming available	42,486,709	50,143,728	57,977,623
Unobligated balance brought forward:			
Authorization to expend from public debt receipts	750,000,000	750,000,000	750,000,000
Investment in U.S. securities	289,534,856	305,345,782	353,974,110
Total amounts available	1,082,021,565	1,105,489,510	1,161,951,733
Capital transfers:			
Repayment of capital stock to Treasury (−)	−24,801,000		
Payment of return on capital stock to Treasury (−)	−765,295		
Unobligated balance carried forward:			
Authorization to expend from public debt receipts	−750,000,000	−750,000,000	−750,000,000
Investment in U.S. securities	−305,345,782	−353,974,110	−410,263,933
Financing applied to program	1,109,488	1,515,400	1,687,800

The Federal Savings and Loan Insurance Corporation is authorized under title IV of the National Housing Act (12 U.S.C. 1724 et seq.) to insure savings in all Federal savings and loan associations and in State-chartered institutions of the savings and loan type which apply and are approved for insurance. The protection thus afforded, which insures savers in member associations against financial loss up to a statutory limit of $10,000, may be provided through the prevention of default or the payment of insurance to savings account holders in the event of liquidation. The former course of action, which results in complete protection to each investor regardless of the amount in his account, is accomplished by making cash grants or by purchasing all or a part of the association's assets. Also, the Corporation is authorized to make loans to institutions in financial difficulty. Wherever possible, preventive measures are taken to eliminate the necessity of liquidation. However, in the event liquidation is necessary, the Corporation acts as receiver for all federally chartered associations and may act as receiver or coreceiver upon request of State authority in cases involving State-chartered institutions.

The Corporation functions under direction of the Federal Home Loan Bank Board, which provides certain administrative services and conducts the examination and supervision of insured institutions. The expenses of the Board and its staff offices are paid from assessments made on the Corporation, the Federal home loan banks, and the division of examinations.

[Dollars in thousands]

	1959 actual	*1960 estimate*	*1961 estimate*
Number of insured member institutions	3,936	4,036	4,136
Number of insured savers	23,040,000	25,300,000	27,000,000
Insured liability	$48,349,000	$56,000,000	$63,700,000
Assets of insured member institutions	$55,808,000	$64,900,000	$73,900,000
Reserves and undivided profits of insured member institutions	$3,763,000	$4,300,000	$4,900,000
Corporation's reserve for insurance losses	$305,410	$354,001	$410,264
Percent of authorization to total income	1.8	1.5	1.4

Budget program.—The budget program comprises the following activities:

1. *Administrative expenses*—(*a*) *Underwriting.*—This activity constitutes an analysis and evaluation of the insurance risk in connection with applications for insurance of accounts and other applications submitted pursuant to regulatory requirements. The assets of insured institutions have increased $13.7 billion or 32.7% in the last 2 years. The continuing interest in insurance of accounts on the part of uninsured institutions, plus the anticipated rate of normal growth, will increase the insured liability of the Corporation to an estimated $63.7 billion by June 30, 1961, as compared to $48.3 billion on June 30, 1959.

(*b*) *Prevention of default and payment of insurance.*—In carrying out its role of protecting savings in insured savings and loan associations, the Corporation has settled 38 cases since its creation 25 years ago. Total losses to June 30, 1959, have amounted to $5,224,869, or less than 2% of cumulative gross income. An overall summary of these activities is reflected in the following table:

	Number of cases	*Funds provided*	*Recoveries*	*Estimated or final loss*
Contributions to prevent default	29	$5,374,125	$496,064	$4,878,061
Purchase of assets	2	5,058,273	[1] 5,021,607	36,666
Receiverships	7	6,699,801	6,390,254	[2] 310,142
Net insurance losses	38	17,132,199	11,907,925	5,224,869

[1] Includes anticipated recoveries of $54,222.
[2] Includes $595 for unsettled accounts.

(*c*) *Analysis of operation.*—The Corporation maintains a current analysis of the financial condition of member institutions, the flow of savings, and the character and volume of mortgage lending, including selective review of geographical or community areas and phases of operations and certain analyses of trends in the field of thrift and home mortgage finance.

2. *Payment to the Federal Home Loan Bank Board for*—(*a*) *Services and facilities.*—The Corporation will subscribe 42% of the administrative expenses of the Federal Home Loan Bank Board in 1961 in return for services and facilities by the Board and staff offices.

(*b*) *Conservatorship, supervisory representative in charge, and other.*—Represents the Corporation's share of expenses incurred by the Board in 1959 in connection with the conservatorship of institutions insured by the Federal Savings and Loan Insurance Corporation and preparation for or conduct of proceedings under section 407 of the National Housing Act, as amended.

4. *Charges applicable to prior years.*—This provides for the establishment of the Corporation's liability for accrued annual leave of employees.

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5. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year:				
Deferred charges	$401,432	$2,012	$164	$164
Pending and unclaimed insured accounts in liquidated institutions, gross	7,040	7,040	----	----
Unpaid undelivered orders	4,963	2,012	----	----
Total selected resources at end of year	413,435	11,064	164	164
Selected resources at start of year (−)	−413,435	−11,064	−164	----
Costs financed from obligations of other years, net (−)	−402,371	−10,900	----	----

Financing.—Since 1951 the Corporation has been retiring its capital stock held by the Secretary of the Treasury in annual payments equivalent to 50% of its net income. Of the initial Government investment of $100 million, $75.2 million had been retired prior to June 30, 1958. The balance of $24.8 million was retired in 1959.

Through June 30, 1958, the Corporation had paid to the Treasury $42.1 million as a return on capital stock in lieu of dividends. Final payment of $0.8 million was made in 1959.

The Corporation has continuing authority to borrow from the Treasury for insurance purposes, with a limitation of $750 million outstanding at any one time. No borrowings under this authorization have ever been made.

The Corporation is further authorized to assess against each insured institution additional premiums for insurance until the amount of such premiums equals the amount of all losses and expenses of the Corporation; except that the total amount so assessed in any 1 year against any such institution shall not exceed one-eighth of 1% of the total amount of the accounts of its insured members and its creditor obligations.

Operating results and financial condition.—The Corporation is entirely self-supporting and in no year has its operating expense amounted to more than 5.3% of total income; in 1959 it amounted to 3.4%. Revenue from insurance premiums, interest on investments in obligations of the United States, and revenue from other sources has been sufficient to meet all insurance losses, operating expense, return on capital stock, and to establish a reserve for contingencies of $305.4 million. Total revenue since 1934, of $367.6 million, has been applied as follows:

	Amount	Percent
Expense	$13,855,777	3.8
Net insurance losses	5,224,869	1.4
Provision for accrued annual leave of employees	83,049	----
Return on capital stock to U.S. Treasury	42,975,507	11.7
Reserve for contingencies	305,410,474	83.1
Total	367,549,676	100.0

Operating expense for 1961 is estimated at $1.7 million, consisting primarily of administrative expenses of the Corporation of $0.8 million and $0.9 million for services rendered by the Federal Home Loan Bank Board.

Since the time and size of expenditures for the prevention of default and payment of insurance are unpredictable, estimates of these expenditures are omitted from the financial statements.

Net income for 1961, which is expected to be increased by $15.2 million or 37% above the net income for 1959, will be retained by the Corporation and credited to its reserve for insurance losses.

The Corporation is required by law to accumulate a reserve equal to 5% of all insured accounts and creditor obligations of all insured institutions before collection of premiums may be discontinued. It is estimated that this statutory requirement will amount to $3.2 billion by June 30, 1961. The insurance reserve as of that date is expected to reach $410.3 million or 0.64% of an estimated potential liability of $63.7 billion.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Purchase of furniture, fixtures, and equipment, fully depreciated	$9,436	$13,300	$16,300
Expense	1,419,375	1,513,000	1,671,500
Adjustment for accrued annual leave	83,048	----	----
Total gross expenditures	1,511,859	1,526,300	1,687,800
Receipts from operations (funds provided):			
Proceeds from sale of assets acquired to prevent default	5,654	27,100	27,123
Revenue	42,481,055	50,108,000	57,950,500
Credits applicable to prior years	----	8,628	----
Decrease in selected working capital	89,381	891,402	1,077,700
Total receipts from operations	42,576,090	51,035,130	59,055,323
Budget expenditures	−41,064,231	−49,508,830	−57,367,523

Revenue, Expense, and Retained Earnings

Revenue	$42,481,055	$50,108,000	$57,950,500
Expense	1,428,811	1,525,705	1,687,800
Net income	41,052,244	48,582,295	56,262,700
Analysis of retained earnings:			
Retained earnings, beginning of year	265,206,573	305,410,474	354,001,397
Payment of return on capital stock to Treasury (−)	−765,295	----	----
Prior year adjustment for accrued annual leave	−83,048	----	----
Credits applicable to prior years	----	8,628	----
Retained earnings, end of year	305,410,474	354,001,397	410,264,097

Financial Condition

Assets:			
Cash with Treasury	$1,348,762	$857,592	$1,225,115
U.S. securities (par)	311,000,000	361,000,000	418,000,000
Accounts receivable, net	11,285,436	13,177,401	15,309,401
Supplies and deferred charges	2,012	164	164
Assets acquired to prevent default, net	54,223	27,123	----
Pending and unclaimed insured accounts in liquidated institutions, net	6,445	----	----
Total assets	323,696,878	375,062,280	434,534,680
Liabilities:			
Current	154,351	141,930	147,130
Deferred credits (unearned insurance premiums)	18,132,053	20,918,953	24,123,453
Total liabilities	18,286,404	21,060,883	24,270,583
Government investment:			
Interest-bearing capital:			
Start of year	24,801,000	----	----
Repayment of capital stock to Treasury (−)	−24,801,000	----	----
End of year	----	----	----
Total Government investment (retained earnings)	305,410,474	354,001,397	410,264,097

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash and U.S. securities	$296,850,826	$312,348,762	$361,857,592	$419,225,115
Budget authorization	750,000,000	750,000,000	750,000,000	750,000,000
Total unexpended balance	1,046,850,826	1,062,348,762	1,111,857,592	1,169,225,115
Obligated balance, net:				
Current liabilities	92,242	154,351	141,930	147,130
Deferred credits (unearned insurance premiums)	15,752,615	18,132,053	20,918,953	24,123,453
Unpaid undelivered orders	4,963	2,012	----	----
Accounts receivable, net (−)	−8,533,850	−11,285,436	−13,177,401	−15,309,401
Total obligated balance	7,315,970	7,002,980	7,883,482	8,961,182
Unobligated balance	1,039,534,856	1,055,345,782	1,103,974,110	1,160,263,933

NOTE.—The potential liability on insured share accounts and creditor obligations at fiscal year end is as follows: June 30, 1958, $41.6 billion; 1959, $48.3 billion; 1960, $56.0 billion; 1961, $63.7 billion.

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FEDERAL HOME LOAN BANK BOARD—Continued

Public enterprise funds—Continued

LIMITATION ON ADMINISTRATIVE EXPENSES, FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

Not to exceed [$775,000] *$800,000* shall be available for administrative expenses, which shall be on an accrual basis and shall be exclusive of interest paid, depreciation, properly capitalized expenditures, expenses in connection with liquidation of insured institutions or preparation for or conduct of proceedings under section 407 of the National Housing Act, liquidation or handling of assets of or derived from insured institutions, payment of insurance, and action for or toward the avoidance, termination, or minimizing of losses in the case of insured institutions, legal fees and expenses, and payments for administrative expenses of the Federal Home Loan Bank Board determined by said Board to be properly allocable to said Corporation, and said Corporation may utilize and may make payment for services and facilities of the Federal home-loan banks, the Federal Reserve banks, the Federal Home Loan Bank Board, and other agencies of the Government: *Provided*, That, notwithstanding any other provisions of this Act, except for the limitation in amount hereinbefore specified, the administrative expenses and other obligations of said Corporation shall be incurred, allowed and paid in accordance with title IV of the Act of June 27, 1934, as amended (12 U.S.C. 1724–1730). (*Independent Offices Appropriation Act, 1960.*)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Administrative expenses:			
(a) Underwriting	$141,084	$153,100	$156,179
(b) Prevention of default and payment of insurance	78,287	85,839	84,808
(c) Analysis of operations	277,445	281,204	298,802
(d) Executive direction and fiscal and other administrative services	241,155	254,857	260,211
Total accrued administrative expenses	737,971	775,000	800,000
Financing:			
Unobligated balance no longer available	12,629		
Limitation	750,600	775,000	800,000

Object Classification

	1959 actual		1960 estimate		1961 estimate	
Total number of permanent positions	97		94		94	
Full-time equivalent of all other positions	1		1		1	
Average number of all employees	85		89		91	
Number of employees at end of year	86		89		94	
Average GS grade and salary	7.7	$6,441	7.8	$6,568	7.8	$6,656
01 Personal services:						
Permanent positions	$554,617		$586,210		$611,634	
Positions other than permanent	2,412		1,044		1,031	
Other personal services	12,456		8,546		8,435	
Total personal services	569,485		595,800		621,100	
Deduct portion not chargeable to limitation	96					
Net personal services	569,389		595,800		621,100	
02 Travel	10,155		15,400		15,400	
03 Transportation of things	4		100		100	
04 Communication services	14,356		14,600		14,600	
05 Rents and utility services	38,209		39,850		41,100	
06 Printing and reproduction	18,023		19,600		19,500	
07 Other contractual services	4,689		7,600		12,600	
Services performed by other agencies	42,166		37,600		30,500	
08 Supplies and materials	5,122		6,850		5,600	
11 Grants, subsidies, and contributions	35,806		37,500		39,400	
15 Taxes and assessments	52		100		100	
Total accrued administrative expenses	737,971		775,000		800,000	

HOME OWNERS' LOAN CORPORATION FUND

The Corporation was created to provide credit facilities to refinance the mortgages of destitute urban home owners. Its lending authority expired on June 12, 1936, and since that time the Corporation has been dissolved. Liabilities, representing matured bonds held by the public together with accrued interest thereon, totaled $491,811 at the end of 1959 and are estimated to be reduced to $405,811 by the end of 1961.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Increase in selected working capital (interest paid)	$2,735	$3,000	$3,000
Budget expenditures	2,735	3,000	3,000

Financial Condition

	1959 actual	1960 estimate	1961 estimate
Assets:			
Cash with Treasury	$491,811	$448,811	$405,811
Liabilities:			
Interest payable	78,011	75,011	72,011
Matured bonds payable held by public	413,800	373,800	333,800
Total liabilities	491,811	448,811	405,811

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash with Treasury	$538,072	$491,811	$448,811	$405,811
Obligated balance, net:				
Liabilities	538,072	491,811	448,811	405,811
Unobligated balance				

Object Classification

	1959 actual	1960 estimate	1961 estimate
14 Interest	$2,735	$3,000	$3,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS, FEDERAL HOME LOAN BANK BOARD

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Administrative services (total obligations)	$79,638	$65,000	$65,000
Financing:			
Advances and reimbursements from other accounts	79,638	65,000	65,000

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	13	13	14
Average number of all employees	13	13	14
Number of employees at end of year	13	13	14
01 Personal services: Permanent positions	$43,411	$36,563	$35,860
04 Communication services	199	169	156
05 Rents and utility services	9,939	8,288	8,249
07 Other contractual services	151	136	520
Services performed by other agencies	199	182	182
08 Supplies and materials	19,328	17,205	16,738
09 Equipment	3,663	65	962
11 Grants, subsidies, and contributions	2,732	2,379	2,320
15 Taxes and assessments	16	13	13
Total obligations	79,638	65,000	65,000

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Proposed for later transmission:

FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION FUND

Under proposed legislation, 1961.—Legislation will be proposed to increase the insurance premium rate from the present one-twelfth of 1% per annum on all share accounts and creditor obligations of insured associations to one-eighth of 1%. The proposed rate increase will be effective until the Corporation's reserve for losses is equal to 1% of the insured liability, at which time the premium rate will revert to the present one-twelfth of 1%. The legislation will permit an increase in reserves commensurate with the growth of the insured associations. It is anticipated that revenue will increase by $27,633,000 in 1961 as a result of the proposed legislation.

FEDERAL MEDIATION AND CONCILIATION SERVICE

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for the Service to carry out the functions vested in it by the Labor-Management Relations Act, 1947 (29 U.S.C. 171–180, 182), including expenses of the Labor-Management Panel as provided in section 205 of said Act; expenses of boards of inquiry appointed by the President pursuant to section 206 of said Act; temporary employment of arbitrators, conciliators, and mediators on labor relations at rates not in excess of $75 per diem; and Government-listed telephones in private residences and private apartments for official use in cities where mediators are officially stationed, but no Federal Mediation and Conciliation Service office is maintained; [$3,905,400] *$4,093,000.* (*Departments of Labor, and Health, Education, and Welfare Appropriation Act, 1960.*)

Appropriated 1960, **$3,905,400** Estimate 1961, **$4,093,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Mediation and conciliation of labor disputes	$3,523,208	$3,541,100	$3,704,775
2. Presidential boards of inquiry		5,000	6,500
3. Administration	354,631	359,300	381,725
4. 1959 program obligated in 1958	−23,150		
Total obligations	3,854,689	3,905,400	4,093,000
Financing:			
1959 appropriation available in 1958	23,150		
Unobligated balance no longer available	761		
Appropriation (new obligational authority)	3,878,600	3,905,400	4,093,000

The Service assists labor and management in mediation and prevention of disputes affecting industries engaged in interstate commerce and defense production other than rail and air transportation.

1. *Mediation and conciliation of labor disputes.*—During the last year dispute notices affecting approximately 103,000 employers were received by the Service. About 22,100 cases were assigned to mediators for initial inquiry to determine the status of contract negotiations and the possible need for Federal mediation assistance. About 20,100 cases were assigned for mediation after initial inquiry and 19,900 mediation assignments were closed during the year.

WORKLOAD

	1955	*1956*	*1957*	*1958*	*1959*
Cases pending, beginning of year	2,578	2,540	2,254	2,422	4,221
Mediation assignments	14,197	14,604	13,479	16,487	20,172
Mediation assignments closed	14,235	14,890	13,311	14,693	19,923
Cases pending, end of year	2,540	2,254	2,422	4,221	4,470

2. *Presidential boards of inquiry.*—Boards of inquiry may be appointed by the President when in his judgment an existing or threatened work stoppage in an essential industry will imperil the national health or safety.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	344	344	359
Full-time equivalent of all other positions	3	2	2
Average number of all employees	342	345	360
Number of employees at end of year	342	344	359
Average GS grade and salary	10.5 $8,938	10.5 $9,064	10.6 $9,067
01 Personal services:			
Permanent positions	$3,055,397	$3,126,200	$3,263,000
Positions other than permanent	14,209	12,700	14,500
Other personal services	13,923	26,000	14,500
Total personal services	3,083,529	3,164,900	3,292,000
02 Travel	302,982	303,000	328,200
03 Transportation of things	17,652	12,000	12,000
04 Communication services	132,132	140,000	147,000
05 Rents and utility services	14,117	14,000	6,500
06 Printing and reproduction	7,686	7,700	8,000
07 Other contractual services	17,712	16,000	38,000
Services performed by other agencies	16,909	10,000	14,000
08 Supplies and materials	22,100	22,000	22,000
09 Equipment	61,785	10,000	11,700
11 Grants, subsidies, and contributions	198,448	204,000	211,800
13 Refunds, awards, and indemnities	2,532	1,500	1,500
15 Taxes and assessments	255	300	300
1959 program obligated in 1958	−23,150		
Total obligations	3,854,689	3,905,400	4,093,000

FEDERAL POWER COMMISSION

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for the work of the Commission, as authorized by law, including not to exceed [$375,000] *$445,000* for expenses of travel; hire of passenger motor vehicles; and not to exceed $500 for newspapers; [$7,218,000] *$7,795,000,* of which not to exceed $10,000 shall be available for special counsel and services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), but at rates not exceeding $50 per diem for individuals: *Provided,* That not to exceed $354,200 shall be available for investigations relating to Federal river development projects. (*15 U.S.C. 717–717w; 16 U.S.C. 791a–825s, 828; 831m–1, 831m–3; 832a(a), d, e, f, i(b); 833d, e, h; 33 U.S.C. 701j; 43 U.S.C. 617–1(c), 1344(c); 45 Stat. 200, 212–213, 1344; 60 Stat. 1080; 68 Stat. 573; 71 Stat. 401; Executive Order 10485, Sept. 3, 1953; Independent Offices Appropriation Act, 1960.*)

Appropriated 1960, **$7,218,000** Estimate 1961, **$7,795,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Non-Federal hydroelectric projects	$1,437,566	$1,488,300	$1,671,100
2. Electric power industry	1,125,345	1,094,600	1,096,100
3. Natural gas industry	3,305,891	3,685,400	4,075,400
4. Federal river development projects	344,442	354,200	354,200
5. International Joint Commission	25,809	14,300	15,300
6. Administration	567,550	581,200	582,900
7. 1959 program obligated in 1958	−42,245		
Total obligations	6,764,358	7,218,000	7,795,000
Financing:			
1959 appropriation available in 1958	42,245		
Unobligated balance no longer available	125,897		
Appropriation (new obligational authority)	6,932,500	7,218,000	7,795,000

The Federal Power Commission administers the Federal Power Act and Natural Gas Act and has additional duties under other acts relating to Federal power development.

1. *Non-Federal hydroelectric projects.*—Licenses are issued for hydroelectric projects affecting public lands and

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FEDERAL POWER COMMISSION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

streams subject to Federal jurisdiction; construction and operation of projects are inspected; and construction costs are determined for projects under license to private interests. Pertinent data are:

Description	*1959 actual*	*1960 estimate*	*1961 estimate*
Licensed projects (2,000 horsepower and over)	205	219	235
Claimed cost of licensed projects—millions	$4,944	$5,193	$5,593
Applications completed during year	110	116	115
Applications pending end of year	130	124	119
Annual receipts from licenses	$1,759,000	$2,048,000	$2,883,000

2. *Electric power industry.*—Regulation covers the transmission and sale for resale of electric energy in interstate commerce and the rates, accounts, depreciation practices, certain security issues, disposition of properties, mergers, and the interconnection and coordination of facilities of those public utilities subject to the Commission's jurisdiction. Statistics about the electric utility industry are gathered and published. Pertinent data are:

[By calendar year]

Description	*1958 actual*	*1959 estimate*	*1960 estimate*
Number of public utilities regulated	190	185	185
Operating revenue of regulated utilities—millions	$7,650	$8,200	$8,600
Number of utilities reporting for statistical purposes	800	800	800
Operating revenue of reporting utilities—millions	$10,300	$10,800	$11,600

3. *Natural gas industry.*—Regulation covers the transportation and sale for resale of natural gas in interstate commerce, and the rates, accounts, and depreciation and depletion practices. Certificates of public convenience and necessity are issued to those natural-gas companies subject to the jurisdiction of the Commission. Statistics about the natural-gas industry are gathered and published. In calendar year 1958, there were approximately 17,000 independent producers, who were making jurisdictional sales under 2,934 rate schedules. There were also 91 regulated natural-gas pipeline companies, with operating revenue of $3.6 billion. It is estimated that the number of independent producers and pipeline companies will remain substantially unchanged in 1959 and 1960. However, the operating revenue of the pipeline companies is expected to increase to $3.9 billion and $4.3 billion, respectively. Other pertinent data are:

Description	*1959 actual*	*1960 estimate*	*1961 estimate*
Certificate applications filed:			
(a) Pipeline companies	329	330	330
(b) Independent producers	1,803	1,800	1,800
Pipeline gas rate cases handled	116	153	146
Independent producer rate cases handled	1,833	2,485	2,405
Rate cases on hand, end of year	1,833	1,821	1,821
Total rate filings received	9,798	10,300	10,300

4. *Federal river development projects.*—Of a potential 122.1 million kilowatts of hydroelectric power in the United States, 30.2 million kilowatts had been developed by Federal agencies and non-Federal interests as of December 31, 1958.

Studies are made of proposed Federal river development projects to determine possibilities for conservation, development, and utilization of potential power resources. Review and approval are required of certain proposed rates for sale of power from Federal projects. Information on the power features of river development projects is furnished to Congress and to Federal and State agencies. In 1959, a total of 101 studies were carried on and it is estimated that there will be 103 in 1960 and 104 in 1961.

5. *International Joint Commission.*—A Commission staff member serves on the International Joint Commission, which adjudicates controversies between the Governments or nationals of the United States and Canada over boundary waters and waters that cross the boundary.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	844	850	935
Full-time equivalent of all other positions	11	8	
Average number of all employees	781	834	910
Number of employees at end of year	871	840	925
Average GS grade and salary	8.6 $7,078	8.7 $7,202	8.6 $7,089
01 Personal services:			
Permanent positions	$5,625,138	$5,993,860	$6,449,234
Positions other than permanent	38,643	29,692	
Other personal services	34,964	44,448	23,766
Total personal services	5,698,745	6,068,000	6,473,000
02 Travel	326,347	375,000	445,000
03 Transportation of things	4,972	3,800	3,800
04 Communication services	73,387	74,000	76,700
05 Rents and utility services	26,661	25,200	25,200
06 Printing and reproduction	89,033	88,700	93,500
07 Other contractual services	57,259	55,900	112,100
Services performed by other agencies	2,300	2,800	3,800
08 Supplies and materials	74,977	73,600	73,800
09 Equipment	85,524	53,000	65,100
11 Grants, subsidies, and contributions	362,844	394,000	419,000
13 Refunds, awards, and indemnities	3,580	3,000	3,000
15 Taxes and assessments	974	1,000	1,000
1959 program obligated in 1958	−42,245		
Total obligations	6,764,358	7,218,000	7,795,000

Permanent authorizations:

PAYMENTS TO STATES UNDER FEDERAL POWER ACT

(Indefinite special fund)

Appropriated (estimate) 1960, **$57,000** Estimate 1961, **$61,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Payments to States (object class 11)	$58,656	$57,000	$61,000
Financing:			
Appropriation (new obligational authority)	58,656	57,000	61,000

The States receive 37.5% of the receipts from licenses issued by the Federal Power Commission for occupancy and use of national forests and public lands within their boundaries (16 U.S.C. 810).

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Non-Federal hydroelectric projects	$20,053		
2. Federal river development projects	40,267		
Total obligations	60,320		
Financing:			
Advances and reimbursements from other accounts	60,320		

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Object Classification

	1959 actual	1960 estimate	1961 estimate
Average number of all employees	5		
Number of employees at end of year	0		
Average GS grade and salary	12.0 $9,629		
01 Personal services:			
Permanent positions	$47,960		
Other personal services	186		
Total personal services	48,146		
02 Travel	6,821		
04 Communication services	229		
05 Rents and utility services	567		
07 Other contractual services	1,399		
08 Supplies and materials	29		
11 Grants, subsidies, and contributions	3,129		
Total obligations	60,320		

FEDERAL TRADE COMMISSION

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Federal Trade Commission, including uniforms or allowances therefor, as authorized by law (5 U.S.C. 2131), not to exceed [$700] *$1,000* for newspapers, services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), and not to exceed [$285,000] *$400,000* for expenses of travel, [$6,840,000] *$7,600,000*: *Provided*, That no part of the foregoing appropriation shall be expended upon any investigation hereafter provided by concurrent resolution of the Congress until funds are appropriated subsequently to the enactment of such resolution to finance the cost of such investigation. *(73 Stat. 500; Independent Offices Appropriation Act, 1960.)*

Appropriated 1960, **$6,840,000** Estimate 1961, **$7,600,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Antimonopoly:			
(a) Investigation and litigation	$2,793,723	$2,891,700	$3,088,400
(b) Economic and financial reports	585,165	602,700	621,300
2. Deceptive practices:			
(a) Investigation and litigation	1,432,459	1,591,700	1,942,600
(b) Trade practice conferences and small business	313,326	323,900	345,900
(c) Textile and fur enforcement	532,133	584,000	726,300
(d) Lanham Act and insurance	51,370	35,000	35,000
3. Executive direction and management	410,684	425,000	425,000
4. Administration	371,816	386,000	415,500
Total program costs [1]	6,490,676	6,840,000	7,600,000
5. Unfunded adjustment to total program costs: Property transferred in without charge (−)	−3,286		
Total program costs, funded	6,487,390	6,840,000	7,600,000
6. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−3,222		
Total program (obligations)	6,484,168	6,840,000	7,600,000
Financing:			
Unobligated balance no longer available	3,832		
Appropriation (new obligational authority)	6,488,000	6,840,000	7,600,000

[1] Includes capital outlay as follows: June 30, 1959, $18,929; 1960, $23,000; 1961, $51,000.

The Commission has the duty of preserving free competitive enterprise through prevention of monopolistic and unfair trade.

SELECTED WORKLOAD DATA

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Applications for complaints received	3,782	5,210	5,500	6,000
Investigations instituted	1,023	975	1,100	1,500
Investigations completed	1,065	1,095	1,200	1,500
Investigations pending	1,352	1,336	1,500	1,500
Formal complaints issued:				
Antimonopoly	86	80	90	95
Deceptive practices	268	272	280	290
Orders to cease and desist issued:				
Antimonopoly	46	69	70	75
Deceptive practices	235	277	290	300

SELECTED WORKLOAD DATA—continued

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Stipulations to cease and desist negotiated	146	147	150	150
Assurances of discontinuance of violations accepted	1,169	1,056	1,400	1,800
Pending cases in litigation	342	309	350	360
Trade-practice rules promulgated	5	14	14	14
Penalty suits certified	11	14	36	36
Penalty suits completed	12	8	14	25
Appeals before Federal court pending	31	29	40	45
Appeals before Federal court completed	27	23	25	35

1. *Antimonopoly.*—All types of monopolistic restrictions, including price-fixing conspiracies, boycotting, price discriminations, and illegal mergers and acquisitions are corrected. Economic data and criteria are brought to bear on monopoly and related problems. Supervision is provided over the registration and operations of associations of American exporters engaged solely in export trade. In 1961 field investigation and trial of merger and other antimonopoly cases will be further expedited.

2. *Deceptive practices.*—False and misleading advertising and other unfair or deceptive practices are prevented by corrective action, including the affirmative aid of trade-practice rules and advertising guides. Business and the public are protected from the evils of misbranding and nondisclosure of fiber content of manufactured wool products and household textile articles; consumers and merchants are protected from unfair practices with respect to furs and fur products; and the public is protected from dangers inherent in flammable fabrics. In 1961 field investigation and trial of deceptive practice cases will be expedited, and the Commission will continue with the program of enforcement of the Textile Fiber Products Identification Act.

The Commission has already increased its efforts in the field of radio and television advertising as a result of disclosures during recent investigations by the Congress. Funds are specifically provided in 1961 to support more effectively the Commission's efforts in this field.

6. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$4,097	$3,745	$3,745	$3,745
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	22,700	19,830	19,830	19,830
Total selected resources at end of year	26,797	23,575	23,575	23,575
Selected resources at start of year (−)		−26,797	−23,575	−23,575
Costs financed from obligations of other years, net (−)		−3,222		

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	736	756	855
Average number of employees	721	748	838
Number of employees at end of year	734	756	845
Average GS grade and salary	9.2 $7,674	9.3 $7,739	9.0 $7,472
01 Personal services:			
Permanent positions	$5,568,703	$5,801,900	$6,289,100
Other personal services	26,975	47,700	24,000
Total personal services	5,595,678	5,849,600	6,313,100
02 Travel	233,068	280,250	372,300
03 Transportation of things	1,616	3,550	6,000
04 Communication services	71,232	72,700	77,700
05 Rents and utility services	31,736	38,600	46,600
06 Printing and reproduction	36,899	30,000	35,000
07 Other contractual services	63,886	106,300	207,300
08 Supplies and materials	67,814	60,000	80,000
09 Equipment	18,929	23,000	51,000
11 Grants, subsidies, and contributions	359,228	375,000	409,000
13 Refunds, awards, and indemnities	3,450		
15 Taxes and assessments	632	1,000	2,000
Total obligations	6,484,168	6,840,000	7,600,000

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FOREIGN CLAIMS SETTLEMENT COMMISSION

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary to carry on the activities of the Foreign Claims Settlement Commission, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), at rates not to exceed $50 per diem for individuals; not to exceed [$12,000] *$10,000* for expenses of travel; advances or reimbursements to other Government agencies for use of their facilities and services in carrying out the functions of the Commission; hire of motor vehicles for field use only; and employment of aliens; [$458,000] *$300,000*, of which [$50,000] *$40,000* shall be derived only from the war claims fund created by section 13(a) of the War Claims Act of 1948 (Public Law 896, approved July 3, 1948) and not to be available for obligation after June 30, [1960] *1961*. (*General Government Matters Appropriation Act, 1960*).

Appropriated 1960, **$408,000** Estimate 1961, **$260,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations:			
1. Administration and settlement of international claims	$503,653	$358,000	$200,000
2. Review of claims programs	100,000	50,000	60,000
Total direct obligations	603,653	408,000	260,000
Reimbursable obligations:			
3. Administration and settlement of World War II claims	91,800	50,000	40,000
Total obligations	695,453	458,000	300,000
Financing:			
Advances and reimbursements from War claims fund	−91,800	−50,000	−40,000
Unobligated balance no longer available	6,847		
Appropriation (new obligational authority)	610,500	408,000	260,000

The Foreign Claims Settlement Commission is responsible for the settlement of claims authorized by the War Claims Act and the International Claims Settlement Act.

1. *Administration and settlement of international claims.*—Processing of claims of U.S. nationals for the nationalization or other taking of property by Czechoslovakia has been authorized. Funds totaling about $9 million derived from the vesting and sale of Czechoslovakian assets in this country are available as trust funds from which the Treasury will make payments against the awards. A 5% deduction will be made as an offset against appropriations for administrative expenses for the 3 years of the program by Foreign Claims Settlement Commission and Treasury Department. A total of 3,977 claims asking recoveries of about $364 million has been received.

Claims of U.S. nationals against Bulgaria, Hungary, Rumania, Italy, and the Soviet Union have been completed by the statutory deadline of August 9, 1959.

2. *Review of claims programs.*—Operations included in the President's Reorganization Plan No. 1 of 1954, but not immediately embraced within active claims programs, are set out as a separate activity not charged to specific programs. These involve research, reports, documentation, and similar functions responsive to the requirements of the Congress and of other agencies of the Government concerning past, present, and proposed claims programs and problems.

3. *Administration and settlement of World War II claims.*—Liquidation of previous programs under the War Claims Act will continue during 1961 financed by reimbursement from the War claims fund.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	86	59	40
Average number of all employees	77	46	29
Number of employees at end of year	55	40	20
Average GS grade and salary	8.5 $7,060	9.1 $7,522	9.4 $7,912
Personal service obligations:			
Permanent positions	$624,145	$395,460	$256,250
Other personal services	2,259	2,540	750
Total personal service obligations	626,404	398,000	257,000
Direct obligations:			
01 Personal services	544,681	352,000	220,000
02 Travel	3,928	12,000	10,000
04 Communication services	5,041	6,900	4,800
06 Printing and reproduction	7,951	3,200	2,000
07 Other contractual services	2,584	1,900	3,250
Services performed by other agencies	3,544	6,100	3,450
08 Supplies and materials	961	2,100	1,100
09 Equipment	927	900	800
11 Grants, subsidies, and contributions	33,836	22,900	14,600
15 Taxes and assessments	200		
Total direct obligations	603,653	408,000	260,000
Reimbursable obligations:			
01 Personal services	81,723	46,000	37,000
02 Travel	307		
04 Communication services	1,500	350	100
06 Printing and reproduction	900	60	50
07 Other contractual services	300	50	250
Services performed by other agencies	1,500	400	100
08 Supplies and materials	200	150	100
09 Equipment	229		
11 Grants, subsidies, and contributions	5,070	2,990	2,400
15 Taxes and assessments	71		
Total reimbursable obligations	91,800	50,000	40,000
Total obligations	695,453	458,000	300,000

[PAYMENT OF KOREAN CLAIMS]

[For payment of awards as authorized by Private Law 86–17, approved May 13, 1959, $5,670.] (*Supplemental Appropriation Act, 1960.*)

Appropriated 1960, **$5,670**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Payment of Korean claims (object class 13)		$5,670	
Financing:			
Appropriation (new obligational authority)		5,670	

GENERAL ACCOUNTING OFFICE

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the General Accounting Office, including newspapers and periodicals (not exceeding $500); rental or lease of office space in foreign countries without regard to the provisions of section 3648 of the Revised Statutes, as amended (31 U.S.C. 529); and services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); [$41,800,000] *$41,150,000*. (*31 U.S.C. 41, sup. V, 841; 60 Stat. 812, 837; 64 Stat. 460, 832; Independent Offices Appropriation Act, 1960.*)

Appropriated 1960, **$41,800,000** Estimate 1961, **$41,150,000**

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Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Office of the Comptroller General	$42,188	$43,315	$43,359
2. Office of the Assistant Comptroller General	36,507	36,999	36,990
3. Office of the assistant to the Comptroller General	8,324	24,179	24,093
4. Office of administrative services	2,459,345	2,495,600	2,509,300
5. Claims division	3,425,952	3,337,900	3,293,700
6. Transportation division	7,330,350	7,338,900	7,146,400
7. Division of personnel	290,065	307,500	313,900
8. Office of the general counsel	1,557,255	1,618,000	1,673,000
9. Accounting and auditing policy staff	371,150	363,000	356,500
10. Office of staff management	136,270	155,200	154,000
11. Defense accounting and auditing division	5,998,866	6,318,540	6,287,558
12. Civil accounting and auditing division	5,993,493	6,095,200	6,060,400
13. Field operations division	9,857,125	11,745,667	11,816,300
14. European branch	854,477	925,600	930,600
15. Far East branch	377,528	469,400	503,900
Total program costs	38,738,895	41,275,000	41,150,000
16. Relation of costs to obligations: Cost financed from obligations of other years, net (−)	−10,004		
Total program (obligations)	38,728,891	41,275,000	41,150,000
Financing:			
Unobligated balance no longer available	291,609	525,000	
Appropriation (new obligational authority)	39,020,500	41,800,000	41,150,000

The General Accounting Office is directly responsible to the Congress for conducting independent reviews, audits, and investigations of the management and control of the financial transactions of the Government; for the rendition of legal decisions relating to Government fiscal matters; for developing, prescribing, and evaluating accounting systems on a governmentwide basis; for the settlement of certain claims for and against the Government; and, for advising and assisting the Congress and Government agencies on matters relating to public funds. During 1959, refunds and collections in the amount of $60,541,080 were made through these activities.

1–3. *Office of the Comptroller General, etc.*—Executive management of the General Accounting Office is carried out by the Comptroller General who is assisted by the Assistant Comptroller General and staff assistants.

5. *Claims division.*—All claims by or against the United States are settled in this division except those for transportation items and claims wherein exclusive jurisdiction is conferred by law upon another agency or the courts.

6. *Transportation division.*—This division audits freight and passenger transportation payments for account of the United States and settles claims involving transportation charges. The transportation audit recovered $29,535,058 during 1959.

8. *Office of the general counsel.*—In addition to preparing decisions and reports on the legality or propriety of proposed obligations and expenditures of the Government the general counsel and his staff assist the Comptroller General in coordinating the various activities of the General Accounting Office with the Congress, its committees, and individual members, participate in conferences with legislative and administrative officials of the Government on legal matters of a fiscal nature, the sufficiency of proposed legislation, the desirability of new legislation for particular purposes, and render all other required legal services.

9. *Accounting and auditing policy staff.*—This staff develops accounting policy and related requirements for observance by each agency and for the guidance of audit work performed by General Accounting Office auditors, and develops internal auditing objectives, principles, and standards for guidance of the executive agencies; reviews and develops, in cooperation with the Treasury Department and the Bureau of the Budget, central accounting processes and financial reporting; reviews agency accounting systems in whole or in part; develops and directs a coordinated program to assure effective application of modern electronic systems and other advanced methods to accounting and related financial operations of the Government; and assists and advises Congress on accounting and auditing policy matters.

10. *Office of staff management.*—This staff performs the staff management function for the accounting, auditing, and investigative activities.

11 and 12. *Defense accounting and auditing division, and civil accounting and auditing division.*—These divisions perform the accounting, auditing, and investigative functions of the General Accounting Office in all departments and agencies of the Federal Government. These functions involve the development, review, and evaluation of accounting systems; the evaluation of the performance of the Military Establishment and civil departments and agencies in discharging their financial obligations, including the audit and settlement of accounts; and the conduct of investigations of matters relating to the receipt, disbursement, and application of public funds.

13. *Field operations division.*—This division, which is composed of a central office and regional offices under the direction of regional managers, performs, outside the metropolitan area of Washington, D.C., all assigned accounting, auditing, and investigative functions.

14 and 15. *European branch and Far East branch.*—These branches perform General Accounting Office functions as they relate to U.S. Government questions in the European area, North Africa, the Near East, and the Far East. Offices are located in Paris and Tokyo, with a suboffice in Frankfurt, Germany.

16. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$85,256	$78,860	$78,860	$78,860
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	66,442	66,219	66,219	66,219
Total selected resources at end of year	151,698	145,079	145,079	145,079
Selected resources at start of year (−)		−151,698	−145,079	−145,079
Adjustment of selected resources reported at start of year		−3,385		
Cost financed from obligations of other years, net (−)		−10,004		

Object Classification

		1959 actual		1960 estimate		1961 estimate	
	Total number of permanent positions	5,400		5,484		5,379	
	Average number of all employees	5,275		5,353		5,248	
	Number of employees at end of year	5,203		5,421		5,323	
	Average GS grades and salary	7.6	$6,287	8.0	$6,540	8.1	$6,641
01	Personal services:						
	Permanent positions	$33,150,345		$34,912,736		$34,682,917	
	Positions other than permanent	2,894		2,000		2,000	
	Other personal services	299,497		470,264		335,083	
	Total personal services	33,452,736		35,385,000		35,020,000	
02	Travel	1,913,015		2,400,000		2,400,000	
03	Transportation of things	88,102		101,000		101,000	
04	Communication services	191,915		200,000		200,000	
05	Rents and utility services	130,949		88,000		73,000	
06	Printing and reproduction	93,525		120,000		120,000	
07	Other contractual services	177,838		181,000		456,000	
	Services performed by other agencies	213,072		204,500		204,500	
08	Supplies and materials	213,263		215,000		215,000	
09	Equipment	89,857		85,000		85,000	
11	Grants, subsidies, and contributions	2,132,800		2,260,000		2,240,000	
12	Pensions, annuities, and insurance claims	17,500		17,500		17,500	
13	Refunds, awards, and indemnities	11,735		15,000		15,000	
15	Taxes and assessments	2,584		3,000		3,000	
	Total obligations	38,728,891		41,275,000		41,150,000	

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GENERAL ACCOUNTING OFFICE—Continued

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Office of the general counsel	$556		
2. Defense accounting and auditing division	4,387	$3,000	$3,000
3. Civil accounting and auditing division	31,543	20,000	20,000
4. Field operations division	37,422	27,000	27,000
5. Far East branch	152		
Total program (costs—obligations)	74,060	50,000	50,000
Financing:			
Advances and reimbursements from other accounts	74,060	50,000	50,000

Object Classification

	1959 actual		1960 estimate		1961 estimate	
Total number of permanent positions	9		6		6	
Average number of all employees	9		6		6	
Number of employees at end of year	0		0		0	
Average GS grades and salary	11.1	$7,178	11.2	$7,280	11.2	$7,280
01 Personal services: Permanent positions	$63,867		$45,000		$45,000	
02 Travel	9,637		5,000		5,000	
07 Other contractual services	556					
Total obligations	74,060		50,000		50,000	

HISTORICAL AND MEMORIAL COMMISSIONS

Current authorizations:

[BOSTON NATIONAL HISTORIC SITES COMMISSION]

[For expenses necessary to carry out the provisions of the Act of June 16, 1955 (60 Stat. 136), as amended, $20,000.] (*Supplemental Appropriation Act, 1960.*)

Appropriated 1960, **$20,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Planning the preservation of historic properties (total obligations)	$19,970	$20,000	
Financing:			
Unobligated balance no longer available	30		
Appropriation (new obligational authority)	20,000	20,000	

The Commission is preparing an inventory of historic sites and buildings in Boston and vicinity, together with an analysis of their condition. A report will be submitted to Congress recommending programs for their preservation by local, State, and Federal agencies for public use. It is contemplated that the study will be completed and the report submitted to the Congress during 1960.

Object Classification

	1959 actual		1960 estimate		1961 estimate	
Total number of permanent positions	2		2			
Average number of all employees	2		2			
Number of employees at end of year	3		0			
Average GS grade and salary	8.5	$6,770	8.5	$6,885		
01 Personal services:						
Permanent positions	$13,484		$13,663			
Positions other than permanent	2,109		1,000			
Other personal services	52		106			
Total personal services	15,645		14,769			
02 Travel	469		400			
03 Transportation of things	8					
04 Communication services	169		100			
06 Printing and reproduction	$914		$3,050			
07 Other contractual services	1,746		261			
08 Supplies and materials	87		500			
11 Grants, subsidies, and contributions	880		895			
15 Taxes and assessments	52		25			
Total obligations	19,970		20,000			

CIVIL WAR CENTENNIAL COMMISSION

For expenses necessary to carry out the provisions of the Act of September 7, 1957 (71 Stat. 626), as amended (72 Stat. 1769), $100,000. (*Department of the Interior and Related Agencies Appropriation Act, 1960.*)

Appropriated 1960, **$100,000** Estimate 1961, **$100,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Planning the commemoration (total obligations)	$96,549	$100,000	$100,000
Financing:			
Unobligated balance no longer available	3,451		
New obligational authority	100,000	100,000	100,000
New obligational authority:			
Appropriation	$86,492	$100,000	$100,000
Reappropriation	13,508		

The years 1961–65 will mark the centennial of the American Civil War. The Commission is preparing plans and programs to provide for appropriate nationwide observances and the coordination of ceremonies to commemorate this experience in our history as a Nation.

Object Classification

	1959 actual		1960 estimate		1961 estimate	
Total number of permanent positions	7		7		7	
Average number of all employees	6		7		7	
Number of employees at end of year	6		7		7	
Average GS grade and salary	9.5	$7,051	9.7	$7,488	9.7	$7,630
01 Personal services:						
Permanent positions	$51,792		$60,000		$61,000	
Other personal services	259		535		310	
Total personal services	52,051		60,535		61,310	
02 Travel	7,708		9,000		10,500	
03 Transportation of things	19					
04 Communication services	4,768		5,000		6,000	
06 Printing and reproduction	8,015		6,000		6,000	
07 Other contractual services	17,396		14,000		11,500	
08 Supplies and materials	3,068		2,065		1,065	
09 Equipment	1,234		500		500	
11 Grants, subsidies, and contributions	2,143		2,750		2,975	
15 Taxes and assessments	147		150		150	
Total obligations	96,549		100,000		100,000	

CORREGIDOR-BATAAN MEMORIAL COMMISSION

For expenses necessary to carry out the provisions of the Act of August 5, 1953, as amended (67 Stat. 366, 69 Stat. 589, 71 Stat. 457, and 72 Stat. 416) $39,600, to be immediately available.

Estimate 1961, **$39,600**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Planning for the memorial (total obligations)	$4,433		$39,600
Financing:			
Appropriation (new obligational authority)	4,433		39,600

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The Corregidor Bataan Memorial Commission was established to erect on Corregidor Island a memorial to all those who served under the American flag in the Pacific area during World War II.

The overall program involves three broad tasks: (*a*) the selection of an appropriate design for the memorial; (*b*) the obtainment of funds for the construction of the memorial; and (*c*) the actual construction of the memorial.

The requested appropriation of $39,600 will provide for a small staff to carry out necessary planning tasks and for office expense and travel during 1961.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	2		3
Average number of all employees			3
Number of employees at end of year	0		3
Average GS grade and salary		5.0	$4,555
Average salary of ungraded positions	$13,374		$13,374
01 Personal services:			
Permanent positions	$4,262		$22,484
Other personal services			173
Total personal services	4,262		22,657
02 Travel	35		8,000
03 Transportation of things			100
04 Communication services	7		300
06 Printing and reproduction	61		300
07 Other contractual services			7,255
08 Supplies and materials	13		240
11 Grants, subsidies, and contributions	55		592
15 Taxes and assessments			156
Total obligations	4,433		39,600

[Franklin Delano Roosevelt Memorial Commission]

[For expenses necessary to carry out the provisions of the Act of August 11, 1955 (69 Stat. 694), as amended, $150,000, to remain available until expended.] (*Mutual Security Appropriation Act, 1960.*)

Appropriated 1960, **$150,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Planning the memorial (total obligations)	$190	$22,500	$134,303
Financing:			
Unobligated balance brought forward	−6,993	−6,803	−134,303
Unobligated balance carried forward	6,803	134,303	
Appropriation (new obligational authority)		150,000	

The Commission will organize and hold a competition for the design of a memorial to Franklin Delano Roosevelt in Washington, D.C.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions		3	3
Average number of all employees		1	3
Number of employees at end of year		3	2
Average salary of ungraded positions		$11,333	$11,333
01 Personal services: Permanent positions		$14,000	$14,000
02 Travel		1,000	2,000
03 Transportation of things		280	
04 Communication services	$38	800	800
06 Printing and reproduction		2,200	2,000
07 Other contractual services	152	2,000	4,000
08 Supplies and materials		800	800
09 Equipment		1,000	283
13 Refunds, awards, and indemnities			110,000

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
15 Taxes and assessments		$420	$420
Total obligations	$190	22,500	134,303

[Hudson-Champlain Celebration Commission]

[For an additional amount for salaries and expenses in connection with the work prescribed for the Hudson-Champlain Celebration Commission in the sum of $25,000 to be disbursed in the same manner and for the same effect that funds have heretofore been disbursed.] (*Mutual Security Appropriation Act, 1960.*)

Appropriated 1960, **$25,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Planning and executing the celebration (total obligations)	$23,816	$51,184	
Financing:			
Unobligated balance brought forward		−26,184	
Unobligated balance carried forward	26,184		
Appropriation (new obligational authority)	50,000	25,000	

The celebrations for which the Commission was responsible in commemoration of the exploratory voyages of Hudson and Champlain have been completed. The Commission is completing its report and will terminate by March 1, 1960.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Full-time equivalent of all other positions	3	4	
Average number of all employees	3	4	
Number of employees at end of year	4	0	
Average salary of ungraded positions	$7,382	$7,594	
01 Personal services:			
Positions other than permanent	$11,072	$20,230	
Other personal services	14	20	
Total personal services	11,086	20,250	
02 Travel	2,442	5,250	
03 Transportation of things	43	250	
04 Communication services	2,550	4,000	
05 Rents and utility services	290	600	
06 Printing and reproduction	909	8,150	
07 Other contractual services	5,327	10,659	
08 Supplies and materials	844	1,200	
09 Equipment	70	150	
11 Grants, subsidies, and contributions	45	100	
15 Taxes and assessments	210	575	
Total obligations	23,816	51,184	

[Lincoln Sesquicentennial Commission]

[For expenses necessary to carry out the provisions of the Act of September 2, 1957 (71 Stat. 587), $145,000.] (*Department of the Interior and Related Agencies Appropriation Act, 1960.*)

Appropriated 1960, **$145,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Planning the celebration (total obligations)	$317,479	$145,000	
Financing:			
Unobligated balance no longer available	32,521		
Appropriation (new obligational authority)	350,000	145,000	

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HISTORICAL AND MEMORIAL COMMISSIONS—Continued

Current authorizations—Continued

[LINCOLN SESQUICENTENNIAL COMMISSION—Continued]

During 1960 the Commission will complete its coordination of special projects and ceremonies in observance of the 150th anniversary of the birth of Abraham Lincoln including completion of its final report to the Congress. The Commission will terminate on March 1, 1960.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	7	6	
Average number of all employees	7	4	
Number of employees at end of year	5	0	
Average GS grade and salary	9.8 $8,261	8.5 $6,985	
01 Personal services:			
Permanent positions	$55,300	$27,050	
Other personal services	383	150	
Total personal services	55,683	27,200	
02 Travel	6,041	16,000	
03 Transportation of things	122	2,500	
04 Communication services	4,405	2,020	
05 Rents and utility services	10		
06 Printing and reproduction	41,373	40,000	
07 Other contractual services	176,871	55,000	
08 Supplies and materials	30,121	200	
09 Equipment	153		
11 Grants, subsidies, and contributions	2,295	1,700	
15 Taxes and assessments	405	380	
Total obligations	317,479	145,000	

THEODORE ROOSEVELT CENTENNIAL COMMISSION

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Planning the celebration (total obligations)	$40,663	$3,721	
Financing:			
Unobligated balance brought forward	−44,384	−3,721	
Unobligated balance carried forward	3,721		
Appropriation (new obligational authority)			

The Commission terminated October 27, 1959.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Full-time equivalent of all other positions	7		
Average number of all employees	7		
Number of employees at end of year	0		
01 Personal services:			
Positions other than permanent	$25,958		
Other personal services	21		
Total personal services	25,979		
02 Travel	1,624		
03 Transportation of things	146		
04 Communication services	1,744		
05 Rents and utility services	168		
06 Printing and reproduction	8,124	$3,721	
07 Other contractual services	1,941		
08 Supplies and materials	505		
11 Grants, subsidies, and contributions	97		
15 Taxes and assessments	335		
Total obligations	40,663	3,721	

[UNITED STATES TERRITORIAL EXPANSION MEMORIAL COMMISSION]

[For expenses necessary to carry out the provisions of the Act of June 15, 1934 (48 Stat. 967), $4,500.] *(Department of the Interior and Related Agencies Appropriation Act, 1960.)*

Appropriated 1960, **$4,500**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Planning the memorial (object class 02)		$4,500	
Financing:			
Appropriation (new obligational authority)		4,500	

The Commission plans to hold several meetings during 1960 in connection with physical developments at the Jefferson National Expansion Memorial, St. Louis, Mo.

INDIAN CLAIMS COMMISSION

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary to carry out the purposes of the Act of August 13, 1946 (25 U.S.C. 70), creating an Indian Claims Commission, [$180,000] *$195,800*, of which not to exceed [$3,600] *$6,500* shall be available for expenses of travel. *(73 Stat. 92; Department of the Interior and Related Agencies Appropriation Act, 1960.)*

Appropriated 1960, **$180,000** Estimate 1961, **$195,800**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Hearing and adjudication of Indian claims (total obligations)	$172,625	$180,000	$195,800
Financing:			
Unobligated balance no longer available	5,075		
Appropriation (new obligational authority)	177,700	180,000	195,800

This independent Commission of three members was created to hear and adjudicate claims, existing before August 13, 1946, of American Indian tribes, bands, or other identifiable groups of Indians. Of the 852 claims filed, 154 have been completed. Payments of awards are dependent upon subsequent appropriations made through claims, judgments, and private relief acts to the Treasury Department. These appropriations total $17,088,606 through August 1959.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	17	17	17
Average number of all employees	17	17	17
Number of employees at end of year	17	17	17
Average GS grade and salary	9.7 $7,273	10.2 $7,932	10.4 $8,282
01 Personal services:			
Permanent positions	$158,350	$164,032	$170,065
Other personal services	434	774	390
Total personal services	158,784	164,806	170,455

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Object Classification—Continued

		1959 actual	1960 estimate	1961 estimate
02	Travel	$733	$955	$6,500
04	Communication services	1,248	1,790	1,790
06	Printing and reproduction	216	200	410
07	Other contractual services	422	485	800
	Services performed by other agencies		150	500
08	Supplies and materials	468	520	750
09	Equipment	1,439	450	3,500
11	Grants, subsidies, and contributions	9,195	10,644	11,095
15	Taxes and assessments	120		
	Total obligations	172,625	180,000	195,800

INTERSTATE COMMERCE COMMISSION

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Interstate Commerce Commission, including not to exceed $5,000 for the employment of special counsel; services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), at rates not to exceed $50 per diem for individuals; newspapers (not to exceed [$300] *$600*); and purchase of not to exceed [thirty-five] *thirty-three* passenger motor vehicles of which [nineteen] *twenty-seven* shall be for replacement only; [$19,600,000] *$20,500,000*, of which not less than [$1,529,650] *$1,567,000* shall be available for expenses necessary to carry out railroad safety activities and not less than [$1,054,550] *$1,094,500* shall be available for expenses necessary to carry out locomotive inspection activities: *Provided*, That Joint Board members and cooperating State commissioners may use Government transportation requests when traveling in connection with their duties as such. (*Independent Offices Appropriation Act, 1960.*)

Appropriated 1960, **$19,650,000** Estimate 1961, **$20,500,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Regulation of carrier rates, practices, operating authorities, and finance	$4,621,331	$5,121,833	$5,366,155
2. Compliance	4,658,091	4,795,949	4,972,624
3. Supervision and analysis of carrier accounting and statistics	2,522,655	2,674,681	2,853,718
4. Supervision and interpretation of tariffs	1,262,478	1,303,893	1,384,193
5. Railroad safety and car service:			
(*a*) Car service	980,579	993,389	995,878
(*b*) Railroad safety	1,506,087	1,537,650	1,567,000
(*c*) Locomotive inspection	1,049,777	1,054,550	1,094,500
6. Defense mobilization	28,393		
7. Executive and advisory functions	1,112,385	1,144,370	1,197,813
8. General management and administration	1,001,106	1,023,685	1,068,119
Total obligations	18,742,882	19,650,000	20,500,000
Financing:			
Unobligated balance no longer available	4,918		
Appropriation (new obligational authority)	18,747,800	19,650,000	20,500,000

The Commission regulates common and, in the case of motor and water carriers, contract carriers engaged in interstate commerce and foreign commerce, to the extent that it takes place within the United States. The types of carriers covered include railroads, express companies, sleeping car companies, motor carriers, water carriers, pipelines (other than those for water and gas), and freight forwarders.

The increase of $850,000 is requested in order to handle the continually increasing number of applications for motor carrier permanent and temporary operating authority; to improve the economic and cost data necessary to regulatory activities; and to provide a more adequate level of compliance with the provisions of the Interstate Commerce Act and related acts pertaining to the regulation of railroads and motor carriers.

1. *Regulation of carrier rates, practices, operating authorities, and finance.*—This activity of the Commission consists of regulating rates; granting operating authorities; approving applications for abandonments of and extensions of railroad lines, financial reorganizations, and rate agreements between carriers; reviewing proposed discontinuances of or changes in the operation or service of trains and ferries; and guaranteeing loans to railroads.

2. *Compliance.*—The Commission enforces statutes and regulations affecting transportation and carriers. Examinations are made to ascertain that motor carriers and freight forwarders are adequately insured, and surveys of motor carrier operating practices are conducted to reduce accidents and to promote safety on the public highways.

3. *Supervision and analysis of carrier accounting and statistics.*—The Commission is responsible for the formulation and policing of uniform systems of accounts; the preparation of studies of operating costs for use in rate proceedings; the maintenance of current inventory and cost records; the development of elements of value used in regulating carriers; the compiling of statistics from carrier reports; and the preparation of studies of operating, financial, and other problems of transportation agencies.

4. *Supervision and interpretation of tariffs.*—Carrier tariffs, or rate schedules, are examined for compliance with the Commission's tariff rules; authority to publish rates on less-than-statutory notice is, under certain conditions, granted; and informal complaints and carrier requests to pay reparations are processed.

5. *Railroad safety and car service.*—Commission field personnel work with carriers and shippers in handling problems of safety and efficient use of equipment in the transportation of passengers and property by railroad. This work includes inspection of safety appliances and signal installations, inspection of locomotives, and enforcement of compliance with car-service regulations designed to increase the utilization of railroad rolling stock.

6. *Defense mobilization.*—This program has been liquidated.

7. *Executive and advisory functions.*—This activity includes the work of the Commissioners and their staffs; the defense of Commission orders in court; the rendering of legal advice to the Commission; and the formal issuance of orders, rules, and regulations.

SELECTED WORKLOAD DATA

	1959 actual	*1960 estimate*	*1961 estimate*
Application for permanent operating authorities:			
Received during year	5,092	4,505	4,945
Disposed of during year	3,672	4,550	5,313
Other motor carrier proceedings:			
Received during year	85	90	90
Disposed of during year	93	100	100
Applications for conversion and investigation:			
Received during year	1		
Disposed of during year	143	250	184
Cases involving finance matters:			
Received during year	2,085	2,153	2,165
Disposed of during year	1,953	2,133	2,186
Rate proceedings:			
Motor carriers:			
Filed during year	1,710	1,450	1,450
Disposed of during year	1,499	1,645	1,687
Other:			
Filed during year	588	540	540
Disposed of during year	453	550	550
Number of freight tariffs filed during year	177,892	184,000	188,000
Field audits of carrier accounts	1,207	1,325	1,425
Safety activities:			
Motor carriers:			
Number of accidents investigated	657	864	903
Safety surveys of carrier operations	8,764	10,204	10,984
Number of vehicles inspected	61,545	69,800	74,800
Unsafe vehicles ordered out of service	11,067	11,000	11,000
Rail carriers:			
Safety appliances inspected	1,284,843	1,425,000	1,425,000
Number of locomotives inspected	105,347	106,800	106,800
Enforcement activities:			
Investigations instituted	1,323	1,330	1,400
Investigations concluded	1,170	1,430	1,675
Court proceedings instituted	738	810	825
Court proceedings concluded	679	755	850

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INTERSTATE COMMERCE COMMISSION—Con.

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	2,342	2,409	2,501
Average number of all employees	2,268	2,360	2,437
Number of employees at end of year	2,283	2,351	2,443
Average GS grade and salary	8.4 $6,822	8.5 $6,850	8.5 $6,854
01 Personal services:			
Permanent positions	$15,509,862	$16,309,473	$16,843,641
Positions other than permanent	796		
Other personal services	69,833	134,903	75,500
Total personal services	15,580,491	16,444,376	16,919,141
02 Travel	1,137,369	1,117,818	1,164,083
03 Transportation of things	29,740	33,050	33,050
04 Communication services	114,940	112,000	116,291
Penalty mail	72,320	73,700	76,100
05 Rents and utility services	103,143	100,000	124,000
06 Printing and reproduction	201,283	190,000	254,550
07 Other contractual services	138,960	145,395	284,185
08 Supplies and materials	238,882	233,150	242,370
09 Equipment	155,461	169,580	226,212
11 Grants, subsidies, and contributions	960,799	1,022,291	1,051,378
13 Refunds, awards, and indemnities	390	500	500
15 Taxes and assessments	9,104	8,140	8,140
Total obligations	18,742,882	19,650,000	20,500,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Miscellaneous services to other accounts (total obligations)	$12,202	$3,800	$5,400
Financing:			
Advances and reimbursements from—			
Other accounts	9,025		
Non-Federal sources (40 U.S.C. 481(c); 5 U.S.C. 61b)	3,177	3,800	5,400
Total financing	12,202	3,800	5,400

Object Classification

Average number of all employees	1		
Number of employees at end of year	0		
01 Personal services: Positions other than permanent	$4,864		
02 Travel	541		
03 Transportation of things	386		
07 Other contractual services	3,240		
09 Equipment	3,171	$3,800	$5,400
Total obligations	12,202	3,800	5,400

INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN

Current authorizations:

CONTRIBUTION TO INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN

To enable the Secretary of the Treasury to pay in advance to the Interstate Commission on the Potomac River Basin the Federal contribution toward the expenses of the Commission during the current fiscal year in the administration of its business in the conservancy district established pursuant to the Act of July 11, 1940 (54 Stat. 748), $5,000. (*Departments of Labor, and Health, Education, and Welfare Appropriation Act, 1960.*)

Appropriated 1960, **$5,000** Estimate 1961, **$5,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Contribution to the Commission (object class 11)	$5,000	$5,000	$5,000
Financing:			
Appropriation (new obligational authority)	5,000	5,000	5,000

The Interstate Commission on the Potomac River Basin was created by compact among the four States in the basin, the District of Columbia, and the Federal Government to abate water pollution.

This appropriation represents the Federal Government's pro rata share of the general expenses of the Commission. The Commission also receives financial assistance from the Public Health Service under the program of grants for water pollution control activities.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

The activities of the National Aeronautics and Space Administration (NASA), established in 1958, consist of research on the problems of aeronautical and space vehicles, development and test of space vehicles and their components, and operation of space vehicles for the exploration of space and other nonmilitary applications. The 1961 budget contemplates total program costs under the several appropriation accounts of the agency as summarized by activity below, based on the new obligational authority recommended for 1961 and anticipated 1960 supplemental estimates totaling $23 million. In accordance with existing law, authorizing legislation will be proposed for the 1961 appropriations.

[In millions]

	Costs			*1961 new obligational authority*
	1959 actual	*1960 estimate*	*1961 estimate*	
Aeronautical and space research	$105.6	$110.5	$120.4	$129.3
Space flight development and operations	65.4	307.0	498.2	660.2
Program direction	5.1	9.5	12.4	12.5
Total, National Aeronautics and Space Administration	176.1	427.0	631.0	802.0

The new obligational authority for 1961 includes a total of $140 million for the Saturn project for development of a very high thrust space vehicle booster system, responsibility for which is being transferred to NASA from the Advanced Research Projects Agency of the Department of Defense. For comparative purposes, the amounts applied to the Saturn project by the Department of Defense in 1959 and 1960, totaling $27 million and $77 million, respectively, are included in the costs shown for NASA. The 1961 estimates also reflect the anticipated transfer to NASA of the development operations division of the Army Ballistic Missiles Agency at Huntsville, Ala. About $57 million of the total for the Saturn project is for work to be performed at the Huntsville facility in addition to about $35 million for work at Huntsville on other space development projects.

Aeronautical and space research.—The funds under this heading provide for basic and applied research on problems related to design, development, construction, and operation of aeronautical and space vehicles, including the laboratory facilities and equipment required. In

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1961, emphasis will continue to be primarily on problems of manned and unmanned space vehicles, with only a relatively small effort devoted to problems peculiar to aircraft and missiles. In the fields of structures and materials, research will be directed at problems of heating, vibration, and structural integrity of space vehicles and at materials which show promise of being able to withstand the extreme conditions to which space vehicles and their components are subjected. In the propulsion field, research will be continued on improvements to chemical rocket systems, and further studies and experiments will be undertaken to explore the possibilities of nuclear and electrical rocket propulsion systems for space vehicles. Increased emphasis will be placed in 1961 on problems of control and guidance of space vehicles, and on the special problems that arise when vehicles, equipment, and instruments must operate in a space environment with its novel conditions of weightlessness, vacuum, and radiation. Much work in aerodynamics and related fields is required to provide the information necessary for the design and operation of manned and unmanned space vehicles which can reenter the earth's atmosphere at high speeds and be recovered with crew or instruments intact. Applied research in aeronautical fields will be limited chiefly to work in connection with very high speed aircraft under development by the military services, to research on short or vertical takeoff aircraft which are of both military and civil interest, and to continued investigations of certain problems of nuclear propulsion for aircraft.

Space flight development and operations.—Under this heading come the funds for the development and procurement of space vehicles, components, and associated equipment; the development and fabrication of payloads of scientific instruments and other equipment for launching into space; the actual conduct of space vehicle launching, tracking, and recovery operations; and the construction of the necessary test, launching and tracking facilities. The areas receiving primary emphasis in 1961 are the manned space flight program—project Mercury—and the development of very high thrust boosters and the other necessary components of space vehicle systems to use them, under the Saturn and related projects. In project Mercury, if the preliminary tests and experiments continue to be successful, actual manned space flights may be attempted in 1961. Completion of the development of a space vehicle system using very high thrust boosters is still several years in the future, but substantial progress will be made in testing the Saturn clustered booster, and work will continue on the development of the very high thrust single chambered engine and of engines for upper stages of a complete space vehicle system. A space vehicle with an upper stage using high-energy fuels is being developed under project Centaur and should be ready for testing in 1961. On a longer time scale, development work is continuing on various electrical propulsion systems and, jointly with the Atomic Energy Commission, on components of possible future nuclear rocket systems for space vehicles. The program also provides for additional launchings of scientific satellites and space probes with improved versions of existing space vehicles to continue the exploration of space and provide needed information for the design and operation of future space vehicles. Some of these launchings will be used for experiments in the application of space vehicles in the fields of communications and meteorology.

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, of the National Aeronautics and Space Administration, including [rental of office space within the District of Columbia;] hire of passenger motor vehicles; not to exceed [$2,885,000] *$5,849,000* for expenses of travel; and uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131); [$91,400,000] *$167,560,000.* (*42 U.S.C. 2451 et seq.; 50 U.S.C. 151–160, 511–515; Supplemental Appropriation Act, 1960; authorizing legislation to be proposed for 1961.*)

Appropriated 1960, **$91,400,000** Estimate 1961, [a] **$167,560,000**

[a] Includes $34,316,000 transferred in the estimates from "Salaries and expenses, Advanced Research Projects Agency, Department of Defense." The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Aeronautical and space research	$77, 147, 637	$74, 000, 000	$73, 940, 000
2. Space flight development and operations	8, 814, 289	30, 000, 000	83, 220, 000
3. Program direction	5, 069, 915	8, 000, 000	10, 400, 000
Total program costs	91, 031, 841	112, 000, 000	167, 560, 000
4. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−1, 055, 326	−5, 600, 000	
Total program (obligations)	89, 976, 515	106, 400, 000	167, 560, 000
Financing:			
Comparative transfers from (−) Department of Defense	−5, 000, 000	−15, 000, 000	
1959 appropriation available in 1958	1, 011, 781		
Unobligated balance no longer available	298, 004		
Appropriation (new obligational authority)	86, 286, 300	91, 400, 000	167, 560, 000

This appropriation provides for the salaries and operating expenses (other than supplies, equipment, and construction) of the research and development centers and other activities operated by the National Aeronautics and Space Administration with Government personnel.

1. *Aeronautical and space research.*—Research is conducted at the Langley, Ames, Lewis, and Flight Research Centers, located at Langley Air Force Base, Va.; Sunnyvale, Calif.; Cleveland, Ohio; and Edwards Air Force Base, Calif., respectively. The level of operations at these centers will be substantially the same in 1961 as in 1960.

2. *Space flight development and operations.*—The Goddard Space Flight Center at Beltsville, Md., will be the data center for NASA space operations; it will also be responsible for payloads, primarily for earth satellites, and for directing the manned space flight program. The Wallops Station in Virginia will be utilized for launching sounding rockets, test vehicles, and small satellites. The NASA facility at Huntsville, Ala., will engage in space vehicle development including the Saturn very high thrust booster project. NASA personnel are also located at the Atlantic and Pacific missile ranges and worldwide tracking stations. The large increase in 1961 results primarily from the inclusion for the first time in this appropriation of the full amount of salaries and expenses for the Huntsville facility which is being transferred to NASA from the Army. This facility was supported previously by funds for specific missile and space projects, chiefly of the Department of Defense, through the mechanism of work orders placed with the Army industrial fund at the Army Ballistic Missiles Agency. Other increases are required

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NATIONAL AERONAUTICS AND SPACE ADMINISTRATION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

in 1961 for the Goddard Space Flight Center and Wallops Station because of increased workload.

3. *Program direction.*—Increased funding for personnel is required at the NASA headquarters as the size and complexity of the programs continues to grow.

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

Selected resources at end of year:	*1958 actual*	*1959 actual*	*1960 estimate*	*1961 estimate*
Inventories and items on order:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$5,472,781	$4,215,268	$215,268	$315,268
Advances (payments for goods and services on order not yet received)	94,869	93,369	3,369	3,369
Accrued annual leave (leave earned and not taken by employees, charged to activity costs)	−4,677,125	−5,552,948	−6,262,948	−6,562,948
Unapplied costs (costs incurred not yet assigned to activities)	382,480	1,323,876	523,876	723,876
Total selected resources at end of year	1,273,005	79,565	−5,520,435	−5,520,435
Selected resources at start of year		−1,273,005	−79,565	5,520,435
Adjustment of selected resources reported at start of year		138,114		
Costs financed from obligations of other years, net (−)		−1,055,326	−5,600,000	

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	8,930	10,086	16,373
Full-time equivalent of all other positions		8	30
Average number of all employees	8,326	9,693	16,130
Number of employees at end of year	8,879	10,031	16,327
Average GS grade and salary	9.0 $7,399	9.3 $7,585	9.7 $7,838
Average salary for grades established by the Administrator of the NASA	$5,995	$6,264	$6,213
01 Personal services:			
Permanent positions	$57,831,267	$69,926,440	$117,857,000
Positions other than permanent	2,329	67,900	250,000
Other personal services	911,524	2,286,460	7,318,000
Total personal services	58,745,120	72,280,800	125,425,000
02 Travel	1,097,218	2,866,400	5,849,000
03 Transportation of things	374,696	491,000	442,000
04 Communication services	451,869	883,600	1,314,000
05 Rents and utility services:			
Electric power	6,191,226	6,494,800	7,843,000
Other utilities	398,367	469,000	600,000
Rentals	1,541,553	2,585,000	15,399,000
06 Printing and reproduction	160,466	203,000	363,000
07 Other contractual services	935,780	214,000	1,292,500
Research contracts	816,510		
Repairs and alterations	1,091,832		
Services performed by other agencies	5,206,718	15,000,000	
Research services	148,367		
Security investigations	178,595	500,000	1,248,000
08 Supplies and materials	6,513,992		
09 Equipment	3,402,407		
11 Grants, subsidies, and contributions	3,719,808	4,566,300	7,618,500
18 Refunds, awards, and indemnities	3,202	134,000	147,000
15 Taxes and assessments	10,570	12,100	19,000
1959 program obligated in 1958	−1,011,781		
Total obligations	89,976,515	106,400,000	167,560,000

RESEARCH AND DEVELOPMENT

[For an additional amount for "Research and Development", as authorized by Public Law 86–12, $16,675,000, to remain available until expended.]

For contractual research, development, operations, technical services, repairs, alterations, and minor construction, and for supplies, materials, and equipment necessary for the conduct and support of aeronautical and space research and development activities of the National Aeronautics and Space Administration; *newspapers and periodicals, but* not to exceed [$500] *$1,000* for newspapers and periodicals *other than scientific and technical, trade, or traffic periodicals for official use*; and purchase of [thirty-two] *sixty* passenger motor vehicles, of which [nineteen] *twenty-nine* shall be for replacement only; [$318,675,000] *$545,153,000*, to remain available until expended[: *Provided*, That no part of the foregoing appropriation shall be available for other items of a capital nature which exceed $250,000 until fourteen days have elapsed after notification as required by law to the Committee on Science and Astronautics of the House of Representatives and the Committee on Aeronautical and Space Sciences of the Senate: *Provided further*, That no part of this appropriation shall be available for payment of salaries of National Aeronautics and Space Administration personnel]. (*42 U.S.C. 2451 et seq.; 50 U.S.C. 151–160, 511–515; Supplemental Appropriation Act, 1960; authorizing legislation to be proposed for 1961.*)

Appropriated 1960, **$335,350,000** Estimate 1961, [a] **$545,153,000**
Appropriated (adjusted) 1960, **$320,350,000**

[a] Includes $92,684,000 transferred in the estimates from "Salaries and expenses, Advanced Research Projects Agency, Department of Defense." The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Aeronautical and space research:			
(*a*) Support of NASA plant	$2,271,100	$11,500,000	$22,000,000
(*b*) Research grants and contracts	256,950	2,000,000	6,000,000
2. Space flight development and operations:			
(*a*) Support of NASA plant	613,000	4,000,000	23,000,000
(*b*) Scientific investigations in space	16,808,332	45,000,000	85,000,000
(*c*) Satellite applications	233,282	5,000,000	15,000,000
(*d*) Manned space flight	4,339,192	50,000,000	80,000,000
(*e*) Vehicle development	21,404,778	90,182,980	70,000,000
(*f*) Space propulsion technology	5,261,086	25,000,000	40,000,000
(*g*) Vehicle systems technology	2,972,610	5,000,000	12,000,000
(*h*) Tracking and data acquisition	911,334	11,000,000	15,000,000
3. Program direction: Support of NASA plant	44,716	1,500,000	2,000,000
Total program costs	55,116,380	250,182,980	370,000,000
4. Supplies or services transferred in (−) without charge, net	−2,408,121	−1,560,931	−1,637,000
Total program costs, funded	52,708,259	248,622,049	368,363,000
5. Relation of costs to obligations: Obligations incurred for costs of other years, net	142,300,252	132,946,972	176,790,000
Total program (obligations)	195,008,511	381,569,021	545,153,000
Financing:			
Comparative transfers from (−) Department of Defense	−19,325,020	−55,182,980	
Unobligated balance transferred from "United States scientific satellite," Department of Defense (72 Stat. 433)	−25,541,282		
Unobligated balance brought forward		−20,936,041	−20,000,000
Advances and reimbursements from other accounts (−)		−5,100,000	−5,000,000
Unobligated balance carried forward	20,936,041	20,000,000	25,000,000
New obligational authority	[171,078,250	320,350,000	545,153,000
New obligational authority:			
Appropriation	$50,000,000	$335,350,000	$545,153,000
Transferred (72 Stat. 433) from—			
"Salaries and expenses, Advanced Research Projects Agency, Department of Defense"	59,200,000		
"Aircraft, missiles, and related procurement, Air Force"	45,100,000		
"Research, development, test, and, evaluation, Air Force"	12,700,000		
"Research, development, test, and, evaluation, Army"	4,078,250		
Transferred to "Construction and equipment, National Aeronautics and Space Administration" (Public Law 86–213)		−15,000,000	
Appropriation (adjusted)	171,078,250	320,350,000	545,153,000

This appropriation provides for the contractual costs of research, development, procurement, and operations.

1. *Aeronautical and space research—(a) Support of NASA plant.*—The increase in 1961 in the requirements for contractual services, supplies, and equipment required in the operation of the NASA research centers results chiefly from the need for providing the laboratories with new specialized types of equipment required for research on problems of space which were not required in prior years when the principal emphasis was on aeronautics.

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(*b*) *Research grants and contracts.*—The 1961 program contemplates additional support of research on materials and in certain fields, such as the space aspects of medical and biological research, for which the NASA does not have a capability at its own research centers.

2. *Space flight development and operations*—(*a*) *Support of NASA plant.*—Funds are provided in this subactivity for contractual services, supplies, and equipment required in the operation of the NASA space flight development centers, stations, and offices. The increase in 1961 is required to support the increased personnel and workload of these organizations.

(*b*) *Scientific investigations in space.*—This provides for an increased scientific program in space in 1961, utilizing sounding rockets, earth satellites, and lunar and planetary probes.

(*c*) *Satellite applications.*—Development of meteorological and passive communications satellites will be continued in 1961.

(*d*) *Manned space flight.*—The funding included for 1961 is expected to carry the Mercury program into the operational phase. In addition, a supplemental appropriation is anticipated for 1960 and is shown below under Proposed for later transmission.

(*e*) *Vehicle development.*—This subactivity provides for the development, fabrication, and launching of advanced space vehicles. Principal emphasis in 1961 will be on the Saturn very high thrust booster vehicle and on the Centaur vehicle with a high-energy upper stage.

(*f*) *Space propulsion technology.*—This subactivity funds the development of advanced propulsion techniques and systems for application to future space vehicles. Work will be continued in 1961 on the single chambered 1.5-million pound thrust engine; advanced liquid and solid fuel rocket engines; nuclear rocket and electrical propulsion systems; and nuclear, solar, and electrical auxiliary power supplies for payload applications.

(*g*) *Vehicle systems technology.*—Increased funding is provided in 1961 for developing systems and components for midcourse and terminal guidance, and attitude control systems for payload packages.

(*h*) *Tracking and data acquisition.*—This subactivity provides for the operation by contract of the Minitrack satellite tracking network, the deep space network, and the special tracking facilities for the Mercury manned space flight program. It also covers costs of data transmission and reduction, and research and development in the fields of tracking, data acquisition, and data handling.

3. *Program direction.*—This activity provides for the contractual services, supplies, and equipment for the Administration's headquarters and western operations offices.

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects)	$2,514,811	$2,375,654	$2,360,642	$3,080,642
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	----------	140,821,634	273,299,471	448,369,471
Advances (payments for goods and services on order not yet received)	----------	1,515,853	2,000,000	3,000,000
Total selected resources at end of year	2,514,811	144,713,141	277,660,113	454,450,113
Selected resources at start of year (−)		−$2,514,811	−$144,713,141	−$277,660,113
Adjustment of selected resources reported at start of year		101,922	----------	----------
Obligations incurred for costs of other years, net		142,300,252	132,946,972	176,790,000

Object Classification

	1959 actual	1960 estimate	1961 estimate
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION			
Total number of permanent positions	356	----------	----------
Average number of all employees	150	----------	----------
Number of employees at end of year	356	----------	----------
Average GS grade and salary	11.3 $7,295	----------	----------
Average salary for grades established by the Administrator of the NASA	$4,312	----------	----------
01 Personal services:			
Permanent positions	$1,016,436	----------	----------
Positions other than permanent	1,687	----------	----------
Other personal services	153,870	----------	----------
Total personal services	1,171,993	----------	----------
02 Travel	188,693	----------	----------
03 Transportation of things	9,182	$1,485,000	$3,993,000
04 Communication services	----------	2,346,500	7,786,000
07 Other contractual services:			
Repairs and alterations	129,878	2,022,022	5,060,000
Miscellaneous services	54,995,270	154,487,332	262,314,000
Services performed by other agencies	91,138,549	145,182,980	140,000,000
08 Supplies and materials	42,440,520	60,000,000	100,000,000
09 Equipment	2,863,401	16,000,000	26,000,000
11 Grants, subsidies, and contributions	65,914	----------	----------
15 Taxes and assessments	298	----------	----------
Total, National Aeronautics and Space Administration	193,003,698	381,523,834	545,153,000
ALLOCATION ACCOUNTS			
Total number of permanent positions	3	----------	----------
Average number of all employees	2	----------	----------
Average GS grade and salary	6.0 $5,242	----------	----------
01 Personal services:			
Permanent positions	$10,389	----------	----------
Other personal services	149	----------	----------
Total personal services	10,538	----------	----------
04 Communication services	59	----------	----------
07 Other contractual services	1,880,479	30,483	----------
09 Equipment	1,789	239	----------
10 Lands and structures	111,270	14,465	----------
11 Grants, subsidies, and contributions	678	----------	----------
Total, allocation accounts	2,004,813	45,187	----------
Total obligations	195,008,511	381,569,021	545,153,000
Obligations are distributed as follows:			
National Aeronautics and Space Administration	$193,003,698	$381,523,834	$545,153,000
Army	132,836	17,164	----------
Atomic Energy Commission	1,871,977	28,023	----------

Construction and Equipment

[For an additional amount for "Construction and equipment", as authorized by Public Law 86-12, $21,825,000, to remain available until expended.]

For construction and equipment for the National Aeronautics and Space Administration and for the acquisition or condemnation of real property [at Cleveland, Ohio,] as authorized by law, [$52,000,000] *$89,287,000,* to remain available until expended[: *Provided,* That no part of the foregoing appropriation shall be available for purposes authorized by section 3 of Public Law 86-45 until fourteen days have elapsed after notification as required by law to the Committee on Science and Astronautics of the House of Representatives and the Committee on Aeronautical and Space Sciences of the Senate]. (*42 U.S.C. 2451 et seq.; 50 U.S.C. 151-160, 511-515; Supplemental Appropriation Act, 1960; authorizing legislation to be proposed for 1961.*)

Appropriated 1960, **$73,825,000** Estimate 1961, [a] **$89,287,000**
Appropriated (adjusted) 1960, **$88,825,000**

[a] Includes $13,000,000 transferred in the estimates from "Salaries and expenses, Advanced Research Projects Agency, Department of Defense." The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

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NATIONAL AERONAUTICS AND SPACE ADMINISTRATION—Continued

Current authorizations—Continued

CONSTRUCTION AND EQUIPMENT—Continued

Program and Financing

	Costs to this appropriation					Analysis of 1961 financing			Appropriation required to complete
	Total estimate	To June 30, 1958	1959 actual	1960 estimate	1961 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1961	
Program by activities:									
1. Aeronautical and space research facilities:									
(a) Langley Research Center	$67,904,134	$21,377,200	$10,600,207	$9,291,727	$5,500,000	$14,678,000	$21,135,000	$11,957,000	
(b) Ames Research Center	25,465,548	2,688,412	5,259,895	4,669,241	6,000,000	11,868,000	6,848,000	980,000	
(c) Lewis Research Center	62,968,189	19,642,728	10,038,970	8,636,491	5,500,000	15,550,000	19,150,000	9,100,000	
(d) Flight Research Center	1,850,000			350,000	1,500,000	1,500,000			
2. Space flight development and operations facilities:									
(a) Goddard Space Flight Center	27,437,000		166,832	4,000,168	10,000,000	13,770,000	13,270,000	9,500,000	
(b) Wallops Station	21,753,000	141,764	1,232,623	4,878,613	6,000,000	11,500,000	9,500,000	4,000,000	
(c) Jet Propulsion Laboratory	12,755,000			1,955,000	3,000,000	5,800,000	7,800,000	5,000,000	
(d) NASA Huntsville facility	20,092,000		1,472,899	169,101	2,000,000		16,450,000	18,450,000	
(e) Atlantic Missile Range	11,140,000		1,154,803	7,235,197	1,700,000	200,000	1,050,000	2,550,000	
(f) Pacific Missile Range	760,000			460,000	300,000	300,000			
(g) Various locations:									
Tracking facilities	69,520,000		271	16,424,729	32,500,000	25,345,000	20,595,000	27,750,000	
Propulsion development facilities	9,950,000			3,450,000	3,000,000	6,500,000	3,500,000		
3. Reserves	69,773					69,773	69,773		
Total program costs	331,664,644	43,850,104	29,926,500	61,520,267	77,000,000	107,080,773	119,367,773	89,287,000	
4. Relation of costs to obligations: Obligations incurred for costs of other years, net			10,719,300	43,512,798	20,787,000				
Total program (obligations)			40,645,800	105,033,065	97,787,000				
Financing:									
Comparative transfers from (−) Department of Defense			−2,627,702	−6,864,298					
Unobligated balance brought forward			−29,431,638	−39,413,540	−30,069,773				
Unobligated balance carried forward			39,413,540	30,069,773	21,569,773				
New obligational authority			48,000,000	88,825,000	89,287,000				
New obligational authority:									
Appropriation			$48,000,000	$73,825,000	$89,287,000				
Transferred from "Research and development" (Public Law 86-213)				15,000,000					
Appropriation (adjusted)			48,000,000	88,825,000	89,287,000				

This appropriation provides for the modernization of existing facilities, the construction of new facilities including design by contract, and the purchase of major items of equipment. The costs shown in 1961 include those related to projects authorized in prior years. The principal projects proposed for construction in 1961 are as follows:

1. *Aeronautical and space research facilities*—(*a*) *Langley Research Center.*—Proposed projects include an aerothermal dynamics facility to simulate the environment of vehicles in the hypersonic speed ranges and a laboratory to study the dynamics of objects in various density, temperature, acceleration, and vibration environments.

(*b*) *Ames Research Center.*—Additional equipment for a centrifuge to test the effects of high acceleration in space vehicle equipment will be procured in 1961.

(*c*) *Lewis Research Center.*—It is proposed to construct a basic materials research laboratory and a laboratory for research on energy conversion and power generation processes and equipment.

(*d*) *Flight Research Center.*—Projects funded under the 1960 appropriation will be completed in 1961, and no new projects are proposed.

2. *Space flight development and operations facilities*—(*a*) *Goddard Space Flight Center.*—The proposed construction in 1961 consists of a payload test facility, a satellite systems laboratory, and utility installations.

(*b*) *Wallops Station.*—Improvements to be added in 1961 include a system to determine the precise trajectory of launched vehicles, an operations computing center, and the modernization of certain existing support equipment.

(*c*) *Jet Propulsion Laboratory.*—The 1961 program includes the modernization of laboratory facilities, a solid propellant facility, a liquid propellant test cell, an antenna range, and the acquisition of approximately 3 acres of land.

(*d*) *NASA Huntsville facility.*—It is proposed to construct in 1961 a Saturn static test facility, a central laboratory and office facility, a dynamic test facility, an addition to a fabrication laboratory, an extension to an assembly building, a pressure test cell, and additions to the engineering and guidance and control buildings, all to enable the Huntsville facility to carry forward the Saturn project and its work on other space flight development projects.

(*e*) *Atlantic Missile Range.*—Completion of the Saturn launching complex and an addition to the engineering

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and laboratory building are proposed in 1961. In addition, a supplemental appropriation is anticipated for 1960 and is shown under Proposed for later transmission.

(*f*) *Pacific Missile Range.*—Launching facilities funded under the 1960 appropriation will be completed in 1961. No new projects are proposed in 1961.

(*g*) *Various locations—Tracking facilities.*—The 1961 program includes additional electronic and optical equipment; control and data processing equipment; and accessory equipment, shelters, and utilities. These items are required to improve the capabilities of the Minitrack satellite tracking network and the net for tracking deep space probes and to complete the special tracking stations for the Mercury manned space flights. In addition, a supplemental appropriation is anticipated for 1960 for the Mercury net, and is shown under Proposed for later transmission.

Propulsion development facilities.—Projects initiated in 1959 and 1960 will be completed in 1961. No new projects are proposed for 1961.

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources as reflected in the following table:

Selected resources at end of year:	*1958 actual*	*1959 actual*	*1960 estimate*	*1961 estimate*
Inventories and items on order:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$22,163,679	$33,475,086	$76,911,000	$97,698,000
Advances (payments for goods and services on order not yet received)	615,223	23,116	100,000	100,000
Total selected resources at end of year	22,778,902	33,498,202	77,011,000	97,798,000
Selected resources at start of year (−)	−22,778,902	−33,498,202	−77,011,000	
Obligations incurred for costs of other years, net		10,719,300	43,512,798	20,787,000

Object Classification

	1959 actual	1960 estimate	1961 estimate
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION			
09 Equipment	$5,000,000	$25,000,000	$20,000,000
10 Lands and structures	35,645,800	79,440,445	77,787,000
Total, National Aeronautics and Space Administration	40,645,800	104,440,445	97,787,000
ALLOCATION TO BUREAU OF PUBLIC ROADS, DEPARTMENT OF COMMERCE			
07 Other contractual services		11,620	
10 Lands and structures		581,000	
Total, Department of Commerce		592,620	
Total obligations	40,645,800	105,033,065	97,787,000

Construction and Equipment, Unitary Plan

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Aeronautical and space research facilities:			
(*a*) Langley Research Center	$7,874		
(*b*) Ames Research Center	3,767		
(*c*) Lewis Research Center	26,941	$16,211	
Total program costs	38,582	16,211	
2. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−26,755	−15,971	
Total program (obligations) (object class 10)	11,827	240	

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Financing:			
Unobligated balance brought forward	−$117,909	−$106,082	
Unobligated balance carried forward	106,082		
Unobligated balance no longer available		105,842	
Appropriation (new obligational authority)			

1. *Aeronautical and space research facilities.*—Final costs were incurred in 1959 and 1960 under a $75 million appropriation made in 1950 for the construction of 3 large supersonic wind tunnels which were placed in operation in 1956.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders were as follows: 1958, $42,726; 1959, $15,971.

General Provisions

Not to exceed 5 per centum of any appropriation made available to the National Aeronautics and Space Administration by this Act may be transferred to any other such appropriation, but the "Salaries and expenses" appropriation shall not be thereby increased.

[The general provisions applicable to appropriations contained in title I of the "Independent Offices Appropriation Act, 1960", shall apply to appropriations contained in this Act for the National Aeronautics and Space Administration.] (*Supplemental Appropriation Act, 1960.*)

Proposed for later transmission:

Research and Development

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
2. Space flight development and operations:			
(*d*) Manned space flight		$2,300,000	$9,700,000
Total program costs		2,300,000	9,700,000
5. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)			−9,700,000
Obligations incurred for costs of other years (unpaid undelivered orders), net		9,700,000	
Total program (obligations)		12,000,000	
Financing:			
Proposed supplemental appropriation		12,000,000	

Under existing legislation, 1960.—The supplemental appropriation anticipated for 1960 is for contracts related to the Mercury manned space flight program. These funds will be used to finance cost increases incurred because of the compressed time schedule of the project and to incorporate certain changes to insure the safety of the astronauts.

5. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders for 1960 are $9,700,000.

Construction and Equipment

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
2. Space flight development and operations facilities:			
(*e*) Atlantic Missile Range		$250,000	$2,500,000
(*g*) Various locations: Tracking facilities		750,000	4,300,000
Total program costs		1,000,000	6,800,000

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NATIONAL AERONAUTICS AND SPACE ADMINISTRATION—Continued

Proposed for later transmission—Continued

CONSTRUCTION AND EQUIPMENT—Continued

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
4. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)			−$6,800,000
Obligations incurred for costs of other years (unpaid undelivered orders), net		$10,000,000	
Total program (obligations)		11,000,000	
Financing:			
Proposed supplemental appropriation		11,000,000	

Under existing legislation, 1960.—Supplemental funds anticipated for 1960 will provide improved communications with and data acquisition from the astronaut in the Mercury capsule as recommended by the Nation's top aeromedical experts. In addition, these funds will pay for modifications to existing launching pads for Atlas-type space booster vehicles to assure that advanced vehicle programs such as the Atlas Agena and Atlas Centaur are not delayed.

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1960, $10,000,000; 1961, $3,200,000.

NATIONAL CAPITAL HOUSING AUTHORITY

Current authorizations:

[OPERATION AND MAINTENANCE OF PROPERTIES]

[For the operation and maintenance of properties under title I of the District of Columbia Alley Dwelling Act, $40,000: *Provided*, That all receipts derived from sales, leases, or other sources shall be covered into the Treasury of the United States monthly: *Provided further*, That so long as funds are available from appropriations for the foregoing purposes, the provisions of section 507 of the Housing Act of 1950 (Public Law 475, Eighty-first Congress), shall not be effective.] (*48 Stat. 930, amended by Public Law 75-733; Independent Offices Appropriation Act, 1960.*)

Appropriated 1960, **$40,000**

Public enterprise funds:

OPERATION AND MAINTENANCE OF PROPERTIES REVOLVING FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operation and maintenance of title I properties (total obligations)	$37,920	$40,000	$41,000
Financing:			
Appropriation	38,000	40,000	
Receipts from rental of properties			47,000
Unobligated balance carried forward			−4,000
Capital transfer (payment of prior year rental receipts to Treasury) (−)			−2,000
Unobligated balance no longer available	−80		
Financing applied to program	37,920	40,000	41,000

The Authority operates 96 low-rent housing units under title I of the District of Columbia Alley Dwelling Act. The budget proposes the establishment of a revolving fund as provided in the Housing Act of 1950 which authorizes the Authority to utilize its rental receipts to finance its operations, subject to the approval of budgets by the Public Housing Administration. Heretofore, this provision of the Housing Act of 1950 has been made inoperative by appropriation acts which required the Authority to cover its rental receipts into the Treasury. This proposal will give the Authority greater flexibility in administering the title I program subject to the same degree of supervision which the Public Housing Administration exercises over comparable local housing authorities in the operation of the low-rent housing program.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Operation and maintenance of title I properties			$41,000
Working capital absorbed			1,000
Total gross expenditures			42,000
Receipts from operations (funds provided):			
Receipts from rental income			47,000
Decrease in selected working capital			1,000
Total receipts from operations			48,000
Budget expenditures			−6,000

Revenue, Expense, and Retained Earnings

Revenue			$47,000
Expense			41,000
Net operating income			6,000
Analysis of retained income:			
Retained earnings, beginning of year			611,274
Payment of prior year rental receipts to Treasury (−)			−2,000
Retained earnings, end of year			615,274

Financial Condition

Assets:			
Cash with Treasury			$10,221
Accounts receivable, net			4,650
Land, structures, and equipment			451,690
Total assets			466,561
Liabilities:			
Current			5,650
Capital:			
Local investment (District of Columbia): Cumulative value of tax exemption			220,000
Government investment: Non-interest-bearing capital (excess repayments to Treasury and transfers to other agencies)			−374,363
Retained earnings			615,274
Net capital and retained earnings			460,911

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash with Treasury				$10,221
Obligated balance, net:				
Current liabilities				5,650
Unpaid undelivered orders				5,221
Accounts receivable, net, and cash in transit (−)				−4,650
Total obligated balance				6,221
Unobligated balance				4,000

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Object Classification

	1959 actual	1960 estimate	1961 estimate
Average number of all employees	5	5	5
Number of employees at end of year:			
Paid from general fund	5	5	5
Paid from trust fund	305	325	315
Average GS grade and salary	6.6 $5,693	6.6 $5,720	6.6 $5,770
Average salary of ungraded positions	$4,301	$4,425	$4,485
01 Personal services:			
Positions other than permanent	$21,420	$21,630	$21,330
Other personal services	740	750	750
Total personal services	22,160	22,380	22,080
02 Travel	40	40	40
04 Communication services	200	200	200
05 Rents and utility services	7,265	6,830	9,230
06 Printing and binding	30	30	30
07 Other contractual services	3,903	4,140	3,000
08 Supplies and materials	2,646	4,740	4,540
09 Equipment	330	260	700
11 Grants, subsidies, contributions	1,346	1,380	1,180
Total obligations	37,920	40,000	41,000

NATIONAL CAPITAL PLANNING COMMISSION

Current authorizations:

Salaries and Expenses

For necessary expenses, as authorized by the National Capital Planning Act of 1952 (66 Stat. 781), including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); not to exceed $225 for the purchase of newspapers and periodicals; not to exceed $8,000 for expenses of travel; payment in advance for membership in societies whose publications or services are available to members only or to members at a price lower than to the general public; and [transportation and not to exceed $15 per diem in lieu of subsistence, as authorized by section 5 of the Act of August 2, 1946 (5 U.S.C. 73b–2), for members of the Commission serving without compensation; $400,000] *uniforms or allowances therefor, as authorized by law (5 U.S.C. 2131); $408,000. (Department of the Interior and Related Agencies Appropriation Act, 1960.)*

Appropriated 1960, **$400,000** Estimate 1961, **$408,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Planning development of the National Capital	$191,130	$327,000	$333,000
2. Coordinating metropolitan area planning	40,000	73,000	75,000
Total program costs [1]	231,130	400,000	408,000
3. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net	7,724		
Total program (obligations)	238,854	400,000	408,000
Financing:			
Unobligated balance no longer available	4,146		
Appropriation (new obligational authority)	243,000	400,000	408,000

[1] Includes capital outlay as follows: June 30, 1959, $2,659; 1960, $7,400; 1961, $7,400.

1. *Planning development of the National Capital.*—The Commission is charged with planning the orderly development and redevelopment of the National Capital and the conservation of the important natural and historical features thereof. Its membership consists of five private citizens chosen for their experience in city and regional planning and seven ex officio members who are officials having responsibility for development of the Nation's Capital.

2. *Coordinating metropolitan area planning.*—The National Capital Regional Planning Council coordinates planning in the counties and cities of the metropolitan area. Its membership is composed of the Chairman of the Planning Commission, the Engineer Commissioner of the District of Columbia, and four representatives each from Maryland and Virginia, who are nominated from the State planning agencies.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $6,940; 1959, $14,664; 1960, $14,664; 1961, $14,664.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	28	41	41
Full-time equivalent of all other positions	1	2	2
Average number of all employees	25	38	41
Number of employees at end of year	34	41	41
Average GS grade and salary	9.4 $7,556	9.9 $7,911	9.9 $8,009
01 Personal services:			
Permanent positions	$184,284	$278,752	$308,913
Positions other than permanent	1,812	19,300	17,000
Other personal services	939	3,500	2,250
Total personal services	187,035	301,552	328,163
02 Travel	4,268	8,000	8,000
04 Communication services	2,605	3,900	3,900
06 Printing and reproduction	7,177	16,750	16,750
07 Other contractual services	11,886	36,236	15,725
08 Supplies and materials	3,927	6,700	6,700
09 Equipment	2,890	7,512	7,512
11 Grants, subsidies, and contributions	10,653	18,100	20,000
13 Refunds, awards, and indemnities	400	500	500
15 Taxes and assessments	289	750	750
Total costs	231,130	400,000	408,000
Obligations incurred for costs of other years, net	7,724		
Total obligations	238,854	400,000	408,000

Land Acquisition, National Capital Park, Parkway, and Playground System

For necessary expenses for the National Capital Planning Commission for acquisition of land for the park, parkway, and playground system of the National Capital, as authorized by the Act of May 29, 1930 (46 Stat. 482), as amended, to remain available until expended, [$2,286,000] *$2,425,000,* of which (a) [$62,000] *$250,000* shall be available for the purposes of section 1(a) of said Act of May 29, 1930, (b) [$150,000] *$1,600,000* shall be available for the purposes of section 1(b) thereof, *and* (c) [$150,000] *$575,000* shall be available for the purposes of section 1(c) thereof[, and (d) $1,924,000 shall be available for the purposes of section 4 thereof]: *Provided,* That not exceeding $100,000 of the funds available for land acquisition purposes shall be used during the current fiscal year for necessary expenses of the Commission (other than payments for land) in connection with land acquisition: *Provided further, That annual accrued expenditures under this appropriation account, covering amounts becoming payable as a result of obligations incurred both in the current fiscal year and in prior fiscal years, shall not exceed $4,176,000. (Department of the Interior and Related Agencies Appropriation Act, 1960.)*

Appropriated 1960, **$2,286,000** Estimate 1961, **$2,425,000**

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NATIONAL CAPITAL PLANNING COMMISSION—Continued

Current authorizations—Continued

LAND ACQUISITION, NATIONAL CAPITAL PARK, PARKWAY, AND PLAYGROUND SYSTEM—Continued

Program and Financing

	Costs to this appropriation					Analysis of 1961 financing			
	Total estimate [1]	To June 30, 1958	1959 actual	1960 estimate	1961 estimate	Deduct unpaid undelivered orders and unobligated balance, start of year	Add unpaid undelivered orders and unobligated balance, end of year	Appropriation required for 1961	Appropriation required to complete
Program by activities:									
1. George Washington Memorial Parkway:									
(a) Virginia	$3,375,000	$805,871	$257,886	$401,344					$1,909,899
(b) Maryland	3,375,000	664,480	145,083	700	$250,000			$250,000	2,314,737
2. Stream valley parks:									
(a) Maryland	[2] 5,250,000	2,786,907	626,500	150,345	1,600,000			1,600,000	86,248
(b) Virginia	4,500,000			150,000	575,000			575,000	3,775,000
3. Park, parkway, and playground system in the District of Columbia	16,000,000	12,649,852	181,172	1,418,442	1,750,362	$1,750,362			172
Total accrued expenditures	32,500,000	16,907,110	1,210,641	2,120,831	4,175,362	1,750,362		2,425,000	8,086,056
Unpaid undelivered orders brought forward			−729,945	−750,362	−750,362				
Unpaid undelivered orders carried forward			750,362	750,362					
Total program (obligations)			1,231,058	2,120,831	3,425,000				
Financing:									
Unobligated balance brought forward			−2,065,889	−834,831	−1,000,000				
Unobligated balance carried forward			834,831	1,000,000					
Appropriation (new obligational authority)				2,286,000	2,425,000				

[1] Capper-Cramton Act, May 29, 1930, as amended (46 Stat. 482).
[2] Includes $3,000,000 for loan (advances) to Maryland.

The National Capital Planning Commission acquires land for the comprehensive development of the park, parkway, and playground system in the District of Columbia and its environs.

1. *George Washington Memorial Parkway.*—Land is acquired in Maryland and Virginia along the shores of the Potomac River, above and below Washington from Great Falls to Mount Vernon. One-half of the cost is borne by local jurisdictions. Funds requested herein are for the acquisition costs of land in the vicinity of the Woodrow Wilson Bridge in Prince Georges County, Md.

2. *Stream valley parks.*—Land is acquired by public bodies in Maryland and Virginia with the aid of a one-third contribution from the National Capital Planning Commission.

3. *Park, parkway, and playground system in the District of Columbia.*—Land is also acquired in the District of Columbia, with all expenditures being repaid over a period of years to the United States by the District of Columbia. Funds appropriated during 1960 completed the amount authorized by law.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	2	2	2
Average number of all employees	4	3	3
Number of employees at end of year	2	2	2
Average GS grade and salary	8.0 $7,468	9.0 $7,530	9.0 $7,727
01 Personal services:			
Permanent positions	$29,635	$26,660	$27,954
Other personal services	115	200	125
Total personal services	29,750	26,860	28,079
02 Travel	46	300	250
06 Printing and reproduction	234	750	600
07 Other contractual services	22,015	69,128	45,521
08 Supplies and materials		250	250
09 Equipment		500	500
10 Lands and structures	530,146	1,721,293	1,923,362

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
11 Grants, subsidies, and contributions	$1,950	$1,750	$1,800
Grants to Maryland and Virginia	626,500	300,000	2,175,000
Total accrued expenditures	1,210,641	2,120,831	4,175,362
Increase or decrease (−) in unpaid undelivered orders	20,417		−750,362
Total obligations	1,231,058	2,120,831	3,425,000

SALARIES AND EXPENSES, WASHINGTON REGIONAL MASS TRANSPORTATION SURVEY

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Transportation survey (total program costs)	$126,237	$38,492	
2. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−72,508	−38,492	
Total program (obligations)	53,729		
Financing:			
Unobligated balance brought forward	−56,596		
Recovery of prior year obligations	65		
Unobligated balance no longer available	2,802		
Appropriation (new obligational authority)			

1. *Transportation survey.*—The appropriation lapsed for obligation purposes on June 30, 1959. The findings and recommendations of the Washington Regional Mass Transportation Survey were reported to the President on July 9, 1959, in accordance with the Second Supplemental Appropriation Act, 1958 (72 Stat. 50).

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2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $111,000; 1959, $38,492.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	2		
Average number of all employees	2		
Number of employees at end of year	3		
Average GS grade and salary	9.0 $7,353		
01 Personal services:			
Permanent positions	$12,600		
Positions other than permanent	4,216		
Total personal services	16,816		
02 Travel	1,116		
04 Communication services	753		
06 Printing and reproduction	2,461	$15,000	
07 Other contractual services	103,769	23,492	
08 Supplies and materials	211		
09 Equipment	200		
11 Grants, subsidies, and contributions	801		
15 Taxes and assessments	110		
Total costs	126,237	38,492	
Costs financed from obligations of other years, net (−)	−72,508	−38,492	
Total obligations	53,729		

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriation "Redevelopment program, Redevelopment Land Agency," District of Columbia.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Miscellaneous services for Bureau of Public Roads, Department of Commerce (total costs—obligations) (object class 07)	$2,000		
Financing:			
Advances and reimbursements from other accounts	2,000		

NATIONAL LABOR RELATIONS BOARD

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for the National Labor Relations Board to carry out the functions vested in it by the Labor-Management Relations Act, 1947 *as amended* (29 U.S.C. 141–167, *73 Stat. 541–546*) and other laws, including rental of [temporary] space in the District of Columbia *area*, and uniforms, or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131), [$14,230,000] *$17,300,000*: *Provided*, That no part of this appropriation shall be available to organize or assist in organizing agricultural laborers or used in connection with investigations, hearings, directives, or orders concerning bargaining units composed of agricultural laborers as referred to in section 2(3) of the Act of July 5, 1935 (29 U.S.C. 152), and as amended by the Labor-Management Relations Act, 1947, *as amended*, and as defined in section 3(f) of the Act of June 25, 1938 (29 U.S.C. 203), and including in said definition employees engaged in the maintenance and operation of ditches, canals, reservoirs, and waterways when maintained or operated on a mutual, nonprofit basis and at least 95 per centum of the water stored or supplied thereby is used for farming purposes.

[For an additional amount for "Salaries and expenses", including rental of office space in the District of Columbia, $500,000.] (*47 U.S.C. 222; Departments of Labor, and Health, Education, and Welfare Appropriation Act, 1960; Mutual Security Appropriation Act, 1960.*)

Appropriated 1960, **$14,730,000** Estimate 1961, **$17,300,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Field investigations	$7,972,500	$8,860,000	$9,425,000
2. Trial examiner hearing	1,001,000	1,237,500	1,697,000
3. Board adjudication	1,539,000	1,885,000	2,920,000
4. Securing of compliance with Board orders	2,164,433	2,738,500	3,258,000
5. 1959 program obligated in 1958	−46,373		
Total obligations	12,630,560	14,730,000	17,300,000
Financing:			
1959 appropriation available in 1958	46,373		
Unobligated balance no longer available	579,667		
Appropriation (new obligational authority)	13,256,600	14,730,000	17,300,000

The Board resolves representation disputes in industry and remedies and prevents specified unfair labor practices by employers or labor organizations. Additional funds are requested to enable the agency to handle the heavier workload expected due to enactment of the Labor-Management Reporting and Disclosure Act of 1959. Also, the act makes priority handling mandatory for about 85% of the unfair labor practice cases and in order to achieve the speed specified in law, the Board plans substantial reductions in backlogs at all processing stages.

1. *Field investigation.*—Charges of unfair labor practices and petitions for elections to resolve representation disputes are investigated by regional office personnel. Failing settlement, dismissal or withdrawal, these cases are prepared for public hearing. About 85% of the unfair labor practice cases and about 75% of the representation cases are closed without the need for public hearing or further formal action.

2. *Trial examiner hearing.*—Trial examiners conduct public hearings in unfair labor practice cases. Their findings and recommendations are set forth in intermediate reports. In 1959, 520 hearings were held and 388 reports were issued; the estimate for 1960 is 680 hearings and 550 reports, the estimate for 1961 is 815 hearings and 705 reports.

3. *Board adjudication.*—In unfair labor practice cases a trial examiner's intermediate report becomes a Board order if no exceptions are filed. Exceptions are filed to approximately 80% of the intermediate reports and are referred to the Board for decision. In contested representation cases the Board may either order an election in an appropriate unit to determine the choice of bargaining representative or dismiss the case. The Labor-Management Reporting and Disclosure Act of 1959 authorizes the Board to delegate to regional directors authority over representation cases and the appropriate scope of such a delegation is presently being studied.

DECISIONS ISSUED BY THE BOARD

	1959 actual	*1960 estimate*	*1961 estimate*
Unfair labor practice	286	450	665
Representation	1,784	2,155	2,415

4. *Securing of compliance with Board orders.*—If the parties do not voluntarily comply with the Board's order, the Board must request the courts to enforce its decisions. Most contested decisions involve unfair labor practices. In 1959 a total of 97 Board decisions of all kinds required court litigation; the estimate for 1960 is 190; the estimate for 1961 is 230.

A supplemental appropriation for 1960 is anticipated for handling increased workloads resulting from the Labor-Management Reporting and Disclosure Act of 1959 and is shown under Proposed for later transmission.

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NATIONAL LABOR RELATIONS BOARD—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	1,502	1,820	1,820
Full-time equivalent of all other positions	3	1	3
Average number of all employees	1,348	1,577	1,767
Number of employees at end of year	1,484	1,820	1,820
Average GS grade and salary	8.7 $7,083	8.7 $7,120	8.8 $7,196
01 Personal services:			
Permanent positions	$9,708,943	$11,327,500	$12,774,400
Positions other than permanent	13,692	6,000	18,900
Other personal services	82,600	133,000	112,200
Total personal services	9,805,235	11,466,500	12,905,500
02 Travel	738,192	868,500	998,000
03 Transportation of things	65,168	60,700	69,000
04 Communication services	313,470	333,300	377,500
05 Rents and utility services	73,644	114,000	721,500
06 Printing and reproduction	241,716	310,400	387,000
07 Other contractual services	343,382	561,300	754,500
Services performed by other agencies	54,374	36,800	20,500
08 Supplies and materials	153,737	146,600	170,000
09 Equipment	325,865	163,000	156,000
11 Grants, subsidies, and contributions	522,731	626,400	703,000
13 Refunds, awards, and indemnities	7,688	5,000	
15 Taxes and assessments	31,731	37,500	37,500
1959 program obligated in 1958	−46,373		
Total obligations	12,630,560	14,730,000	17,300,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Trial examiner hearings (total obligations)	$24,524	$7,000	
Financing:			
Advances and reimbursements from other accounts	24,524	7,000	

Object Classification

Average number of all employees	2	1	
Number of employees at end of year	0	0	
Average GS grade and salary	15.0 $13,880	15.0 $13,686	
01 Personal services: Permanent positions	$20,264	$6,000	
02 Travel	2,879	600	
07 Other contractual services	64		
11 Grants, subsidies, and contributions	1,317	400	
Total obligations	24,524	7,000	

Proposed for later transmission:

SALARIES AND EXPENSES

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Field investigations		$214,000	
2. Trial examiner hearing		106,500	
3. Board adjudication		260,000	
4. Securing of compliance with Board orders		169,500	
Total obligations		750,000	
Financing:			
Proposed supplemental appropriation		750,000	

Under existing legislation, 1960.—A supplemental appropriation is anticipated for handling increased workloads resulting from the Labor-Management Reporting and Disclosure Act of 1959.

NATIONAL MEDIATION BOARD

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for carrying out the provisions of the Railway Labor Act, as amended (45 U.S.C. 151–188), including stenographic reporting services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); temporary employment of referees under section 3 of the Railway Labor Act, as amended, at rates not in excess of [$75] *$100* per diem; and emergency boards appointed by the President pursuant to section 10 of said Act (45 U.S.C. 160); [$1,357,000: *Provided*, That the unexpended balances of appropriations for the fiscal years 1958 and 1959 for "Salaries and expenses", "Arbitration and emergency boards", and "Salaries and expenses, National Railroad Adjustment Board", shall be merged and accounted for in one account] *$1,555,000. (45 U.S.C. 154; Departments of Labor, and Health, Education, and Welfare Appropriation Act, 1960.)*

Appropriated 1960, [a] **$1,437,000** Estimate 1961, **$1,555,000**

[a] Includes $80,000 appropriated in Supplemental Appropriation Act, 1960.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Mediation	$527,131	$552,500	$561,600
2. Voluntary arbitration and emergency disputes	284,950	330,000	363,850
3. Adjustment of railroad grievances	539,868	554,500	629,550
4. 1959 program obligated in 1958	−3,000		
Total obligations	1,348,949	1,437,000	1,555,000
Financing:			
1959 appropriation available in 1958	3,000		
Unobligated balance no longer available	79,851		
Appropriation (new obligational authority)	1,431,800	1,437,000	1,555,000

1. *Mediation.*—The Board mediates labor disputes and determines collective-bargaining representatives for the 700 carriers and 1.25 million employees in the railroad and airline industries.

MEDIATION CASES

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Pending, start of year	304	262	229	234
Received during year	407	348	425	450
Closed during year	449	384	420	430
Pending, end of year	262	229	234	254

2. *Voluntary arbitration and emergency disputes.*—When mediation fails, the parties are urged to submit their differences to arbitration or special adjustment boards, including neutral members paid from this account. If neither mediation nor voluntary arbitration are successful the President, when notified of disputes which threaten seriously to interrupt service, appoints an emergency board to investigate and report on the dispute as a basis for agreement.

NUMBER OF BOARDS

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Arbitration boards	15	15	12	12
Special adjustment boards	71	99	150	150
Emergency boards	5	6	4	3

3. *Adjustment of railroad grievances.*—Railroad employee grievances resulting from application of collective bargaining contracts may be brought for settlement to the 36-man Board composed of 4 divisions. Each division has an equal number of carriers and union representatives paid by the parties and handles the grievances of

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a particular type of employee. The appropriation provides clerical assistance to the Board and neutral referees to sit with divisions of the Board when they are deadlocked.

WORKLOAD

Cases	1958 actual	1959 actual	1960 estimate	1961 estimate
Pending, beginning of year	4,317	4,948	5,645	6,218
Received during year	2,165	2,397	2,090	2,250
Closed during year	1,534	1,700	1,517	1,855
Pending, end of year	4,948	5,645	6,218	6,613
Referee days of service	1,859	1,875	1,928	1,930

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	88	90	91
Full-time equivalent of all other positions	21	23	25
Average number of all employees	109	112	116
Number of employees at end of year	117	118	122
Average GS grade and salary	8.9 $7,109	8.8 $7,186	8.8 $7,293
01 Personal services:			
Permanent positions	$657,749	$668,060	$698,720
Positions other than permanent	371,767	414,100	495,850
Other personal services	2,241	5,240	2,630
Total personal services	1,031,757	1,087,400	1,197,200
02 Travel	159,480	183,300	182,050
03 Transportation of things	210	150	250
04 Communication services	26,654	26,050	27,000
05 Rents and utility services	10,284	10,700	10,700
06 Printing and reproduction	43,929	53,000	53,000
07 Other contractual services	13,428	12,500	17,500
08 Supplies and materials	11,808	8,500	9,000
09 Equipment	6,710	6,200	6,200
11 Grants, subsidies, and contributions	42,766	43,800	45,600
15 Taxes and assessments	4,923	5,400	6,500
1959 program obligated in 1958	−3,000		
Total obligations	1,348,949	1,437,000	1,555,000

NATIONAL SCIENCE FOUNDATION

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary to carry out the purposes of the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861–1875), including award of graduate fellowships; services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), at rates not to exceed $50 per diem for individuals; hire of passenger motor vehicles; not to exceed [$350] *$500* for the purchase of newspapers and periodicals; and reimbursement of the General Services Administration for security guard services; [$152,773,000] *$190,000,000,* to remain available until expended[, of which $1,890,000 shall be transferred to the Bureau of Public Roads, Department of Commerce, for an additional amount to complete the construction of a secondary road to the Optical Astronomy Observatory on Kitt Peak in Arizona]: *Provided,* That of the foregoing amount not less than $30,250,000 shall be available for tuition, grants, and allowances in connection with a program of supplementary training for secondary school science and mathematics teachers. (*Independent Offices Appropriation Act, 1960.*)

Appropriated 1960, **$152,773,000** Estimate 1961, **$190,000,000**
Appropriated (adjusted) 1960, **$154,773,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Support of science:			
(a) Grants and contracts	$65,608,390	$88,496,569	$116,055,000
(b) Program development, operation, and evaluation	1,700,120	2,400,000	2,565,000
2. Support of scientific manpower:			
(a) Grants and contracts	62,070,352	64,477,317	67,300,000
(b) Program development, operation, and evaluation	2,285,432	2,258,115	2,375,000
3. Executive direction and management	1,275,849	1,530,000	1,705,000
Total obligations	132,940,143	159,162,001	190,000,000
Financing:			
Unobligated balance brought forward	−1,329,144	−4,389,001	
Unobligated balance carried forward	4,389,001		
New obligational authority	136,000,000	154,773,000	190,000,000

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
New obligational authority:			
Appropriation	$134,000,000	$152,773,000	$190,000,000
Transferred from "Operating expenses," Atomic Energy Commission (72 Stat. 881: 73 Stat. 363)	2,000,000	2,000,000	
Appropriation (adjusted)	136,000,000	154,773,000	190,000,000

The Foundation supports basic research, pre- and postdoctoral fellowships, education in the sciences, and the interchange of foreign and domestic scientific information. Under its support of basic research the Foundation administers the U.S. program for research in the Antarctic. It is also responsible for developing and encouraging the pursuit of a national policy for the promotion of basic research and education in the sciences, and for recommending to the President policies for strengthening the Nation's scientific effort. The increased appropriation will provide additional funds for basic scientific research; for additional scientific research facilities; for making the results of research conducted in the United States and abroad more readily available within the scientific community; and for increased costs in programs to improve science teaching and the development of research scientists in this country.

1. *Support of science.*—The Foundation supports basic research projects, principally in institutions of higher learning.

GRANTS FOR SUPPORT OF RESEARCH PROJECTS

	1959 actual	1960 estimate	1961 estimate
Number of grants awarded	1,742	1,900	2,075

It also supports (1) basic research facilities at educational and other nonprofit institutions in such fields as astronomy, oceanography, electronic computation, and the biological sciences; (2) collecting, translating, and disseminating information on the results of scientific research, and developing improved methods for the exchange of scientific data; and (3) studies of the status of research in the United States and foreign countries.

2. *Support of scientific manpower.*—The Foundation awards fellowships to graduate science students, college science faculty fellowships, summer fellowships for high school science, and mathematics teachers, and supports summer study programs for graduate teaching assistants.

FELLOWSHIPS FOR ADVANCED STUDY IN SCIENCE AND MATHEMATICS

	1959 actual	1960 estimate	1961 estimate
Number of fellowships awarded	3,671	3,761	3,763

It supports summer, in-service, and academic-year institutes for the training of elementary, secondary school, and college teachers of science and mathematics.

INSTITUTES FOR SCIENCE AND MATHEMATICS TEACHERS

	1959 actual	1960 estimate	1961 estimate
Number of participants supported at institutes	30,905	31,235	31,525

It also supports (*a*) projects directed toward the improvement of elementary, secondary school, and college science and mathematics course content; (*b*) supplementary programs to stimulate interest in and secure improvement of teaching and training in the sciences at secondary school and college levels; (*c*) cooperative science education activities with scientists and educators of other nations; (*d*) maintenance of a national register of scientific and technical personnel; and (*e*) studies relating to supply, demand, and utilization of scientific manpower.

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NATIONAL SCIENCE FOUNDATION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Object Classification

	1959 actual	1960 estimate	1961 estimate
NATIONAL SCIENCE FOUNDATION			
Total number of permanent positions	459	526	564
Full-time equivalent of all other positions	21	29	35
Average number of all employees	389	519	561
Number of employees at end of year	544	601	646
Average GS grade and salary	7.8 $6,443	8.2 $6,679	8.2 $6,688
Average salary of ungraded positions	$13,241	$13,605	$13,183
01 Personal services:			
Permanent positions	$2,589,266	$3,563,817	$3,846,500
Positions other than permanent	162,696	241,290	292,000
Other personal services	84,260	82,893	66,500
Total personal services	2,836,222	3,888,000	4,205,000
02 Travel	253,286	400,000	450,000
03 Transportation of things	14,118	31,200	28,000
04 Communication services	109,070	118,000	135,000
05 Rents and utility services	4,989	10,300	10,000
06 Printing and reproduction	83,302	91,800	101,000
07 Other contractual services	11,089,602	4,946,152	8,626,000
Services performed by other agencies	391,274	323,600	400,000
08 Supplies and materials	51,913	53,000	65,000
09 Equipment	143,249	100,000	95,000
11 Grants, subsidies, and contributions	117,898,847	146,320,062	175,875,000
15 Taxes and assessments	8,546	9,200	10,000
Total, National Science Foundation	132,884,418	156,291,314	190,000,000
ALLOCATION ACCOUNTS			
Total number of permanent positions	2	54	
Average number of all employees	2	40	
Number of employees at end of year	1	39	
Average GS grade and salary	8.1 $6,598	8.2 $6,674	
01 Personal services:			
Permanent positions	$7,379	$187,000	
Other personal services	1,099	13,000	
Total personal services	8,478	200,000	
02 Travel	1,153	20,000	
04 Communication services	7	2,000	
05 Rents and utility services	283	20,000	
06 Printing and reproduction	4	1,000	
07 Other contractual services:			
Services performed by other agencies	26,690	112,588	
Services performed by "Revolving fund, Corps of Engineers"	40		
08 Supplies and materials		2,000	
09 Equipment		2,000	
10 Lands and structures	18,519	2,498,099	
11 Grants, subsidies, and contributions	551	13,000	
Total, allocation accounts	55,725	2,870,687	
Total obligations	132,940,143	159,162,001	190,000,000
Obligations are distributed as follows:			
National Science Foundation	$132,884,418	$156,291,314	$190,000,000
Army	14,313	22,099	
Department of Commerce	41,412	2,848,588	

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

For purchase of foreign currencies which accrue under Title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for the purposes authorized by section 104(k) of that Act, to remain available until expended, $1,600,000, which shall be available only to purchase currencies which the Treasury Department shall determine to be excess to normal requirements of the United States.

Estimate 1961, [a] **$1,600,000**

[a] Estimate is for activities previously carried under "Translation of publications and scientific cooperation," special foreign currency programs, funds appropriated to the President. The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Scientific information activities overseas (total obligations)	$288,889	$911,111	$1,600,000
Financing:			
Comparative transfers from "Translation of publications and scientific cooperation," special foreign currency programs, funds appropriated to the President	−$288,889	−$911,111	
Appropriation (new obligational authority)			$1,600,000

The National Science Foundation administers, on behalf of the Federal Government, a program of collecting, translating, abstracting, and disseminating scientific and technological information in certain foreign countries, using excess foreign currencies accruing from the sale of surplus agricultural commodities, as authorized by the provisions of section 104(k) of the Agricultural Trade Development and Assistance Act of 1954.

A major portion of the program, for the translation of Russian scientific literature, is in Israel. In Poland and Yugoslavia, translation of literature, both in native and related languages, will be included. New programs will be undertaken in India and Egypt in 1961.

In 1961, it is estimated that the Foundation will spend $8,000 out of its regular Salaries and expenses appropriation for miscellaneous costs to administer this program.

Object Classification

	1959 actual	1960 estimate	1961 estimate
02 Travel		$6,000	$13,000
07 Other contractual services	$288,889	905,111	1,587,000
Total obligations	288,889	911,111	1,600,000

INTERNATIONAL GEOPHYSICAL YEAR

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Geophysical research related to the earth's atmosphere:			
(a) Basic atmospheric research	$996,238	$327,545	
(b) Earth satellite exploration of the upper atmosphere	1,527,289	96,758	
2. Geophysical research related to the planet earth	597,229	193,454	
3. Related scientific support activities	1,026,241	564,024	
4. Interdisciplinary research	1,473,804	353,604	
5. Scientific direction and administration	311,203	172,204	
Total obligations	5,932,004	1,707,589	
Financing:			
Unobligated balance brought forward	−5,139,593	−1,707,589	
Unobligated balance carried forward	1,707,589		
Appropriation (new obligational authority)	2,500,000		

This appropriation supported the U.S. program for the International Geophysical Year, a worldwide scientific undertaking involving concurrent research by more than 60 nations and approximately 10,000 scientists, beginning in July 1957 and ending officially on December 31, 1958. Since the IGY, obligations have been incurred for data reduction, the establishment of subcenters of the U.S. World Data Center, the support of symposia on IGY results, the initiation of interdisciplinary research using IGY data.

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Object Classification

	1959 actual	1960 estimate	1961 estimate
NATIONAL SCIENCE FOUNDATION			
Total number of permanent positions	5		
Average number of all employees	3		
Number of employees at end of year	0		
Average GS grade and salary	8.0 $7,207		
Average salary of ungraded positions	$16,500		
01 Personal services:			
Permanent positions	$28,571		
Other personal services	356		
Total personal services	28,927		
02 Travel	2,715	$11,220	
04 Communication services	70		
06 Printing and reproduction	367		
07 Other contractual services	113		
Services performed by other agencies	3,401,815	1,305,100	
08 Supplies and materials	175		
09 Equipment	1,273		
11 Grants, subsidies, and contributions	2,275,620	380,600	
15 Taxes and assessments	27		
Total, National Science Foundation	5,711,102	1,696,920	
ALLOCATION ACCOUNTS			
07 Other contractual services	220,902	10,669	
Total obligations	5,932,004	1,707,589	
Obligations are distributed as follows:			
National Science Foundation	$5,711,102	$1,696,920	
Department of Commerce (National Bureau of Standards)	8,156	4	
Navy	212,746	10,665	

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Grants and contracts (total obligations)	$260,700	$69,500	
Financing:			
Unobligated balance brought forward	−10,000	−69,500	
Unobligated balance carried forward	69,500		
Total financing	320,200		

Object Classification

07 Other contractual services	$120,400	$40,000	
11 Grants, subsidies, and contributions	140,300	29,500	
Total	260,700	69,500	

OUTDOOR RECREATION RESOURCES REVIEW COMMISSION

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary to carry out the provisions of the Act of June 28, 1958, as amended (72 Stat. 238; 73 Stat. 14), including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), [$850,000] *$1,180,000*, to remain available until expended. (*Supplemental Appropriation Act, 1960.*)

Appropriated 1960, **$850,000** Estimate 1961, **$1,180,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Inventory and evaluation of nationwide recreation resources (total obligations)	$75,052	$924,948	$1,180,000
Financing:			
Unobligated balance brought forward		−$74,948	
Unobligated balance carried forward	$74,948		
Appropriation (new obligational authority)	150,000	850,000	$1,180,000

The Commission was created by the Outdoor Recreation Resources Review Act, approved June 28, 1958, to conduct a nationwide inventory and evaluation of outdoor recreation resources and opportunities. The Commission's final report to the President and to the Congress is due not later than September 1, 1961. The Commission ceases to exist not later than 1 year thereafter (72 Stat. 238).

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	16	38	48
Full-time equivalent of all other positions		2	2
Average number of all employees	3	35	46
Number of employees at end of year	17	38	45
Average GS grade and salary	10.9 $8,536	10.9 $8,608	11.3 $8,988
01 Personal services:			
Permanent positions	$26,449	$291,500	$405,000
Positions other than permanent	2,908	27,200	27,200
Other personal services	4,244	52,548	97,800
Total personal services	33,601	371,248	530,000
02 Travel	5,751	64,500	75,000
04 Communication services	1,536	15,000	18,000
06 Printing and reproduction	977	25,000	25,000
07 Other contractual services	3,407	390,000	440,000
Services performed by other agencies	7,500	27,000	50,000
08 Supplies and materials	754	5,000	8,000
09 Equipment	19,942	6,000	5,000
11 Grants, subsidies, and contributions	1,523	20,500	28,000
15 Taxes and assessments	61	700	1,000
Total obligations	75,052	924,948	1,180,000

PERMANENT COMMITTEE FOR THE OLIVER WENDELL HOLMES DEVISE

Permanent authorizations:

OLIVER WENDELL HOLMES DEVISE FUND

(Indefinite special fund)

Appropriated (est.) 1960, **$26,200** Estimate 1961, **$23,800**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Preparation of the history of the Supreme Court (object class 07)	$51,809	$85,000	$88,000
Financing:			
Unobligated balance brought forward	−408,904	−370,185	−311,385
Unobligated balance carried forward	370,185	311,385	247,185
Appropriation (new obligational authority)	13,090	26,200	23,800

The Oliver Wendell Holmes devise fund was established by 69 Stat. 533 to (*a*) prepare a history of the Supreme Court of the United States, and, if deemed advisable, (*b*) finance an annual lecture or series of lectures, and (*c*) publish a memorial volume of Justice Holmes' writings. The principal and interest on the fund are available for these purposes. The current program is devoted primarily to the preparation of the history of the Supreme Court. A grant of $37,500 from the Rockefeller Foundation has been made available for the period 1960–62 to pay salaries of authors preparing the history during leaves of absence from their universities for one or more academic semesters.

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RAILROAD RETIREMENT BOARD

Current authorizations:

LIMITATION ON SALARIES AND EXPENSES

(Trust fund)

For expenses necessary for the Railroad Retirement Board, including uniforms or allowances therefor, as authorized by the Act of September 1, 1954 (68 Stat. 1114), [$9,460,000] *$9,485,000,* to be derived from the railroad retirement account. (*45 U.S.C. 228a–r; Departments of Labor, and Health, Education, and Welfare Appropriation Act, 1960.*)

Appropriated 1960, **$9,460,000** Estimate 1961, **$9,485,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Maintenance of earnings accounts	$385,731	$542,417	$552,878
2. Processing claims	6,754,159	6,630,846	6,596,698
3. Maintenance of beneficiary rolls	1,060,312	1,142,098	1,177,552
4. Hearings and appeals	51,983	52,633	53,333
5. Actuarial services	168,863	181,269	184,216
6. Administration	873,378	910,737	920,323
7. 1959 program obligated in 1958	−21,008		
Total obligations	9,273,418	9,460,000	9,485,000
Financing:			
1959 limitation available in 1958	21,008		
Unobligated balance no longer available	79,874		
Limitation	9,374,300	9,460,000	9,485,000

The Board administers the railroad retirement system, financed by employer and employee taxes. The administrative expenses of the Board in the operation of this program are derived from the railroad retirement account. This system provides annuities for age and disability and benefits for survivors.

The 1959 amendments to the Railroad Retirement Act and the Railroad Retirement Tax Act (Public Law 86–28, approved May 19, 1959) increased benefits by about 10% to present and future beneficiaries of the program; increased the employee-employer tax rate and raised the taxable compensation base to $4,800; and made various other changes in the law. Nonrecurring work created by these amendments in 1959 and 1960 included approximately 740,000 adjustments of benefits to reflect the higher rate; 20,000 claims from wives aged 62–64 newly eligible for benefits; and various miscellaneous claims reopenings.

1. *Maintenance of earnings accounts.*—Eligibility for and the amount of benefits are based on individual accounts of compensation. This workload fluctuates with the level of employment in the railroad industry, rates of turnover, and similar factors. The number of compensation items was 1,893,000 in 1959 and are estimated at 1,893,000 and 1,929,000 in 1960 and 1961. The costs are shared on a measured basis with the railroad unemployment insurance program.

2. *Processing claims.*—Applications for annuities and benefits are adjudicated and certified for initial payment. The claims intake has followed an upward trend over the years as more railroad workers, their spouses or survivors become entitled. Regular claims processed were 181,783 in 1959 and are estimated at 183,240 and 189,421 in 1960 and 1961.

3. *Maintenance of beneficiary rolls.*—Benefit payments must be authorized each month for those persons on the rolls who continue to remain eligible. The number of monthly benefit payments were 8,589,187 in 1959 and are estimated at 9,200,000 and 9,600,000 in 1960 and 1961 and will continue to increase annually. The number of persons on the rolls receiving monthly benefit payments was 746,251 in 1959 and is estimated at 798,000 and 826,500 in 1960 and 1961.

4. *Hearings and appeals.*—Individuals whose claims for annuities or benefits are disallowed or who dispute the award have the right of appeal. Appeals dispositions were 275 in 1959 and are estimated to be at about the same level in 1960 and 1961.

5. *Actuarial services.*—Actuarial studies and estimates are required by the Railroad Retirement Act to determine the adequacy of the tax rate to establish and maintain a sufficient reserve to meet all future payments.

6. *Administration.*—This activity includes executive direction, general administration, and housekeeping services. The cost of administration is shared between the retirement and the railroad unemployment insurance programs on a measured basis.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	1,352	1,304	1,295
Full-time equivalent of all other positions	30	26	20
Average number of all employees	1,306	1,280	1,267
Number of employees at end of year	1,341	1,286	1,268
Average GS grade and salary	6.3 $5,319	6.4 $5,459	6.4 $5,527
01 Personal services:			
Permanent positions	$6,767,509	$6,802,362	$6,837,309
Positions other than permanent	102,082	89,069	68,192
Other personal services	234,363	191,971	96,472
Total personal services	7,103,954	7,083,402	7,001,973
02 Travel	190,003	190,977	191,204
03 Transportation of things	11,722	12,937	13,616
04 Communication services	62,478	62,977	63,076
Penalty mail costs	437,664	476,200	489,500
05 Rents and utility services	498,166	596,236	633,495
06 Printing and reproduction	60,640	63,569	73,399
07 Other contractual services	204,494	220,296	279,799
Services performed by other agencies	109,378	118,266	123,569
08 Supplies and materials	141,932	159,239	149,017
09 Equipment	31,575	27,281	24,872
11 Grants, subsidies, and contributions	433,582	440,398	433,321
13 Refunds, awards, and indemnities	5,516	5,723	5,727
15 Taxes and assessments	3,322	2,499	2,432
1959 program obligated in 1958	−21,008		
Total obligations	9,273,418	9,460,000	9,485,000

RENEGOTIATION BOARD

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Renegotiation Board, including hire of passenger motor vehicles, and services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), at rates not to exceed $50 per diem for individuals, [$2,850,000] *$2,870,000. (Act of Mar. 23, 1951, Public Law 82–9, as amended; Independent Offices Appropriation Act, 1960.)*

Appropriated 1960, **$2,850,000** Estimate 1961, **$2,870,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Executive direction	$485,262	$468,000	$471,000
2. Staff operations	793,460	764,000	769,000
3. Renegotiation operations (field)	1,746,778	1,618,000	1,630,000
Total obligations	3,025,500	2,850,000	2,870,000
Financing:			
Appropriation (new obligational authority)	3,025,500	2,850,000	2,870,000

The Board conducts renegotiation with contractors to eliminate excessive profits in connection with procurement under the national defense program. All contractors and subcontractors who have any business subject to the act, which has been extended through June 30, 1962, are required to file with the Board. The Board has determined or recovered $783,812,931 in excessive profits from the date of its establishment through June 30, 1959. Of this total, $60,757,877 was determined during 1959.

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1. *Executive direction.*—The Board is responsible for final action in all cases. This includes screening all filings involving renegotiable business over $1 million and requests for exemption.

2. *Staff operations.*—The headquarters staff furnishes technical advice and assistance to the Board and its regional organization.

3. *Renegotiation operations.*—The three regional boards conduct renegotiation proceedings and make initial determinations. The field boards make the excessive profit determination in all cases involving $800,000 or less of renegotiable profits; however, this determination may be appealed to the statutory Board. All determinations in cases involving more than $800,000 renegotiable profits are reviewed and approved by the statutory Board.

WORKLOAD

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Total filings	21,175	22,368	21,000	20,400
Cases assigned for renegotiation:				
Assigned	1,136	1,161	1,160	1,170
Completed	1,577	1,400	1,400	1,400
End-of-year backlog	1,598	1,359	1,119	889

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	328	310	310
Full-time equivalent of all other positions	1	1	1
Average number of all employees	315	297	297
Number of employees at end of year	301	300	300
Average GS grade and salary	9.4 $8,374	9.3 $8,348	9.3 $8,386
01 Personal services:			
Permanent positions	$2,690,432	$2,523,500	$2,533,200
Positions other than permanent	4,503	4,500	4,500
Other personal services	10,900	20,000	10,300
Total personal services	2,705,835	2,548,000	2,548,000
02 Travel	15,831	25,000	25,000
03 Transportation of things	309	1,500	1,500
04 Communication services	70,800	70,000	70,000
06 Printing and reproduction	10,073	10,000	10,000
07 Other contractual services	19,524	19,000	39,000
08 Supplies and materials	14,296	14,000	14,000
09 Equipment	2,787	3,000	3,000
11 Grants, subsidies, and contributions	167,669	159,000	159,000
13 Refunds, awards, and indemnities	17,604		
15 Taxes and assessments	772	500	500
Total obligations	3,025,500	2,850,000	2,870,000

RIVER BASIN STUDY COMMISSION FOR SOUTH CAROLINA-GEORGIA-ALABAMA-FLORIDA

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of the Act approved August 28, 1958 [(Public Law 85-850)] (*72 Stat. 1090*), including services as authorized by the Act of August 2, 1946 (5 U.S.C. 55a), [$740,000] *to remain available until June 30, 1963, $1,600,000. (Supplemental Appropriation Act, 1960.)*

Appropriated 1960, **$740,000** Estimate 1961, **$1,600,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Resource development studies (total obligations)	$125,048	$740,000	$1,600,000
Financing:			
Unobligated balance no longer available	24,952		
Appropriation (new obligational authority)	150,000	740,000	1,600,000

This Commission is conducting studies to provide the basis for a report on a comprehensive and integrated plan of development for the land and water resources in certain major river basins in the southeastern part of the country. The basic studies necessary to the preparation of a report will be substantially completed in 1962 with formal review and comment by the affected States and Federal agencies scheduled for completion in 1963.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	21	51	51
Average number of all employees	3	39	50
Number of employees at end of year	20	51	51
Average GS grade and salary	10.4 $9,136	9.5 $8,263	9.5 $8,263
01 Personal services:			
Permanent positions	$28,471	$328,415	$410,115
Other personal services		1,055	1,485
Total personal services	28,471	329,470	411,600
02 Travel	5,228	35,100	35,100
03 Transportation of things	4,029	5,800	3,400
04 Communication services	1,297	10,950	15,000
05 Rents and utility services	1,725	14,700	17,500
06 Printing and reproduction	425	4,600	6,000
07 Other contractual services	66,018	304,840	1,079,300
08 Supplies and materials	1,883	4,000	5,000
09 Equipment	14,487	13,260	5,000
11 Grants, subsidies, and contributions	1,257	14,650	18,900
15 Taxes and assessments	228	2,630	3,200
Total obligations	125,048	740,000	1,600,000

RIVER BASIN STUDY COMMISSION FOR TEXAS

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of title II of the Act approved August 28, 1958 [(Public Law 85-843)], *as amended (72 Stat. 1058, 73 Stat. 456)*, including services as authorized by the Act of August 2, 1946 (5 U.S.C. 55a), [$800,000] *to remain available until June 30, 1962, $1,300,000. (Supplemental Appropriation Act, 1960.)*

Appropriated 1960, **$800,000** Estimate 1961, **$1,300,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Resource development studies (total obligations)	$79,871	$800,000	$1,300,000
Financing:			
Unobligated balance no longer available	90,129		
Appropriation (new obligational authority)	170,000	800,000	1,300,000

This Commission is conducting studies to provide the basis for a report on a comprehensive and integrated plan of development for the land and water resources in certain major river basins within the State of Texas. The basic studies necessary to the preparation of a report will be substantially completed in 1961 with formal review and comment by the State of Texas and the concerned Federal agencies scheduled for 1962.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	51	53	53
Full-time equivalent of all other positions		1	1
Average number of all employees	3	44	46
Number of employees at end of year	19	55	55
Average GS grade and salary	12.7 $10,860	11.5 $9,900	11.5 $9,900
01 Personal services:			
Permanent positions	$23,950	$411,000	$452,000
Positions other than permanent		16,200	22,100
Other personal services		3,800	1,900
Total personal services	23,950	431,000	476,000

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RIVER BASIN STUDY COMMISSION FOR TEXAS—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Object Classification—Continued

		1959 actual	1960 estimate	1961 estimate
02	Travel	$8,804	$52,000	$52,000
03	Transportation of things	2,203	4,000	500
04	Communication services	643	5,000	5,000
05	Rents and utility services	2,933	15,000	18,000
06	Printing and reproduction	239	3,000	10,000
07	Other contractual services	20,000	252,000	711,000
08	Supplies and materials	3,362	9,000	5,500
09	Equipment	16,693	10,000	
11	Grants, subsidies, and contributions	704	13,000	15,000
15	Taxes and assessments	340	6,000	7,000
	Total obligations	79,871	800,000	1,300,000

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

Public enterprise funds:

The Saint Lawrence Seaway Development Corporation is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to such Corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the fiscal year [1960] *1961* for such Corporation, except as hereinafter provided: *(Department of Commerce and Related Agencies Appropriation Act, 1960.)*

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Capital outlay:			
1. Land, land rights, and relocations	$611,707	$88,600	
2. Locks	1,668,939	1,371,000	
3. Channels and canals	5,255,296	4,190,000	$2,305,600
4. Roads and bridges	2,189,322	349,000	
5. Navigation aids and related facilities	41,453		100,000
6. Permanent buildings and equipment	2,427,813	966,200	51,000
7. Engineering and design	75,637		
8. Supervision and inspection	929,923	348,400	160,600
9. Operating costs capitalized during construction	1,055,686		
Total applied costs	14,255,776	7,313,200	2,617,200
10. Unapplied costs	−448,533		
Total capital outlay, funded	13,807,243	7,313,200	2,617,200
Operating costs:			
11. Operation of locks and canals and traffic control	469,098	645,000	671,000
12. Maintenance of navigation aids	75,000	75,000	75,000
13. Maintenance of plant and equipment	402,652	255,000	254,000
14. Administrative expenses (limitation)	377,954	414,200	414,000
15. Depreciation	206,760	1,110,000	1,110,000
16. Interest	3,612,278	3,975,000	4,565,000
Total operating costs	5,143,742	6,474,200	7,089,000
17. Unfunded adjustments to operating costs:			
Accrued interest, deferred (−)	−2,923,990		
Depreciation included above (−)	−206,760	−1,110,000	−1,110,000
Operating costs capitalized during construction (−)	−1,048,926		
Total operating costs, funded	964,066	5,364,200	5,979,000
Total program costs, funded	14,771,309	12,677,400	8,596,200
18. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−7,995,520	−406,131	−150,000
Total program (obligations)	6,775,789	12,271,269	8,446,200

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Financing:			
Amounts becoming available: Revenue	$909,907	$4,120,000	$4,730,000
Unobligated balance brought forward (authorization to expend from public debt receipts)	31,677,749	25,811,867	17,660,598
Total amounts available	32,587,656	29,931,867	22,390,598
Unobligated balance carried forward (authorization to expend from public debt receipts)	−25,811,867	−17,660,598	−13,944,398
Financing applied to program	6,775,789	12,271,269	8,446,200

The Saint Lawrence Seaway Development Corporation, a wholly Government-owned enterprise, is responsible for the construction, operation, and maintenance of that part of the Saint Lawrence Seaway within the territorial limits of the United States (33 U.S.C. 981). A 27-foot navigational channel from Lake Erie to Montreal was officially opened for the 1959 navigational season. The Seaway has been constructed and is being operated and maintained jointly by the Saint Lawrence Seaway Development Corporation and the St. Lawrence Seaway Authority of Canada, in conjunction with the related power development works provided by the Power Authority of the State of New York and the Hydro-Electric Power Commission of Ontario.

Budget program—Capital outlay.—The Corporation's construction program consists of a 10-mile canal, two locks, and navigation channels in the 46-mile International Rapids section of the St. Lawrence River between Ogdensburg and Massena, and certain channel and related navigation works in the 68-mile Thousand Islands section between Lake Ontario and Ogdensburg.

The revised total construction cost of the U.S. share of the Seaway, excluding interest during construction, is estimated at $123.4 million. Work in place at the end of the current year 1960 is estimated at $120.8 million, and the budget year 1961 program to complete the project is estimated at $2.6 million, consisting principally of channel enlargements.

Operating costs.—The deep draft Seaway was opened on a toll basis in April 1959 and the project is considered to be in a regular operation and maintenance status since that date. All costs of operating the shallow-draft Seaway during the 1958 shipping season have been capitalized.

18. *Relationship of costs to obligations.*—The relationship is derived from year-end balances of selected resources as follows:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Prepayments and advances	$349			
Supplies, deferred charges, etc		$175		
Unpaid undelivered orders	8,701,302	705,956	$300,000	$150,000
Total selected resources at end of year	8,701,651	706,131	300,000	150,000
Selected resources at start of year (−)		−8,701,651	−706,131	−300,000
Cost financed from obligations of other years, net (−)		−7,995,520	−406,131	−150,000

Financing.—The Corporation is authorized to borrow $140 million from the Treasury to finance the costs of the Seaway and to provide for working capital and claims. Borrowings through 1960 are estimated at $119.7 million, and an additional $3.8 million is required for the budget year 1961.

Operating results.—The expense of operation, including depreciation and interest for 1961, is estimated at $7.1 million. Shipping toll revenue for 1961 is expected to be $4.7 million.

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During the developmental period it is expected that operating deficits will result until such time as the ship traffic increases. The anticipated deficit at the end of the budget year of $5 million includes $2.4 million of depreciation charges.

The toll rates have been established at a level which will repay all the costs of investment in the Seaway, including interest and operating expenses, all within the 50-year statutory payout period, including any deficit incurred during the developmental period. No additional borrowing authority will be required to finance this deficit.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Acquisition of assets	$13,807,243	$7,313,200	$2,617,200
Expense	964,066	5,364,200	5,979,000
Increase in selected working capital	1,496,130		
Total gross expenditures	16,267,439	12,677,400	8,596,200
Receipts from operations (funds provided):			
Revenue	909,907	4,120,000	4,730,000
Decrease in selected working capital		1,357,400	66,200
Total receipts from operations	909,907	5,477,400	4,796,200
Budget expenditures	15,357,532	7,200,000	3,800,000

Revenue, Expense, and Retained Earnings

Revenue:			
Shipping tolls	$904,447	$4,110,000	$4,720,000
Other revenue	5,460	10,000	10,000
Total revenue	909,907	4,120,000	4,730,000
Expense:			
Operation and maintenance	946,750	975,000	1,000,000
Administrative	377,955	414,200	414,000
Depreciation	206,760	1,110,000	1,110,000
Interest	3,612,277	3,975,000	4,565,000
Total operating expense	5,143,742	6,474,200	7,089,000
Operating costs capitalized during construction (−)	−3,979,676		
Total expense, net	1,164,066	6,474,200	7,089,000
Net loss (−) for the year	−254,159	−2,354,200	−2,359,000
Deficit (−), beginning of year		−254,159	−2,608,359
Deficit (−), end of year	−254,159	−2,608,359	−4,967,359

Financial Condition

Assets:			
Cash with Treasury and in banks	$699,596	$699,596	$699,596
Accounts receivable, net	1,306,862	350,000	550,000
Accrued tolls receivable, unbilled	292,352	150,000	150,000
Supplies, deferred charges, etc	175		
Land, structures, and equipment, net	119,952,013	126,155,213	127,662,413
Total assets	122,250,998	127,354,809	129,062,009
Liabilities:			
Current	3,280,987	3,538,998	3,805,198
Accrued interest during construction, deferred	6,724,170	6,724,170	6,724,170
Total liabilities	10,005,157	10,263,168	10,529,368
Government investment:			
Interest-bearing capital:			
Start of year	96,700,000	112,500,000	119,700,000
Borrowings from Treasury during year, net	15,800,000	7,200,000	3,800,000
End of year	112,500,000	119,700,000	123,500,000
Deficit (−)	−254,159	−2,608,359	−4,967,359
Total Government investment	112,245,841	117,091,641	118,532,641

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash	$257,128	$699,596	$699,596	$699,596
Budget authorization	43,300,000	27,500,000	20,300,000	16,500,000
Total unexpended balance	43,557,128	28,199,596	20,999,596	17,199,596
Obligated balance, net:				
Current liabilities	7,444,225	3,280,987	3,538,998	3,805,198
Unpaid undelivered orders	8,701,302	705,956	300,000	150,000
Accounts receivable, net (−)	−4,266,148	−1,599,214	−500,000	−700,000
Total obligated balance	11,879,379	2,387,729	3,338,998	3,255,198
Unobligated balance	31,677,749	25,811,867	17,660,598	13,944,398

Limitation on Administrative Expenses, Saint Lawrence Seaway Development Corporation

Not to exceed [$414,200] *$414,000* shall be available for administrative expenses which shall be computed on an accrual basis, including not to exceed $2,000 for official entertainment expenses, to be expended upon the approval or authority of the Administrator[: *Provided*, That said funds shall be available for], *purchase of two passenger motor vehicles for replacement only, and* services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), at rates for individuals not to exceed $100 per day: *Provided* [*further*], That not to exceed $5,000 may be expended for services of individuals employed at rates in excess of $50 per day. (*Department of Commerce and Related Agencies Appropriation Act, 1960.*)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Administration (total accrued administrative expenses)	$377,954	$414,200	$414,000
Financing:			
Unobligated balance no longer available	36,246		
Limitation	414,200	414,200	414,000

Object Classification

Total number of permanent positions		173		173		172
Full-time equivalent of all other positions		1		1		1
Average number of all employees		157		160		161
Number of employees at end of year		179		173		172
Average GS grade and salary	9.0	$7,578	8.6	$7,151	8.3	$7,065
01 Personal services:						
Permanent positions		$1,109,300		$1,023,633		$1,034,165
Positions other than permanent		10,008		6,000		5,800
Other personal services		11,172		16,567		23,035
Excess of leave earned over leave taken		21,699				
Total personal services		1,152,179		1,046,200		1,063,000
Deduct portion not chargeable to limitation on administrative expenses		851,865		732,000		749,000
Net personal services		300,314		314,200		314,000
02 Travel		19,152		24,000		24,000
03 Transportation of things		2,015		4,000		4,000
04 Communication services		9,174		11,000		11,000
05 Rents and utility services		2,178		1,000		
06 Printing and reproduction		8,271		10,000		10,000
Photographing		1,447		3,000		4,000
07 Other contractual services		4,688		8,800		8,000
Services performed by other agencies		8,000		10,000		10,000
08 Supplies and materials		4,422		7,200		8,000
11 Grants, subsidies, and contributions		17,985		20,000		20,000
15 Taxes and assessments		308		1,000		1,000
Total accrued administrative expenses		377,954		414,200		414,000

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SECURITIES AND EXCHANGE COMMISSION

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses, including not to exceed [$1,125] *$1,500* for the purchase of newspapers; uniforms or allowances therefor, as authorized by law (5 U.S.C. 2131); and services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); [$8,100,000] *$8,900,000. (15 U.S.C. 77a–77bbbb, 78a–78jj, 79–79z–6, 80a1–80a52, 80b1–80b21; 11 U.S.C. 501–676; 5 U.S.C. 1001–1011; 60 Stat. 810; Independent Offices Appropriation Act, 1960.)*

Appropriated 1960, **$8,100,000** Estimate 1961, **$8,900,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Full disclosure provisions	$1,979,440	$2,035,000	$2,312,500
2. Prevention and suppression of fraud	2,996,105	3,263,300	3,560,300
3. Supervision and regulation of securities markets	209,264	210,600	229,500
4. Regulation of investment and public utility holding companies	483,592	500,700	609,700
5. Corporate reorganizations	261,699	275,300	292,100
6. Operational and business statistics	224,303	231,000	231,000
7. Executive and staff functions	885,062	913,100	956,200
8. Administrative services	660,747	671,000	708,700
9. 1959 program obligated in 1958	−38,079		
Total obligations	7,662,133	8,100,000	8,900,000
Financing:			
1959 appropriation available in 1958	38,079		
Unobligated balance no longer available	4,788		
Appropriation (new obligational authority)	7,705,000	8,100,000	8,900,000

The primary purpose of the Commission is to protect the interests of the investing public.

1. *Full disclosure provisions.*—Issuers of securities for public sale are required to file a registration statement and related prospectus containing significant information about the issuer and the offering with the Commission. This is to insure that investors will be provided with the material facts concerning security offerings.

SELECTED WORKLOAD DATA

	1958 actual	1959 actual	1960 estimate	1961 estimate
Registration statements examined	873	1,119	1,277	1,525
Preliminary proxy statements examined	1,944	1,937	2,072	2,300
Administrative proceedings closed	118	114	133	168
Periodic reports examined	47,074	52,743	51,241	63,100
Regulation A filings examined	742	827	917	945

2. *Prevention and suppression of fraud.*—Suspected fraud, deceit, and manipulation in the sale and trading of securities is prevented or minimized by prompt investigation. The 2.8-year cycle for the broker-dealer inspection program will continue in 1961.

SELECTED WORKLOAD DATA

	1958 actual	1959 actual	1960 estimate	1961 estimate
Investigations closed	488	483	512	580
Cases referred to the Department of Justice for criminal prosecution	17	48	50	50
Broker-dealer inspections	1,452	1,471	1,525	1,525
Broker-dealers registered	4,752	4,907	5,100	5,300
Applications for broker-dealer registration processed	713	917	1,000	1,287

3. *Supervision and regulation of securities markets.*—National securities exchanges and over-the-counter markets are regulated in the interest of maintaining just and equitable principles of trade for the protection of the public investors.

SELECTED WORKLOAD DATA

	1958 actual	1959 actual	1960 estimate	1961 estimate
Amendments, notifications, and circulars of exchanges examined	1,718	1,806	1,850	1,850
Trading reports and field investigations reviewed	88	57	80	100

4. *Regulation of investment and public utility holding companies.*—Financing and other corporate matters of interstate public utility holding companies engaged in the electric utility business or in the retail distribution of gas are regulated. A total of 18 holding company systems, comprising 176 separate companies with assets of $10.8 billion, are registered under the Public Utility Holding Company Act of 1935. Foreign and domestic investment companies are registered also and their activities supervised. The assets of these companies have increased from $2.5 billion in 1941 to $20 billion in 1959. In 1961, the investment company inspection program will be placed on an 8½-year cycle.

SELECTED WORKLOAD DATA

	1958 actual	1959 actual	1960 estimate	1961 estimate
Applications examined for approval of financing transactions, asset acquisitions, intercompany loans, dividends, and other related matters under the 1935 Act	449	508	535	545
Examination of periodic reports	451	456	460	460
Number of registered investment companies	453	512	582	662
Investment company inspections	7	14	28	77
Registration of new investment companies	42	70	95	130
Filings reviewed under 1940 act	760	1,115	1,252	1,350

5. *Corporate reorganizations.*—Independent expert assistance is provided in proceedings under the Bankruptcy Act.

SELECTED WORKLOAD DATA

	1958 actual	1959 actual	1960 estimate	1961 estimate
Review of reorganization petitions filed in courts	68	88	90	100
Notices of appearances in court regarding new proceedings	9	14	18	25
Proceedings closed	4	4	8	15

6. *Operational and business statistics.*—Statistical and other data are prepared to provide the Commission and the staff with information needed to administer the securities laws and to produce certain financial data as a part of the overall Government statistical and economic program.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	953	1,000	1,092
Full-time equivalent of all other positions	6	5	5
Average number of all employees	910	954	1,042
Number of employees at end of year	937	1,000	1,092
Average GS grade and salary	8.8 $7,099	9.0 $7,210	8.9 $7,161
01 Personal services:			
Permanent positions	$6,450,232	$6,797,922	$7,376,000
Positions other than permanent	22,907	19,900	20,000
Other personal services	72,414	71,978	52,000
Total personal services	6,545,553	6,889,800	7,448,000
02 Travel	234,119	261,600	295,800
03 Transportation of things	4,208	9,600	10,500
04 Communication services	171,686	181,800	198,400
05 Rents and utility services	22,108	20,400	20,400
06 Printing and reproduction	36,214	36,500	46,500
07 Other contractual services	128,134	133,100	247,000
08 Supplies and materials	103,826	101,200	113,600
09 Equipment	64,089	43,800	53,200
11 Grants, subsidies, and contributions	368,770	400,000	441,300
13 Refunds, awards, and indemnities	7,213	7,200	8,000
15 Taxes and assessments	14,292	15,000	17,300
1959 program obligated in 1958	−38,079		
Total obligations	7,662,133	8,100,000	8,900,000

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Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Miscellaneous services to other agencies (total obligations)	$700		
Financing:			
Advances and reimbursements from other accounts	700		
Object Classification			
Number of employees at end of year	0		
01 Personal services: Positions other than permanent	$700		

SELECTIVE SERVICE SYSTEM

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for the operation and maintenance of the Selective Service System, as authorized by title I of the Universal Military Training and Service Act (62 Stat. 604), as amended, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); purchase of [ten] *eight* passenger motor vehicles for replacement only, *including one at not to exceed $4,000*; not to exceed $250 for the purchase of newspapers and periodicals; not to exceed [$61,000] *$61,536* for the National Selective Service Appeal Board; and [$19,000] *$19,140* for the National Advisory Committee on the Selection of Physicians, Dentists, and Allied Specialists; [$29,278,400] *$32,950,000*: *Provided*, That during the current fiscal year, the President may exempt this appropriation from the provisions of subsection (c) of section 3679 of the Revised Statutes, as amended, whenever he deems such action to be necessary in the interest of national defense. (*Independent Offices Appropriation Act, 1960.*)

Appropriated 1960, **$29,278,400** Estimate 1961, **$32,950,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. National administration	$1,754,961	$1,690,600	$1,749,324
2. State administration	6,061,094	6,000,000	6,170,000
3. Registration, classification, and induction	21,436,188	21,507,800	24,950,000
4. Special boards:			
(a) National Advisory Committee on the Selection of Doctors, Dentists, and Allied Specialists	15,803	19,000	19,140
(b) National Selective Service Appeal Board	48,911	61,000	61,536
5. 1959 program obligated in 1958	−248,377		
Total obligations	29,068,580	29,278,400	32,950,000
Financing:			
1959 appropriation available in 1958	248,377		
Advances and reimbursements from non-Federal sources (5 U.S.C. 61(b))	−817		
Unobligated balance no longer available	240,660		
Appropriation (new obligational authority)	29,556,800	29,278,400	32,950,000

The primary purpose of the Selective Service System is effective manpower utilization through classification under the Universal Military Training and Service Act. The System is responsible for supplying men to keep the Armed Forces at their authorized strength to the extent that their needs are not met by voluntary enlistment. It will supply an estimated 100,000 men for this purpose in 1961 as compared to approximately 100,000 in 1960 and 112,000 in 1959.

1. *National administration.*—The overall administration of the act including planning, training, and records management is accomplished by the national headquarters and six regional field offices.

2. *State administration.*—Administration of the act within the several States is the responsibility of the 56 State headquarters operating under the policies determined by national headquarters.

3. *Registration, classification, and induction.*—These functions affecting approximately 22 million registrants are accomplished by the over 42,000 uncompensated citizens assisted by about 6,000 clerks at over 4,000 boards. These citizens determine who shall be deferred and for how long in the national interest in agriculture, industry or other pursuits. They also determine the availability for military service of members of the Standby Reserve.

4. *Special boards—National Advisory Committee on the Selection of Physicians, Dentists, and Allied Specialists.*—This Committee acts in an advisory capacity to the Selective Service System. It is separately administered, but funds are furnished by the Selective Service System from its appropriation.

National Selective Service Appeal Board.—This Board acts on the classification of registrants which have been appealed to the President. It is under separate administration but the Selective Service System provides funds for its operation.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	4,712	4,712	5,462
Full-time equivalent of all other positions	1,023	1,024	1,039
Average number of all employees	5,628	5,586	6,235
Number of employees at end of year:			
Civilian	6,413	6,351	7,015
Military	259	259	259
Average GS grade and salary	5.2 $4,913	5.2 $4,984	5.1 $5,046
Average salary of ungraded positions	$3,723	$3,724	$3,795
01 Personal services:			
Permanent positions:			
Civilian	$17,362,800	$17,190,653	$19,807,591
Military	2,716,232	2,830,226	2,847,853
Positions other than permanent	3,655,340	3,658,895	3,714,437
Other personal services	118,668	180,046	130,535
Total personal services	23,853,040	23,859,820	26,500,416
02 Travel	518,263	664,500	664,500
Selectee travel	1,528,796	1,650,000	1,673,000
03 Transportation of things	49,462	49,700	49,600
04 Communication services	516,025	548,300	625,300
Penalty mail	458,600	596,800	596,800
05 Rents and utility services	80,732	83,620	83,620
06 Printing and reproduction	147,606	142,200	142,100
07 Other contractual services	224,278	234,050	635,995
08 Supplies and materials	320,548	140,800	315,400
09 Equipment	364,586	19,900	256,000
11 Grants, subsidies, and contributions	1,194,440	1,226,800	1,327,032
15 Taxes and assessments	60,581	61,910	80,237
1959 program obligated in 1958	−248,377		
Total obligations	29,068,580	29,278,400	32,950,000

SMALL BUSINESS ADMINISTRATION

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, of the Small Business Administration, including hire of passenger motor vehicles, [$4,940,000] *$5,725,000*, and in addition there may be transferred to this appropriation not to exceed [$14,755,500] *$17,778,000* from the revolving fund, Small Business Administration, and not to exceed [$750,000] *$675,000* from the fund for liquidation of Reconstruction Finance Corporation loans, Small Business Administration, for administrative expenses in connection with activities financed under said funds: *Provided*, That the amount authorized for transfer from the revolving fund, Small Business Administration, may be increased, with the approval of the Director of the Bureau of the Budget, by such amount (not exceeding

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SMALL BUSINESS ADMINISTRATION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

$500,000) as may be required to finance administrative expenses incurred in the making of disaster loans: *Provided further*, That 10 per centum of the amount authorized to be transferred from the revolving fund, Small Business Administration, shall be apportioned for use, pursuant to section 3679 of the Revised Statutes, as amended, only in such amounts and at such times as may be necessary to carry out the business loan program. *(72 Stat. 384, as amended, 689; Department of Commerce and Related Agencies Appropriation Act, 1960.)*

Appropriated 1960, **$4,940,000** Estimate 1961, **$5,725,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Procurement and technical assistance	$2,513,117	$3,120,000	$3,600,000
2. Management and research assistance	289,856	600,000	850,000
3. Investment and development company assistance and supervision	697,058	1,120,000	1,275,000
4. Financial assistance	10,288,868	13,175,000	16,000,000
5. Liquidation of Reconstruction Finance Corporation loans	841,949	750,000	675,000
6. Contingency		1,480,500	1,778,000
Total obligations	14,630,848	20,245,500	24,178,000
Financing:			
Advances and reimbursements from other accounts:			
Revolving fund	−10,288,868	−14,655,500	−17,778,000
Reconstruction Finance Corporation liquidation fund	−841,949	−750,000	−675,000
Unobligated balance no longer available	224,969	100,000	
Appropriation (new obligational authority)	3,725,000	4,940,000	5,725,000

The Small Business Administration counsels, assists, and protects the interest of small business. In addition it provides aid to business firms and homeowners who have suffered losses through disasters.

1. *Procurement and technical assistance.*—The objectives of this activity are (*a*) to insure that a fair proportion of Government contracts for purchases of supplies and services and the sale and disposal of property be placed with small business enterprises, (*b*) to insure that a fair proportion of Government contracts for research and development be placed with small business concerns and assist small firms to obtain the benefits of research and development performed at Government expense, and (*c*) to provide technical and managerial aid to small business concerns by advising and counseling on matters in connection with Government procurement, research and development, property disposal, methods engineering, and new and improved products and processes.

2. *Management and research assistance.*—Assistance is provided to small business through (*a*) management counseling, (*b*) developing and distributing management aids and bulletins, and (*c*) establishing administrative management courses. This activity also includes the program of grants to States, State development corporations, colleges, and universities, for studies and research concerning the managing, financing, and operation of small business concerns.

3. *Investment and development company assistance and supervision.*—In order to stimulate and supplement the flow of private capital to small business concerns this agency is authorized to (*a*) charter, regulate, and examine small business investment companies, (*b*) provide capital and lend funds to these companies, and (*c*) lend funds to State and local development companies.

4. *Financial assistance.*—Small business concerns and victims of disasters are aided through loans which are administered so as to assure return of the Government investment. In addition, financial counseling is provided to small firms requesting assistance. Funds for administrative expenses of this activity are transferred from the Revolving fund. Financial statements covering these programs may be found under the Revolving fund.

5. *Liquidation of Reconstruction Finance Corporation loans.*—As of June 30, 1959, there were 1,374 disaster loans outstanding amounting to $3,638,025. These figures represent a reduction of 1,856 loans and $11,108,582 from those taken over on July 1, 1954. In addition, pursuant to Reorganization Plan No. 1 of 1957, Reconstruction Finance Corporation business loans amounting to more than $14,000,000 were transferred to the Small Business Administration on June 30, 1957, for liquidation. As of June 30, 1959, there were 265 loans outstanding amounting to $4,435,513. Administrative expenses for this activity are transferred from the liquidation fund made up of receipts from these loans.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	2,174	2,419	2,968
Full-time equivalent of all other positions	23	16	10
Average number of all employees	1,714	2,212	2,755
Number of employees at end of year	2,000	2,375	2,900
Average GS grade and salary	8.1 $6,587	8.1 $6,582	7.9 $6,123
01 Personal services:			
Permanent positions	$11,264,301	$14,785,300	$17,294,000
Positions other than permanent	87,633	50,000	40,000
Other personal services	241,370	177,700	140,000
Total personal services	11,593,304	15,013,000	17,474,000
02 Travel	701,799	1,173,000	1,645,000
03 Transportation of things	26,228	40,000	48,000
04 Communication services	366,142	480,000	582,000
05 Rents and utility services	229,778	43,000	45,000
06 Printing and reproduction	131,618	165,000	213,000
07 Other contractual services	231,119	249,000	488,000
Services performed by other agencies	157,611	160,000	184,000
08 Supplies and materials	164,930	192,000	231,000
09 Equipment	357,459	290,000	328,000
11 Grants, subsidies, and contributions	645,111	930,000	1,130,000
13 Refunds, awards, and indemnities	2,990	5,000	5,000
15 Taxes and assessments	22,759	25,000	27,000
Undistributed		1,480,500	1,778,000
Total obligations	14,630,848	20,245,500	24,178,000

[GRANTS FOR RESEARCH AND MANAGEMENT COUNSELING]

(Indefinite special fund)

[The unobligated balance in the special fund "Grants for research and management counseling" as of June 30, 1959, is hereby rescinded, such sum to be covered into the Treasury on June 30, 1959, or immediately upon enactment of this Act, whichever is later: *Provided*, That for the fiscal year ending June 30, 1960, $2,080,000 shall remain available for grants under section 7(d) of the Small Business Act, as amended.] *(Department of Commerce and Related Agencies Appropriation Act, 1960.)*

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Grants (object class 11)	$1,902,748	$2,080,000	
Financing:			
Unobligated balance brought forward		−25,643,563	
Unobligated balance carried forward	25,643,563		
Unobligated balance rescinded (73 Stat. 209)		23,563,563	
Appropriation (new obligational authority)	27,546,311		

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This indefinite special fund account was established to finance grants to any State government, or agency thereof, State-chartered development credit or finance corporation, land-grant colleges and universities, and other schools for research and counseling concerning the managing and financing of small business enterprises. The amount appropriated was derived from repayments by each Federal Reserve bank of the aggregate amount which the Secretary of the Treasury had heretofore paid to such banks under the provisions of the Federal Reserve Act.

Only one grant could be made within any one State in any year, and no grant could exceed an aggregate amount of $40,000. During 1959, there were 52 grants awarded ranging from $7,465 to $40,000, and totaling $1,902,748. No grants will be made in 1961 since the unobligated balance has been rescinded.

Public enterprise funds:

REVOLVING FUND

For additional capital for the revolving fund authorized by the Small Business Act of 1953, as amended, to be available without fiscal year limitations, [$150,000,000] *$60,000,000. (72 Stat. 384, as amended, 689; Department of Commerce and Related Agencies Appropriation Act, 1960.)*

Appropriated 1960, **$150,000,000** Estimate 1961, **$60,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Financial assistance:			
Business loans:			
Direct	$86,437,835	$93,111,000	$116,592,000
Immediate participation	106,139,109	99,958,000	125,118,000
Deferred participation	35,961,840	34,071,000	42,672,000
Total, business loans	228,538,784	227,140,000	284,382,000
Disaster loans	9,013,060	14,000,000	14,000,000
Conversions to immediate participation loans	135,000		
Conversions to deferred participation loans	1,497,356		
Deferred participation business loans not expected to be purchased (−)	−29,967,357	−27,256,800	−34,137,600
Total, loan commitments, net	209,216,843	213,883,200	264,244,400
Other program obligations	379,412		
Administrative expense	10,288,868	13,175,000	16,000,000
Other operating expense	559,524	716,000	903,000
Total, financial assistance	220,444,647	227,774,200	281,147,400
2. Investment and development company assistance:			
Purchase of debentures of small business investment companies	3,231,700	10,000,000	12,000,000
Loans to small business investment companies		1,500,000	4,000,000
Loans to State and local development companies	1,853,500	7,500,000	14,000,000
Total, investment and development company assistance	5,085,200	19,000,000	30,000,000
3. Interest expense to Treasury on funds expended	6,294,103	15,529,000	19,153,000
Total program (commitments)	231,823,950	262,303,200	330,300,400
4. Net change in reservations for loan commitments not matured into obligations	−57,199,253		
Total program (obligations)	174,624,697	262,303,200	330,300,400
Financing:			
Amounts becoming available:			
Appropriation	200,000,000	150,000,000	60,000,000
Receipts from operations:			
Principal collection on loans:			
Business loans	58,717,779	81,309,000	111,561,000
Disaster loans	9,773,772	12,799,000	14,566,000
Loans to State and local development companies		221,000	881,000
Interest and other revenue on loans and investments:			
Financial assistance program	15,366,076	21,219,000	26,369,000
Investment and development company assistance program	1,627	356,000	1,498,000
Sale of acquired collateral	394,702		
Other receipts	172,877		

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Financing—Continued			
Amounts becoming available—Con.			
Recovery of prior year obligations:			
Loan cancellations (financial assistance program)	$23,572,266	$21,391,600	$26,406,800
Repayments to banks on deferred participation loans:			
Financial assistance program (disaster loans)	18,488	99,800	111,600
Investment and development company assistance program		5,500	18,800
Total amounts becoming available	308,017,587	287,400,900	241,412,200
Unobligated balance brought forward:			
Reserved		57,199,253	57,199,253
Unreserved	12,605,039	88,798,676	113,896,376
Total amounts available	320,622,626	433,398,829	412,507,829
Unobligated balance carried forward:			
Reserved	−57,199,253	−57,199,253	−57,199,253
Unreserved	−88,798,676	−113,896,376	−25,008,176
Financing applied to program	174,624,697	262,303,200	330,300,400

This fund finances business and disaster loans and investment and development company assistance activities authorized by the Small Business Act (72 Stat. 384) and the Small Business Investment Act (72 Stat. 689).

The Congress has authorized loan and investment commitments of $950 million. A maximum of $575 million may be outstanding for business loans, $125 million for disaster loans, and $250 million for investment and development company assistance. It is estimated that the business loan limitation will be reached early in 1961, thus legislation will be proposed to increase this limitation. The position with respect to lending authority is as follows:

Financial assistance program:	*1959 actual*	*1960 estimate*	*1961 estimate*
Business loans:			
Statutory limitation	$500,000,000	$575,000,000	$575,000,000
Anticipated increase in limitation			150,000,000
Total	500,000,000	575,000,000	725,000,000
Less—			
Investment in outstanding loans	289,419,929	374,021,929	462,460,929
Outstanding loan commitments:			
Deferred participation loans disbursed by banks	43,120,696	59,578,296	71,166,896
Undisbursed loan authorizations	89,931,742	98,195,742	122,651,742
Total charges against limitation	422,472,367	531,795,967	656,279,567
Balance of limitation	77,527,633	43,204,033	68,720,433
Disaster loans:			
Statutory limitation	125,000,000	125,000,000	125,000,000
Less—			
Investment in outstanding loans	49,080,258	46,852,258	44,886,258
Outstanding loan commitments:			
Deferred participation loans disbursed by banks	655,726	725,665	614,065
Undisbursed loan authorizations	3,180,975	5,040,236	5,040,236
Total charges against limitation	52,916,959	52,618,159	50,540,559
Balance of limitation	72,083,041	72,381,841	74,459,441
Investment and development company assistance program:			
Statutory limitation	250,000,000	250,000,000	250,000,000
Less—			
Outstanding loans and investments:			
Investment in debentures of small business investment companies	282,000	8,782,000	20,682,000
Loans to small business investment companies		1,125,000	4,375,000
Loans to State and local development companies	62,000	6,791,000	15,760,000
Outstanding loan and investment commitments:			
Undisbursed commitments to purchase debentures of small business investment companies	2,949,700	2,949,700	3,049,700
Undisbursed loan commitments:			
Loans to small business investment companies		375,000	1,125,000
Loans to State and local development companies	1,791,500	2,336,000	6,467,200
Total charges against limitation	5,085,200	22,358,700	51,458,900
Balance of limitation	244,914,800	227,641,300	198,541,100

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SMALL BUSINESS ADMINISTRATION—Continued

Public enterprise funds—Continued

REVOLVING FUND—Continued

Budget program—Financial assistance—Business loans.—Business loans may be made directly or in participation with banks or other lending institutions, and shall be of such sound value or so secured as reasonably to assure repayment. No loan may be made unless the financial assistance is not otherwise available on reasonable terms. No direct loan may be made unless it is shown that participation with a bank is not available and no immediate participation loan may be made unless it is shown that a deferred participation loan is not available. The Administration's participation in a loan is limited to 90%, and the agency's maximum commitment of its fund to any one borrower is limited to $350,000, except for a loan to a corporation formed and capitalized by a group of small business concerns for purposes authorized in the Small Business Act. With respect to such pool loans, the limitation is $250,000 multiplied by the number of separate small businesses participating in the corporation. Business loans, except for the purpose of constructing facilities, are limited to a maturity of 10 years and except for pool loans bear interest at a maximum rate of 5½% per annum on the agency's share thereof. For pool loans, the rate of interest on the Small Business Administration's share shall be no less than 3% nor more than 5% per annum.

It is the policy to assist businessmen operating small firms to secure credit for constructive purposes on terms that will meet the borrower's individual requirements. Assistance includes counseling as well as the lending of funds. From the beginning of the lending program on September 29, 1953, through June 30, 1959, a total of 16,692 loans have been approved in a total amount of $786.8 million (including participating banks' share of $122.3 million). About 64% of these loans have been on a participation basis. The average size of loans approved to date is $47,138. In 1961 it is estimated that 6,770 loans will be approved compared to an estimate of 5,540 in 1960 and 5,582 in 1959.

The following tabulation reflects certain data on business loans and includes funds disbursed or collected by banks on participation loans. Accordingly, the Small Business Administration share of disbursements and repayments will not agree with related data in the financial statements, which reflect transactions on the basis of only the Small Business Administration cash funds involved.

DATA ON BUSINESS LOANS

[In millions]

	1959 actual	*1960 estimate*	*1961 estimate*
Loan commitments during the year:			
Total amount	$267.0	$269.1	$337.0
Small Business Administration share	228.5	227.1	284.4
Loans outstanding on June 30 held by banks and Small Business Administration:			
Total amount (estimate)	394.0	513.7	632.2
Small Business Administration share	332.5	433.6	533.6
Loan disbursements by banks and Small Business Administration:			
Total amount	217.4	232.5	274.3
Small Business Administration share	187.0	196.2	231.5
Loan repayments to banks and Small Business Administration:			
Total amount (estimate)	81.6	112.8	155.8
Small Business Administration share (estimate)	70.4	95.1	131.5

Disaster loans.—No restrictions exist on the amount which may be loaned to an individual or business firm suffering loss from a disaster. The maximum term for disaster loans is 20 years and the interest rate may not exceed 3% on the Small Business Administration share of the loan. Through June 30, 1959, a total of 8,616 loans for $92.5 million has been approved. In view of the unpredictable nature of the program, it is impractical to estimate the volume of new loans which may be committed in 1960 and 1961. For program purposes, a nominal amount of $14 million in new commitments has been assumed, which would represent 1,300 loans based on the average size of loans approved through 1959; 908 loans were approved in 1959.

DATA ON DISASTER LOANS

[In millions]

	1959 actual	*1960 estimate*	*1961 estimate*
Loan commitments during the year:			
Total amount	$9.2	$14.0	$14.0
Small Business Administration share	9.0	14.0	14.0
Loans outstanding June 30, held by banks and Small Business Administration:			
Total amount (estimate)	51.7	49.4	47.3
Small Business Administration share	49.7	47.6	45.5
Loan disbursements by banks and Small Business Administration:			
Total amount	11.1	11.2	12.6
Small Business Administration share	10.8	10.7	12.6
Loan repayments to banks and Small Business Administration:			
Total amount (estimate)	9.8	13.5	14.7
Small Business Administration share (estimate)	9.4	12.8	14.6

Deferred participation business loans not expected to be purchased.—This reduction in loan commitments reflects the current policy of committing funds for only 20% of the agency's share of deferred participation loans, since experience shows that only a small portion of its share of such loans will be purchased.

Administrative expenses.—Administrative expenses are financed by transfer of funds from the Revolving fund to the appropriation for Salaries and expenses.

Investment and development company assistance program—Purchase of debentures of small business investment companies.—A primary function of these companies is to provide a source of needed equity capital for small business concerns. To facilitate the formation of such companies with capital adequate to meet the demands from small business firms, the Small Business Investment Act of 1958 authorizes the Small Business Administration to purchase debentures of any such company in an amount equal to not more than $150,000.

Loans to small business investment companies.—To further encourage the formation and growth of such companies, the Small Business Administration is also authorized to lend funds to them in amounts which may not exceed 50% of the paid-in capital and surplus of a company.

Loans to State and local development companies.—The Small Business Administration is authorized to lend funds to State development companies for general use purposes; and to State and local development companies for plant construction, conversion, or expansion, including the acquisition of land. Latter type loans shall be so secured as reasonably to assure repayment, may be made directly or in participation with banks or other lending institutions, may be made only when the proceeds are for use solely to assist an identifiable small business concern and for a sound business purpose approved by the agency, and are limited to a maximum of $250,000 for each such identifiable small business concern.

Financing.—The capital of the Revolving fund is provided by direct appropriation. Although Congress has authorized appropriations of $950 million for loans and investments, $690 million has been appropriated based on actual and estimated needs through June 30, 1960.

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After taking into consideration repayments, revenue, and cancellations of prior year loan commitments, and after making provision for a reserve for contingencies of $25 million to provide for possible increases in the level of program operations, appropriations of $60 million will be required as additional capital for the fund to finance the estimated program volume.

Operating results.—The deficit is expected to continue to increase because revenue from low interest rate disaster loans and from a large number of relatively small business loans is not sufficient to cover administrative and other expenses, including interest payable to Treasury on net expenditures from the fund. Administrative expenses for the investment and development company assistance program are not reflected in the schedules since funds for such expenses are provided by direct appropriation.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Financial assistance program:			
Acquisition of assets:			
Business loan disbursements	$166,078,218	$165,911,000	$200,000,000
Disaster loan disbursements	11,144,025	10,571,000	12,600,000
Conversions to immediate participation loans	135,000		
Other program disbursements	172,780	207,366	
Expense	17,141,824	29,086,000	34,758,000
Investment and development company assistance program:			
Acquisition of assets:			
Purchases of debentures of small business investment companies	282,000	8,500,000	11,900,000
Disbursements on loans to small business investment companies		1,125,000	3,250,000
Disbursements on loans to State and local development companies	62,000	6,950,000	9,850,000
Expense	671	334,000	1,298,000
Increase in selected working capital	1,854,422		
Total gross expenditures	196,870,940	222,684,366	273,656,000
Receipts from operations (funds provided):			
Financial assistance program:			
Loan repayments	68,491,551	94,108,000	126,127,000
Proceeds from sale of acquired collateral	394,702		
Other receipts	172,877		
Revenue	15,366,076	21,219,000	26,369,000
Investment and development company assistance program:			
Loan repayments		221,000	881,000
Revenue	1,627	356,000	1,498,000
Decrease in selected working capital		9,428,263	3,338,000
Total receipts from operations	84,426,833	125,332,263	158,213,000
Budget expenditures	112,444,107	97,352,103	115,443,000

Revenue, Expense, and Retained Earnings

Financial assistance program:			
Revenue	$15,366,076	$21,219,000	$26,369,000
Expense	20,570,217	32,753,400	39,150,300
Net operating loss (−), financial assistance program	−5,204,141	−11,534,400	−12,781,300
Investment and development company assistance program:			
Revenue	1,627	356,000	1,498,000
Expense	671	334,000	1,298,000
Net operating income, investment and development company assistance program	956	22,000	200,000
Nonoperating income:			
Proceeds from sale of acquired collateral	394,702		
Net book value of assets sold (−)	−391,037		
Net nonoperating income	3,665		
Net loss (−) for the year	−5,199,520	−11,512,400	−12,581,300
Deficit (−), beginning of year	−21,033,891	−26,233,411	−37,745,811
Deficit (−), end of year	−26,233,411	−37,745,811	−50,327,111

Financial Condition

	1959 actual	1960 estimate	1961 estimate
Assets:			
Cash with Treasury	$187,628,298	$240,276,195	$184,833,195
Accounts receivable, net	2,979,624	3,173,624	3,504,624
Investments and loans receivable, net	329,418,543	424,562,343	530,849,443
Acquired security and collateral, net	495,494	702,860	702,860
Judgments and notes receivable, net	684,764	684,764	684,764
Deferred charges	207,366		
Total assets	521,414,089	669,399,786	720,574,886
Liabilities:			
Current	7,371,034	16,785,931	20,454,931
Reserve for contingent losses on deferred participation loans disbursed by banks	276,466	359,666	447,066
Total liabilities	7,647,500	17,145,597	20,901,997
Government investment:			
Interest-bearing capital:			
Start of year	219,343,451	320,835,021	405,012,124
Transfer of interest-bearing expenditures from non-interest-bearing capital during year	101,491,570	84,177,103	99,443,000
End of year	320,835,021	405,012,124	504,455,124
Non-interest-bearing capital:			
Start of year	120,656,549	219,164,979	284,987,876
Appropriations during year	200,000,000	150,000,000	60,000,000
Transfer of expenditures to interest-bearing capital during year (−)	−101,491,570	−84,177,103	−99,443,000
End of year	219,164,979	284,987,876	245,544,876
Total capital (cumulative appropriations)	540,000,000	690,000,000	750,000,000
Deficit (−)	−26,233,411	−37,745,811	−50,327,111
Total Government investment	513,766,589	652,254,189	699,672,889

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash with Treasury	$100,072,405	$187,628,298	$240,276,195	$184,833,195
Obligated balance, net:				
Current liabilities	7,666,372	7,371,034	16,785,931	20,454,931
Undisbursed loan obligations	81,428,166	37,238,959	55,568,259	85,675,459
Accounts receivable, net (−)	−1,627,172	−2,979,624	−3,173,624	−3,504,624
Total obligated balance	87,467,366	41,630,369	69,180,566	102,625,766
Unobligated balance is distributed as follows:				
Reserved [1]		57,199,253	57,199,253	57,199,253
Unreserved	12,605,039	88,798,676	113,896,376	25,008,176

[1] Represents undisbursed loan commitments which have not yet matured into obligations.

Object Classification

	1959 actual	1960 estimate	1961 estimate
07 Other contractual services: Reimbursement to "Salaries and expenses"	$10,288,868	$13,175,000	$16,000,000
14 Interest (on appropriated funds expended)	6,294,103	15,529,000	19,153,000
16 Investments and loans	158,041,726	233,599,200	295,147,400
Total obligations	174,624,697	262,303,200	330,300,400

Reconstruction Finance Corporation Liquidation Fund

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Administrative expense	$841,949	$750,000	$675,000
Other operating expense	89,055	51,000	30,000
Other program obligations	103,373	55,513	45,000
Total program (obligations)	1,034,377	856,513	750,000

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SMALL BUSINESS ADMINISTRATION—Continued

Public enterprise funds—Continued

RECONSTUCTION FINANCE CORPORATION LIQUIDATION FUND—Continued

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Financing:			
Amounts becoming available:			
Receipts from operations:			
Principal collections on loans:			
Business loans	$3,801,309	$2,250,000	$1,300,000
Disaster loans	1,419,419	850,000	500,000
Sale of acquired collateral and other assets	89,527		
Repayments on other assets	442,904	200,000	100,000
Interest and fee revenue on loans	391,798	234,000	140,000
Other revenue	173,213	100,000	57,000
Recovery of prior year obligations (repayments and other credits on deferred participation loans and loans sold under guarantee)	673,522	350,000	150,000
Total amounts becoming available	6,991,692	3,984,000	2,247,000
Unobligated balance brought forward	1,677,734	1,632,423	259,910
Total amounts available	8,669,426	5,616,423	2,506,910
Capital transfer (repayment of investment to Treasury) (−)	−6,000,000	−4,500,000	−1,300,000
Adjustment of unobligated balance transferred from "Reconstruction Finance Corporation liquidation fund," Treasury Department	−2,626		
Unobligated balance carried forward	−1,632,423	−259,910	−456,910
Financing applied to program	1,034,377	856,513	750,000

This fund finances the liquidation of business and disaster loans of the former Reconstruction Finance Corporation which have been transferred to the Small Business Administration for administration and liquidation. Under Reorganization Plan No. 2 of 1954, disaster loans in an amount of $14.7 million were transferred to the Small Business Administration. Also, pursuant to Reorganization Plan No. 1 of 1957 business loans and other assets of the Reconstruction Finance Corporation liquidation fund, Treasury Department, in excess of $14 million were transferred.

Budget program.—The program reflects the costs of the administration and liquidation activities relative to the loans and other assets transferred. Since the number of individual loans are gradually being reduced through liquidation, the costs are decreasing each year.

Financing.—Administrative expense and other program costs are financed from receipts from the liquidation of loans and other assets.

Operating results and financial condition.—In 1959, net budget receipts of $5.2 million together with cash funds carried over from 1958 provided funds sufficient to permit a payment of $6 million to the Treasury as a return on Government investment. Estimated net budget receipts of $2.8 million in 1960 and $1.3 million in 1961 will enable similar payments of $4.5 million and $1.3 million in these respective years. As of June 30, 1961, it is estimated that Government investment will have been reduced to $2.3 million, comprised of capital of $5.2 million and an accumulated deficit of $2.9 million.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Administrative expense	$841,949	$750,000	$675,000
Other operating expense	89,055	51,000	30,000

Sources and Application of Funds (Operations)—Continued

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied)—Con.			
Acquisition of assets: Acquired security or collateral	$74,156	$65,000	$45,000
Writeoff of accounts receivable	31,764		
Reclassification of selected working capital	2,626		
Increase in selected working capital	39,842	7,513	25,000
Total gross expenditures	1,079,392	873,513	775,000
Receipts from operations (funds provided):			
Loan repayments	5,220,728	3,100,000	1,800,000
Proceeds from sale of acquired collateral and other assets	89,527		
Repayments on other assets	442,904	200,000	100,000
Revenue	565,011	334,000	197,000
Total receipts from operations	6,318,170	3,634,000	2,097,000
Budget expenditures	−5,238,778	−2,760,487	−1,322,000

Revenue, Expense, and Retained Earnings

Revenue	$565,011	$334,000	$197,000
Expense	910,075	801,000	705,000
Net operating loss (−) for the year	−345,064	−467,000	−508,000
Nonoperating loss (−):			
Proceeds from sale or other disposition of acquired collateral and other assets	89,527		
Net book value of assets disposed of (−)	−103,783		
Net loss from sale (−)	−14,256		
Net loss (−) for the year	−359,320	−467,000	−508,000
Deficit (−), beginning of year	−1,568,919	−1,928,239	−2,395,239
Deficit (−), end of year	−1,928,239	−2,395,239	−2,903,239

Financial Condition

Assets:			
Cash with Treasury	$2,219,649	$480,136	$502,136
Accounts receivable, net	458,588	425,588	400,588
Deferred charges	9,487		
Loans receivable, net	5,655,243	2,555,243	755,243
Acquired security or collatera, net	325,080	390,080	435,080
Judgements and notes receivable, net	745,417	545,417	445,417
Total assets	9,413,464	4,396,464	2,538,464
Liabilities:			
Current	337,195	287,195	237,195
Government investment:			
Non-interest-bearing capital:			
Start of year	17,048,054	11,004,508	6,504,508
Adjustment of net accountability for assets transferred from "Reconstruction Finance Corporation liquidation fund", Treasury Department	−43,546		
Repayment of investment to Treasury (−)	−6,000,000	−4,500,000	−1,300,000
End of year	11,004,508	6,504,508	5,204,508
Deficit (−)	−1,928,239	−2,395,239	−2,903,239
Total Government investment	9,076,269	4,109,269	2,301,269

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash with Treasury	$2,980,871	$2,219,649	$480,136	$502,136
Obligated balance, net:				
Current liabilities	493,102	337,195	287,195	237,195
Undisbursed loan obligations (deferred participation loans and repurchase commitments)	1,382,141	708,619	358,619	208,619
Accounts receivable, net (−)	−572,106	−458,588	−425,588	−400,588
Total obligated balance	1,303,137	587,226	220,226	45,226
Unobligated balance	1,677,734	1,632,423	259,910	456,910

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Object Classification

	1959 actual	1960 estimate	1961 estimate
07 Other contractual services: Reimbursement to "Salaries and expenses"	$841,949	$750,000	$675,000
16 Investments and loans	192,428	106,513	75,000
Total obligations	1,034,377	856,513	750,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Miscellaneous services to other agencies:			
Export-Import Bank of Washington	$44		
Housing and Home Finance Agency	1,300		
Department of the Interior	5,050		
Total obligations	6,394		
Financing:			
Advances and reimbursements from—			
Other accounts	6,394		
Non-Federal sources (5 U.S.C. 61(b))	29		
Unobligated balance no longer available	−29		
Total financing	6,394		

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	1		
Average number of all employees	1		
Number of employees at end of year	0		
Average GS grade and salary	8.1 $6,587		
01 Personal services: Permanent positions	$5,009		
02 Travel	735		
04 Communication services	352		
07 Other contractual services	15		
11 Grants, subsidies, and contributions	283		
Total obligations	6,394		

SMITHSONIAN INSTITUTION

Current authorizations:

SALARIES AND EXPENSES

For all necessary expenses for the preservation, exhibition, and increase of collections from the surveying and exploring expeditions of the Government and from other sources; for the system of international exchanges between the United States and foreign countries; for anthropological researches among the American Indians and the natives of lands under the jurisdiction or protection of the United States, independently or in cooperation with State, educational, and scientific organizations in the United States, and the excavation and preservation of archeological remains; for maintenance of the Astrophysical Observatory and making necessary observations in high altitudes; for the administration of the National Collection of Fine Arts; for the administration, construction, and maintenance of laboratory and other facilities on Barro Colorado Island, Canal Zone, under the provisions of the Act of July 2, 1940, as amended by the provisions of Reorganization Plan Numbered 3 of 1946; for the maintenance and administration of a national air museum as authorized by the Act of August 12, 1946 (20 U.S.C. 77); including not to exceed $35,000 for services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); not to exceed [$62,525] *$87,525* for expenses of travel; purchase, repair, and cleaning of uniforms for guards and elevator conductors; repairs and alterations of buildings and approaches; and preparation of manuscripts, drawings, and illustrations for publications; [$7,718,000] *$7,768,000*. *(5 U.S.C. 1105–1133, 1181–1184, 2091–2098, 2131–2133; 20 U.S.C. 41–79e; 36 U.S.C. 20; 44 U.S.C. 139a; Department of the Interior and Related Agencies Appropriation Act, 1960.)*

Appropriated 1960, **$7,718,000** Estimate 1961, **$7,768,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Management	$102,950	$153,133	$153,133
2. Operation of—			
(a) U.S. National Museum	3,759,582	3,517,014	4,184,480
(b) Bureau of American Ethnology	65,060	66,747	66,747
(c) Astrophysical Observatory	405,243	395,680	395,680
(d) National Collection of Fine Arts	57,232	57,952	57,952
(e) National Air Museum	173,853	166,762	166,762
(f) Canal Zone Biological Area	61,768	54,330	54,330
(g) International Exchange Service	88,434	88,914	88,914
3. General services:			
(a) Buildings Management Service	1,866,715	1,821,615	1,841,783
(b) Other general services	1,020,899	1,117,982	1,177,982
Total program costs [1]	7,601,736	7,440,129	8,187,763
4. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−54,868		−419,763
Obligations incurred for costs of other years (unpaid undelivered orders), net		277,871	
Total program (obligations)	7,546,868	7,718,000	7,768,000
Financing:			
Unobligated balance no longer available	40,932		
Appropriation (new obligational authority)	7,587,800	7,718,000	7,768,000

[1] Includes capital outlay as follows: June 30, 1959, $913,564; 1960, $743,523; 1961, $614,303.

The Smithsonian Institution maintains public exhibits representative of the arts, American history, aeronautics, anthropology, geology, technology, and zoology; preserves for reference and study purposes millions of valuable items of scientific, cultural, and historical interest; conducts research in the natural sciences and in the history of cultures, technology, and the arts; and participates in the international exchange of scientific literature. The Institution operates two museums, two scientific bureaus, two art galleries, the Canal Zone Biological Area, and the International Exchange Service. It is responsible also for the operation and maintenance of five main exhibition buildings, a temporary storage facility (Suitland, Md.), and an exhibits laboratory.

During the budget year, exhibit preparation for the new Museum of History and Technology will be accelerated, three exhibits renovation projects, and three building rehabilitation projects will be completed. Visitors: 1957, 4,841,818; 1958, 5,423,771; 1959, 6,351,402.

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $1,663,180; 1959, $1,608,312; 1960, $1,886,183; 1961, $1,466,420.

Object Classification

	1959 actual	1960 estimate	1961 estimate
SMITHSONIAN INSTITUTION			
Total number of permanent positions	860	958	991
Full-time equivalent of all other positions	27	22	22
Average number of all employees	814	902	920
Number of employees at end of year	911	1,000	1,025
Average GS Grade and salary	6.2 $5,447	6.2 $5,448	6.2 $5,498
Average salary of ungraded positions	$4,009	$4,265	$4,284
01 Personal services:			
Permanent postions	$3,997,737	$4,536,885	$4,661,200
Positions other than permanent	97,635	80,000	80,000
Other personal services	59,058	78,115	60,400
Total personal services	4,154,430	4,695,000	4,801,600
02 Travel	51,613	62,525	87,525
03 Transportation of things	48,666	60,600	60,600
04 Communication services	76,382	75,780	75,780
05 Rents and utility services	191,753	204,470	204,470
06 Printing and reproduction	235,768	251,600	251,600
07 Other contractual services	447,132	380,000	645,000
08 Supplies and materials	411,704	221,950	294,950
09 Equipment	1,011,207	937,099	1,076,967
11 Grants, subsidies, and contributions	232,950	250,900	250,900
13 Refunds, awards, and indemnities	2,778		
15 Taxes and assessments	11,781	13,000	13,000
Total, Smithsonian Institution	6,876,164	7,152,924	7,762,392

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SMITHSONIAN INSTITUTION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
02 Travel	$23	$30	$30
06 Printing and reproduction	2,986	3,000	3,000
07 Other contractual services	143,564	60,970	55,970
08 Supplies and materials	824	1,000	1,000
09 Equipment	102		
10 Lands and structures	578,073	222,205	365,371
Total, General Services Administration	725,572	287,205	425,371
Total costs	7,601,736	7,440,129	8,187,763
Costs financed from obligations of other years, net (−)	−54,868		−419,763
ALLOCATION TO GENERAL SERVICES ADMINISTRATION—continued			
Obligations incurred for costs of other years, net		$277,871	
Total obligations	$7,546,868	7,718,000	$7,768,000

ADDITIONS TO THE NATURAL HISTORY BUILDING

For an additional amount for "Additions to the Natural History Building", including construction, and not to exceed $10,000 for services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), at rates not to exceed $100 per diem for individuals, $13,500,000, to remain available until expended.

Estimate 1961, **$13,500,000**

Program and Financing

	Costs to this appropriation					Analysis of 1961 financing			Appropriation required to complete
	Total estimate	To June 30, 1958	1959 actual	1960 estimate	1961 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1961	
Program by activities:									
1. Planning, design, and supervision	$800,000	$144,479	$216,885	$283,809	$25,000	$154,827	$129,827		
2. Construction	18,810,000				3,479,365		10,020,635	$13,500,000	$5,310,000
Total program costs	19,610,000	144,479	216,885	283,809	3,504,365	154,827	10,150,462	13,500,000	5,310,000
3. Relation of costs to obligations:									
Costs financed from obligations of other years (unpaid undelivered orders) net (−)			−191,819	−244,447					
Obligations incurred for costs of other years (unpaid undelivered orders), net					8,472,203				
Total program (obligations)			25,066	39,362	11,976,568				
Financing:									
Unobligated balance brought forward			−218,986	−193,920	−154,558				
Unobligated balance carried forward			193,920	154,558	1,677,990				
Appropriation (new obligational authority)					13,500,000				

1. *Planning, design, and supervision.*—Planning for the additions has been completed.

2. *Construction.*—The appropriation request will provide for the rehabilitation and modernization of the Natural History Building, and for the construction of the east wing. Funds for construction of the west wing will be sought at a later date.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $436,535; 1959, $244,716; 1960, $269; 1961, $8,472,472.

Object Classification

	1959 actual	1960 estimate	1961 estimate
SMITHSONIAN INSTITUTION			
Average number of all employees		1	2
Number of employees at end of year		2	4
01 Personal services: Positions other than permanent		$2,500	$9,600
02 Travel		1,000	2,000
03 Transportation of things		500	1,000
04 Communication services		900	2,000
SMITHSONIAN INSTITUTION—continued			
07 Other contractual services		$2,000	$4,000
08 Supplies and materials		1,000	1,000
09 Equipment		2,000	5,000
15 Taxes and assessments		100	400
Total, Smithsonian Institution		10,000	25,000
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
06 Printing and reproduction	$96	1,000	17,000
07 Other contractual services	216,789	272,809	78,000
10 Lands and structures			3,384,365
Total, General Services Administration	216,885	273,809	3,479,365
Total costs	216,885	283,809	3,504,365
Costs financed from obligations of other years, net (−)	−191,819	−244,447	
Obligations incurred for costs of other years, net			8,472,203
Total obligations	25,066	39,362	11,976,568

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Museum of History and Technology

Program and Financing

	Costs to this appropriation					Analysis of 1961 financing			Appropriation required to complete
	Total estimate	To June 30, 1958	1959 actual	1960 estimate	1961 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1961	
Program by activities:									
1. Planning, design, and supervision	$2,288,000	$403,609	$94,992	$485,338	$1,245,100	$1,304,061	$58,961		
2. Construction	33,712,000		2,340,401	5,874,830	15,717,258	25,496,769	9,779,511		
Total program costs	36,000,000	403,609	2,435,393	6,360,168	16,962,358	26,800,830	9,838,472		
3. Relation of costs to obligations:									
Costs financed from obligations of other years (unpaid undelivered orders), net (−)			−707,128		−14,237,358				
Obligations incurred for costs of other years (unpaid undelivered orders), net				20,204,832					
Total program (obligations)			1,728,265	26,565,000	2,725,000				
Financing:									
Unobligated balance brought forward			−34,531,797	−32,803,532	−6,238,532				
Unobligated balance carried forward			32,803,532	6,238,532	3,513,532				
Appropriation (new obligational authority)									

1. *Planning, design, and supervision.*—Planning and design of the Museum of History and Technology have been completed.

2. *Construction.*—In this new museum, the Smithsonian Institution will display its renowned national collections typifying the historical and technological progress of the United States. Completion and opening of the building are scheduled for 1962.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $1,064,594; 1959, $357,466; 1960, $20,562,298; 1961, $6,324,940.

Object Classification

	1959 actual	1960 estimate	1961 estimate
SMITHSONIAN INSTITUTION			
Average number of all employees	1	7	8
Number of employees at end of year	4	10	12
01 Personal services: Positions other than permanent	$3,588	$40,000	$50,000
02 Travel	553	4,600	5,000
04 Communication services		200	200
06 Printing and reproduction		1,000	1,000
07 Other contractual services		16,800	39,500
08 Supplies and materials		300	300
09 Equipment		500	2,000
15 Taxes and assessments		1,600	2,000
Total, Smithsonian Institution	4,141	65,000	100,000
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
02 Travel	115	100	100
06 Printing and reproduction	2,338	20,000	2,000
07 Other contractual services	88,398	400,238	103,000
09 Equipment			1,040,000
10 Lands and structures	2,340,401	5,874,830	15,717,258
Total, General Services Administration	2,431,252	6,295,168	16,862,358
Total costs	2,435,393	6,360,168	16,962,358
Costs financed from obligations of other years, net (−)	−707,128		−14,237,358
Obligations incurred for costs of other years, net		20,204,832	
Total obligations	1,728,265	26,565,000	2,725,000

Salaries and Expenses, National Gallery of Art

For the upkeep and operation of the National Gallery of Art, the protection and care of the works of art therein, and administrative expenses incident thereto, as authorized by the Act of March 24, 1937 (50 Stat. 51), as amended by the public resolution of April 13, 1939 (Public Resolution 9, Seventy-sixth Congress), including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); payment in advance when authorized by the treasurer of the Gallery for membership in library, museum, and art associations or societies whose publications or services are available to members only, or to members at a price lower than to the general public; purchase, repair, and cleaning of uniforms for guards and elevator operators and uniforms, or allowances therefor for other employees as authorized by law (5 U.S.C. 2131); purchase or rental of devices and services for protecting buildings and contents thereof, and maintenance and repair of buildings, approaches, and grounds; not to exceed $7,000 for expenses of travel; and not to exceed $15,000 for restoration and repair of works of art for the National Gallery of Art by contracts made, without advertising, with individuals, firms, or organizations at such rates or prices and under such terms and conditions as the Gallery may deem proper; [$1,834,000] *$1,848,000. (20 U.S.C. 71–75; Department of the Interior and Related Agencies Appropriation Act, 1960.)*

Appropriated 1960, **$1,834,000** Estimate 1961, **$1,848,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Management and operation (total program costs)[1]	$1,791,598	$1,849,017	$1,848,000
2. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−9,135	−15,017	
Total program (obligations)	1,782,463	1,834,000	1,848,000
Financing:			
1959 appropriation available in 1958	7,563		
Unobligated balance no longer available	74		
Appropriation (new obligational authority)	1,790,100	1,834,000	1,848,000

[1] Includes capital outlay as follows: June 30, 1959, $15,547; 1960, $22,000; 1961, $5,000.

1. *Management and operation.*—The National Gallery of Art receives, holds, and administers works of art acquired for the Nation by the Gallery's board of trustees; maintains and administers the gallery building so as to give maximum care and protection to art treasures and to enable these works of art to be exhibited regularly to the public without charge. Number of visitors: 1957, 942,196; 1958, 913,481; 1959, 951,608.

2. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$32,638	$30,688	$30,000	$30,000
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	27,259	19,329	5,000	5,000
Total selected resources at end of year	59,897	50,017	35,000	35,000
Selected resources at start of year (−)		−59,897	−50,017	−35,000
Adjustment of selected resources reported at start of year		−745		
Costs financed from obligations of other years, net (−)		−9,135	−15,017	

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SMITHSONIAN INSTITUTION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES, NATIONAL GALLERY OF ART—Con.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	327	327	326
Full-time equivalent of all other positions	6	5	5
Average number of all employees	315	315	316
Number of employees at end of year	314	330	331
Average GS grade and salary	4.8 $4,597	4.9 $4,676	4.9 $4,737
Average salary of ungraded positions	$4,190	$4,395	$4,415
01 Personal services:			
Permanent positions	$1,398,157	$1,431,150	$1,449,050
Positions other than permanent	22,254	16,100	16,100
Other personal services	31,611	36,850	33,250
Total personal services	1,452,022	1,484,100	1,498,400
02 Travel	1,888	7,000	7,000
03 Transportation of things	486	550	550
04 Communication services	12,390	13,450	13,450
05 Rents and utility services:			
Electric current	65,894	76,000	76,000
Steam	36,978	40,000	40,000
06 Printing and reproduction	9,953	7,358	9,200
07 Other contractual services	48,721	61,398	73,900
Services performed by other agencies	810	800	800
08 Supplies and materials	55,257	41,412	32,000
09 Equipment	17,393	8,449	5,200
10 Lands and structures		17,000	
11 Grants, subsidies, and contributions	87,420	88,600	88,600
13 Refunds, awards, and indemnities	580	1,000	1,000
15 Taxes and assessments	1,806	1,900	1,900
Total costs	1,791,598	1,849,017	1,848,000
Costs financed from obligations of other years, net (−)	−9,135	−15,017	
Total obligations	1,782,463	1,834,000	1,848,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS, SMITHSONIAN INSTITUTION

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
River basin archeological studies, Department of the Interior (total obligations)	$173,409	$123,119	$117,800
Financing:			
Unobligated balance brought forward	22,173	10,764	
Advances and reimbursements from other accounts	162,000	112,355	117,800
Unobligated balance carried forward	−10,764		
Total financing	173,409	123,119	117,800

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	19	17	16
Full-time equivalent of all other positions	18	7	7
Average number of all employees	34	22	21
Number of employees at end of year	26	19	18
Average GS grade and salary	6.4 $5,218	6.0 $5,074	6.2 $5,133
01 Personal services:			
Permanent positions	$83,005	$76,516	$72,015
Positions other than permanent	56,091	23,941	24,254
Other personal services	684	1,617	772
Total personal services	139,780	102,074	97,041
02 Travel	12,822	4,000	4,000
03 Transportation of things	66	100	100
04 Communication services	791	600	600
05 Rents and utility services	4,298	4,300	4,300
07 Other contractual services	3,234	2,000	2,000
08 Supplies and materials	5,431	3,000	3,000
09 Equipment	43	1,000	1,000
11 Grants, subsidies, and contributions	5,686	5,452	5,160
15 Taxes and assessments	1,258	593	599
Total obligations	173,409	123,119	117,800

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriation "National Zoological Park," operating expenses District of Columbia.

SUBVERSIVE ACTIVITIES CONTROL BOARD

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Subversive Activities Control Board, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), not to exceed $30,000 for expenses of travel, and not to exceed $500 for the purchase of newspapers and periodicals, [$380,000] *$395,000. (Sec. 12, title I, of the Internal Security Act of 1950, 50 U.S.C. 791, as amended; General Government Matters Appropriation Act, 1960.)*

Appropriated 1960, **$380,000** Estimate 1961, **$395,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Adjudication of cases and legal activities (total costs—obligations)	$324,349	$380,000	$395,000
Financing:			
Unobligated balance no longer available	50,651		
Appropriation (new obligational authority)	375,000	380,000	395,000

Upon petitions being filed, the Board holds formal hearings and determines whether: (*a*) organizations are Communist-action organizations, Communist-front organizations, or Communist-infiltrated organizations; (*b*) individuals are officers or members of a Communist-action organization or officers of a Communist-front organization and required to register as such; (*c*) the registration of particular Communist-action organizations or Communist-front organizations or of particular individuals should be canceled; and (*d*) a particular Communist-infiltrated organization has ceased to be a Communist-infiltrated organization. The Board's determinations involve the consideration of petitions, motions, answers, and evidence adduced at the hearings. In each case the Board issues a report in writing setting forth its rulings and findings as to the facts, and issues an appropriate order.

To date, the Board has heard and is hearing, only cases in which petitions against alleged Communist organizations have been filed by the Attorney General, who is the only person authorized by law to bring such actions. Under the act, proceedings concerning individuals in such organizations must await final determinations by the Board, and also by the appellate courts where an appeal has been taken, that the organizations to which they belong are Communist-action or Communist-front.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	34	37	37
Average number of all employees	31	34	34
Number of employees at end of year	28	36	36
Average GS grade and salary	8.5 $7,138	8.9 $7,397	9.0 $7,475
01 Personal services:			
Permanent positions	$288,665	$316,300	$311,600
Other personal services	700	1,800	2,900
Total personal services	289,365	318,100	314,500
02 Travel	1,260	20,000	30,000
03 Transportation of things	13	300	300
04 Communication services	3,900	4,200	5,000
06 Printing and reproduction	3,427	4,000	4,200
07 Other contractual services	1,388	6,000	12,800
Services performed by other agencies	2,308	3,000	3,000
08 Supplies and materials	2,858	2,600	2,900
09 Equipment	1,053	1,000	1,000
11 Grants, subsidies, and contributions	18,767	20,700	21,200
15 Taxes and assessments	10	100	100
Total obligations	324,349	380,000	395,000

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TARIFF COMMISSION

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Tariff Commission, including subscriptions to newspapers (not to exceed [$200] *$300*), not to exceed [$30,000] *$65,000* for expenses of travel, and [contract stenographic reporting] services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), [$2,135,000] *at rates not to exceed $75 per diem for individuals, $2,455,000*: *Provided*, That no part of this appropriation shall be used to pay the salary of any member of the Tariff Commission who shall hereafter participate in any proceedings under sections 336, 337, and 338 of the Tariff Act of 1930, wherein he or any member of his family has any special, direct, and pecuniary interest, or in which he has acted as attorney or special representative: *Provided further*, That no part of the foregoing appropriation shall be used for making any special study, investigation, or report at the request of any other agency of the executive branch of the Government unless reimbursement is made for the cost thereof. (*Department of Commerce and Related Agencies Appropriation Act, 1960.*)

Appropriated 1960, **$2,135,000** Estimate 1961, **$2,455,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Research, investigations, and reports	$1,659,803	$1,841,000	$2,149,000
2. Executive direction and administration	299,032	294,000	306,000
Total obligations	1,958,835	2,135,000	2,455,000
Financing:			
Unobligated balance no longer available	265		
Appropriation (new obligational authority)	1,959,100	2,135,000	2,455,000

The Commission is charged with determining the impact of U.S. tariff and trade policies on domestic industries and providing information reports and recommendations to the President, Congress, or public on these matters. During the coming year, the Commission plans to resume the conduct of specific studies in the fields of commercial and trade policies with which they are charged under their statutes. A moderate increase in personnel will be required to carry on these activities and related functions.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	241	255	295
Average number of all employees	222	240	270
Number of employees at end of year	231	250	285
Average GS grade and salary	8.8 $7,209	8.9 $7,298	9.0 $7,371
01 Personal services:			
Permanent positions	$1,720,600	$1,871,100	$2,101,700
Other personal services	9,300	16,600	11,000
Total personal services	1,729,900	1,887,700	2,112,700
02 Travel	21,377	30,000	65,000
03 Transportation of things	410	50	2,000
04 Communication services	9,854	11,050	13,000
Penalty mail	7,819	8,500	11,000
06 Printing and reproduction	15,391	12,000	15,000
07 Other contractual services	9,047	10,900	28,100
Services performed by other agencies	3,243	5,060	8,000
08 Supplies and materials	22,754	25,240	30,000
09 Equipment	27,874	23,900	34,000
11 Grants, subsidies, and contributions	111,047	120,400	136,000
15 Taxes and assessments	119	200	200
Total obligations	1,958,835	2,135,000	2,455,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Research, investigations, and reports (total obligations)	$9,281	$9,600	$8,700
Financing:			
Advances and reimbursements from other accounts	9,281	9,600	8,700

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	2	2	2
Average number of all employees	2	2	2
Number of employees at end of year	2	2	2
Average GS grade and salary	5.0 $5,096	5.0 $4,056	5.0 $4,202
01 Personal services:			
Permanent positions	$8,030	$8,230	$7,465
Other personal services	37	70	35
Total personal services	8,067	8,300	7,500
07 Other contractual services	36	30	130
08 Supplies and materials	653	730	580
11 Grants, subsidies, and contributions	525	540	490
Total obligations	9,281	9,600	8,700

TAX COURT OF THE UNITED STATES

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses, including contract stenographic reporting services, [$1,535,000] *$1,583,000*: *Provided*, That travel expenses of the judges shall be paid upon the written certificate of the judge. (*26 U.S.C. 7441–7446, 7447(d), 7453, 7456(a), 7459, 7460, 7461, 7462, 7471, 7472; 50 U.S.C. App. 1191(e); Treasury-Post Office Appropriation Act, 1960.*)

Appropriated 1960, **$1,535,000** Estimate 1961, **$1,583,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Administration and adjudication (total program costs)	$1,498,423	$1,536,500	$1,583,000
2. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−10,159	−1,500	
Total program (obligations)	1,488,264	1,535,000	1,583,000
Financing:			
1959 appropriation available in 1958	5,938		
Unobligated balance no longer available	27,298		
Appropriation (new obligational authority)	1,521,500	1,535,000	1,583,000

The Tax Court hears and decides cases involving income tax deficiencies and claims for refunds of excess profits taxes under the special relief sections of the Internal Revenue Code, and cases involving determinations of excessive profits on contracts renegotiated by the Federal Government.

For 1961, the court proposes a trial program of 160 weeks to be held in approximately 50 cities. This program should result in closing approximately 6,000 cases.

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TAX COURT OF THE UNITED STATES—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

The actual and estimated work volume of the court is presented in the following tabulation:

	1958 actual	1959 actual	Percent [1]	1960 estimate	Percent [1]	1961 estimate	Percent [1]
Filed	6,220	6,744	8.4	6,750	---	6,750	---
Reopened	144	142	−1.4	142	---	142	---
Closed	4,627	5,855	26.5	5,900	0.8	6,000	1.7
Pending at close of year	12,403	13,434	8.3	14,426	7.4	15,318	6.2

[1] Percentage increase or decrease (−) over previous year.

2. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$25,021	$15,800	$14,300	$14,300
Selected resources at start of year (−)		−25,021	−15,800	−14,300
Adjustment of selected resources reported at start of year		−938	---	---
Costs financed from obligations of other years net (−)		−10,159	−1,500	---

Object Classification

	1959 actual		1960 estimate		1961 estimate	
Total number of permanent positions		150		152		152
Average number of all employees		144		145		144
Number of employees at end of year		152		151		151
Average GS grade and salary	7.8	$6,178	8.1	$6,435	8.1	$6,514

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
01 Personal services:			
Permanent positions	$1,140,436	$1,180,350	$1,180,000
Other personal services	107,872	102,550	141,400
Total personal services	1,248,308	1,282,900	1,321,400
02 Travel	46,944	48,500	48,500
03 Transportation of things	1,595	2,000	2,000
04 Communication services	9,507	11,105	11,000
Penalty and registered mail	7,552	5,500	5,500
05 Rents and utility services	7,249	7,500	7,500
06 Printing and reproduction	13,517	17,386	16,000
07 Other contractual services	29,455	41,600	51,100
Services performed by other agencies	8,717	4,500	4,500
08 Supplies and materials	25,940	18,973	19,000
09 Equipment	35,086	31,024	30,000
11 Grants, subsidies, and contributions	64,447	65,012	66,000
15 Taxes and assessments	106	500	500
Total costs	1,498,423	1,536,500	1,583,000
Costs financed from obligations of other years, net (−)	−10,159	−1,500	---
Total obligations	1,488,264	1,535,000	1,583,000

TENNESSEE VALLEY AUTHORITY

Current authorizations:

PAYMENT TO TENNESSEE VALLEY AUTHORITY FUND

For the purpose of carrying out the provisions of the Tennessee Valley Authority Act of 1933, as amended (16 U.S.C., ch. 12A), including hire, maintenance, and operation of aircraft, and purchase (not to exceed two hundred for replacement only) and hire of passenger motor vehicles, [$14,903,850] *$20,520,000*, to remain available until expended. (*Public Works Appropriation Act, 1960.*)

Appropriated 1960, **$14,903,850** Estimate 1961, **$20,520,000**

Public enterprise funds:

TENNESSEE VALLEY AUTHORITY FUND

Program and Financing

	Power proceeds and bonds			Appropriations and nonpower proceeds			Total		
	1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
Program by activities:									
Operating costs:									
1. Navigation, flood control, and power program:									
(a) Navigation operations	---	---	---	$3,185,092	$3,399,000	$3,548,000	$3,185,092	$3,399,000	$3,548,000
(b) Flood control operations	---	---	---	2,910,927	3,024,000	3,039,000	2,910,927	3,024,000	3,039,000
(c) Power operations	$185,333,920	$191,319,000	$205,756,000	---	---	---	185,333,920	191,319,000	205,756,000
(d) Multipurpose reservoir operations not allocated above	---	---	---	298,807	281,000	283,000	298,807	281,000	283,000
(e) Topographic mapping	---	---	---	213,319	213,000	190,000	213,319	213,000	190,000
2. Fertilizer, agricultural, and munitions program:									
(a) Research on fertilizer products and processes	---	---	---	1,806,588	1,842,000	1,941,000	1,806,588	1,842,000	1,941,000
(b) Fertilizer production and distribution	---	---	---	17,505,350	20,261,000	19,843,000	17,505,350	20,261,000	19,843,000
(c) Fertilizer tests and demonstrations	---	---	---	1,939,185	1,971,000	2,363,000	1,939,185	1,971,000	2,363,000
(d) Agricultural development projects	---	---	---	81,685	97,000	107,000	81,685	97,000	107,000
3. Watershed protection and improvement program	---	---	---	1,038,194	1,122,000	1,254,000	1,038,194	1,122,000	1,254,000
4. General service activities:									
(a) Bridge maintenance (23 U.S.C. 320 (a–f))	---	---	---	4,849	8,000	8,000	4,849	8,000	8,000
(b) Reimbursable services:									
Mapping services	---	---	---	1,161,277	1,144,000	1,073,000	1,161,277	1,144,000	1,073,000
Other	---	---	---	1,795,563	2,378,000	3,174,000	1,795,563	2,378,000	3,174,000
Total operating costs	185,333,920	191,319,000	205,756,000	31,940,836	35,740,000	36,823,000	217,274,756	227,059,000	242,579,000
5. Unfunded adjustment to total operating costs:									
Depreciation included above (−)	−44,671,273	−48,285,000	−50,865,000	−3,795,727	−3,840,000	−3,985,000	−48,467,000	−52,125,000	−54,850,000
Property or services transferred in (−) without charge	---	---	---	−3,664	---	---	−3,664	---	---
Total operating costs, funded	140,662,647	143,034,000	154,891,000	28,141,445	31,900,000	32,838,000	168,804,092	174,934,000	187,729,000
6. Relation of costs to obligations:									
(a) Costs financed from obligations of other years, net (−)	−8,980,555	---	−249,000	−1,614,006	---	−1,193,000	−10,594,561	---	−1,442,000
(b) Obligations incurred for costs of other years, net	---	209,000	---	---	3,050,000	---	---	3,259,000	---
Total operating costs (obligations)	131,682,092	143,243,000	154,642,000	26,527,439	34,950,000	31,645,000	158,209,531	178,193,000	186,287,000

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Program and Financing

	Power proceeds and bonds			Appropriations and nonpower proceeds			Total		
	1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
Program by activities:									
Capital outlay:									
1. Navigation, flood control, and power program:									
(a) Multipurpose dam			$3,050,000	$52,979	$212,000	$3,050,000	$52,979	$212,000	$6,100,000
(b) Navigation facilities				8,590,804	3,449,000	5,880,000	8,590,804	3,449,000	5,880,000
(c) Flood control facilities				396,465	197,000	45,000	396,465	197,000	45,000
(d) Power supply facilities	$69,664,654	$94,785,000	141,770,000	2,957,639	2,224,000	1,667,000	72,622,293	97,009,000	143,437,000
(e) Transmission system facilities	22,340,079	30,770,000	31,770,000				22,340,079	30,770,000	31,770,000
(f) Additions and improvements at existing facilities	831,839	2,016,000	1,577,000	488,920	861,000	1,189,000	1,320,759	2,877,000	2,766,000
(g) Investigations for future facilities	271,784	183,000	229,000	−33,030	139,000	136,000	238,754	322,000	365,000
(h) Undistributed reductions based on possible delays and savings			−12,000,000						−12,000,000
2. Fertilizer, agricultural, and munitions program: Chemical facilities				1,010,761	846,000	1,907,000	1,010,761	846,000	1,907,000
4. General service activities: General facilities				947,294	1,848,809	197,000	947,294	1,848,809	197,000
Total capital outlay costs, funded	93,108,356	127,754,000	166,396,000	14,411,832	9,776,809	14,071,000	107,520,188	137,530,809	180,467,000
6. Relation of costs to obligations:									
Costs financed from obligations of other years, net (−)				−1,605,911	−69,000		2,188,974	47,116,000	35,030,000
Obligations incurred for costs of other years, net	3,794,885	47,185,000	34,675,000			355,000			
Total capital outlay (obligations)	96,903,241	174,939,000	201,071,000	12,805,921	9,707,809	14,426,000	109,709,162	184,646,809	215,497,000
Total program (obligations)	228,585,333	318,182,000	355,713,000	39,333,360	44,657,809	46,071,000	267,918,693	362,839,809	401,784,000
Financing:									
Amounts becoming available:									
Appropriations				16,850,000	14,903,850	20,520,000	16,850,000	14,903,850	20,520,000
Authorization to expend from corporate debt receipts		750,000,000						750,000,000	
Revenue and receipts:									
Navigation operations				16,412	15,000	15,000	16,412	15,000	15,000
Power operations	236,163,858	244,916,000	266,343,000				236,163,858	244,916,000	266,343,000
Multipurpose reservoir operations				298,807	281,000	283,000	298,807	281,000	283,000
Fertilizer, agricultural, and munitions development				15,379,274	20,669,000	20,680,000	15,379,274	20,669,000	20,680,000
Watershed protection and improvement				72,981	82,000	86,000	72,981	82,000	86,000
Reimbursable services				2,956,840	3,522,000	4,247,000	2,956,840	3,522,000	4,247,000
Other receipts, net	359,927	892,000	362,000	1,951,472	763,000	722,000	2,311,399	1,655,000	1,084,000
Total amounts becoming available	236,523,785	995,808,000	266,705,000	37,525,786	40,235,850	46,553,000	274,049,571	1,036,043,850	313,258,000
Unobligated balance brought forward:									
Cash	−22,802,559	−14,864,107		12,991,176	9,268,999	4,847,040	−9,811,383	−5,595,108	4,847,040
Authorization to expend from corporate debt receipts			662,761,893						662,761,893
Total amounts available	213,721,226	980,943,893	929,466,893	50,516,962	49,504,849	51,400,040	264,238,188	1,030,448,742	980,866,933
Capital transfers (payments to Treasury):									
Dividend (−)			−39,000,000						−39,000,000
Repayment of Government investment (−)			−10,000,000	−1,914,603		−2,000,000	−1,914,603		−12,000,000
Unobligated balance carried forward:									
Cash	14,864,107			−9,268,999	−4,847,040	−3,329,040	5,595,108	−4,847,040	−3,329,040
Authorization to expend from corporate debt receipts		−662,761,893	−524,753,893					−662,761,893	−524,753,893
Financing applied to program	228,585,333	318,182,000	355,713,000	39,333,360	44,657,809	46,071,000	267,918,693	362,839,809	401,784,000

The Congress created the Tennessee Valley Authority in 1933 for the unified development of a river basin comprising parts of seven States. Engineering works improve and regulate the Tennessee River for navigation, flood control, and the generation of electric power. Fertilizer research and agricultural activities promote conservation and improved use of land and water resources. Forestry activities stress maximum use of forest resources consistent with watershed protection. Watershed development work seeks integrated solution of problems in small tributary areas. All these activities are interrelated. Their common purpose is to help develop the valley's agricultural and industrial potential for the benefit of both the region and the Nation.

Other national interests are directly served. The Tennessee Waterway, a part of the inland waterway system, is an interregional artery for commerce moving to and from ports in 20 States. National defense requirements use over half of TVA's electric power generation. In national emergencies, defense needs have first call on the Muscle Shoals chemical facilities for munitions research and production; in peacetime they serve as the country's only public research center equipped for complete development of fertilizers from laboratory to demonstration scale production.

TVA is a corporation wholly owned by the Federal Government. On August 6, 1959, Public Law 86–137 was approved wherein the Tennessee Valley Authority was authorized to issue and have outstanding at any one time bonds in an amount not exceeding $750 million to assist in financing its power program and to refund such bonds. Its 1961 activities will be financed from three sources: (1) Appropriations by the Congress, (2) proceeds available from current power operations and from borrowings against future power revenue, and (3) proceeds available from nonpower activities.

Budget program—1. *Navigation, flood control, and power program.*—A major objective of the Tennessee Valley Authority Act is development and use of the Tennessee River for the threefold purpose of navigation, flood control, and power. System facilities consist of 26 major dams with hydroelectric generating stations, 10 navigation locks, 12 major fuel-electric generating stations, and a power transmission network of about 11,728 circuit miles.

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TENNESSEE VALLEY AUTHORITY—Continued

Public enterprise funds—Continued

TENNESSEE VALLEY AUTHORITY FUND—Continued

NAVIGATION—SUMMARY OF ESTIMATED OPERATING COSTS

	1959 actual	*1960 estimate*	*1961 estimate*
Receipts	$16,412	$15,000	$15,000
Operating costs:			
Operating expense	241,388	294,000	300,000
Distribution of administrative and general expense	15,452	16,000	16,000
Allocation of multipurpose reservoir operations expense	1,342,093	1,434,000	1,432,000
Provision for depreciation	1,586,159	1,655,000	1,800,000
Total operating costs	3,185,092	3,399,000	3,548,000
Net expense	3,168,680	3,384,000	3,533,000

(*a*) *Navigation operations* of the multipurpose reservoir system maintain the all-year 9-foot channel from the mouth of the river to Knoxville, Tenn., a distance of 650 miles. Traffic on the Tennessee Waterway in calendar year 1958 was 12 million tons and 2.1 billion ton-miles. Transportation savings to shippers on this volume of traffic is estimated at $24 million, the difference between freight charges actually paid and those which would have obtained if the river had not been improved for navigation. About $23 million of these savings applied on freight originating outside the valley or moving from the valley to outside destinations. Engineering work assures that physical facilities are operated, maintained, and modified or improved to meet the needs of modern waterborne commerce. Technical studies appraise the opportunities for use of the waterway and the barriers inhibiting its use. Data supplied to shippers and carriers help solve transportation problems, looking to full utilization of the Federal investment in the navigation channel.

Capital outlay costs for navigation facilities in 1961 are estimated at $5,880,000 and include provision for beginning construction of a new lock at Wheeler Dam, Ala. Scheduled for service in January 1963, it will be a single-lift lock with 110- by 600-foot chamber. Total estimated cost is $16,000,000. The 1961 estimate also provides for completing construction of the lock at Wilson Dam started in 1957 and placed in service in November 1959. An estimate of $20,000 is included in 1961 for preliminary planning and design studies for a new lock at Guntersville Dam, Ala.

FLOOD CONTROL—SUMMARY OF ESTIMATED OPERATING COSTS

	1959 actual	*1960 estimate*	*1961 estimate*
Operating expense	$312,109	$331,000	$347,000
Distribution of administrative and general expense	18,563	20,000	20,000
Allocation of multipurpose reservoir operations expense	1,349,550	1,443,000	1,442,000
Provision for depreciation	1,230,705	1,230,000	1,230,000
Total operating costs	2,910,927	3,024,000	3,039,000

(*b*) *Flood control operations* of the Tennessee River system maintain and use storage space in upstream reservoirs for seasonal retention of excessive runoff and regulate discharges to rates of flow which can be handled safely by downstream channels and reservoirs. Dams on the Tennessee River and its tributaries provide 11,803,000 acre-feet of storage for flood control at the beginning of the flood season. Cities and agricultural lands in the Tennessee Valley are protected and flood crests can be reduced on the lower Ohio and Mississippi Rivers. Since 1936, regulation of the reservoirs for flood control has averted damages of about $120.2 million at Chattanooga, Tenn., and about $20.2 million on the lower Ohio and Mississippi Rivers. As a supplement to operating its reservoir system for flood control, TVA collects and analyzes flood data; studies potential flood control projects and ways to improve operations of the existing system. Technical advice and assistance to State and local agencies encourage them to assume responsibility for solving local urban and rural flood control problems. Of about 100 communities in the valley needing to deal with such conditions, 52 had received technical data as of June 30, 1959. Nine have officially adopted flood-plain regulations and others are planning definite followup action. It is planned to develop and present technical data to 14 additional communities in 1960 and to 12 or more communities in 1961.

POWER—SUMMARY OF ESTIMATED REVENUE AND RECEIPTS AND OPERATING COSTS

	1959 actual	*1960 estimate*	*1961 estimate*
Revenue and receipts:			
Sales of electric energy (outside):			
Federal agencies	$108,159,455	$109,740,000	$111,770,000
Others	125,994,624	131,900,000	151,120,000
Other income	2,009,779	3,276,000	3,453,000
Total revenue and receipts	236,163,858	244,916,000	266,343,000
Operating costs:			
Production and transmission (including allocation from multipurpose reservoir operations)	125,622,114	127,250,000	138,448,000
Payments in lieu of taxes	5,900,391	6,341,000	6,637,000
Other operating expense	11,227,529	11,793,000	12,186,000
Provision for depreciation	44,671,273	48,285,000	50,865,000
Total costs	187,421,307	193,669,000	208,136,000
Less interdivisional sales and rents	2,087,387	2,350,000	2,380,000
Total operating costs	185,333,920	191,319,000	205,756,000
Net income	50,829,938	53,597,000	60,587,000

(*c*) *Power operations* are confined to generation and transmission of power and sale of energy at wholesale to local distribution systems and to a small number of industries and Government agencies requiring large amounts of power. Power is distributed by 150 local public agencies and 2 small privately owned utility companies. Total energy to be supplied to the power system from generating facilities of TVA, the Army on the Cumberland River, and the Aluminum Co. of America on the Little Tennessee River is estimated to be 68.7 billion kilowatt-hours in 1961. This is about 6.1 billion kilowatt-hours greater than the energy supplied to the system in 1959 and about 5.1 billion kilowatt-hours above that estimated to be supplied in 1960. Net income from power operations, after depreciation, for 1961 is estimated to be $60.6 million. This estimated rate of return on the average investment in the power program during the fiscal year is about 3.6%. The estimates assume average streamflow conditions. Better than average streamflows could produce some increase in net income over the estimates; with subnormal streamflows, the net income would be significantly reduced by increases in production expense.

POWER SYSTEM FACILITIES—SUMMARY OF ESTIMATED CAPITAL OUTLAY FROM POWER PROCEEDS AND BONDS

	1961 estimate
Power supply facilities:	
Continuing construction:	
Kingston steam units 1–9	$9,000
Gallatin steam units 3–4	194,000
Johnsonville steam units 7–10	43,000
Widows Creek steam unit 7	5,922,000
Colbert steam unit 5	35,530,000
Paradise steam unit 1	45,390,000
Eastern area steam unit	14,080,000
Wilson hydro units 19–21	8,664,000
Wheeler hydro units 9–11	11,938,000
Beginning construction: Paradise steam unit 2	20,000,000
Total power supply facilities	141,770,000
Multipurpose dam: Melton Hill Dam and Reservoir	3,050,000
Transmission system facilities	31,770,000
Additions and improvements at existing facilities	1,577,000
Investigations for future facilities	229,000
Undistributed reductions based on possible delays and savings	−12,000,000
Total power system facilities	166,396,000

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The 1961 estimates for power supply facilities to be financed from power proceeds and bonds is $141,770,000. Of this estimate, $121,524,000 is for continuing construction of steam generating units at the Widows Creek, Colbert, and Paradise projects and at a plant in the eastern area of the system, together with hydroelectric generating units at Wilson and Wheeler Dams; $178,278,350 from future power revenue and bond proceeds will be required to complete the units started prior to 1961. Provision of $20,000,000 is made for starting construction of a second steam generating unit of 600,000 kilowatt capacity at Paradise. The total cost of this new generating unit is estimated at $82,000,000 of which $62,000,000 will be financed from future power revenue and bond proceeds.

As of December 31, 1959, the installed nameplate capacity of the system was 11,386,710 kilowatts, including Army plants on the Cumberland River and Aluminum Co. of America plants on the Little Tennessee River operated as a part of the TVA system. Completion on schedule of units started prior to 1960 (including those being installed at the Cheatham project by the Army) will bring the system nameplate capacity to 12,072,710 kilowatts by the winter of 1961–62. The estimated dependable capacity of the system at that time of 12,375,000 kilowatts provides a reserve of 10.5% over estimated system demands of 11,200,000 kilowatts to allow for loss of capacity because of breakdown of generating equipment and needs for its maintenance, failure of substation equipment and transmission lines, and drawdown of reservoirs during extremely dry periods. The presently budgeted capacity additions will increase the system dependable capacity to 13,575,000 kilowatts by the end of calendar year 1962 and to about 14,750,000 kilowatts by the end of calendar year 1963. The presently estimated demands are 12,150,000 kilowatts and 13,200,000 kilowatts, leaving reserves of 11.7% in each of the winters of 1962–63 and 1963–64. These reserves are lower than those which are generally considered desirable by the electric utility industry.

Estimated capital outlay costs in 1961 include $3,050,000 from power proceeds and bonds for beginning construction of the Melton Hill Dam and Reservoir on the Clinch River, about 23 miles upstream from its confluence with the Tennessee. The project, having a total estimated cost of $34,000,000, will extend the navigation channel to Clinton, Tenn., and provide rated power generating capacity of 72,000 kilowatts. The cost of the lock, other navigation facilities, and approximately 58% of the multiple-purpose facilities in this project will be financed with appropriated funds. The cost of power facilities and approximately 42% of the multiple-purpose facilities will be financed with TVA power proceeds and bonds. Planning and design work begun in 1959 will be continued in 1960.

(*e*) *Topographic mapping* of the valley serves TVA's planning, construction, and operating needs and meets the standards of the Geological Survey for nationwide map coverage. The scheduled mapping carried on cooperatively with the Survey covers 763 quadrangles (about 46,100 square miles). As of June 30, 1959, a total of 691 quadrangles (about 41,900 square miles) were completed and printed. To continue work on the remaining 72 quadrangles (about 4,200 square miles) and complete them by the end of 1962, operating costs in 1961 are estimated at $190,000.

2. *Fertilizer, agricultural, and munitions program.*—Chemical facilities at Wilson Dam, Ala., are maintained and operated as a national fertilizer development center, but by statute, they must likewise be available for munitions purposes as a part of the national defense program.

(*a*) *Research on fertilizer products and processes* has three phases—fundamental research, applied research, and process engineering in the laboratory and through pilot-plant operation. TVA works cooperatively with the Department of Agriculture and with industry to avoid duplicating efforts. Research results on technological developments and new and improved processes are made available to industry. Knowledge gained in fertilizer research is valuable also in the related field of munitions. A significant project in 1961 will be research on high-temperature techniques for fixation of nitrogen; studies and development work will continue on utilization of superphosphoric acid and better byproduct recovery. Other continuing work relates to liquid fertilizers, new nitrogen compounds, and ammonium polyphosphate.

RESEARCH ON FERTILIZER PRODUCTS AND PROCESSES—SUMMARY OF ESTIMATED OPERATING COSTS

	1959 actual	*1960 estimate*	*1961 estimate*
Receipts	$2,008	$3,000	$5,000
Operating costs:			
Operating expense	1,693,170	1,724,000	1,823,000
Distribution of administrative and general expense	63,809	68,000	68,000
Depreciation on chemical facilities	49,609	50,000	50,000
Total operating costs	1,806,588	1,842,000	1,941,000
Net expense	1,804,580	1,839,000	1,936,000

(*b*) *Fertilizer production and distribution* has these objectives: To demonstrate the technical and commercial feasibility of new or improved processes, thereby encouraging their adoption by industry; to supply materials for test demonstration on practical farms and for widespread educational introduction among farmers; and to supply munitions materials or render other services for national defense. New or improved fertilizers are sold to farmers for educational purposes through cooperative and industry distributors who in turn furnish data to TVA concerning distribution costs and farmer acceptance. Significant aspects of 1961 production plans are increased tonnage of 54% concentrated superphosphate; reduced distribution of calcium metaphosphate and ammonium nitrate; and increased amounts of new materials—ammonium phosphate nitrate, ammonium nitrate sulfate, and liquid fertilizer. Estimated cost of fertilizer production and distribution in 1961 is $19,843,000; income from the sale of fertilizer products and byproducts is estimated at $19,939,000.

FERTILIZER PRODUCTION AND DISTRIBUTION—SUMMARY OF ESTIMATED OPERATINC COSTS

	1959 actual	*1960 estimate*	*1961 estimate*
Receipts	$14,855,083	$20,134,000	$19,939,000
Operating costs:			
Operating expense	16,252,552	19,012,000	18,594,000
Distribution of administrative and general expense	337,784	360,000	360,000
Depreciation on chemical facilities	915,014	889,000	889,000
Total operating costs	17,505,350	20,261,000	19,843,000
Net expense or income (−)	2,650,267	127,000	−96,000

(*c*) *Fertilizer tests and demonstrations* are of three principal types: (1) Laboratory and field plot tests to determine under controlled conditions the relative efficiency of materials; (2) studies and demonstrations aimed at developing more efficient and economical ways of distributing and applying fertilizer; and (3) farm test demonstrations of fertilizer use. Major objectives of the latter are to introduce experimental fertilizers and demonstrate their uses to farmers throughout the Nation and to improve the valley's agriculture, forestry, and watershed-streamflow relationships. In 1961 about 3,662 farms in 32

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TENNESSEE VALLEY AUTHORITY—Continued

Public enterprise funds—Continued

TENNESSEE VALLEY AUTHORITY FUND—Continued

States will participate in the program. Farmer payments for TVA fertilizer used in test demonstrations will total $736,000, averaging about 63% of the plant cost of the material. Agricultural extension services of the land-grant colleges supervise and technically guide farm test demonstration activities with TVA bearing part of the cost. During 1961 cooperating institutions will pay an estimated $1,061,000 of the cost of field planning and supervision; TVA's payment is estimated at $346,000.

FERTILIZER TESTS AND DEMONSTRATIONS—SUMMARY OF ESTIMATED OPERATING COSTS

	1959 actual	*1960 estimate*	*1961 estimate*
Receipts	$522,042	$532,000	$736,000
Operating costs:			
Operating expense	1,877,453	1,904,000	2,296,000
Distribution of administrative and general expense	55,761	61,000	61,000
Depreciation on chemical facilities	5,971	6,000	6,000
Total operating costs	1,939,185	1,971,000	2,363,000
Appropriated funds	1,317,399	1,323,000	1,514,000
Nonpower proceeds	621,786	648,000	849,000
Net expense	1,417,143	1,439,000	1,627,000

Capital outlay costs for chemical facilities are estimated to be $1,907,000 in 1961, providing primarily for beginning construction of a new electric phosphorus furnace to replace two small furnaces that are fully depreciated. Because of age and condition, these two furnaces are inadequate for the needs of fertilizer development and undependable as national defense capacity.

3. *Watershed protection and improvement program.*—TVA is responsible for the protection and improvement of the Tennessee River watershed in relation to proper use, conservation, and development of the region's natural resources. Moreover, this work helps to protect the Federal investment in dam and reservoir projects from sedimentation. Investigations identify problems of watershed protection and improvement under conditions of optimum use. Research helps develop and test corrective measures. Cooperative projects with State and local groups apply these measures to regional and special problems.

WATERSHED PROTECTION AND IMPROVEMENT—SUMMARY OF ESTIMATED OPERATING COSTS

	1959 actual	*1960 estimate*	*1961 estimate*
Receipts	$72,981	$82,000	$86,000
Operating costs:			
Operating expenses	966,402	1,043,000	1,175,000
Distribution of administrative and general expenses	63,970	70,000	70,000
Depreciation on general facilities	7,822	9,000	9,000
Total operating costs	1,038,194	1,122,000	1,254,000
Net expense	965,213	1,040,000	1,168,000

Watershed protection and improvement activities are of two types: tributary watershed projects and forestry projects. Through tributary watershed development projects, TVA assists in finding and demonstrating ways whereby State and local agencies and private groups can assume leadership and responsibility for joint solutions to problems of watershed protection and resource development in small tributary areas. Work planned for 1961 consists of research on the effects of changes in land use on the quality and behavior of water in the streams; continuation of demonstrations in the Chestuee and Beech River watersheds in Tennessee and the Yellow Creek watershed in Mississippi. Another watershed project will be initiated in a valley State to be selected.

Forestry projects aid the States, counties, landowners, and the timber industry in developing full production and use of the valley's forest resource consistent with the needs of watershed protection. Forestry projects include research and demonstrations in forest management and protection, reforestation, and wood utilization. In 1961 TVA will produce 13.8 million seedlings for valleywide reforestation which will be distributed through State agencies to private landowners who pay a part of the production cost.

4. *General service activities.*—Operating costs for this program cover primarily reimbursable services furnished at the request and expense of other agencies.

SUMMARY OF ESTIMATED OPERATING COSTS

	1959 actual	*1960 estimate*	*1961 estimate*
Receipts (reimbursements)	$2,956,840	$3,522,000	$4,247,000
Operating costs:			
Bridge maintenance (23 U.S.C. 320(a)-(f))	4,849	8,000	8,000
Reimbursable services	2,956,840	3,522,000	4,247,000
Total operating costs	2,961,689	3,530,000	4,255,000
Net expense	4,849	8,000	8,000

The 1961 estimate of $1,073,000 for mapping services consists of work performed for the Army, $995,000, the Geological Survey, $65,000, and others $13,000. The major portion of the $3,174,000 estimate for other reimbursable services is for continuing construction of a bridge over Fort Loudoun Dam, for which reimbursement is received from the Bureau of Public Roads and the State of Tennessee. Also included is work for the Department of Defense in connection with keeping the Muscle Shoals phosphate development works in standby status.

Estimated capital outlay of $197,000 for general facilities in 1961 is made up of a budget outlay of $1,642,000, offset by depreciation credits of $1,445,000. It is primarily for replacement of trucks and other heavy mobile equipment used in all program activities.

6. *Relation of costs to obligations.*—The relationships for operating costs and for capital outlay costs are derived by year-end balances of selected resources as reflected in the following tables:

RELATION OF OPERATING COSTS TO OBLIGATIONS

Selected resources at end of year:	*1958 actual*	*1959 actual*	*1960 estimate*	*1961 estimate*
Inventories, financed from power proceeds	$42,915,938	$33,912,898	$34,271,898	$33,996,898
Inventories, financed from appropriations and nonpower proceeds	6,159,598	5,113,613	5,711,613	5,663,613
Unpaid undelivered orders, financed from power proceeds and bonds	1,090,308	1,112,793	962,793	988,793
Unpaid undelivered orders, financed from appropriations and nonpower proceeds	829,121	261,100	2,713,100	1,568,100
Total selected resources at end of year	50,994,965	40,400,404	43,659,404	42,217,404
Selected resources at start of year (−)	−50,994,965	−40,400,404	−43,659,404	
Costs financed from obligations of other years, net (−)		−10,594,561		−1,442,000
Obligations incurred for costs of other years, net			3,259,000	

RELATION OF CAPITAL OUTLAY COSTS TO OBLIGATIONS

Unpaid undelivered orders:	*1958 actual*	*1959 actual*	*1960 estimate*	*1961 estimate*
Financed from power proceeds and bonds	$58,510,718	$62,305,603	$109,490,603	$144,165,603
Financed from appropriations and nonpower proceeds	3,644,034	2,038,123	1,969,123	2,324,123
Total unpaid undelivered orders at end of year	62,154,752	64,343,726	111,459,726	146,489,726
Unpaid undelivered orders at start of year (−)	−62,154,752	−64,343,726	−111,459,726	
Obligations incurred for costs of other years, net		2,188,974	47,116,000	35,030,000

Total program obligations in 1961 are estimated at $401,784,000.

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Estimated capital outlay obligations and costs are detailed by programs in the following tabulation:

CAPITAL OUTLAY

[In thousands]

		Obligations			Estimate to complete		Costs		
	Total estimate	To June 30, 1958 (net)	1959 actual	1960 estimate	1961 estimate	Deduct income, 1959, 1960, 1961	Funds required to complete	1959 actual	1960 estimate	1961 estimate
Financed from power proceeds:										
1. Navigation, flood control, and power program:										
Multipurpose dam: Melton Hill Dam and Reservoir	$20,000	-------	-------	-------	$4,050	----	$15,950	-------	-------	$3,050
Power supply facilities	662,154	$170,743	$72,066	$139,322	173,071	$418	107,370	$69,664	$94,785	141,770
Transmission system facilities			23,645	33,355	34,264	----	--------	22,340	30,770	31,770
Additions and improvements at existing facilities			920	2,079	1,457	----	--------	832	2,016	1,577
Investigations for future facilities			272	183	229	----	--------	272	183	229
Undistributed reductions based on possible delays and savings			-------	--------	−12,000	----	--------	-------	-------	−12,000
Total financed from power proceeds			96,903	174,939	201,071	----	--------	93,108	127,754	166,396
Financed from appropriations and nonpower proceeds:										
1. Navigation, flood control, and power program:										
Multipurpose dam: Melton Hill Dam and Reservoir	14,000	249	55	210	4,050	----	9,436	53	212	3,050
Navigation facilities:										
New locks:										
Wheeler Dam	16,000	--------	-------	210	4,075	----	11,715	-------	212	3,575
Guntersville Dam	16,500	--------	-------	-------	20	----	16,480	-------	-------	20
Wilson Dam	38,000	26,448	6,430	3,908	1,285	71	--------	8,538	3,186	2,285
Other navigation facilities	--------	--------	53	51	--------	----	--------	53	51	-------
Flood control facilities	--------	--------	365	197	45	----	--------	396	197	45
Power supply facilities	666,016	660,004	3,609	1,503	1,217	317	--------	2,958	2,224	1,667
Additions and improvements at existing facilities			601	724	1,194	----	2,275	489	861	1,189
Investigations for future facilities			−31	139	136	----	--------	−33	139	136
2. Fertilizer, agricultural, and munitions program: Chemical facilities			1,032	1,090	2,207	----	910	1,011	846	1,907
3. General service activities: General facilities			692	1,676	197	----	--------	947	1,849	197
Total financed from appropriations and nonpower proceeds			12,806	9,708	14,426	----	--------	14,412	9,777	14,071

Financing.—Amounts estimated to become available in 1961 would be derived from: (1) The requested appropriation of $20,520,000; (2) nonpower revenue and receipts of $26,033,000; and (3) power revenue and receipts of $266,705,000. In addition, the budget program anticipates financing from borrowings (not guaranteed by the Government) of $115,000,000 backed by future power revenue. A summary of the application of appropriations follows:

APPLICATION OF APPROPRIATIONS

[In thousands]

	1959 actual	1960 estimate	1961 estimate
Operations:			
1. Navigation, flood control, and power program:			
Navigation operations	$257	$310	$316
Flood control operations	331	351	367
Topographic mapping	212	212	189
Multipurpose reservoir operations	2,692	2,877	2,874
2. Fertilizer, agricultural, and munitions program:			
Research on fertilizer products and processes	1,757	1,792	1,891
Fertilizer tests and demonstrations	1,311	1,317	1,508
Agricultural development projects	82	97	107
3. Watershed protection and improvements program	1,030	1,113	1,245
4. General service activities: Bridge maintenance (23 U.S.C. 320(a)–(f))	5	8	8
Total for operations	7,677	8,077	8,505
Capital outlay:			
1. Navigation, flood control, and power program:			
Multipurpose dam: Melton Hill Dam and Reservoir	55	210	4,050
Navigation facilities:			
New lock at Wheeler Dam	-------	210	4,075
New lock at Guntersville Dam (planning)	-------	-------	20
Wilson lock	6,374	2,581	136
Flood control facilities	365	197	-------
Additions and improvements at existing facilities	601	724	1,194
Investigations for future projects	53	139	136
2. Fertilizer, agricultural, and munitions program: Chemical facilities	1,033	1,090	2,207
4. General service activities: General facilities	692	1,676	197
Total capital outlay	9,173	6,827	12,015
Total appropriation	16,850	14,904	20,520
Unobligated balance brought forward	8,905	5,292	2,411
Unobligated balance carried forward	−5,292	−2,411	-------
Obligations against appropriated funds	20,463	17,785	22,931

A summary of the power proceeds estimated for 1961, follows:

Power proceeds for year:	
From revenue and receipts	$266,705,000
From borrowings	115,000,000
Total proceeds	381,705,000
Add decrease in power inventories	275,000
Less program requirements for operations and capital outlay	321,287,000
Excess of proceeds over program requirements	60,693,000
Less requirement for payments to Treasury	49,000,000
Excess of proceeds over all requirements	11,693,000

Operating results and financial condition.—Accumulated net income from power operations at the end of 1961 is estimated at $633,426,243, of which $60,587,000 is derived from 1961 operations. The accumulated net expense of nonpower programs at the end of 1961 is estimated at $222,662,382, of which $11,497,000 is from 1961 operations. Only the power program is intended to be self-supporting; the net expense of nonpower programs is covered largely by appropriations from the Treasury. Payments to the Treasury in 1961 are estimated at $51,000,000—$39,000,000 as a dividend (return on the appropriation investment in the power program); $10,000,000 as a reduction in the appropriation investment in the power program; and $2,000,000 of nonpower proceeds.

Total equity of the Government at the end of 1961 is expected to be $2,175,307,393—$1,787,747,145 being invested in power program assets and $387,560,248 in assets of other programs:

	Total	Power program	Other programs
Appropriations by the Congress	$1,996,715,431	$1,368,992,672	$627,722,759
Transfers of property	45,414,540	19,387,249	26,027,291
Subtotal	2,042,129,971	1,388,379,921	653,750,050
Less payments to the Treasury	238,586,439	195,059,019	43,527,420
Net Treasury investment	1,803,543,532	1,193,320,902	610,222,630
Accumulated net income from power operations	594,426,243	594,426,243	-------
Accumulated net expense of other programs	222,662,382	-------	222,662,382
Total equity of the Government	2,175,307,393	1,787,747,145	387,560,248

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TENNESSEE VALLEY AUTHORITY—Continued

Public enterprise funds—Continued

TENNESSEE VALLEY AUTHORITY FUND—Continued

Sources and Application of Funds (Operations)

	Power proceeds and bonds			Appropriations and nonpower proceeds			Total		
	1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):									
Navigation, flood control, and power program:									
Acquisition of assets	$93,108,356	$127,754,000	$166,396,000	$12,453,777	$7,082,000	$11,967,000	$105,562,133	$134,836,000	$178,363,000
Expense	140,662,647	143,034,000	154,891,000	3,790,834	4,031,000	4,029,000	144,453,481	147,065,000	158,920,000
Fertilizer, agricultural, and munitions program:									
Acquisition of assets				1,010,761	846,000	1,907,000	1,010,761	846,000	1,907,000
Expense				20,362,214	23,226,000	23,309,000	20,362,214	23,226,000	23,309,000
Watershed protection and improvement program: Expense				1,030,372	1,113,000	1,245,000	1,030,372	1,113,000	1,245,000
General service activities:									
Acquisition of assets				947,294	1,848,809	197,000	947,294	1,848,809	197,000
Expense				2,961,689	3,530,000	4,255,000	2,961,689	3,530,000	4,255,000
Subtotal	233,771,003	270,788,000	321,287,000	42,556,941	41,676,809	46,909,000	276,327,944	312,464,809	368,196,000
Increase in selected working capital					598,000			598,000	
Total gross expenditures	233,771,003	270,788,000	321,287,000	42,556,941	42,274,809	46,909,000	276,327,944	313,062,809	368,196,000
Receipts from operations (funds provided):									
Revenue and other receipts:									
Navigation, flood control, and power program: Revenue	236,163,858	244,916,000	266,343,000	315,219	296,000	298,000	236,479,077	245,212,000	266,641,000
Fertilizer, agricultural, and munitions program: Revenue				15,379,274	20,669,000	20,680,000	15,379,274	20,669,000	20,680,000
Watershed protection and improvement program: Revenue				72,981	82,000	86,000	72,981	82,000	86,000
General service activities: Reimbursements				2,956,840	3,522,000	4,247,000	2,956,840	3,522,000	4,247,000
Undistributed receipts:									
Sale of retired assets and construction costs recovered	402,227	637,000	422,000	1,905,021	702,000	707,000	2,307,248	1,339,000	1,129,000
Amortization of long-term advance payments by customers (−)	−42,300	−45,000	−60,000				−42,300	−45,000	−60,000
Sale of property transferred from other agencies				330			330		
Other revenue		300,000		46,121	61,000	15,000	46,121	361,000	15,000
Total revenue and other receipts	236,523,785	245,808,000	266,705,000	20,675,786	25,332,000	26,033,000	257,199,571	271,140,000	292,738,000
Donated working capital				3,664			3,664		
Decrease in selected working capital	10,948,254	7,389,836	2,453,000	1,045,985		48,000	11,994,239	7,389,836	2,501,000
Total receipts from operations	247,472,039	253,197,836	269,158,000	21,725,435	25,332,000	26,081,000	269,197,474	278,529,836	295,239,000
Budget expenditures	−13,701,036	17,590,164	52,129,000	20,831,506	16,942,809	20,828,000	7,130,470	34,532,973	72,957,000

Revenue, Expense, and Retained Earnings

	Power program			Nonpower programs			Total		
	1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
POWER PROGRAM									
Power operations:									
Revenue and receipts	$236,163,858	$244,916,000	$266,343,000				$236,163,858	$244,916,000	$266,343,000
Expense	185,333,920	191,319,000	205,756,000				185,333,920	191,319,000	205,756,000
Net income, power operations	50,829,938	53,597,000	60,587,000				50,829,938	53,597,000	60,587,000
Analysis of retained earnings:									
Retained earnings, beginning of year	468,412,305	519,242,243	572,839,243				468,412,305	519,242,243	572,839,243
Dividend (return to Treasury on appropriation investment) (−)			−39,000,000						−39,000,000
Retained earnings, end of year	519,242,243	572,839,243	594,426,243				519,242,243	572,839,243	594,426,243
NONPOWER PROGRAMS									
Navigation operations:									
Revenue				$16,412	$15,000	$15,000	16,412	15,000	15,000
Expense				3,185,092	3,399,000	3,548,000	3,185,092	3,399,000	3,548,000
Net operating expense, navigation operations				−3,168,680	−3,384,000	−3,533,000	−3,168,680	−3,384,000	−3,533,000
Flood control operations: Expense				−2,910,927	−3,024,000	−3,039,000	−2,910,927	−3,024,000	−3,039,000
Multipurpose reservoir operations not allocated above:									
Revenue				298,807	281,000	283,000	298,807	281,000	283,000
Expense				298,807	281,000	283,000	298,807	281,000	283,000
Net operating expense, multipurpose reservoir operations not included above									
Topographic mapping: Expense				−213,319	−213,000	−190,000	−213,319	−213,000	−190,000
Fertilizer, agricultural, and munitions program:									
Revenue				15,379,274	20,669,000	20,680,000	15,379,274	20,669,000	20,680,000
Expense				21,332,808	24,171,000	24,254,000	21,332,808	24,171,000	24,254,000
Net operating expense, fertilizer, agricultural, and munitions program				−5,953,534	−3,502,000	−3,574,000	−5,953,534	−3,502,000	−3,574,000
Watershed protection and improvement program:									
Revenue				72,981	82,000	86,000	72,981	82,000	86,000
Expense				1,038,194	1,122,000	1,254,000	1,038,194	1,122,000	1,254,000
Net operating expense, watershed protection and improvement program				−965,213	−1,040,000	−1,168,000	−965,213	−1,040,000	−1,168,000

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Revenue, Expense, and Retained Earnings—Continued

	Power program			Nonpower programs			Total		
	1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
NONPOWER PROGRAMS—continued									
Other programs:									
Revenue				$46,121	$61,000	$15,000	$46,121	$61,000	$15,000
Expense				4,849	8,000	8,000	4,849	8,000	8,000
Net operating income, other programs				41,272	53,000	7,000	41,272	53,000	7,000
Total net expense, nonpower programs				−13,170,401	−11,110,000	−11,497,000	−13,170,401	−11,110,000	−11,497,000
Analysis of deficit (−) (accumulated net expense of nonpower programs), beginning of year				−186,884,981	−200,055,382	−211,165,382	−186,884,981	−200,055,382	−211,165,382
Deficit (−) (accumulated net expense of nonpower programs), end of year				−200,055,382	−211,165,382	−222,662,382	−200,055,382	−211,165,382	−222,662,382
Retained earnings, or deficit (−) (accumulated net income from power operations, less accumulated net expense of nonpower programs), end of year	$519,242,243	$572,839,243	$594,426,243	−200,055,382	−211,165,382	−222,662,382	319,186,861	361,673,861	371,763,861

Financial Condition

Assets:									
Cash	$62,386,453	$24,796,289	$28,667,289	$11,568,222	$9,529,263	$7,221,263	$73,954,675	$34,325,552	$35,888,552
U.S. securities (at par value)		20,000,000	30,000,000					20,000,000	30,000,000
Current receivables, net	24,144,538	25,000,000	25,000,000				24,144,538	25,000,000	25,000,000
Inventories	33,912,898	34,271,898	33,996,898	5,113,613	5,711,613	5,663,613	39,026,511	39,983,511	39,660,511
Land, structures, and equipment, net	1,636,129,148	1,717,337,148	1,834,410,148	364,401,563	367,260,372	374,675,372	2,000,530,711	2,084,597,520	2,209,085,520
Total assets	1,756,573,037	1,821,405,335	1,952,074,335	381,083,398	382,501,248	387,560,248	2,137,656,435	2,203,906,583	2,339,634,583
Liabilities:									
Current	37,976,702	46,581,000	48,759,000				37,976,702	46,581,000	48,759,000
Deferred credits		255,000	195,000					255,000	195,000
Total liabilities and deferred credits	37,976,702	46,836,000	48,954,000				37,976,702	46,836,000	48,954,000
Contributions in aid of construction	373,190	373,190	373,190				373,190	373,190	373,190
Borrowings from the public			115,000,000						115,000,000
Government investment:									
Power program:									
Non-interest-bearing capital:									
Start of year	1,195,613,281	1,198,980,902	1,201,356,902				1,195,613,281	1,198,980,902	1,201,356,902
Appropriations (allocation)	3,363,326	2,376,000	1,964,000				3,363,326	2,376,000	1,964,000
Transfers of property from other agencies	4,295						4,295		
Payments to Treasury (−)			−10,000,000						−10,000,000
End of year	1,198,980,902	1,201,356,902	1,193,320,902				1,198,980,902	1,201,356,902	1,193,320,902
Retained earnings (accumulated net income from power operations)	519,242,243	572,839,243	594,426,243				519,242,243	572,839,243	594,426,243
Net investment in power program	1,718,223,145	1,774,196,145	1,787,747,145				1,718,223,145	1,774,196,145	1,787,747,145
Nonpower programs:									
Non-interest-bearing capital:									
Start of year				569,487,656	581,138,780	593,666,630	569,487,656	581,138,780	593,666,630
Appropriations (allocation)				13,486,674	12,527,850	18,556,000	13,486,674	12,527,850	18,556,000
Transfers of property from other agencies				79,053			79,053		
Payments to Treasury (−)				−1,914,603		−2,000,000	−1,914,603		−2,000,000
End of year				581,138,780	593,666,630	610,222,630	581,138,780	593,666,630	610,222,630
Deficit (−) accumulated net expense of nonpower programs)				−200,055,382	−211,165,382	−222,662,382	−200,055,382	−211,165,382	−222,662,382
Net investment in nonpower programs				381,083,398	382,501,248	387,560,248	381,083,398	382,501,248	387,560,248
Total Government investment	1,718,223,145	1,774,196,145	1,787,747,145	381,083,398	382,501,248	387,560,248	2,099,306,543	2,156,697,393	2,175,307,393

Status of Certain Fund Balances

[In thousands]

	Power program				Nonpower programs				Total			
	1958 actual	1959 actual	1960 estimate	1961 estimate	1958 actual	1959 actual	1960 estimate	1961 estimate	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:												
Cash with Treasury and U.S. securities	$48,685	$62,386	$44,796	$58,667	$17,465	$11,569	$9,530	$7,222	$66,150	$73,955	$54,326	$65,889
Budget authorization			750,000	635,000							750,000	635,000
Total	48,685	62,386	794,796	693,667	17,465	11,569	9,530	7,222	66,150	73,955	804,326	700,889
Obligated balance, net:												
Current liabilities	44,212	37,977	46,581	48,759					44,212	37,977	46,581	48,759
Unpaid undelivered orders to be paid from:												
Appropriations and nonpower proceeds					4,474	2,300	4,683	3,893	4,474	2,300	4,683	3,893
Power proceeds [1]	59,601	63,418	110,453	145,154					59,601	63,418	110,453	145,154
Current receivables, net (−)	−32,326	−24,145	−25,000	−25,000					−32,326	−24,145	−25,000	−25,000
Total obligated balance	71,487	77,250	132,034	168,913	4,474	2,300	4,683	3,893	75,961	79,550	136,717	172,806
Unobligated balance	−22,802	−14,864	662,762	524,754	12,991	9,269	4,847	3,329	−9,811	−5,595	667,609	528,083

[1] Not included in these figures are commitments for fuel contracts which were $108,886,286 at June 30, 1958; $78,992,292 at June 30, 1959; and which are estimated at $99,992,292 as of June 30, 1960, and $110,992,292 at June 30, 1961.

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TENNESSEE VALLEY AUTHORITY—Continued

Public enterprise funds—Continued

TENNESSEE VALLEY AUTHORITY FUND—Continued

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	11,290	11,364	11,738
Full-time equivalent of all other positions	4,330	3,601	5,369
Average number of all employees	15,018	14,456	16,756
Number of employees at end of year	14,768	15,529	18,391
Average grade and salary, grades established by the Board of Directors	4.6 $6,470	4.7 $6,834	4.7 $6,848
Average salary of ungraded positions	$5,328	$5,564	$5,768
01 Personal services:			
Permanent positions	$63,866,747	$68,496,800	$73,138,200
Positions other than permanent	27,920,203	23,770,400	36,929,500
Other personal services	3,204,900	3,535,800	3,607,300
Excess of annual leave earned over leave taken	531,539		
Total personal services	95,523,389	95,803,000	113,675,000
02 Travel	1,227,681	1,408,000	1,497,000
03 Transportation of things	18,829,879	22,145,000	25,640,000
04 Communication services	798,496	863,000	907,000
05 Rents and utility services	1,985,612	2,070,000	1,560,000
06 Printing and reproduction	49,371	71,000	116,000
07 Other contractual services	6,928,408	7,015,000	6,306,000
Services performed by other agencies	3,551,491	6,220,000	6,481,000
08 Supplies and materials	77,152,707	98,624,809	104,783,000
09 Equipment	46,719,413	64,756,000	88,096,000
10 Lands and structures	1,085,720	1,084,000	1,402,000
11 Grants, subsidies, and contributions	10,724,015	11,405,000	12,045,000
13 Refunds, awards, and indemnities	50,366	27,000	27,000
14 Interest			3,000,000
15 Taxes and assessments	1,648,707	1,930,000	2,338,000
Total accrued expenditures	266,275,255	313,421,809	367,873,000
Increase in unpaid undelivered orders	1,643,438	49,418,000	33,911,000
Total obligations	267,918,693	362,839,809	401,784,000

UNITED STATES INFORMATION AGENCY

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary to enable the United States Information Agency, as authorized by Reorganization Plan [Numbered] *No.* 8 of 1953, and the United States Information and Educational Exchange Act, as amended (22 U.S.C. 1431 et seq.), to carry out international information activities, including employment, without regard to the civil service and classification laws, of (1) persons on a temporary basis (not to exceed $120,000), (2) aliens within the United States, and (3) aliens abroad for service in the United States relating to the translation or narration of colloquial speech in foreign languages (such aliens to be investigated for such employment in accordance with procedures established by the Secretary of State and the Attorney General); travel expenses of aliens employed abroad for service in the United States and their dependents to and from the United States; salaries, expenses, and allowances of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801–1158); entertainment within the United States not to exceed $500; hire of passenger motor vehicles; insurance on official motor vehicles in foreign countries; [purchase of space in publications abroad, without regard to the provisions of law set forth in 44 U.S.C. 322;] services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); payment of tort claims, in the manner authorized in the first paragraph of section 2672, as amended, of title 28 of the United States Code when such claims arise in foreign countries; advance of funds notwithstanding section 3648 of the Revised Statutes, as amended; dues for library membership in organizations which issue publications to members only, or to members at a price lower than to others; employment of aliens, by contract, for service abroad; purchase of ice and drinking water abroad; payment of excise taxes on negotiable instruments abroad; cost of transporting to and from a place of storage and the cost of storing the furniture and household and personal effects of an employee of the Foreign Service who is assigned to a post at which he is unable to use his furniture and effects, under such regulations as the Director may prescribe; actual expenses of preparing and transporting to their former homes the remains of persons, not United States Government employees, who may die away from their homes while participating in activities authorized under this appropriation; radio activities and acquisition and production of motion pictures and visual materials and purchase or rental of technical equipment and facilities therefor, narration, script-writing, translation, and engineering services, by contract or otherwise; maintenance, improvement, and repair of properties used for information activities in foreign countries; fuel and utilities for Government-owned or leased property abroad; rental or lease for periods not exceeding five years of offices, buildings, grounds, and living quarters for officers and employees engaged in informational activities abroad; travel expenses for employees attending official international conferences, without regard to the Standardized Government Travel Regulations and to the rates of per diem allowances in lieu of subsistence expenses under the Travel Expense Act of 1949, but at rates not in excess of comparable allowances approved for such conferences by the Secretary of State; and purchase of objects for presentation to foreign governments, schools, or organizations; [$101,557,300] *$105,800,000,* of which not less than [$14,000,000] *$9,000,000* shall be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States [and of which sum not less than $200,000 shall be available by contracts with one or more private international broadcasting licensees for the purpose of developing and broadcasting under private auspices, but under the general supervision of the United States Information Agency, radio programs to Latin America, Western Europe, Africa, as well as other areas of the free world, which programs shall be designed to cultivate friendship with the peoples of the countries in those areas, and to build improved international understanding to provide for private international broadcasting]: *Provided,* That not to exceed [$90,000] *$135,000* may be used for representation abroad: *Provided further,* That this appropriation shall be available for expenses in connection with travel of personnel outside the continental United States, including travel of dependents and transportation of personal effects, household goods, or automobiles of such personnel, when any part of such travel or transportation begins in the current fiscal year pursuant to travel orders issued in that year, notwithstanding the fact that such travel or transportation may not be completed during the current year: *Provided further,* That funds may be exchanged for payment of expenses in connection with the operation of information establishments abroad without regard to the provisions of section 3651 of the Revised Statutes (31 U.S.C. 543): *Provided further,* That passenger motor vehicles used abroad exclusively for the purposes of this appropriation may be exchanged or sold, pursuant to section 201(c) of the Act of June 30, 1949 (40 U.S.C. 481(c)), and the exchange allowances or proceeds of such sales shall be available for replacement of an equal number of such vehicles and the cost, including the exchange allowance of each such replacement, except buses and station wagons, shall not exceed $1,500: *Provided further,* That, notwithstanding the provisions of section 3679 of the Revised Statutes, as amended (31 U.S.C. 665), the United States Information Agency is authorized in making contracts for the use of international shortwave radio stations and facilities, to agree on behalf of the United States to indemnify the owners and operators of said radio stations and facilities from such funds as may be hereafter appropriated for the purpose against loss or damage on account of injury to persons or property arising from such use of said radio stations and facilities: *Provided further,* That existing appointments and assignments to the Foreign Service Reserve for the purposes of foreign information and educational activities which expire during the current fiscal year may be extended for a period of one year in addition to the period of appointment or assignment otherwise authorized. (*Departments of State and Justice, the Judiciary, and Related Agencies Appropriation Act, 1960.*)

Appropriated 1960, **$101,557,300** Estimate 1961, **$105,800,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Overseas missions	$42,145,547	$42,628,200	$43,943,400
2. Media services:			
(*a*) Press and publications service	9,120,744	8,904,000	9,017,700
(*b*) Motion picture service	5,552,300	5,330,700	5,671,200
(*c*) Information center service	5,311,632	5,229,700	5,794,500
(*d*) Broadcasting service	17,972,147	17,569,500	17,962,800
(*e*) Television service	756,879	988,700	1,796,600
3. Cooperative programs with private organizations	589,062	611,000	612,700
4. Program direction and appraisal	2,617,543	2,678,000	2,764,600
5. Administration and staff support	5,735,259	5,806,500	5,957,900
6. Administrative support	11,782,896	11,811,000	12,278,600
7. 1959 program obligated in 1958	−887,754		
Total obligations	100,696,255	101,557,300	105,800,000

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Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Financing:			
1959 appropriation available in 1958	$887,754		
Advances and reimbursements from non-Federal sources (68 Stat. 566)	−1,582		
Unobligated balance no longer available	91,373		
Appropriation (new obligational authority)	101,673,800	$101,557,300	$105,800,000

The United States Information Agency submits evidence to peoples of other nations by means of communication techniques that the objectives and policies of the United States are in harmony with and will advance their legitimate aspirations for freedom, progress, and peace. The intention is to encourage foreign peoples to take action consistent with U.S. national objectives.

The increase of approximately $4.2 million in operating funds will provide for (*a*) approximately $2.7 million for overseas program expenses plus related media and other support services to meet increased costs in foreign countries and to allow some expansion in programs in foreign countries; (*b*) about $813,000 for expansion of worldwide television, motion pictures, and information center activities; (*c*) $302,000 for costs in connection with new radio facilities and costs of increased program originations by the Voice of America; and (*d*) a net increase of $357,000 for domestic support activities related to the overall program.

1. *Overseas missions.*—The program is conducted through 208 posts in 86 countries and is known abroad as the United States Information Service (USIS). The overseas missions carry out country programs designed to present to local audiences the enduring features of America's traditions, arts, and culture; and to influence local attitudes and actions in support of U.S. foreign policy. These programs are being expanded and strengthened in critical areas, especially in Africa and Latin America. Overseas missions prepare materials using local facilities whenever possible, but also utilize materials provided by the media services in Washington.

2. *Media services.*—These services provide support for overseas country programs. (*a*) *Press and publications service* maintains communications facilities for the transmission of editorial and feature materials for adaptation by overseas missions. It produces two monthly magazines titled "America Illustrated," one for distribution in the Soviet Union and one for distribution in Poland. The service also operates two regional printing centers.

(*b*) *Motion picture service* supplies the missions with films translated into 40 foreign languages. It adapts films for specific country or area use, and provides guidance in the foreign production, use, and distribution of films. The service also supplies the missions with mobile units and equipment for showing motion pictures.

(*c*) *Information center service* supports U.S. operated libraries and reading rooms and binational centers. The service provides all of these with collections of American books and other publications, both in English and in translations, and with English teaching materials. It assists American publishers in distributing selected products overseas and supports the publication of low-priced books for sale abroad. The service also provides exhibits and visual materials to overseas missions for local display and provides books and periodicals for presentation to selected individuals and groups.

(*d*) *Broadcasting service* produces radio broadcasts in 36 foreign languages and in English. Programs originate from the United States and from one overseas location. It operates a total of 78 transmitters at 7 locations in the United States and at 9 overseas locations, with a combined radio frequency power output of over 8 million watts. The service also supplies the overseas missions with recorded radio programs and scripts, and with radio supplies and equipment.

(*e*) *Television service* acquires and produces television programs for placement in outlets overseas. It also provides guidance to the overseas missions in the production and use of television programs.

3. *Cooperative programs with private organizations.*—The United States Information Agency encourages, guides, and coordinates the efforts of private organizations to utilize their resources and initiative in building an information exchange program between the people of the United States and the people of foreign countries.

4. *Program direction and appraisal.*—Agency program planning, direction, and appraisal are accomplished through the Director's office, area assistant directors, planning staff, and research and analysis activities.

5. *Administration and staff support.*—This includes physical and personnel security functions, legal counsel, central administrative services, and emergency planning.

6. *Administrative support.*—Administrative services for the Agency's overseas operations, and certain special support services at headquarters, are obtained through reimbursable arrangements with the Department of State.

Object Classification

		1959 actual		1960 estimate		1961 estimate	
Total number of permanent positions			11,392		11,177		11,165
Full-time equivalent of all other positions			105		88		85
Average number of all employees			10,426		10,446		10,548
Number of employees at end of year			10,747		10,897		11,013
Average GS grade and salary		9.4	$7,406	9.4	$7,510	9.5	$7,539
Average grade and salary established by the Foreign Service Act of 1946 (22 U.S.C. 801-1158):							
Foreign Service reserve officers		2.8	$13,181	2.9	$13,030	2.9	$13,129
Foreign Service staff officers		5.9	$8,336	5.7	$8,489	5.7	$8,542
Average salary of ungraded positions:							
U.S. and possessions			$4,587		$6,828		$7,284
Foreign countries: Local rates			$1,711		$1,781		$1,835
01	Personal services:						
	Permanent positions		$39,472,460		$41,095,490		$42,012,148
	Positions other than permanent		388,540		370,369		384,480
	Other personal services		3,374,932		3,620,542		3,516,210
	Total personal services		43,235,932		45,086,401		45,912,838
02	Travel		4,133,787		3,824,042		3,737,266
03	Transportation of things		3,178,101		2,975,564		2,981,760
04	Communication services		1,772,094		1,689,448		1,708,729
05	Rents and utility services		2,823,482		2,735,977		2,829,355
06	Printing and reproduction		2,394,568		2,399,248		2,370,972
07	Other contractual services		15,078,168		14,754,879		16,652,126
	Services performed by other agencies		13,018,430		13,116,450		13,630,870
08	Supplies and materials		7,002,427		6,822,719		7,083,125
09	Equipment		3,781,428		3,366,204		3,616,702
11	Grants, subsidies, and contributions		5,098,688		4,692,680		5,180,732
13	Refunds, awards, and indemnities		1,678		5,956		6,000
15	Taxes and assessments		65,226		87,732		89,525
1959 program obligated in 1958			−887,754				
Total obligations			100,696,255		101,557,300		105,800,000

Salaries and Expenses (Special Foreign Currency Program)

For purchase of foreign currencies which accrue under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for the purposes authorized by sections 104(i) and 104(j) of that Act, to remain available until expended, $3,493,180, of which not less than $2,011,600 shall be available only to purchase currencies which the Treasury Department shall determine to be excess to normal requirements of the United States: Provided, That

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UNITED STATES INFORMATION AGENCY—Con.

Current authorizations—Continued

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)—Continued

this appropriation shall not be used for the purchase of currencies available in the Treasury for the purposes of section 104(f) unless such currencies are excess to the normal requirements of the United States: Provided further, That the dollar value of the unexpended balances, as of June 30, 1960, of allocations of foreign currencies heretofore made for the purposes of such sections 104(i) and 104(j) is appropriated as of that date and shall be merged with this appropriation.

Appropriated (est.) 1960, **$4,927,446** Estimate 1961, **$3,493,180**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Translation, publication and distribution of books and other publications	$1,402,215	$2,885,786	$2,951,002
2. Assistance to binational centers	1,870,374	2,156,266	1,732,180
Total obligations	3,272,589	5,042,052	4,683,182
Financing:			
Unobligated balance brought forward	−893,857	−1,994,279	−1,896,667
Unobligated balance carried forward	1,994,279	1,896,667	706,665
Adjustment due to change in exchange rates to permit conversion to dollar equivalents	125,565		
Authorization to expend foreign currency receipts (net of proposed appropriation to cover balances as of June 30, 1960)	−4,498,576	−16,994	
New obligational authority		4,927,446	3,493,180
New obligational authority:			
Current indefinite (proposed in appropriation language above)		$4,927,446	
Current definite			$3,493,180
Appropriation		4,927,446	3,493,180

NOTE.—The gross foreign currency authorization in 1960 is $4,944,440. The schedule above covers foreign currency authorizations for 1959 and 1960. The appropriation recommended for 1960 is equal to the unexpended balance of previous foreign currency authorizations as of June 30, 1960. All transactions in 1961 relate to appropriations.

Foreign currencies derived from sales of agricultural commodities under title I of the Agricultural Trade Development and Assistance Act of 1954 (68 Stat. 454) are available to the U.S. Government for certain informational and cultural activities. Programs totaling $10,431,405 are planned for 1960, 1961, and subsequent years for programs under sections 104(i) and 104(j) of the act.

Beginning with 1961, these currencies will be subject to the regular appropriation process when used for programs authorized under these sections. A dollar appropriation of $3,493,180, to remain available until expended, is therefore requested for 1961 for the purchase of such currencies. In addition, it is requested that a dollar appropriation for 1960 be made in an amount sufficient to provide for the purchase of the unexpended balance of currencies as of June 30, 1960, which had previously been made available to the United States Information Agency without appropriation, such appropriation to be merged with the appropriation for 1961 previously mentioned.

Programs to be financed from these appropriations will provide for: (*a*) translating American text books into foreign languages and arranging for their publication and distribution in educational systems abroad; (*b*) a special project in one country which includes a number of publication projects, as well as a text book program; and (*c*) assistance to binational organizations in carrying out programs which serve U.S. interests. Such latter assistance is limited to that necessary to enable these organizations to acquire adequate operational quarters.

The Agency's regular annual appropriation for Salaries and expenses contains approximately $300,000 in dollar support of this program, primarily for purchases of paper, not available from local sources, for a special publication program.

Object Classification

	1959 actual	1960 estimate	1961 estimate
07 Other contractual services	$748,135	$2,885,786	$2,951,002
11 Grants, subsidies, and contributions	2,524,454	2,156,266	1,732,180
Total obligations	3,272,589	5,042,052	4,683,182

Status of Unfunded Allocations

Unfunded balance, start of year	$859,870	$2,717,121	
Allocations	4,498,576	4,944,440	
Unfunded balance expiring or lapsing	−92,174	−2,619,509	
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents	−125,565		
Unfunded balance, end of year	−2,717,121		
Transfers into agency account	2,423,586	5,042,052	

Analysis of Expenditures

Obligated balance, start of year	$220	$2,027,097	
Obligations incurred during year	3,272,589	5,042,052	
Adjustment due to exchange rates to permit conversion to dollar equivalents	−30,511	−29,424	
Obligated balance, end of year	−2,027,097		
Obligated balance transferred to appropriation		−3,030,779	
Expenditures	1,215,201	4,008,946	

ACQUISITION AND CONSTRUCTION OF RADIO FACILITIES

For an additional amount for the purchase, rent, construction, and improvement of facilities for radio transmission and reception, purchase and installation of necessary equipment for radio transmission and reception, without regard to the provisions of the Act of June 30, 1932 (40 U.S.C. 278a), and acquisition of land and interests in land by purchase, lease, rental, or otherwise, [$9,000,000] *$9,200,000*, to remain available until expended: *Provided*, That this appropriation shall be available for acquisition of land outside the continental United States without regard to section 355 of the Revised Statutes (40 U.S.C. 255), and title to any land so acquired shall be approved by the Director of the United States Information Agency. (*Departments of State and Justice, the Judiciary, and Related Agencies Appropriation Act, 1960.*)

Appropriated 1960, **$9,000,000** Estimate 1961, **$9,200,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Acquisition and construction of facilities	$3,818,837	$17,019,392	$4,103,569
2. Maintenance and improvement of existing facilities	1,151,804	1,183,744	514,500
3. Research and development	62,792	211,000	90,000
Total obligations	5,033,433	18,414,136	4,708,069
Financing:			
Unobligated balance brought forward	−4,405,638	−14,122,205	−4,708,069
Unobligated balance carried forward	14,122,205	4,708,069	9,200,000
Appropriation (new obligational authority)	14,750,000	9,000,000	9,200,000

These funds, which remain available until expended, will be used for:

1. *Acquisition and construction of new facilities.*—Completion of most obligations for one major transmitting facility for overseas broadcasting from the east coast is planned for 1960. In addition the construction of one

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new high-powered shortwave broadcasting facility for effective coverage of Africa will be undertaken in Liberia in 1961. The total funds programed for this project include $2,718,919 in 1961 for land acquisition, engineering services, and supplies and equipment and $9,200,000 in subsequent years for the completion of the project.

2. *Maintenance and improvement of existing facilities.*—In 1961, the program of improving existing facilities and replacing obsolete or wornout equipment will be continued at a reduced level compared to 1960.

3. *Research and development.*—Continuing studies will be undertaken of radio propagation techniques and problems and of engineering design of equipment and antenna systems but at a reduced level compared to 1960.

Object Classification

		1959 actual	1960 estimate	1961 estimate
	UNITED STATES INFORMATION AGENCY			
03	Transportation of things	$677		$355,000
05	Rents and utility services			150,000
07	Other contractual services	1,173,716	$15,877,135	1,625,082
08	Supplies and materials	12,357	6,000	4,000
09	Equipment	3,089,988	2,063,550	2,543,987
10	Lands and structures	112,828	17,877	
	Total, United States Information Agency	4,389,566	17,964,562	4,678,069
	ALLOCATION ACCOUNTS			
02	Travel	1,242	1,000	
06	Printing and reproduction	217	500	
07	Other contractual services	26,179	9,000	
09	Equipment	16,229	13,771	
10	Lands and structures	600,000	425,303	30,000
	Total, allocation accounts	643,867	449,574	30,000
	Total obligations	5,033,433	18,414,136	4,708,069
	Obligations are distributed as follows:			
	United States Information Agency	$4,389,566	$17,964,562	$4,678,069
	Army	16,229	102,212	
	General Services Administration	627,638	347,362	30,000

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriations, as follows:
"Educational fund, interest payments of the Government of India," Department of State.
"Educational exchange fund, payments by Finland, World War I debt," Department of State.
"Administration," Ryukyu Islands, Army.

Public enterprise funds:

PAYMENT TO INFORMATIONAL MEDIA GUARANTEE FUND

For payment to the "Informational media guarantee fund", for partial restoration of realized impairment to the capital used in carrying on the authority to make informational media guarantees, as provided in section 1011 of the United States Information and Educational Exchange Act of 1948, as amended (22 U.S.C. 1442), [$2,750,000] *$5,300,000.* (*Departments of State and Justice, the Judiciary, and Related Agencies Appropriation Act, 1960.*)

Appropriated 1960, **$2,750,000** Estimate 1961, **$5,300,000**

INFORMATIONAL MEDIA GUARANTEE FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Far East	$5,338,624	$5,000,000	$5,350,000
Near East and South Asia	1,792,990	1,700,000	1,750,000
Latin America	382,300		
West Europe	689,000	600,000	600,000
East Europe	1,597,434	2,050,000	2,250,000
Subtotal	9,800,348	9,350,000	9,950,000
Interest paid to Treasury	767,764	413,784	1,691,680
Total program (obligations)	10,568,112	9,763,784	11,641,680

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Financing:			
Amounts becoming available:			
Appropriation	$2,500,000	$2,750,000	$5,300,000
Revenue and receipts:			
Dollar proceeds from sale of foreign currency purchased	5,094,976	5,671,733	4,780,727
Dollar proceeds from interest on foreign currency deposits	2,861		
Guarantee fees	131,870	124,667	132,667
Recovery of prior year obligations	1,516,732	1,283,634	1,238,126
Total amounts becoming available	9,246,439	9,830,034	11,451,520
Unobligated balance brought forward (authorization to expend from public debt receipts)	1,815,866	494,193	560,443
Total amounts available	11,062,305	10,324,227	12,011,963
Unobligated balance carried forward (authorization to expend from public debt receipts)	−494,193	−560,443	−370,283
Financing applied to program	10,568,112	9,763,784	11,641,680

This program enables American exporters of books, periodicals, films, and other informational media to sell their materials, through regular commercial channels, in foreign countries having a shortage of U.S. dollar exchange (22 U.S.C. 1442). Under the program, foreign importers make payments to American exporters in foreign currency. The exporters then exchange their foreign currency for U.S. dollars through application to the United States Information Agency, in accordance with the terms of each exporter's informational media guarantee contract.

Program.—An increase in the issuance of guarantees is proposed for 1961 in areas where opportunities now exist for increasing the commercial distribution of American materials and in countries where such opportunities are expected to open up in 1961. The program provides for current financing of accrued interest on outstanding Treasury notes for 3 years (1959, 1960, and 1961) as compared with the 1960 program which provided for financing interest for 1958 only.

Financing.—Since its inception in 1948, the program has been financed primarily from funds received on notes issued to the Treasury Department under a borrowing authorization of $28,000,000. Public Law 85-477, approved June 30, 1958, authorized appropriations to restore realized impairment of this fund. Such restoration is accomplished by applying the appropriation, less the amount required for interest, to the amount outstanding on Treasury notes, which then becomes reissuable to the extent of the amount repaid. In 1960 an appropriation of $2,750,000 was made to pay interest for 1 year and to effect partial restoration of impairment to the fund. In 1961 an appropriation of $5,300,000 is requested, of which $1,300,000 is for additional interest in order that the fund can finance interest on a current basis. The appropriation will cover only in part the total impairment of the fund which results from (*a*) losses due to fluctuations in the exchange rate on currencies owned by the fund and sold by Treasury, (*b*) foreign currencies that cannot be sold to other Government agencies and which are transferred to and held by the Treasury Department. In addition to the appropriation, substantial financing will continue to be provided from proceeds of sales of foreign currency to Government agencies and from fees from exporters operating under the program.

Operating results.—In 1961 contract coverage will continue to be provided for the commercial distribution of informational materials in countries in Eastern Europe, the Near East, and the Far East which limit the free conversion of their currencies into dollars and employ a multiple exchange rate system. Impairment to the fund

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UNITED STATES INFORMATION AGENCY—Con.

Public enterprise funds—Continued

INFORMATIONAL MEDIA GUARANTEE FUND—Continued

will continue to result from the inability of Treasury to sell some of the currencies purchased and from losses on currencies actually sold.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Acquisition of assets: Purchase of foreign currency	$9,978,286	$8,853,454	$8,807,518
Expense: Interest to Treasury	513,608	582,672	595,400
Increase in selected working capital	281,581		500,880
Total gross expenditures	10,773,475	9,436,126	9,903,798
Receipts from operations (funds provided):			
Dollar proceeds from sale of foreign currency	5,094,976	5,671,733	4,780,727
Dollar proceeds from sale of foreign currency realized as interest on bank deposits	2,861		
Revenue: Guarantee fees	131,870	124,667	132,667
Decrease in selected working capital		161,102	
Total receipts from operations	5,229,707	5,957,502	4,913,394
Budget expenditures	5,543,768	3,478,624	4,990,404

Revenue, Expense, and Retained Earnings

Revenue:			
Guarantee fees collected	$131,870	$124,667	$132,667
Dollar proceeds from sale of foreign currency realized as interest on bank deposits	2,861		
Total revenue	134,731	124,667	132,667
Expense:			
Net book value of assets sold	6,770,739	7,121,178	5,290,000
Dollar proceeds from sale of foreign currency purchased (−)	−5,094,976	−5,671,733	−4,780,727
Net loss from sale of foreign currency	1,675,763	1,449,445	509,273
Interest to Treasury	513,608	582,672	595,400
Writeoff of unsalable foreign currency	981,627	2,187,327	2,549,107
Increase in allowance for unsalable foreign currency	1,205,700	361,780	1,039,169
Total expense	4,376,698	4,581,224	4,692,949
Net loss for the year (−)	−4,241,967	−4,456,557	−4,560,282
Analysis of deficit (−):			
Deficit (−), beginning of year	−15,993,830	−17,735,797	−19,442,354
Appropriations for restoration of capital impairment	2,500,000	2,750,000	5,300,000
Deficit (−), end of year	−17,735,797	−19,442,354	−18,702,636

Financial Condition

Assets:			
Cash with Treasury	$29,219	$64,379	$70,255
Foreign currency on deposit with Treasury (at cost)	5,168,253	4,713,202	5,681,613
Allowance for—			
Unrealized losses on foreign currency for sale (−)	−564,669		
Losses on foreign currency to be transferred to Treasury as unavailable for or in excess of requirements of the United States (−)	−2,187,327	−2,549,107	−3,588,276
Net foreign currency	2,416,257	2,164,095	2,093,337
Total assets	2,445,476	2,228,474	2,163,592
Liabilities:			
Current liabilities	7,786		595,400
Interest payable to Treasury, deferred	927,392	1,096,280	
Total liabilities	935,178	1,096,280	595,400

Financial Condition—Continued

	1959 actual	1960 estimate	1961 estimate
Government investment:			
Interest-bearing capital:			
Start of year	$16,800,000	$19,810,764	$20,574,548
Borrowings from Treasury during year, net	3,010,764	763,784	−303,720
End of year	19,810,764	20,574,548	20,270,828
Deficit (−), end of year:			
Realized	−17,735,797	−19,442,354	−18,702,636
Unrealized	−564,669		
Deficit (−), end of year	−18,300,466	−19,442,354	−18,702,636
Total Government investment	1,510,298	1,132,194	1,568,192

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash with Treasury	$62,223	$29,219	$64,379	$70,255
Budget authorization	11,187,610	8,176,846	7,413,062	7,716,782
Total unexpended balance	11,249,833	8,206,065	7,477,441	7,787,037
Obligated balance, net:				
Current liabilities	35,211	7,786		595,400
Contingent liabilities on guarantees outstanding	9,398,756	7,704,086	6,916,998	6,821,354
Total obligated balance	9,433,967	7,711,872	6,916,998	7,416,754
Unobligated balance	1,815,866	494,193	560,443	370,283

Object Classification

		1959 actual	1960 estimate	1961 estimate
14	Interest	$767,764	$413,784	$1,691,680
16	Investments and loans	9,800,348	9,350,000	9,950,000
	Total obligations	10,568,112	9,763,784	11,641,680

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Overseas missions:			
(a) Department of State educational exchange program	$1,990,396	$2,091,000	$2,500,000
(b) Miscellaneous services to other accounts	142,853	172,696	142,377
2. Media services:			
(a) Press and publications service	105,046	75,950	75,950
(b) Motion picture service	132,572	59,360	44,360
(c) Information center service	130,393	148,365	134,250
(d) Broadcasting service	15,411	17,912	17,912
3. Program direction and appraisal	6,700		
4. Administration and staff support	2,809		
5. Administrative support	489,604	489,000	580,000
6. Miscellaneous services to other accounts	189,074	179,700	179,700
7. Acquisition and construction of radio facilities	1,488		
Total obligations	3,206,346	3,233,983	3,674,549
Financing:			
Advances and reimbursements from—			
Other accounts	3,058,476	3,091,440	3,532,006
Non-Federal sources (40 U.S.C. 481)	147,870	142,543	142,543
Total financing	3,206,346	3,233,983	3,674,549

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Object Classification

	1959 actual	1960 estimate	1961 estimate
Average number of all employees	258	262	307
Number of employees end of year	0	0	0
01 Personal services:			
Permanent positions	$1,247,040	$1,284,069	$1,511,136
Other personal services	201,165	217,465	261,887
Total personal services	1,448,205	1,501,534	1,773,023
02 Travel	236,442	255,847	303,540
03 Transportation of things	160,247	167,585	186,585
04 Communication services	8,206	9,229	9,941
05 Rents and utility services	18,114	20,101	21,680
06 Printing and reproduction	36,933	30,547	32,252
07 Other contractual services	328,716	273,387	280,569
Services performed by other agencies	678,678	668,700	759,700
08 Supplies and materials	96,215	98,238	84,036
09 Equipment	125,698	128,915	129,038
10 Lands and structures	6,417		
11 Grants, subsidies, and contributions	62,347	79,900	94,185
15 Taxes and assessments	128		
Total obligations	3,206,346	3,233,983	3,674,549

VETERANS ADMINISTRATION

Current authorizations:

GENERAL OPERATING EXPENSES

For necessary operating expenses of the Veterans Administration, not otherwise provided for, including expenses incidental to securing employment for war veterans; uniforms or allowances therefor, as authorized by law; *reimbursement of the General Services Administration for security guard service;* not to exceed $3,500 for newspapers and periodicals; and not to exceed $67,000 for preparation, shipment, installation, and display of exhibits, photographic displays, moving pictures, and other visual education information and descriptive material, including purchase or rental of equipment; [$163,373,000] *$154,054,000*: *Provided*, That no part of this appropriation shall be used to pay in excess of twenty-two persons engaged in public relations work[: *Provided further*, That no part of this appropriation shall be used to pay educational institutions for reports and certifications of attendance at such institutions an allowance at a rate in excess of $1 per month for each eligible veteran enrolled in and attending such institution]. *(5 U.S.C. 43, 46–46e, 50, 54, 55a–56, 58–59a, 70a–79b, 73b–73c, 75a–75a–1, 78, 78a–1, 84–84c, 118j–1, 118p, 118q, 140, 150, 835–840, 842, 851–869, 901–926, 943–945, 948–957, 1071–1075, 1081–1083, 1091–1094, 1101–1106, 1111–1115, 1121, 1123–1125, 1131–1133, 2061–2066, 2091–2092, 2094, 2121–2123, 2131–2133, 2203(a)(7), 2204(24), 2254, 2301–2319; 6 U.S.C. 14; 24 U.S.C. 30; 28 U.S.C. 1823; 31 U.S.C. 686; 38 U.S.C. 111, chs. 3, 33 (sec. 1665b), 55, 57, 59, 71; 41 U.S.C. 5; 72 Stat. 1262; 73 Stat. 708–717; Independent Offices Appropriation Act, 1960.)*

Appropriation 1960, **$163,373,000** Estimated 1961, **$154,054,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs:			
1. General administration	$12,105,917	$12,826,271	$12,888,735
2. Insurance:			
(a) Program planning and direction	2,554,270	2,686,797	2,735,007
(b) Field operations:			
(1) Executive administration	220,890	147,269	153,000
(2) Insurance operations	17,595,197	18,988,829	17,479,516
(3) Office services	3,801,519	3,826,464	3,956,926
3. Veterans benefits:			
(a) Program planning and direction	5,636,232	5,581,612	5,603,166
(b) Field operations:			
(1) Executive administration	2,898,132	2,990,395	3,438,566
(2) Contact	10,160,535	9,632,060	9,275,438
(3) Compensation and pensions	26,052,489	27,028,086	28,474,046
(4) Vocational rehabilitation and education	23,032,032	19,478,255	15,687,625
(5) Loan guarantee	16,635,860	16,963,300	13,656,095
(6) Guardianship	10,635,266	10,911,304	12,241,617
(7) Office services	31,823,530	30,565,588	27,391,947
Total operating costs	163,151,869	161,626,230	152,981,684

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
Capital outlay:			
1. General administration	$159,337	$568,729	$101,265
2. Insurance	364,631	216,641	184,551
3. Veterans benefits	798,486	1,066,400	786,500
Total capital outlay	1,322,454	1,851,770	1,072,316
Total program costs	164,474,323	163,478,000	154,054,000
4. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−1,388,645	−105,000	
Total program (obligations)	163,085,678	163,373,000	154,054,000
Financing:			
1959 appropriation available in 1958	1,104,000		
Unobligated balance no longer available	490,322		
Appropriation (new obligational authority)	164,680,000	163,373,000	154,054,000

This appropriation provides for all administrative expenses of the agency with the exception of those applicable to the Department of Medicine and Surgery.

A decrease of $9,319,000 in appropriation requirements is forecast for 1961. This decrease is attributed primarily to savings expected from planned expansion of automatic data processing systems and to declining workloads in the vocational rehabilitation and education program and the loan guarantee program.

Supplemental appropriation requirements of $2,817,000 resulting from recent pension legislation (72 Stat. 1134) are anticipated under Proposed for later transmission. Additional requirements of $3,052,000 are expected to result from this legislation, but it is planned to absorb $235,000 of this amount from the available appropriation.

1. *General administration.*—The Administrator and his top staff assistants provide the executive direction of the agency, establish basic policies, interpret laws pertaining to veterans' affairs and promulgate supplementary regulations, and direct and coordinate the activities of the operating departments. The Board of Veterans Appeals, established by statutory enactment, renders appellate decisions final in all cases other than insurance cases, in appeals to the Administrator on claims involving benefits under laws administered by the Veterans Administration.

2. *Insurance.*—Approximately 6 million veterans are insured under the U.S. Government or national service life insurance programs. Obligational requirements for the administration of these programs have been reduced from approximately $41.5 million in 1953 to an estimated $24.5 million in 1961. These reductions, accompanied by only slight decreases in the number of policies maintained, have been made possible through consolidation of activities and improved operating methods and procedures.

AVERAGE NUMBER OF POLICIES IN FORCE

	1959 actual	*1960 estimate*	*1961 estimate*
U.S. Government life insurance	346,000	328,000	311,000
National service life insurance	6,093,000	6,020,000	5,905,000

3. *Veterans benefits.*—Veterans and dependents claims for compensation, pensions, or other benefits are adjudicated, and guardianship and fiduciary service is furnished helpless or incompetent veterans and minor dependents, as indicated by the following workloads:

	1959 actual	*1960 estimate*	*1961 estimate*
Rating actions (disability)	1,051,460	1,145,000	1,141,000
Authorization actions (disability)	776,607	1,205,000	1,026,000
Rating actions (death)	112,420	117,000	122,000
Authorization actions (death)	638,034	1,095,000	896,000
Cases involving guardianship or fiduciary relationship	380,843	390,000	532,000
Field examinations	163,127	200,000	225,000

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VETERANS ADMINISTRATION—Continued

Current authorizations—Continued

GENERAL OPERATING EXPENSES—Continued

Eligibility of trainees for vocational rehabilitation and education or educational assistance is determined, guidance is furnished to trainees, and contracts are made with training institutions for tuition and other charges. Trainees (average number) are expected as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
World War II veterans	105	------	------
Korean conflict veterans	424,890	325,000	225,000
War orphans	4,486	8,000	10,500
Vocational rehabilitation trainees	11,439	10,000	7,400

Loan guarantee operations include issuance of certificates of loan guarantee or insurance, servicing of loans reported in default, payment of claims of lenders on defaulted loans, acquisition, management, and disposal of property when necessary to protect the Government's interest, making of direct loans to veterans in certain areas, and, providing assistance to specified paraplegic veterans in acquiring specially adapted housing. Key workload forecasts are as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Guaranteed or insured loans closed	206,810	203,600	165,000
Direct loans closed and fully disbursed	18,996	31,900	9,400
Defaults processed	91,578	82,491	82,520
Claims paid	10,881	8,800	9,000
Loan and property acquisitions	10,619	8,650	8,900
Housing grants	346	430	430

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$500,593	$202,908	$97,999	$97,999
Advances (payments for goods and services on order not yet received)	1,105,530	91	---------	---------
Total selected resources at end of year	1,606,123	202,999	97,999	97,999
Selected resources at start of year (−)	----------	−1,606,123	−202,999	−97,999
Adjustment of selected resources reported at start of year	----------	14,479	---------	---------
Costs financed from obligations of other years, net (−)	----------	−1,388,645	−105,000	---------

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	25,553	24,264	24,166
Full-time equivalent of all other positions	15	15	15
Average number of all employees	24,120	23,073	21,657
Number of employees at end of year	23,773	22,966	19,810
Average GS grade and salary	5.8 $5,408	5.9 $5,513	5.9 $5,511
01 Personal services.			
Permanent positions	$129,878,445	$127,277,089	$120,585,064
Positions other than permanent	77,972	75,000	75,000
Other personal services	1,692,136	2,462,986	1,590,851
Total personal services	131,648,553	129,815,075	122,250,915
02 Travel:			
Employee	2,712,227	2,831,851	3,029,400
Beneficiary	256,642	250,000	240,000
03 Transportation of things	324,132	485,268	315,857
04 Communication services	3,101,200	3,276,233	3,453,928
05 Rents and utility services	2,420,292	3,495,133	3,719,899
06 Printing and reproduction	1,947,347	1,997,005	1,981,116
07 Other contractual services	8,448,348	7,163,925	6,643,232
08 Supplies and materials	1,873,966	1,937,096	1,854,962
09 Equipment	1,028,519	1,844,879	1,072,316
11 Grants, subsidies, and contributions	10,374,681	10,311,934	9,426,998
13 Refunds, awards, and indemnities	303,776	40,000	40,000
15 Taxes and assessments	34,640	29,601	25,377
Total costs	164,474,323	163,478,000	154,054,000
Costs financed from obligations of other years, net (−)	−1,388,645	−105,000	----------
Total obligations	163,085,678	163,373,000	154,054,000

MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

For expenses necessary for administration of the medical, hospital, domiciliary, special service, construction and supply, research, and employee education and training activities; expenses necessary for carrying out programs of medical research, as authorized by law; [not to exceed $1,136,600 for expenses of travel of employees paid from this appropriation, and those engaged in training programs;] and not to exceed $2,700 for newspapers and periodicals; [$29,349,000] *$28,469,000,* of which [$17,344,000] *$15,400,000* shall be available for medical research: *Provided,* That $1,000,000 of the foregoing appropriations shall remain available until expended for prosthetic testing and development. *(5 U.S.C. 43, 46–46e, 50, 55a, 58–59a, 70a–70b, 73b–73c, 75a–75a–1, 84–84c, 118j–1, 118p, 118q, 140, 150, 835–840, 842, 901–926, 943–945, 948–957, 2091–2092, 2094, 2121–2123, 2254, 2301–2319; 24 U.S.C. 30; 31 U.S.C. 686; 38 U.S.C. 109(a), 111, 213, 216, 230, 233, 234, 903, 1506, chaps. 17, 73, 81, 83, 85; 72 Stat. 1262; 73 Stat. 708–717; Independent Offices Appropriation Act, 1960.)*

Appropriated 1960, **$29,349,000** Estimate 1961, **$28,469,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs:			
1. Medical, hospital, and domiciliary administration	$7,735,284	$8,146,500	$8,885,300
2. Administration of the construction program	1,262,535	1,463,700	1,604,600
3. Medical research	11,902,664	14,279,700	14,353,300
4. Prosthetic testing and development	970,777	1,053,937	985,000
5. Medical education and training	1,194,443	1,259,000	1,404,000
Total operating costs	23,065,703	26,202,837	27,232,200
Capital outlay:			
1. Medical, hospital, and domiciliary administration	56,010	58,300	61,700
2. Administration of the construction program	5,121	5,500	17,400
3. Medical research	3,092,140	3,064,300	1,046,700
4. Prosthetic testing and development	4,286	12,500	15,000
5. Medical education and training	99,993	72,000	96,000
Total capital outlay	3,257,550	3,212,600	1,236,800
Total program costs	26,323,253	29,415,437	28,469,000
6. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−149,212	----------	----------
Total program (obligations)	26,174,041	29,415,437	28,469,000
Financing:			
1959 appropriation available in 1958	350,000	----------	----------
Unobligated balance brought forward	−23,424	−66,437	----------
Unobligated balance carried forward	66,437	----------	----------
Unobligated balance no longer available	159,246	----------	----------
Appropriation (new obligational authority)	26,726,300	29,349,000	28,469,000

1. *Medical, hospital, and domiciliary administration.*—This covers the development, implementation, and administration of policies, plans, and broad program objectives.

2. *Administration of the construction program.*—This includes the general supervision over the design, construction, and operation of buildings, real property management, and accident and fire protection.

3. *Medical research.*—Medical research projects are conducted in Veterans Administration laboratories or in universities or other institutions on a contract basis, whichever is more advantageous or economical.

4. *Prosthetic testing and development.*—This is a testing and development program for prosthetic, orthopedic, and sensory aids for the purpose of improving the care and rehabilitation of disabled eligible veterans, including amputees, paraplegics, and the blind.

5. *Medical education and training.*—This covers (*a*) residency and internship training, (*b*) postgraduate and inservice training, and (*c*) medical illustration.

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6. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$146,547	$327,655	$327,663	$327,663
Advances (payments for goods and services on order not yet received)	350,000	8		
Total selected resources at end of year	496,547	327,663	327,663	327,663
Selected resources at start of year (−)		−496,547	−327,663	−327,663
Adjustment of selected resources reported at start of year		19,672		
Costs financed from obligations of other years, net (−)		−149,212		

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	2,606	3,002	3,139
Full-time equivalent of all other positions	76	99	105
Average number of all employees	2,506	2,894	3,020
Number of employees at end of year	3,403	3,793	3,931
Average GS grade and salary	7.5 $6,213	7.5 $6,156	7.5 $6,187
Average salary of ungraded positions	$8,325	$8,293	$8,410
01 Personal services:			
Permanent positions	$15,839,500	$18,149,457	$19,059,228
Positions other than permanent	569,109	689,200	723,400
Other personal services	125,963	208,543	151,272
Total personal services	16,534,572	19,047,200	19,933,900
02 Travel:			
Employee	1,071,680	1,137,700	1,321,600
Beneficiary	508	500	600
03 Transportation of things	67,300	69,000	85,500
04 Communication services	102,877	107,600	117,500
05 Rents and utility services	68,835	74,200	76,300
06 Printing and reproduction	191,602	241,800	241,800
07 Other contractual services	2,097,481	2,076,337	2,273,100
08 Supplies and materials	1,916,051	2,302,700	1,985,000
09 Equipment	3,257,550	3,212,600	1,236,800
11 Grants, subsidies, and contributions	979,685	1,125,500	1,172,800
13 Refunds, awards, and indemnities	16,811		
15 Taxes and assessments	18,301	20,300	24,100
Total costs	26,323,253	29,415,437	28,469,000
Costs financed from obligations of other years, net (−)	−149,212		
Total obligations	26,174,041	29,415,437	28,469,000

Inpatient Care

For expenses necessary for the maintenance and operation of hospitals and domiciliary facilities and for the care and treatment of beneficiaries of the Veterans Administration in facilities not under the jurisdiction of the Veterans Administration as authorized by law, including the furnishing of recreational articles and facilities; maintenance and operation of farms; repairing, altering, improving or providing facilities in the several hospitals and homes under the jurisdiction of the Veterans Administration, not otherwise provided for, either by contract, or by the hire of temporary employees and purchase of materials; purchase of [fifty-two] *ninety-four* passenger motor vehicles for replacement only; uniforms or allowances therefor as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131); and aid to State or Territorial homes as authorized by section 641 of title 38, United States Code, for the support of veterans eligible for admission to Veterans Administration facilities for hospital or domiciliary care; [$792,079,000] *$817,021,000,* plus reimbursements: *Provided,* [That $8,400,000 of such sum shall be for deferred maintenance: *Provided further,*] That allotments and transfers may be made from this appropriation to the Department of Health, Education, and Welfare (Public Health Service), the Army, Navy, and Air Force Departments, for disbursement by them under the various headings of their applicable appropriations, of such amounts as are necessary for the care and treatment of beneficiaries of the Veterans Administration: *Provided further,* That the foregoing appropriation is predicated on furnishing inpatient care and treatment to an average of [140,846] *141,250* beneficiaries during the fiscal year [1960] *1961* including members in State or Territorial homes, and if a lesser number is experienced such appropriation shall be expended only in proportion to the average number of beneficiaries furnished such care and treatment. (*5 U.S.C. 43, 46a–46e, 50, 58–59a, 73b–73c, 75a–75a–1, 78, 78a–1, 84–84c, 118j–1, 118p, 118q, 150, 835–840, 842, 901–926, 943–945, 948–957, 2091–2092, 2094, 2121–2123, 2131–2133, 2254, 2301–2319; 38 U.S.C. 109(a), 111, 216, 233, 234, 903, 1506, chaps. 17, 73, 81, 85; 72 Stat. 1262; 41 U.S.C. 5; 73 Stat. 708–717; Independent Offices Appropriation Act, 1960.*)

Appropriated 1960, **$792,079,000** Estimate 1961, **$817,021,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs:			
1. Maintenance and operation of hospitals:			
(*a*) Neuropsychiatric hospitals	$224,609,527	$231,117,000	$241,900,500
(*b*) Tuberculosis hospitals	49,658,254	39,277,000	40,067,000
(*c*) General medical hospitals	437,194,438	464,087,000	476,148,000
2. Contract hospitalization:			
(*a*) Civil hospitals	5,156,426	4,809,000	4,798,000
(*b*) Municipal and State hospitals	2,504,582	2,242,000	2,236,000
(*c*) Federal hospitals	6,946,021	8,226,000	8,201,000
3. Maintenance and operation of domiciliary facilities:			
(*a*) Operation of Veterans Administration homes	26,698,200	27,141,000	28,400,000
(*b*) State homes	6,244,063	6,480,000	6,513,000
Total operating costs	759,011,511	783,379,000	808,263,500
Capital outlay:			
1. Maintenance and operation of hospitals:			
(*a*) Neuropsychiatric hospitals	2,168,613	2,241,000	2,298,500
(*b*) Tuberculosis hospitals	815,556	510,000	510,000
(*c*) General medical hospitals	4,815,318	5,521,000	5,521,000
3. Maintenance and operation of Veterans Administration domiciliary homes	456,759	428,000	428,000
Total capital outlay	8,256,246	8,700,000	8,757,500
Reimbursable costs:			
1. Maintenance and operation of hospitals: (*c*) General medical hospitals	4,156,804	4,000,000	4,000,000
Total program costs	771,424,561	796,079,000	821,021,000
4. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−10,623,799		
Total program (obligations)	760,800,762	796,079,000	821,021,000
Financing:			
1959 appropriation available in 1958	11,500,000		
Advances and reimbursements from—			
Other accounts	−2,956,111	−3,000,000	−3,000,000
Non-Federal sources (73 Stat. 513)	−1,200,693	−1,000,000	−1,000,000
Unobligated balance no longer available	1,174,042		
Appropriation (new obligational authority)	769,318,000	792,079,000	817,021,000

This appropriation provides for the cost of care and treatment of beneficiaries at Veterans Administration hospitals and domiciliaries, contract hospitals, and State homes. To be eligible for such care and treatment a beneficiary must be a veteran of any war with a service-connected disability incurred or aggravated during a period of war, or within the limits of Veterans Administration facilities, for any other disability if the veteran is unable to defray the expenses of necessary hospital or domiciliary care.

Increases in 1961 are the result of: (*a*) an increase of 404 patients in hospitals and 150 members in domiciliary homes, (*b*) activation of the new 1,000-bed neuropsychiatric hospital at Palo Alto, Calif., (*c*) wage increases for employees whose salaries are determined in accordance with prevailing rates, (*d*) transfer of charges for supply services from the General operating expenses appropriation, (*e*) an increase in staffing levels for improved physical facilities, to sustain quality medical care and to provide motivation toward resocialization and return of domiciliary members to their communities, (*f*) annual average salary increases resulting from periodic pay increases and reclassification actions, and (*g*) the costs of employee health benefits provided by Public Law 86–382. The average employment listed below excludes the employment equivalents for terminal leave payments.

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VETERANS ADMINISTRATION—Continued

Current authorizations—Continued

INPATIENT CARE—Continued

1. *Maintenance and operation of hospitals.*—This covers the operation of 171 Veterans Administration hospitals. The estimated costs for 1961 exceed 1960 by $23,692,000.

VETERANS ADMINISTRATION HOSPITALS

	1959 actual	*1960 estimate*	*1961 estimate*
Neuropsychiatric hospitals:			
Average number of operating beds	55,364	55,205	55,932
Average daily patient load	52,424	52,318	52,625
Average employment, net (including consultants)	37,445	37,938	38,931
Employment per 100 patients	71.4	72.5	74.0
Tuberculosis hospitals:			
Average number of operating beds	7,213	5,574	5,554
Average daily patient load	6,406	4,955	4,826
Average employment, net (including consultants)	7,963	6,184	6,191
Employment per 100 patients	124.3	124.8	128.3
General medical and surgical hospitals:			
Average number of operating beds	57,912	59,844	59,970
Average daily patient load	52,220	54,073	54,149
Average employment, net (including consultants)	69,218	72,408	72,910
Employment per 100 patients	132.6	133.9	134.6
Total, Veterans Administration hospitals:			
Average number of operating beds	120,489	120,623	121,456
Average daily patient load	111,050	111,346	111,600
Average employment, net (including consultants)	114,626	116,530	118,032
Employment per 100 patients	103.2	104.7	105.8

2. *Contract hospitalization.*—This covers the hospitalization in other Federal hospitals for service- and non-service-connected disabilities where Veterans Administration facilities are not available. It also covers the use of non-Federal hospitals which are limited to treatment of service-connected disabilities, except that female veterans, veterans in training under the provisions of 38 U.S.C. 1506, and veterans in U.S. possessions and the Republic of the Philippines may also receive treatment of non-service-connected disabilities. The net decrease in the estimated costs over 1960 of approximately $42,000 is due to the 1 less calendar day in 1961.

AVERAGE DAILY PATIENT LOAD

	1959 actual	*1960 estimate*	*1961 estimate*
Civil hospitals	1,045	989	989
Municipal and State hospitals	757	654	654
Other Federal hospitals	1,251	1,407	1,407
Total	3,053	3,050	3,050

3. *Maintenance and operation of domiciliary facilities.*—This covers the cost of domiciliary care of veterans in 18 Veterans Administration facilities and in 33 State institutions. The increase in the estimated costs over 1960 is $1,292,000.

DOMICILIARIES

	1959 actual	*1960 estimate*	*1961 estimate*
Average number of operating beds	17,454	17,448	17,387
Average daily member load:			
Veterans Administration domiciliaries	16,387	16,430	16,430
Veterans Administration hospitals	455	320	420
State homes	9,678	9,700	9,750
Average employment (net, including consultants)	3,866	3,940	4,120
Employment per 100 members in Veterans Administration domiciliaries	23.6	24.0	25.1

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Inventories and items on order:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$869,366	$1,642,093	$1,642,093	$1,642,093
Advances (payments for goods and services on order not yet received)	11,500,000			
Total selected resources at end of year	12,369,366	1,642,093	1,642,093	1,642,093
Selected resources at start of year (−)		−12,369,366	−1,642,093	−1,642,093
Adjustment of selected resources reported at start of year		103,474		
Costs financed from obligations of other years, net (−)		−10,623,799		

A supplemental appropriation for 1960 is anticipated under Proposed for later transmission.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	115,331	116,698	118,476
Full-time equivalent of all other positions	5,455	5,500	5,520
Average number of all employees	119,460	121,474	123,211
Number of employees at end of year	133,808	136,004	137,904
Average GS grade and salary	4.3 $4,402	4.3 $4,422	4.3 $4,465
Average salary of ungraded positions	$5,086	$5,257	$5,370
Personal service obligations:			
Permanent positions	$533,347,274	$548,536,000	$567,663,000
Positions other than permanent	31,243,165	31,658,000	31,638,000
Other personal services	15,116,294	17,504,000	15,461,000
Total personal service obligations	579,706,733	597,698,000	614,762,000
Direct costs:			
01 Personal services	576,522,151	594,634,000	611,710,000
02 Travel:			
Employee	386,983	400,000	450,000
Beneficiary	2,333,243	2,363,000	2,297,000
03 Transportation of things	688,442	696,000	701,100
Shipment of bodies	203,531	209,000	209,500
04 Communication services	2,915,932	2,960,000	2,972,500
05 Rents and utility services	11,616,812	11,743,000	11,814,600
06 Printing and reproduction	868,255	878,000	881,300
07 Other contractual services	26,645,514	29,952,000	36,646,500
Medical, nursing, and dental fees	746,009	753,000	754,400
08 Supplies and materials	57,805,313	59,290,000	59,358,200
Provisions	46,488,866	47,030,000	46,940,500
09 Equipment	8,256,246	8,700,000	8,757,500
11 Grants, subsidies, and contributions	40,490,064	41,760,000	42,815,900
13 Refunds, awards, and indemnities	586,755		
15 Taxes and assessments	201,134	206,000	212,000
Subtotal	776,755,250	801,574,000	826,521,000
Deduct quarters and subsistence charges	9,487,493	9,495,000	9,500,000
Total direct costs	767,267,757	792,079,000	817,021,000
Reimbursable costs:			
01 Personal services	3,184,582	3,064,000	3,052,000
07 Other contractual services	153,898	148,000	150,900
08 Supplies and materials	340,708	329,000	335,600
Provisions	285,681	275,000	280,500
11 Grants, subsidies, and contributions	191,935	184,000	181,000
Total reimbursable costs	4,156,804	4,000,000	4,000,000
Total costs	771,424,561	796,079,000	821,021,000
Costs financed from obligations of other years, net (−)	−10,623,799		
Total obligations	760,800,762	796,079,000	821,021,000

OUTPATIENT CARE

For expenses necessary for furnishing outpatient care to beneficiaries of the Veterans Administration, as authorized by law; purchase of [three] *two* passenger motor vehicles for replacement only; and uniforms or allowances therefor, as authorized by law (5 U.S.C. 2131); [$83,866,000] *$86,481,000.* *(5 U.S.C. 46a–46e, 50, 58–59a, 73b, 73b–2, 73c, 84–84c, 118j–1, 118p, 118q, 150, 835–840, 842, 901–926, 943–945, 948–957, 2091–2092, 2094, 2121–2123, 2131–2133, 2254; 38 U.S.C. 109(a), 111, 1506, chaps. 17, 73, 81; 72 Stat. 1262; 73 Stat. 708-717; Independent Offices Appropriation Act, 1960.)*

Appropriated 1960, **$83,866,000** Estimate 1961, **$86,481,000**

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Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Station administration	$10,375,917	$10,575,000	$10,394,000
2. Care of patients:			
(a) Medical	61,637,085	63,812,000	66,748,000
(b) Dental	5,220,358	4,527,000	4,241,000
(c) Beneficiary travel	4,782,525	4,893,000	5,039,000
3. Other	43,400	59,000	59,000
Total program costs [1]	82,059,285	83,866,000	86,481,000
4. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−1,485,894		
Total program (obligations)	80,573,391	83,866,000	86,481,000
Financing:			
1959 appropriation available in 1958	1,525,000		
Unobligated balance no longer available	234,609		
Appropriation (new obligational authority)	82,333,000	83,866,000	86,481,000

[1] Includes capital outlay as follows: June 30, 1959, $569,334; 1960, $412,000; 1961, $472,000.

This appropriation provides for veterans with service-connected disabilities both medical and dental care by the staffs of Veterans Administration outpatient clinics and by physicians and dentists participating in the home-town medical care program. Outpatient care also is provided to veterans receiving vocational rehabilitation who require treatment to avoid interruption of training, pensioners of nations allied with the United States in World War I and World War II, and veterans of the Spanish-American War, Boxer Rebellion, and Philippine Insurrection. Veterans are also provided examinations in outpatient clinics for purposes of rating for compensation or pension, insurance, and determining their need for hospitalization or domiciliary care.

The increase of $2,615,000 in estimated costs for 1961 is due to an increased medical workload, a transfer from Inpatient care for certain outpatient work performed at hospitals, increases in average salary resulting from periodic pay increases and reclassification actions, a transfer of supply service costs from General operating expenses and employee health benefit costs.

NUMBER OF INDIVIDUALS

	1959 actual	*1960 estimate*	*1961 estimate*
Individuals visiting, medical	2,207,301	2,220,100	2,279,600
Examinations, dental	32,483	28,950	27,000
Treatments, dental	27,164	24,150	22,550
Total	2,266,948	2,273,200	2,329,150
In Veterans Administration facilities:			
Individuals visiting, medical	1,597,222	1,610,100	1,669,600
Examinations, dental	26,693	24,000	22,500
Treatments, dental	17,081	16,600	16,000
Total	1,640,996	1,650,700	1,708,100
By private physicians and dentists:			
Individuals visiting, medical	610,079	610,000	610,000
Examinations, dental	5,790	4,950	4,500
Treatments, dental	10,083	7,550	6,550
Total	625,952	622,500	621,050

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	311,870	265,011	265,011	265,011
Advances (payments for goods and services on order not yet received)	1,525,000			
Total selected resources at end of year	1,836,870	265,011	265,011	265,011
Selected resources at start of year (−)		−1,836,870	−265,011	−265,011
Adjustment of selected resources reported at start of year		85,965		
Costs financed from obligations of other years, net (−)		−1,485,894		

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	5,297	5,398	5,611
Full-time equivalent of all other positions	376	394	394
Average number of all employees	8,077	8,149	8,356
Number of employees at end of year	6,639	6,706	6,822
Average GS grade and salary	5.1 $4,871	5.1 $4,914	5.2 $5,016
Average salary of ungraded positions	$11,943	$11,783	$11,624
01 Personal services:			
Permanent positions	$44,046,986	$44,759,000	$46,370,000
Positions other than permanent	3,330,371	3,416,000	3,523,000
Other personal services	455,218	646,000	465,000
Total personal services	47,832,575	48,821,000	50,358,000
02 Travel:			
Employee	226,180	243,000	243,000
Beneficiary	4,782,525	4,893,000	5,039,000
03 Transportation of things	112,669	115,000	117,000
Shipment of bodies	3,856	4,000	4,000
04 Communication services	622,821	628,000	632,000
05 Rents and utility services	266,426	285,000	300,000
06 Printing and reproduction	97,979	93,000	95,000
07 Other contractual services	1,506,506	1,552,000	2,112,000
Medical and dental fees	9,454,789	10,010,000	9,902,000
08 Supplies and materials	13,614,603	13,807,000	14,104,000
09 Equipment	569,334	412,000	472,000
11 Grants, subsidies, and contributions	2,911,408	2,991,000	3,092,000
13 Refunds, awards, and indemnities	45,827		
15 Taxes and assessments	11,787	12,000	11,000
Total costs	82,059,285	83,866,000	86,481,000
Costs financed from obligations of other years, net (−)	−1,485,894		
Total obligations	80,573,391	83,866,000	86,481,000

Maintenance and Operation of Supply Depots

For expenses necessary for maintenance and operation of supply depots, [including purchase of one passenger motor vehicle for replacement only,] and uniforms or allowances therefor, as authorized by law (5 U.S.C. 2131), [$2,218,000] *$2,520,000. (5 U.S.C. 46a–46e, 50, 58–59a, 73b–73c, 75a–75a–1, 78, 78a–1, 84–84c, 118j–1, 118p, 118q, 150, 835–840, 842, 901–926, 943–945, 948–957, 2091–2092, 2094, 2121–2123; 2131–2133, 2254; 38 U.S.C. chaps. 3, 73, and sub-chap. II of chap. 81; 73 Stat. 708–717; Independent Offices Appropriation Act, 1960.)*

Appropriated 1960, **$2,218,000** Estimate 1961, **$2,520,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Administrative operations	$303,546	$316,000	$349,000
2. Storage operations	761,314	791,000	813,000
3. Stock control operations	335,411	288,000	365,000
4. Utility operations	391,615	393,000	541,000
5. Marketing activities	413,569	430,000	452,000
Total program costs [1]	2,205,455	2,218,000	2,520,000
6. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−9,551		
Total program (obligations)	2,195,904	2,218,000	2,520,000
Financing:			
1959 appropriation available in 1958	5,000		
Unobligated balance no longer available	796		
Appropriation (new obligational authority)	2,201,700	2,218,000	2,520,000

[1] Includes capital outlay as follows: June 30, 1959, $36,438; 1960, $3,080; 1961, $43,800.

This appropriation finances the cost of operating a system of three supply depots through which approximately one-fifth of the supplies and equipment used in Veterans Administration facilities are centrally procured and distributed. In addition, the depots provide certain services for other Federal agencies on a reimbursable basis. The depots are located in Hines, Ill., Somerville, N.J., and Wilmington, Calif.

The increase of $302,000 in estimated requirements for 1961 is primarily for accomplishment of deferred maintenance and repair items, equipment replacement, and payment of employee health benefit costs.

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VETERANS ADMINISTRATION—Continued

Current authorizations—Continued

MAINTENANCE AND OPERATION OF SUPPLY DEPOTS—Continued

6. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$5,511	$963	$963	$963
Advances (payments for goods and services on order not yet received)	5,000			
Total selected resources at end of year	10,511	963	963	963
Selected resources at start of year (−)		−10,511	−963	−963
Adjustment of selected resources reported at start of year		−3		
Costs financed from obligations of other years, net (−)		−9,551		

A supplemental appropriation for 1960 is anticipated under Proposed for later transmission.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	379	378	387
Average number of all employees	366	365	373
Number of employees at end of year	347	350	360
Average GS grade and salary	5.8 $5,111	6.3 $5,335	6.4 $5,373
Average salary of ungraded positions	$4,638	$4,646	$4,963
01 Personal services:			
Permanent positions	$1,805,211	$1,842,200	$1,942,400
Other personal services	38,566	36,200	29,000
Total personal services	1,843,777	1,878,400	1,971,400
02 Travel	6,653	7,400	7,400
03 Transportation of things	4,705	2,000	2,000
04 Communication services	21,123	21,200	21,500
05 Rents and utility services	70,133	39,800	70,200
06 Printing and reproduction	14,961	15,000	15,000
07 Other contractual services	24,782	39,200	178,600
08 Supplies and materials	63,422	89,900	82,900
09 Equipment	36,438	3,080	43,800
11 Grants, subsidies, and contributions	118,615	121,520	126,700
13 Refunds, awards, and indemnities	400		
15 Taxes and assessments	446	500	500
Total costs	2,205,455	2,218,000	2,520,000
Costs financed from obligations of other years, net (−)	−9,551		
Total obligations	2,195,904	2,218,000	2,520,000

COMPENSATION AND PENSIONS

For the payment of compensation, pensions, gratuities, and allowances (including burial awards authorized by section 902 of title 38, United States Code, and subsistence allowances for vocational rehabilitation), authorized under any Act of Congress, or regulation of the President based thereon, including emergency officers' retirement pay and annuities, the administration of which is now or may hereafter be placed in the Veterans Administration, and for the payment of adjusted-service credits as provided in sections 401 and 601 of the Act of May 19, 1924, as amended, [$3,300,000,000] *$3,840,000,000,* to remain available until expended. *(72 Stat. 1263, 1264; 38 U.S.C. 1504, 3021, 3109, 3202, 3203, chs. 11, 13, 15, 23, 55; Independent Offices Appropriation Act, 1960.)*

Appropriated 1960, **$3,300,000,000** Estimated 1961, **$3,840,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Compensation:			
(a) Living veterans:			
Spanish-American War	$644,319	$565,000	$509,000
World War I	217,230,953	204,394,000	190,172,000
World War II	1,133,526,045	1,126,222,000	1,119,059,000
Korean conflict	178,564,305	183,600,000	186,310,000
Peacetime service	67,288,808	76,280,000	85,344,000
Subtotal	1,597,254,430	1,591,061,000	1,581,394,000
(b) Deceased veterans:			
Spanish-American War	$1,474,234	$1,393,000	$1,265,000
World War I	64,863,671	63,601,000	62,162,000
World War II	316,920,808	317,575,000	318,450,000
Korean conflict	47,974,487	49,326,000	50,388,000
Peacetime service	42,080,561	47,764,000	52,629,000
Subtotal	473,313,761	479,659,000	484,894,000
Total, compensation	2,070,568,191	2,070,720,000	2,066,288,000
2. Pensions:			
(a) Living veterans:			
Yellow-fever experiments	4,800	5,000	5,000
Indian wars	97,177	77,000	63,000
Civil War	2,709	2,000	2,000
Spanish-American War	51,785,875	46,628,000	41,761,000
World War I	686,469,335	678,869,246	991,824,000
World War II	71,366,623	81,519,000	102,008,000
Korean conflict	4,752,538	6,207,000	9,090,000
Peacetime service	42,791	46,000	43,000
Subtotal	814,521,848	813,353,246	1,144,796,000
(b) Deceased veterans:			
Mexican War	2,771	2,000	2,000
Indian wars	588,810	564,000	511,000
Civil War	3,382,730	3,377,000	3,010,000
Spanish-American War	62,406,657	59,412,000	57,281,000
World War I	238,380,493	257,826,000	324,269,000
World War II	32,333,276	36,742,000	177,889,000
Korean conflict	1,219,677	1,739,000	8,022,000
Peacetime service	17,371	29,000	27,000
Subtotal	338,331,785	359,691,000	571,011,000
Total, pensions	1,152,853,633	1,173,044,246	1,715,807,000
3. Other:			
(a) Emergency officers	3,543,219	3,502,000	3,406,000
(b) Adjusted-service and dependents pay	936	1,000	1,000
(c) Subsistence allowance	15,353,137	13,400,000	9,916,000
(d) Initial burial allowance	33,248,013	41,428,000	44,497,000
(e) Special allowance, dependents (72 Stat. 1128)	60,699	75,000	85,000
Total, other	52,206,004	58,406,000	57,905,000
Total program costs	3,275,627,828	3,302,170,246	3,840,000,000
4. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−15,255		
Total program (obligations)	3,275,612,573	3,302,170,246	3,840,000,000
Financing:			
Unobligated balance brought forward	−4,482,819	−2,170,246	
Unobligated balance carried forward	2,170,246		
New obligational authority	3,273,300,000	3,300,000,000	3,840,000,000
New obligational authority:			
Appropriation	$3,252,500,000	$3,300,000,000	$3,840,000,000
Transferred from "Readjustment benefits" (72 Stat. 1075)	20,800,000		
Appropriation (adjusted)	3,273,300,000	3,300,000,000	3,840,000,000

This appropriation provides for all compensation, pensions, and allowances, including officers' retirement pay and annuities, and initial burial allowances. On June 20, 1959, there were an estimated 22,666,000 living veterans of all wars and peacetime service and, as of that date 12.9% of these veterans, or 2,934,249 were receiving benefits under this appropriation. In addition, 1,210,446 dependents of 915,822 deceased veterans were receiving benefits. The increased cost is primarily attributable to the pension program and is caused largely by increases in caseloads of World War I veterans and their survivors; and by the impact of the Veterans' Pension Act of 1959. This law, effective July 1, 1960, modifies the pension program for veterans of World War I, World War II, and Korean conflict and their widows and children, in the following major respects:

(1) A sliding scale of pension is provided based on specified income limitation and family status.

(2) Pension is provided for widows and children of World War II and Korean conflict veterans on the same

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basis as widows and children of World War I veterans by removing the requirement that the veteran must have had a service-connected disability at death.

(3) Pension for any war veteran receiving hospital or domiciliary care by the Veterans Administration will be reduced to $30 after 2 months. The remainder of the pension may be apportioned for his wife and children. The act also provides that an invalid lift may be furnished, if medically indicated, for any veteran who receives pension based on a need for regular aid and attendance.

No pensioner on the rolls on June 30, 1960, will have his pension reduced by reason of this law. Pensioners may elect higher benefits under the law. It is estimated that the total additional cost of this legislation will approximate $284,076,000 in 1961.

Current year requirements in the compensation and pension program will exceed earlier estimates, necessitating a supplemental appropriation in the anticipated amount of $105 million. This supplemental is shown under Proposed for later transmission.

Forecasts of average caseloads and average annual payments per case have been based on analyses of trends in each category, with consideration given to specific conditions likely to affect the separate classes of beneficiaries.

1. *Compensation.*—Compensation is payable to living veterans for a disability connected with military service and compensation or dependency and indemnity compensation is payable to eligible dependents of deceased veterans for death connected with military service.

(*a*) *Living veterans.*—The basic rates of disability compensation provided in wartime cases range from $19 for 10% disability to $225 per month for total disability. Certain cases are compensated for specific disabilities as prescribed by law, to a maximum of $600 a month per case. Payable in both types of cases is an additional allowance for dependents of veterans rated 50% or more disabled to a maximum of $100 a month per case. All rates of peacetime disability compensation are 80% of wartime rates.

The caseload of living veterans reflects a decreasing trend through 1961, attributable primarily to termination of payments to World War II veterans with minimum ratings, or losses among the lower ratings in the World War I and World War II categories by election to receive higher pension benefits. This increases the average payment to those remaining on the rolls.

AVERAGE NUMBER OF VETERANS AND COSTS

	1959 actual	*1960 estimate*	*1961 estimate*
Spanish-American War	254	222	200
World War I	195,858	181,200	167,700
World War II	1,570,596	1,559,000	1,547,800
Korean conflict	203,013	206,200	208,400
Peacetime service	89,536	100,900	112,000
Total	2,059,257	2,047,522	2,036,100
Average payment per case per year	$775.65	$777.07	$776.68
Total costs	$1,597,254,430	$1,591,061,000	$1,581,394,000

(*b*) *Deceased veterans.*—The caseload continues to increase. The largest group in this category (World War II) appears to have reached a plateau which is maintained through 1961. The steady increase in the average annual payment per case is attributable to the continuing effects of recent legislation providing increased death benefits to a majority of eligible dependents.

AVERAGE NUMBER OF CASES AND COSTS

	1959 actual	*1960 estimate*	*1961 estimate*
Spanish-American War	999	940	850
World War I	46,763	45,300	43,900
World War II	275,765	275,100	275,000
Korean conflict	36,385	37,300	38,000
Peacetime service	27,352	30,200	33,100
Total	387,264	388,840	390,850
Average payment per case per year	$1,222.20	$1,233.56	$1,240.61
Total costs	$473,313,761	$479,659,000	$484,894,000

2. *Pensions.*—Benefits are payable to wartime veterans and dependents of deceased veterans for non-service-connected disability and death. The Veterans' Pension Act of 1959 modifies the pension program as previously indicated and establishes the rates and conditions of entitlement outlined below for World War I and subsequent periods of wartime service; rates and conditions of entitlement applicable to prior periods vary somewhat and are on a more liberal basis.

(*a*) *Living veterans.*—In general, pensions are payable to wartime veterans who are unable to secure substantially gainful employment as a result of a permanent and totally disabling non-service-connected disability. The legally prescribed standards for determining eligibility are especially liberal for veterans who have reached 65 years of age. Effective July 1, 1960, a sliding scale of pensions is introduced based on income and family status, ranging from a minimum of $40 monthly to a single veteran, with $1,200–$1,800 annual income, to a maximum of $100 monthly to a veteran with three or more dependents whose income is $1,000 or less annually. These are increased by $70 monthly when veteran needs regular aid and attendance.

The caseload continues to increase steadily with sizable gains projected in the World War I category in 1960. The rate of increase is somewhat greater in 1961 as a result of the estimated effect of the new pension program. The average annual payment per veteran continues to increase in 1960 largely because of the increasing number of World War I pensioners, where greater numbers are attaining age 65, and because of the new pension program.

AVERAGE NUMBER OF VETERANS AND COST [1]

	1959 actual	*1960 estimate*	*1961 estimate*
Yellow-fever experiments	2	2	2
Indian wars	73	55	45
Civil War	2	1	1
Spanish-American War	41,124	36,400	32,600
World War I	711,719	803,300	924,800
World War II	76,680	86,100	97,800
Korean conflict	4,827	6,300	8,400
Peacetime service	262	240	225
Total	834,689	932,398	1,063,873
Average payment per case per year	$975.84	$984.94	$1,076.06
Total costs	$814,521,848	$918,353,246	$1,144,796,000

[1] 1960 estimate includes supplemental estimate of $105,000,000.

(*b*) *Deceased veterans.*—Under the Veterans' Pension Act of 1959, pensions will be payable to widows and children of World War II and Korean conflict veterans as indicated above. A sliding scale of pension based on income and family status is payable ranging from $25 monthly to a widow alone with $1,200–$1,800 annual income to a maximum of $105 to a widow with 3 children (plus $15 for each additional child) whose income is $1,000 or less.

The estimated caseload reflects a normal steady increase in 1960 including consideration for the current impact of the new pension program, and a significant increase in 1961, primarily in the World War II and Korean conflict categories, where the effect of equalization with World

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VETERANS ADMINISTRATION—Continued

Current authorizations—Continued

COMPENSATION AND PENSIONS—Continued

War I is indicated. The average payment reflects a normal estimated decrease in 1960, but increases sharply in 1961 because of the new pension program.

AVERAGE NUMBER OF CASES AND COSTS

	1959 actual	*1960 estimate*	*1961 estimate*
Mexican War	5	4	3
Indian wars	808	740	670
Civil War	4,129	4,200	3,800
Spanish-American War	79,606	75,300	72,600
World War I	380,089	411,600	475,300
World War II	46,187	52,700	237,100
Korean conflict	1,601	2,300	10,400
Peacetime service	82	75	70
Total	512,507	546,919	799,943
Average payment per case per year	$660.15	$657.67	$713.81
Total costs	$338,331,785	$359,691,000	$571,011,000

3. *Other—(a) Emergency officers.*—Emergency officers of World War I retired for service-connected disability are entitled to special retirement benefits at rates substantially higher than the normal compensation payments.

(*b*) *Adjusted-service and dependents pay.*—Adjusted-service credits earned by veterans of World War I are payable from this appropriation. Veterans claims of $50 or less and dependents claims of less than $50 are paid in cash. Dependents claims of $50 or more are paid in 10 equal quarterly installments. A bonus payment of $60 is paid to the dependents of a World War I veteran who died while in service and before July 1, 1919, if an adjusted-service credit is certified to the Administrator.

(*c*) *Subsistence allowance.*—Subsistence allowance payments to disabled veterans enrolled in vocational rehabilitation and education programs are made from this appropriation.

(*d*) *Initial burial allowance.*—The Administrator is authorized to provide an allowance of $250 (plus transportation charges where death occurs under Veterans Administration care) for the funeral expenses of a deceased veteran. The estimated increases in obligations are directly related to the estimated increase in number of deaths of veterans in civil life.

(*e*) *Special allowance, dependents.*—Under certain conditions a special allowance is payable to certain dependents of a veteran who dies after December 31, 1956, but who was not a fully and currently insured individual under the Social Security Act. The award is based upon a certification to Veterans Administration by the Social Security Administration.

	1959 actual	*1960 estimate*	*1961 estimate*
Emergency officers	1,489	1,470	1,430
Adjusted-service and dependents pay	25	25	25
Subsistence allowance	11,439	10,000	7,400
Initial burial allowance	143,160	164,000	173,300
Special allowance, dependents	75	75	75
Total costs	$52,206,004	$58,406,000	$57,905,000

4. *Relation of costs to obligations.*—The year-end balances of refund receivables (overpayments, collectible from beneficiaries) are as follows: 1958, $5,434,355; 1959, $5,419,100; 1960, $5,419,100; 1961, $5,419,100.

Object Classification

	1959 actual	1960 estimate	1961 estimate
12 Pensions, annuities, and insurance claims (total costs)	$3,275,627,828	$3,302,170,246	$3,840,000,000
Costs financed from obligations of other years, net (−)	−15,255		
Total obligations	3,275,612,573	3,302,170,246	3,840,000,000

READJUSTMENT BENEFITS

For the payment of benefits to or on behalf of veterans as authorized by title II of the Servicemen's Readjustment Act of 1944, as amended, and chapters 21, 33, 35, 37, and 39 of title 38, United States Code, and for supplies, equipment, and tuition authorized by chapter 31 of title 38, United States Code, [$585,000,000] *$410,000,000* to remain available until expended. (*38 U.S.C. 3021; Independent Offices Appropriation Act, 1960.*)

Appropriated 1960, **$585,000,000** Estimate 1961, **$410,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Education and training:			
(*a*) World War II education	$380,597		
(*b*) Korean conflict veterans	566,361,475	$432,280,300	$299,251,737
(*c*) War orphans	7,663,348	13,200,000	17,325,000
Total, education and training	574,405,420	445,480,300	316,576,737
2. Loan guarantee	120,933,061	103,507,500	114,850,000
3. Special assistance to disabled veterans:			
(*a*) Vocational rehabilitation	6,962,716	6,179,200	4,500,800
(*b*) Housing grants	3,428,553	4,257,000	4,257,000
(*c*) Automobiles or other conveyances for disabled veterans	701,355	576,000	480,000
Total, special assistance to disabled veterans	11,092,624	11,012,200	9,237,800
Total program costs	706,431,105	560,000,000	440,664,537
4. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−423,298		
Total program (obligations)	706,007,807	560,000,000	440,664,537
Financing:			
Unobligated balance brought forward	−32,472,344	−5,664,537	−30,664,537
Unobligated balance carried forward	5,664,537	30,664,537	
New obligational authority	679,200,000	585,000,000	410,000,000
New obligational authority:			
Appropriation	$700,000,000	$585,000,000	$410,000,000
Transferred to "Compensation and pensions" (72 Stat. 1075)	−20,800,000		
Appropriation (adjusted)	679,200,000	585,000,000	410,000,000

This appropriation provides education and training allowances for veterans of the Korean conflict; educational assistance allowances for eligibles under the War Orphans' Educational Assistance Act of 1956; for claim payments as well as loan and property acquisition costs on veterans loans; and special assistance to disabled veterans in the form of tuition and supplies and equipment for those requiring vocational rehabilitation, housing grants, and automobiles or other conveyances. Not reflected in the above schedule, but provided for in allowances for contingencies are funds for the recommended program of vocational rehabilitation for peacetime ex-servicemen.

1. *Education and training.*—It is estimated that the number of Korean conflict veterans receiving benefits will continue to decline during the next few years. Indications point to a moderate increase in trainees benefiting from the War Orphans' Educational Assistance Act. Forecasts of trainee loads based upon an analysis of trends in each of the major categories of training and average costs per trainee follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Korean conflict veterans:			
Higher learning	237,160	182,000	123,800
Below college	122,541	99,000	73,500
Correspondence	23,679	21,000	18,300
Institutional on-farm	22,592	14,000	6,000
Job training	18,918	9,000	3,400
Total	424,890	325,000	225,000
Average cost per trainee	$1,332.96	$1,330.09	$1,330.01
War orphans:			
Average number of trainees	4,486	8,000	10,500
Average cost per trainee	$1,708.28	$1,650.00	$1,650.00

2. *Loan guarantee.*—Home, farm, and business loans are guaranteed or insured by the Veterans Administration. The payment of claims and the acquisition of loans and properties result from failure of veteran borrowers to keep

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up their mortgage payments, thus requiring the Government to assume the responsibility. Budget forecasts are based on the relatively low default ratio experienced during the program. The number and cost of loan guarantee direct benefit payments follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Interest gratuities, total cost	−$2,601		
Claims paid:			
Number of claims paid	10,881	8,800	9,000
Average cost per payment	$1,364.67	$1,400.00	$1,450.00
Total cost	$14,848,999	$12,320,000	$13,050,000
Loans acquired:			
Number of loans acquired	153	400	400
Average cost per acquisition	$6,226.76	$6,250.00	$6,300.00
Total cost	$952,694	$2,500,000	$2,520,000
Properties acquired:			
Number of properties acquired	10,466	8,250	8,500
Average cost per acquisition	$10,045.29	$10,750.00	$11,680.00
Total cost	$105,133,969	$88,687,500	$99,280,000

The increase in average cost for claims, as well as loan and property acquisitions, bears a direct relationship to the steady price index rise in the housing market.

Though these expenditures are paid from appropriated funds, they do not represent full loss to the Government, since the proceeds from liquidation of assets are deposited into the general fund receipts of the Treasury as shown below:

	1959 actual	*1960 estimate*	*1961 estimate*
Expenditures from appropriated funds	$120,935,662	$103,507,500	$114,850,000
Less returns to general fund receipts	29,127,559	42,799,633	52,850,000
Net appropriation expenditures	91,808,103	60,707,867	62,000,000

As of June 30, 1959, cumulative expenditures for claims and acquisitions totaled $448,423,087. However, total cash receipts of $134,298,836 had been returned to the Treasury. Against the resulting cash deficit of $314,124,251, Veterans Administration held assets worth $305,132,663, consisting of real property, cash, and loans and accounts receivable. Actual 1959 and estimated 1960 and 1961 operations are compared in the following statement:

CONDENSED STATEMENT OF INCOME AND EXPENSE AND FINANCIAL CONDITION

	1959 actual	*1960 estimate*	*1961 estimate*
Income:			
Sale of real estate and property rights	$93,837,185	$102,800,000	$106,200,000
Interest on loans and claims	9,748,302	13,600,000	17,400,000
Other income	507,579	500,000	500,000
Total income	104,093,066	116,900,000	124,100,000
Expense:			
Direct operating costs	10,973,815	11,170,000	11,820,000
Cost of sales	87,911,187	96,780,000	99,830,000
Losses on acquired security and collateral	48,561	50,000	50,000
Total expense	98,933,563	108,000,000	111,700,000
Net income before adjustment	5,159,503	8,900,000	12,400,000
Less reserve for losses	4,109,659	4,200,000	4,400,000
Net income	1,049,844	4,700,000	8,000,000
Analysis of deficit (−):			
Deficit (−), beginning of year	−16,585,174	−15,532,118	−10,832,118
Adjustment of prior year expense	3,212		
Deficit (−), end of year	−15,532,118	−10,832,118	−2,832,118
Assets:			
Cash	5,196,962	5,000,000	5,000,000
Loans receivable	231,756,072	305,500,000	375,800,000
Accounts receivable	6,361,784	6,085,000	6,660,000
Real estate owned and in process	61,817,845	54,415,000	54,540,000
Total assets	305,132,663	371,000,000	442,000,000
Liabilities:			
Accounts payable	1,880,862	1,800,000	2,300,000
Trust liabilities	3,960,967	4,500,000	5,000,000
Deferred and undistributed credits	698,701	700,000	700,000
Total liabilities	6,540,530	7,000,000	8,000,000
Government investment:			
Appropriation	448,423,087	551,930,587	666,780,587
Returned to general fund receipts (−)	−134,298,836	−177,098,469	−229,948,469
Net appropriation	314,124,251	374,832,118	436,832,118
Deficit (−)	−15,532,118	−10,832,118	−2,832,118
Total Government investment	298,592,133	364,000,000	434,000,000
Total liabilities and Government investment	305,132,663	371,000,000	442,000,000

3. *Special assistance to disabled veterans.*—Disabled veterans requiring vocational rehabilitation are provided educational assistance for tuition, supplies, and equipment. Assistance also is available to provide grants for specially adapted housing to veterans having suffered the loss of both feet, and to paraplegic veterans. In addition, up to $1,600 is allowed certain disabled veterans toward the purchase of automobiles or other conveyances. Based on an analysis of trends, load forecasts, and average costs, total requirements are projected as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Tuition:			
Average number of trainees paid tuition (job training excluded)	9,117	8,120	5,900
Average cost per trainee	$661.04	$660.00	$660.00
Total cost	$6,026,710	$5,359,200	$3,894,000
Supplies and equipment:			
Average number of trainees	11,439	10,000	7,400
Average cost per trainee	$81.83	$82.00	$82.00
Total cost	$936,006	$820,000	$606,800
Housing grants:			
Number of housing grants	346	430	430
Average cost per grant	$9,909.11	$9,900.00	$9,900.00
Total cost	$3,428,553	$4,257,000	$4,257,000
Automobiles or other conveyances:			
Number of conveyances	439	360	300
Average cost per conveyance	$1,597.62	$1,600.00	$1,600.00
Total cost	$701,355	$576,000	$480,000

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Accounts receivable (benefit overpayments collectible)	$1,768,557	$1,452,271	$1,452,271	$1,452,271
Unpaid authorizations (approved authorizations for paraplegic housing and automobiles or other conveyances	644,251	537,239	537,239	537,239
Total selected resources at end of year	2,412,808	1,989,510	1,989,510	1,989,510
Selected resources at start of year (−)	−2,412,808	−1,989,510	−1,989,510	−1,989,510
Costs financed from obligations of other years, net (−)		−423,298		

Object Classification

	1959 actual	1960 estimate	1961 estimate
11 Grants, subsidies, and contributions	$577,833,973	$449,737,300	$320,833,737
12 Pensions, annuities, and insurance claims	128,597,132	110,262,700	119,830,800
Total costs	706,431,105	560,000,000	440,664,537
Costs financed from obligations of other years, net (−)	−423,298		
Total obligations	706,007,807	560,000,000	440,664,537

Veterans Insurance and Indemnities

For military and naval insurance, for national service life insurance, for servicemen's indemnities, and for service-disabled veterans insurance, [$53,000,000] *$48,800,000,* to remain available until expended: *Provided,* That certain premiums provided by law to be credited to the "Military and naval insurance" or "National service life insurance" appropriations shall *hereafter* be credited to [this appropriation: *Provided further,* That this appropriation] *appropriations granted under this head which* shall be subject to the same statutory provisions and shall be available for the same purpose as formerly applied to the appropriations for "Military and naval insurance", "National service life insurance", and "Servicemen's indemnities". (*38 U.S.C. ch. 19; 70 Stat. 887; Independent Offices Appropriation Act, 1960.*)

Appropriated 1960, **$53,000,000** Estimate 1961, **$48,800,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs:			
1. Military and naval insurance:			
(*a*) Payment to United States Government life insurance fund	$232,898	$540,000	$540,000

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VETERANS ADMINISTRATION—Continued

Current authorizations—Continued

VETERANS INSURANCE AND INDEMNITIES—Continued

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
Operating costs—Continued			
1. Military and naval insurance—Con.			
(b) Direct payments to policyholders and beneficiaries	$3,322,905	$3,305,000	$3,275,000
Total, military and naval insurance	3,555,803	3,845,000	3,815,000
2. National service life insurance:			
(a) Payment to National service life insurance fund	12,192,994	12,215,000	12,210,000
(b) Direct payments to policyholders and beneficiaries	696,255	688,000	678,000
Total, national service life insurance	12,889,249	12,903,000	12,888,000
3. Service-disabled veterans insurance: Payment to Service-disabled veterans insurance fund		300,000	1,400,000
4. Servicemen's indemnities: Payments to beneficiaries	36,177,253	36,212,500	33,139,000
5. Other expense	27,288		
Total operating costs	52,649,593	53,260,500	51,242,000
Capital outlay:			
6. Acquisition of loans and liens, net	55,537	100,000	100,000
7. Payments effected by income offset	−17,326		
Total capital outlay	38,211	100,000	100,000
Total program (costs—obligations)	52,687,804	53,360,500	51,342,000
Financing:			
Unobligated balance brought forward	−2,791,454	−1,890,999	−2,220,499
Change in unappropriated receipts	−427		
Unobligated balance carried forward	1,890,999	2,220,499	363,499
New obligational authority	51,786,922	53,690,000	49,485,000
New obligational authority:			
Definite	$51,100,000	$53,000,000	$48,800,000
Indefinite	686,922	690,000	685,000
Appropriation	51,786,922	53,690,000	49,485,000

1. *Military and naval insurance.*—Payments are made for claims on war-risk insurance issued to servicemen and veterans of World War I. Although no policies of this insurance remain in force, payments for death and disability claims continue.

(a) *Payment to United States Government life insurance fund.*—Transfers are made to reimburse the fund for claims (1) traceable to the extra hazards of military service and (2) arising on certain policies held by personnel in active military service. The cash amount of payment made during the year is an obligation of this account. The corresponding trust fund receipt is presented on an accrual basis and is therefore not identical.

Description	*1959 actual*	*1960 estimate*	*1961 estimate*
Death and disability awards	263	359	359
Average payment per award	$886	$1,504	$1,504

(b) *Direct payments to policyholders and beneficiaries*—(1) *Disability awards.*—Payments of $5.75 per month per $1,000 of war-risk insurance held are made to veterans becoming permanently and totally disabled for as long as the disability shall continue. (2) *Death awards.*—Upon the death of a veteran receiving payments for disability, the remaining value of the policy is paid to the beneficiary as a death award.

Description	*1959 actual*	*1960 estimate*	*1961 estimate*
Average number of disability awards	6,700	6,600	6,500
Average number of death awards	55	55	55
Annual average payment per disability award	$485	$489	$492
Annual average payment per death award	1,312	1,273	1,182

2. *National service life insurance.*—This appropriation pays certain expenses of the National service life insurance fund and receives premiums and pays claims on nonparticipating insurance policies issued to certain disabled veterans of World War II. The permanent indefinite appropriation of premium receipts is authorized (38 U.S.C. 802(c)(2)). The cash amount of payment made during the year is an obligation of this account. The corresponding trust fund receipt is presented on an accrual basis and is therefore not identical.

(a) *Payment to National service life insurance fund.*—(1) For death claims traceable to extra hazards of service an amount is transferred from this appropriation, which, when added to the reserve of the policy, is equal to the actuarial value of the claim. In the event of total disability traceable to the extra hazards of service, an amount is transferred from this appropriation sufficient to meet the current payments from the fund. (2) Gratuitous insurance was issued to aviation cadets and to certain persons who were unable to make application for national service life insurance, (3) the fund is reimbursed when recovery of erroneous payments or overpayments is waived, and (4) the fund is reimbursed for death claims on policies under waiver of premiums while the insured is on active military duty.

Description	*Average payment per case, 1959*	*Caseload*		
		1959 actual	*1960 estimate*	*1961 estimate*
1. Claims for extra hazards of service:				
a. Death awards	$6,644	660	710	755
b. Disability awards	142	22,920	21,900	20,900
2. Gratuitous insurance	3,123	299	234	197
3. Waiver of overpayments	2,859	15	40	40
4. Death while under waiver of premiums	8,290	431	410	385

(b) *Direct payments to policyholders and beneficiaries.*—(1) Claims are paid on nonparticipating national service life insurance policies issued to World War II veterans with service-connected disabilities, (2) claims may be paid in certain instances in which applicants for insurance were rejected for medical reasons and subsequently died in line of duty, (3) claims are paid on death which occurred after application but before effective date of a national service life insurance policy, and (4) claims may be paid in certain cases in which insurance was discontinued because the insured was discharged to accept a commission, was absent without leave, or was court-martialed.

Description	*Average payment per case, 1959*	*Caseload*		
		1959 actual	*1960 estimate*	*1961 estimate*
1. Claims on nonparticipating national service life insurance:				
a. Death awards	$2,217	100	95	90
b. Disability awards	449	155	177	189
2. Claims from applicants rejected for medical reasons who died in line of duty	272	143	140	140
3. Claims where applicant died between date of application and effective date	546	330	330	330
4. Claims on discontinued insurance	487	340	343	343

3. *Service-disabled veterans insurance.*—Beginning in 1960, payments will be made to the Service-disabled veterans insurance fund to supplement the premium and other receipts of the fund in amounts necessary to pay claims on insurance policies issued to veterans whose service-connected disabilities made them ineligible for commercial insurance.

4. *Servicemen's indemnities.*—Beneficiaries of servicemen who died prior to January 1, 1957, while in active service or within a period of 120 days after separation from active service are entitled to receive an indemnity in the amount of $10,000 less any national service life insur-

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ance and/or U.S. Government life insurance carried by the deceased. Payments are made to beneficiaries in 120 equal installments, plus interest at the rate of 2.25% per year. The payments on awards made prior to January 1, 1957, are expected to remain at the level of about $36 million annually through 1960. Payments will decrease annually, as installments are completed, beginning in 1961.

Description	*1959 actual*	*1960 estimate*	*1961 estimate*
Average number of death cases with running awards	36,130	36,000	33,500

Object Classification

	1959 actual	1960 estimate	1961 estimate
11 Grants, subsidies, and contributions:			
(a) Payment to United States Government life insurance fund	$232,898	$540,000	$540,000
(b) Payment to National service life insurance fund	12,192,994	12,215,000	12,210,000
(c) Payment to Service-disabled veterans insurance fund		300,000	1,400,000
12 Pensions, annuities, and insurance claims	40,223,701	40,205,500	37,092,000
16 Investments and loans, net	55,537	100,000	100,000
Subtotal	52,705,130	53,360,500	51,342,000
Less payments effected by income offset	17,326		
Total obligations	52,687,804	53,360,500	51,342,000

Grants to the Republic of the Philippines

For payment to the Republic of the Philippines of grants in accordance with sections 631 to 634 of title 38, United States Code, for expenses incident to medical care and treatment of veterans, [$2,000,000] *$1,500,000.* (*Independent Offices Appropriation Act, 1960.*)

Appropriated 1960, **$2,000,000** Estimate 1961, **$1,500,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Medical care and treatment of veterans (total costs—obligations) (object class 11)	$1,041,109	$1,250,000	$1,500,000
Financing:			
Unobligated balance no longer available	208,891	750,000	
Appropriation (new obligational authority)	1,250,000	2,000,000	1,500,000

Grants-in-aid are made to the Republic of the Philippines for the medical care and treatment of eligible Philippine Commonwealth Army veterans. Section 631 of title 38, U.S. Code, provides for reimbursement at agreed upon patient per diem rates up to a maximum annual amount of $2,000,000. Medical care and treatment is provided by the Philippine Veterans Memorial Hospital in Manila, which was constructed from U.S. grants-in-aid totaling approximately $9,400,000.

Construction of Hospital and Domiciliary Facilities

For hospital and domiciliary facilities, for planning and for major alterations, improvements, and repairs and extending any of the facilities under the jurisdiction of the Veterans Administration or for any of the purposes set forth in sections [5001 and 5002] *5001, 5002, and 5004,* title 38, United States Code, [$31,659,000] *$75,000,000,* to remain available until expended: *Provided, That annual accrued expenditures under this appropriation account, covering amounts becoming payable as a result of obligations incurred both in the current fiscal year and in prior fiscal years, shall not exceed $66,100,000.* (*72 Stat. 852; 73 Stat. 708–717; Independent Offices Appropriation Act, 1960.*)

Appropriated 1960, **$31,659,000** Estimate 1961, **$75,000,000**

Program and Financing

	Costs to this appropriation					Analysis of 1961 financing			
	Total estimate	To June 30, 1958	1959 actual	1960 estimate	1961 estimate	Deduct accrued resources, unpaid undelivered orders and unobligated balance, start of year	Add accrued resources, unpaid undelivered orders and unobligated balance, end of year	Appropriation required for 1961	Appropriation required to complete
Program by activities:									
1. Construction of new hospitals	$194,115,070	$103,896,473	$16,152,199	$18,342,162	$10,519,772	$14,714,236	$45,204,464	$41,010,000	
2. Replacement of existing hospitals	211,907,800	8,370,257	9,317,348	17,063,471	16,501,149	34,860,124	30,072,975	11,714,000	$130,582,600
3. Modernization, improvement, and repair:									
(a) Major	187,380,749	37,006,495	17,745,918	24,230,312	33,778,352	44,959,028	28,897,572	17,716,896	45,722,100
(b) Minor	24,170,730	6,111,698	2,998,028	4,669,415	3,950,727	5,832,485	6,440,862	4,559,104	
(c) Regional offices and supply depots	347,200	109,372	83,188	154,640					
4. Initial portable equipment	44,722,129	39,557,794	1,498,403	1,700,000	1,350,000	1,965,932	615,932		
Total program costs	662,643,678	195,052,089	47,795,084	66,160,000	66,100,000	102,331,805	111,231,805	75,000,000	176,304,700
5. Relation of costs to accrued expenditures: Costs financed from accrued expenditures of other years, net (−)				−3,399					
Total accrued expenditures			47,795,084	66,156,601	66,100,000				
Unpaid undelivered orders brought forward			−54,475,458	−69,705,330	−44,548,729				
Unpaid undelivered orders carried forward			69,705,330	44,548,729	67,420,255				
Total program (obligations)			63,024,956	41,000,000	88,971,526				
Financing:									
Unobligated balance brought forward			−108,854,032	−65,124,076	−55,783,076				
Unobligated balance carried forward			65,124,076	55,783,076	41,811,550				
Appropriation (new obligational authority)			19,295,000	31,659,000	75,000,000				

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VETERANS ADMINISTRATION—Continued

Current authorizations—Continued

CONSTRUCTION OF HOSPITAL AND DOMICILIARY FACILITIES—Con.

These funds provide for the construction of new hospital and domiciliary facilities and replacement of existing hospitals, including acquisition of sites, conversion of existing facilities, modernization, improvements, and major repairs of existing facilities (including regional offices and supply depots), and for fixed and initial portable equipmen at such facilities.

For 1961, a construction program is recommended with new obligational authority of $75,000,000. This will include $52,724,000 for the construction of three new hospitals, at Cleveland, Ohio, 800 beds; Washington, D.C., 700 beds; and Martinez, Calif., 500 beds; and $23,113,500 for modernization projects offset by savings of $837,500 from prior year programs. The amount for modernization consists of $4,856,200 for the full cost of a large number of minor projects (costing less than $300,000 each), $3,787,000 for planning the construction of $40,832,100 in larger modernization projects and $14,470,300 for construction of major projects planned in 1960.

1. *Construction of new hospitals.*—This activity includes post World War II new beds and conversion programs which consists of 77 projects that provide approximately 38,240 new beds and 12 projects for conversion of beds at existing hospitals.

BREAKDOWN OF NEW BEDS BY TYPE

	New hospitals	*Additions*	*Total*
Neuropsychiatric	9,465	1,370	10,835
Tuberculosis	1,200	1,180	2,380
General medical and surgical	23,775	950	24,725
Domiciliary facilities	300	------	300
Total	34,740	3,500	38,240

The status of the construction program for new hospital beds is as follows:

STATUS OF NEW BEDS PROVIDED

	1959 actual	*1960 estimate*	*1961 estimate*
Under construction at beginning of year	1,000	2,000	1,500
Put under construction during year	1,000	------	1,500
Completed during year	------	1,000	1,000
Total completed at end of year	34,740	35,740	36,740
Under construction at end of year	2,000	1,000	1,500
Not under construction at end of year	1,500	1,500	------

2. *Replacement of existing hospitals.*—This activity includes 10 projects that provide for replacement of approximately 7,896 beds (815 neuropsychiatric, 7,081 general medical and surgical) housed in temporary, obsolete, or hazardous structures. The following table shows the status of the construction program for replacement beds:

STATUS OF REPLACEMENT BEDS PROVIDED

	1959 actual	*1960 estimate*	*1961 estimate*
Under construction at beginning of year	815	1,315	1,815
Put under construction during year	500	500	500
Completed during year	------	------	815
Total completed at end of year	561	561	1,376
Under construction at end of year	1,315	1,815	1,500
Not under construction at end of year	6,020	5,520	5,020

3. *Modernization, improvement, and repairs.*—This activity provides for modernization, improvement, and major repair of structures and other construction at Veterans Administration facilities and is principally required to bring selected old hospitals, insofar as possible, up to the standards of the new hospitals. This program was undertaken in 1953 and has 851 projects including the proposed 1961 modernization, improvement, and repair program. The status of the program is as follows:

STATUS OF MODERNIZATION, IMPROVEMENT, AND REPAIR PROGRAM

	Number of projects	*Amount*
Physically and financially completed, June 30, 1959	406	$41,865,500
Physically completed, June 30, 1959	38	9,292,200
Under construction, June 30, 1959	111	67,387,800
Scheduled to be placed under construction, 1960	185	29,185,800
Scheduled to be placed under construction, 1961	75	37,848,800
To be placed under construction, future years	36	53,240,800

4. *Initial portable equipment.*—This activity provides initial portable equipment for all projects approved under the appropriation for Construction of hospital and domiciliary facilities prior to 1957, except for the new general medical and surgical hospitals proposed for Washington, D.C., Cleveland, Ohio, and the first phase replacement project for Downey, Ill.

5. *Relation of costs to accrued expenditures.*—Year-end balances of advances are as follows: 1958, $2,003,399; 1959, $2,003,399; 1960, $2,000,000; 1961, $2,000,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
VETERANS ADMINISTRATION			
Total number of permanent postions	296	300	305
Full-time equivalent of all other positions	33	50	50
Average number of all employees	292	347	352
Number of employees at end of year	289	350	355
Average GS grade and salary	9.1 $7,457	9.5 $7,480	9.5 $7,499
01 Personal services:			
Permanent positions	$1,969,299	$2,228,716	$2,270,362
Positions other than permanent	216,411	327,900	327,900
Other personal services	13,242	22,642	14,333
Total personal services	2,198,952	2,579,258	2,612,595
02 Travel	62,150	88,000	100,000
03 Transporation of things	537	1,500	1,500
04 Communication services	6,599	7,500	7,500
05 Rents and utility services	637	3,000	3,000
06 Printing and reprodnction	1,042	1,500	1,500
07 Other contractual services	1,493,866	2,595,280	2,619,675
08 Supplies and materials	319,891	500,000	500,000
09 Equipment	1,766,503	3,048,034	3,505,015
10 Lands and structures	41,654,642	57,088,293	56,597,730
11 Grants, subsidies, and contributions	117,973	135,335	138,050
13 Refunds, awards, and indemnities	2,670	------	------
15 Taxes and assessments	7,822	12,300	13,435
Total costs, Veterans Administration	47,633,284	66,060,000	66,100,000
ALLOCATION TO ARMY—CIVIL			
Total number of permanent positions	1	------	------
Number of employees at end of year	0	------	------
Average GS grade and salary	7 $5,450	------	------
01 Personal services: Permanent positions	212	------	------
02 Travel	877	------	------
06 Printing and reproduction	672	------	------
07 Other contractual services: Services performed by "Revolving fund, Corps of Engineers"	3,333	1,000	------
10 Lands and structures	156,706	99,000	------
Total costs, Army—civil	161,800	100,000	------
Total costs	47,795,084	66,160,000	66,100,000
Costs financed from accrued expenditures of other years, net (−)	------	−3,399	------
Total accrued expenditures	47,795,084	66,156,601	66,100,000
Unpaid undelivered orders brought forward	−54,475,458	−69,705,330	−44,548,729
Unpaid undelivered orders carried forward	69,705,330	44,548,729	67,420,255
Total obligations	63,024,956	41,000,000	88,971,526

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Allocations Received From Other Accounts

Note.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations as follows:
"Emergency supplies and equipment," Office of Civil and Defense Mobilization.
"National Cancer Institute," Public Health Service.
"Payments to school districts," Office of Education, Department of Health, Education, and Welfare.
"Research, development, test, and evaluation, Army."

Administrative Provisions

Not to exceed 5 per centum of any appropriation for the current fiscal year for "Compensation and pensions", "Readjustment benefits", and "Veterans insurance and indemnities" may be transferred to any other of the mentioned appropriations, but not to exceed 10 per centum of the appropriations so augmented[, and not to exceed $500,000 of the appropriation "Veterans insurance and indemnities" for the current year may be transferred to "Service-disabled veterans insurance fund"].

Appropriations available to the Veterans Administration for the current fiscal year for salaries and expenses shall be available for services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

Appropriations available to the Veterans Administration for the current fiscal year for "Inpatient care" and "Outpatient care" shall be available for funeral, burial, and other expenses incidental thereto (except burial awards authorized by section 902 of title 38, United States Code), for beneficiaries of the Veterans Administration receiving care under such appropriations.

No part of the appropriations in this Act for the Veterans Administration (except the appropriation for "Construction of hospital and domiciliary facilities") shall be available for the purchase of any site for or toward the construction of any new hospital or home.

No part of the foregoing appropriations shall be available for hospitalization or examination of any persons except beneficiaries entitled under the laws bestowing such benefits to veterans, unless reimbursement of cost is made to the appropriation at such rates as may be fixed by the Administrator of Veterans Affairs. (*Independent Offices Appropriation Act, 1960.*)

Public enterprise funds:

Canteen Service Revolving Fund

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs:			
Sales program:			
Cost of goods sold	$24,808,295	$25,859,042	$26,050,748
Direct operating expense	8,413,865	9,282,049	9,514,618
Indirect operating expense	1,479,539	1,511,231	1,539,774
Decrease in allowance for depreciation (−)		−1,057,479	
Total operating costs	34,701,699	35,594,843	37,105,140
Depreciation included above (−)	−535,571	−449,191	−488,641
Decrease in allowance for depreciation		1,057,479	
Total operating costs, funded	34,166,128	36,203,131	36,616,499
Capital outlay: [1]			
Sales program: Purchase of equipment	404,088	790,789	771,804
Total program costs, funded	34,570,216	36,993,920	37,388,303
Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)	−81,351		
Obligations incurred for costs of other years, net		111,623	
Total program (obligations)	34,488,865	37,105,543	37,388,303
Financing:			
Amounts becoming available: Revenue and receipts:			
Sale of commodities	35,316,610	36,832,488	37,200,814
Other receipts	128,162	132,533	130,238
Total amounts becoming available	35,444,772	36,965,021	37,331,052
Unobligated balance brought forward	2,759,126	2,864,498	2,258,532
Total amounts available	38,203,898	39,829,519	39,589,584
Capital transfer: Payment of profits to Treasury (−)	−850,535	−465,444	−25,992
Unobligated balance carried forward	−2,864,498	−2,258,532	−2,175,289
Financing applied to program	34,488,865	37,105,543	37,388,303

[1] Excludes equipment transferred in without charge of $416 in 1959.

The Veterans Canteen Service was established by Congress in 1946 to furnish at reasonable prices merchandise and services necessary to the comfort and well-being of veterans in hospitals and domiciliaries operated by the Veterans Administration (38 U.S.C. 4201–08).

Budget program.—Sales are expected to increase slightly through 1961. Increase in total operating costs is due primarily to higher salary expense as a result of converting canteen employees to a 40 hour, 5-day workweek, payment for rental charges to the Veterans Administration effective with 1960, and the cost of employee health benefits.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Commodities for sale	$3,984,216	$3,812,517	$3,882,397	$3,882,397
Unpaid undelivered orders	696,037	808,257	850,000	850,000
Prepaid expense and other assets	35,241	13,369	13,369	13,369
Total selected resources at end of year	4,715,494	4,634,143	4,745,766	4,745,766
Selected resources at start of year (−)		−4,715,494	−4,634,143	−4,745,766
Costs financed from obligations of other years, net (−)		−81,351		
Obligations incurred for costs of other years, net			111,623	

Financing.—Operations are financed from current revenue. The Congress originally appropriated a total of $4,965,000 to establish and operate the Service which has been repaid to the Treasury.

Operating results and financial condition.—Operating revenue is expected to be sufficient to cover operating expense. The decline in operating margin is due principally to higher costs and a reduction in retail prices for clothing items required by patients and members. Funds at the close of the fiscal year in excess of the needs of the Service for the ensuing fiscal year will be paid to the Treasury as miscellaneous receipts.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Sales program:			
Acquisition of equipment	$404,088	$790,789	$771,804
Expense:			
Purchase of commodities for sale	24,636,596	25,928,922	26,050,748
Direct operating expense	7,892,644	8,844,825	9,039,070
Indirect operating expense	1,465,189	1,499,264	1,526,681
Total gross expenditures	34,398,517	37,063,800	37,388,303
Receipts from operations (funds provided):			
Sales program: Revenue	35,316,610	36,832,488	37,200,814
Undistributed receipts:			
Proceeds from sale of equipment	18,380	23,000	20,000
Miscellaneous income	109,782	109,533	110,238
Decrease in selected working capital	71,799	176,761	34,232
Total receipts from operations	35,516,571	37,141,782	37,365,284
Budget expenditures	−1,118,054	−77,982	23,019

Revenue, Expense, and Retained Earnings

Sales program:			
Revenue	$35,316,610	$36,832,488	$37,200,814
Expense	34,701,699	36,652,322	37,105,140
Net operating income, sales program	614,911	180,166	95,674
Nonoperating income or loss (−):			
Proceeds from sale of equipment	18,380	23,000	20,000
Net book value of assets sold (−)	−16,550	−64,580	−42,000
Net gain or loss (−) from sale of equipment	1,830	−41,580	−22,000
Miscellaneous revenue	109,782	109,533	110,238
Net nonoperating income	111,612	67,953	88,238
Net income for the year	726,523	248,119	183,912

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VETERANS ADMINISTRATION—Continued

Public enterprise funds—Continued

CANTEEN SERVICE REVOLVING FUND—Continued

Revenue, Expense, and Retained Earnings—Continued

	1959 actual	1960 estimate	1961 estimate
Analysis of retained earnings:			
Retained earnings, beginning of year	$9,282,907	$9,158,895	$9,999,049
Payment of profits to Treasury (−)	−850,535	−465,444	−25,992
Prior year adjustment (equipment)		1,057,479	
Retained earnings, end of year	9,158,895	9,999,049	10,156,969

Financial Condition

Assets:			
Cash with Treasury, in banks, on hand, and in transit	$5,499,815	$5,112,353	$5,063,342
Accounts receivable, net	407,229	410,000	410,000
Commodities for sale	3,812,517	3,882,397	3,882,397
Prepaid expense and other assets	13,369	13,369	13,369
Equipment, net	2,019,458	3,353,955	3,595,118
Total assets	11,752,388	12,772,074	12,964,226
Liabilities:			
Current	2,234,289	2,413,821	2,448,053
Government investment:			
Non-interest-bearing capital:			
Start of year	358,788	359,204	359,204
Donated equipment during year	416		
End of year	359,204	359,204	359,204
Retained earnings	9,158,895	9,999,049	10,156,969
Total Government investment	9,518,099	10,358,253	10,516,173

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash with Treasury, in banks, on hand, and in transit	$5,232,296	$5,499,815	$5,112,353	$5,063,342
Obligated balance, net:				
Current liabilities	2,185,759	2,234,289	2,413,821	2,448,053
Unpaid undelivered orders	696,037	808,257	850,000	850,000
Accounts receivable, net (−)	−408,626	−407,229	−410,000	−410,000
Total obligated balance	2,473,170	2,635,317	2,853,821	2,888,053
Unobligated balance	2,759,126	2,864,498	2,258,532	2,175,289

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	2,356	2,415	2,415
Full-time equivalent of all other positions	188	218	218
Average number of all employees	2,532	2,626	2,627
Number of employees at end of year	2,722	2,805	2,805
Average GS grade and salary	8.2 $5,690	8.3 $5,754	8.3 $5,827
Average salary of ungraded positions	$2,911	$3,032	$3,052
01 Personal services:			
Permanent positions	$7,409,917	$7,865,285	$7,927,917
Positions other than permanent	485,880	648,000	656,000
Other personal services	56,101	66,707	64,162
Excess of annual leave earned over annual leave taken	83,629	91,022	91,733
Total personal services	8,035,527	8,671,014	8,739,812
02 Travel	96,038	99,500	99,500
05 Rents and utility services	401,417	630,460	630,460
06 Printing and reproduction	39,316	40,000	40,000
07 Other contractual services	205,042	216,596	365,860
08 Supplies and materials	24,865,848	26,188,698	26,310,524
09 Equipment	404,088	790,789	771,804
11 Grants, subsidies, and contributions	212,590	326,867	328,940
15 Taxes and assessments	116,779	99,876	101,403
Total accrued expenditures	34,376,645	37,063,800	37,388,303
Increase in unpaid undelivered orders	112,220	41,743	
Total obligations	34,488,865	37,105,543	37,388,303

DIRECT LOANS TO VETERANS AND RESERVES

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Capital outlay:			
1. Direct loans to veterans	$204,727,993	$357,329,999	$6,480,000
2. Vendee loans made	1,757	2,000	2,000
3. Real property acquired	103,335	100,000	100,000
Total capital outlay	204,833,085	357,431,999	6,582,000
Operations:			
4. Interest on borrowings	20,143,285	29,250,000	36,000,000
5. Operating expense, general	310,770	137,000	50,000
6. Property management and selling expense	149,021	147,000	152,000
Total operations	20,603,076	29,534,000	36,202,000
Total program (obligations)	225,436,161	386,965,999	42,784,000
Financing:			
Amounts becoming available:			
Authorization to expend from public debt receipts:			
Permanent	150,000,000	150,000,000	
Current		100,000,000	
Revenue and receipts:			
Collection of loans to veterans	44,798,309	61,140,000	77,150,000
Sale of veterans loans	3,547,667	3,000,000	3,000,000
Collection of vendee loans	152,406	175,000	180,000
Sale of properties	168,028	200,000	200,000
Interest on loans	32,741,134	46,000,000	59,000,000
Other revenue	669,026	709,000	1,009,000
Total amounts becoming available	232,076,570	361,224,000	140,539,000
Unobligated balance brought forward	97,443,207	104,083,616	78,341,617
Total amounts available	329,519,777	465,307,616	218,880,617
Unobligated balance no longer available (repayment of borrowings to Treasury (−))			−83,000,000
Unobligated balance carried forward	−104,083,616	−78,341,617	−93,096,617
Financing applied to program	225,436,161	386,965,999	42,784,000

Loans are made to veterans for the purchase, construction, or improvement of homes, including farm residences, in specified areas where mortgage loans made by private lenders and guaranteed by the Veterans Administration cannot be secured (38 U.S.C. 1811).

Budget program—1. *Direct loans to veterans.*—Under existing legislation, authority to make or to enter into commitments to make loans expires July 25, 1960. However, disbursements against loan commitments made prior to that date will continue. Commitments are expected to increase in the current year but to fall off sharply in 1961 with the expiration of loan making authority. The amount of loans outstanding will reach a peak of over $1 billion in 1961. A summary of loan activity follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Number of loan commitments	21,662	35,697	635
Number of loans closed and fully disbursed	18,996	31,900	9,400
Amount of loan commitments (obligated)	$204,727,993	$357,329,999	$6,480,000
Total loans closed and fully disbursed	$179,531,163	$319,330,000	$94,880,000
Average per loan closed and fully disbursed	$9,451	$10,010	$10,093
Repayment of loans	$46,836,059	$62,836,423	$78,820,000
Sale of loans	$3,547,667	$3,000,000	$3,000,000
Losses on loans	$61,952	$65,000	$65,000
Net loan disbursements	$129,085,485	$253,428,577	$12,995,000
Loans outstanding end of year:			
Number	119,650	148,000	154,000
Amount	$821,331,159	$1,074,759,736	$1,087,754,736

2. *Vendee loans made.*—Resale of real property acquired through foreclosure or voluntary conveyance normally involves a cash down payment by the purchaser and the creation of a new mortgage loan to be held by the Veterans Administration. The noncash portions of these transactions are excluded from the program and financing schedule above and from the statement of sources and application of funds; but they are included in the following activity summary:

	1959 actual	*1960 estimate*	*1961 estimate*
Amount of properties sold	$1,819,991	$2,000,000	$2,000,000
Amount of vendee loans acquired	1,653,722	1,802,000	1,802,000
Amount of vendee loans repaid	194,690	205,000	210,000

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3. *Real property acquired.*—Properties are acquired through foreclosures and voluntary conveyances in defaulted loans. This involves primarily an exchange of noncash assets, with relatively small cash outlay. The noncash portion of these transactions is excluded from the program and financing schedule above and the statement of sources and application of funds; but it is included in the following activity summary:

	1959 actual	*1960 estimate*	*1961 estimate*
Amount of properties acquired	$2,183,371	$1,826,423	$1,800,000

4. *Interest on borrowings.*—These payments to the Treasury increase as the principal amount of notes held by the Treasury increases with additional borrowings.

5. *Operating expense, general.*—These include a variety of miscellaneous expenses incident to closing and servicing loans. Costs will decline due to the effects of recent legislation requiring the veteran borrower to pay loan closer's fees previously paid by the Veterans Administration.

6. *Property management and selling expense.*—These costs of maintaining and selling properties acquired through foreclosure are expected to increase slightly with the increase in the number of loans outstanding.

Financing.—Loans are made primarily with funds borrowed from the Treasury. Borrowing authority in the amount of $933 million was authorized through June 30, 1959. An additional $250 million has been authorized for 1960. In addition, the proceeds of loan repayments and loan sales are available for making loans. It is expected that a favorable cash position will permit the repayment of $83 million to the Treasury during 1961. Expenses incident to closing loans are paid by the veteran, foreclosure expenses are met from interest revenue, and administrative expenses are borne by the appropriation for General operating expenses.

Operating results and financial condition.—Interest revenue from loans outstanding exceeds interest expense on borrowings from the Treasury, providing a growing annual net income, and increasing the retained earnings of the fund by $17 million in 1960 and $24 million in 1961.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Acquisition of assets:			
Loans to veterans	$179,531,163	$319,330,000	$94,880,000
Vendee loans	1,757	2,000	2,000
Real property	103,335	100,000	100,000
Expense	20,603,076	29,534,000	36,202,000
Total gross expenditures	200,239,331	348,966,000	131,184,000
Receipts from operations (funds provided):			
Realization of assets:			
Repayment of loans to veterans	44,798,309	61,140,000	77,150,000
Sale of veterans loans	3,547,667	3,000,000	3,000,000
Repayment of vendee loans	152,406	175,000	180,000
Sale of real property	168,028	200,000	200,000
Revenue	33,410,160	46,709,000	60,009,000
Decrease in selected working capital	4,935,766	7,245,989	2,798,011
Total receipts from operations	87,012,336	118,469,989	143,337,011
Budget expenditures	113,226,995	230,496,011	−12,153,011

NOTE.—The above statement excludes the following exchanges of non-working-capital assets: The settlement of defaulted veterans loans by acquisition of property (June 30, 1959, $2,037,750; 1960, $1,696,428; 1961, $1,670,000); the settlement of vendee loans by acquisition of real property (June 30, 1959, $42,286; 1960, $30,000; 1961, $30,000); the acquisition of vendee loans in exchange for real property (June 30, 1959, $1,651,965; 1960, $1,800,000; 1961, $1,800,000).

Revenue, Expense, and Retained Earnings

	1959 actual	1960 estimate	1961 estimate
Revenue	$33,410,160	$46,709,000	$60,009,000
Expense	20,666,268	29,600,200	36,268,200
Net operating income	12,743,892	17,108,800	23,740,800
Nonoperating income:			
Proceeds from sales of properties:			
Cash proceeds	168,028	200,000	200,000
Other	1,651,963	1,800,000	1,800,000
Net book value of properties sold (−)	−1,804,963	−1,980,000	−1,980,000
Net gain from sale of properties	15,028	20,000	20,000
Net income for the year	12,758,920	17,128,800	23,760,800
Retained earnings, beginning of year	38,408,298	51,167,218	68,296,018
Retained earnings, end of year	51,167,218	68,296,018	92,056,818

Financial Condition

Assets:			
Cash with Treasury	$180,295,484	$199,799,473	$128,952,484
Accounts receivable, net	810,972	901,972	1,002,972
Loans receivable, net:			
Direct loans to veterans	821,331,159	1,074,759,736	1,087,754,736
Vendee loans	3,356,807	4,952,607	6,543,407
Real property owned	895,569	741,992	561,992
Real property in process of acquiring title	278,008	278,008	278,008
Total assets	1,006,967,999	1,281,433,788	1,225,093,599
Liabilities:			
Current	25,722,785	33,059,774	35,958,785
Government investment:			
Interest-bearing capital:			
Start of year	780,077,996	930,077,996	1,180,077,996
Borrowings from Treasury during year, net	150,000,000	250,000,000	−83,000,000
End of year	930,077,996	1,180,077,996	1,097,077,996
Retained earnings	51,167,218	68,296,018	92,056,818
Total Government investment	981,245,214	1,248,374,014	1,189,134,814

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash with Treasury	$143,522,478	$180,295,484	$199,799,473	$128,952,484
Obligated balance, net:				
Current liabilities	20,723,102	25,722,785	33,059,774	35,958,785
Undisbursed loan obligations	26,103,224	51,300,055	89,300,054	900,054
Accounts receivable, net (−)	−747,055	−810,972	−901,972	−1,002,972
Total obligated balance	46,079,271	76,211,868	121,457,856	35,855,867
Unobligated balance	97,443,207	104,083,616	78,341,617	93,096,617

Object Classification

		1959 actual	1960 estimate	1961 estimate
07	Other contractual services	$459,791	$284,000	$202,000
14	Interest	20,143,285	29,250,000	36,000,000
16	Investments and loans	204,833,085	359,431,999	6,582,000
	Total obligations	225,436,161	388,965,999	42,784,000

RENTAL, MAINTENANCE, AND REPAIR OF QUARTERS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Maintenance and repair of quarters (total program costs)	$92,044	$110,033	$108,000
2. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−1,145	−33	
Total program (obligations)	90,899	110,000	108,000

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VETERANS ADMINISTRATION—Continued

Public enterprise funds—Continued

RENTAL, MAINTENANCE, AND REPAIR OF QUARTERS—Continued

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Financing:			
Revenue from rents	$124,638	$109,000	$107,000
Unobligated balance brought forward	3,717	30,919	23,919
Total amounts available	128,355	139,919	130,919
Capital transfer (payment of profits to Treasury) (−)	−6,537	−6,000	−1,000
Unobligated balance carried forward	−30,919	−23,919	−21,919
Financing applied to program	90,899	110,000	108,000

1. *Maintenance and repair of quarters.*—Rentals received for 133 housekeeping units leased to Federal employees at Perry Point, Md., and 48 units on the sites of hospitals to be constructed at Nashville, Tenn., Brecksville, Ohio, and Cleveland, Ohio, which are temporarily leased to other than Federal employees are used to defray operating expense, including repair and maintenance (38 U.S.C. 5012).

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $1,178; and 1959, $33.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Expense	$92,044	$110,033	$108,000
Increase in selected working capital	8,671	229	
Total gross expenditures	100,715	110,262	108,000
Receipts from operations (funds provided):			
Revenue	124,638	109,000	107,000
Budget expenditures	−23,923	1,262	1,000

Revenue, Expense, and Retained Earnings

Rental program:			
Revenue	$124,638	$109,000	$107,000
Expense	92,044	110,033	108,000
Net operating income or loss (−)	32,594	−1,033	−1,000
Analysis of retained earnings:			
Retained earnings, beginning of year	4,895	30,952	23,919
Payment of profits to Treasury (−)	−6,537	−6,000	−1,000
Retained earnings, end of year	30,952	23,919	21,919

Financial Condition

Assets:			
Cash with Treasury	$22,229	$14,967	$12,967
Accounts receivable, net	10,155	10,000	10,000
Total assets	32,384	24,967	22,967
Liabilities:			
Current	1,432	1,048	1,048
Government investment:			
Retained earnings	30,952	23,919	21,919

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash with Treasury	$4,843	$22,229	$14,967	$12,967
Obligated balance, net:				
Current liabilities	4,139	1,432	1,048	1,048
Unpaid undelivered orders	1,178	33		
Accounts receivable, net (−)	−4,191	−10,155	−10,000	−10,000
Total obligated balance	1,126	−8,690	−8,952	−8,952
Unobligated balance	3,717	30,919	23,919	21,919

Object Classification

		1959 actual	1960 estimate	1961 estimate
05	Rents and utility services	$8,064	$9,000	$9,000
07	Other contractual services	55,476	71,000	69,000
08	Supplies and materials	27,359	30,000	30,000
	Total obligations	90,899	110,000	108,000

SERVICE-DISABLED VETERANS INSURANCE FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs:			
1. Death claims paid	$3,085,443	$4,787,032	$5,624,664
2. Premiums waived and lien write-offs	969,801	1,120,000	1,270,000
3. Cash surrenders paid	86,102	120,000	150,000
4. Receivables written off	4,000		
5. Increase in operating reserve	2,730,102	3,852,229	4,576,124
Total operating costs	6,875,448	9,879,261	11,620,788
6. Unfunded adjustments to total operating costs:			
Increase (−) in operating reserve	−2,730,102	−3,852,229	−4,576,124
Premiums waived and lien write-offs	−969,801	−1,120,000	−1,270,000
Total operating costs, funded	3,175,545	4,907,032	5,774,664
Capital outlay:			
7. Policy loans and liens made	525,033	725,000	950,000
Total program (costs—obligations)	3,700,578	5,632,032	6,724,664
Financing:			
Amounts becoming available: Revenue and receipts:			
Loans and liens repaid	259,430	375,000	515,000
Payment from Veterans insurance and indemnities		300,000	1,400,000
Premiums earned	2,458,469	2,962,990	3,463,912
Interest on investments	18,429	31,194	46,000
Other revenue: Optional settlements		1,000,000	1,000,000
Total amounts becoming available	2,736,328	4,669,184	6,424,912
Unobligated balance brought forward	1,728,931	764,681	−198,167
Total amounts available	4,465,259	5,433,865	6,226,745
Unobligated balance carried forward	−764,681	198,167	497,919
Financing applied to program	3,700,578	5,632,032	6,724,664

This fund finances the payment of claims on nonparticipating insurance policies issued to veterans with service-connected disabilities which make them ineligible for commercial insurance (38 U.S.C. 722). Administrative expenses are paid from the appropriation General operating expenses.

Budget program—1. *Death claims paid.*—Payments to surviving beneficiaries continue to increase as new deaths occur among the increasing number of policyholders.

2. *Premiums waived and lien writeoffs.*—Premium payments are waived for policyholders who are totally disabled for 6 months or more. This is a cost to the fund which increases with the increased number of policies in force.

3. *Cash surrenders paid.*—A policyholder may terminate his insurance by cashing in his policy for its cash value. This activity continues to increase as the number of policies increases.

4. *Receivables written off.*—Overpayments may be written off as uncollectible if determined the repayment would create hardships to beneficiaries. Very few overpayments are expected.

7. *Policy loans and liens made.*—A policyholder may borrow up to 94% of the cash value of his policy. This activity increases with the increased number of policyholders.

The general increase in the activity of this fund is indicated in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Number of policies	33,791	38,702	44,000	50,500
Insurance in force	$296,977,000	$339,870,570	$386,496,000	$443,592,000

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Financing.—Operations are financed from premiums and other receipts. Additional funds are derived from the appropriation Veterans insurance and indemnities, instead of direct appropriations to this fund. It is estimated that the payment will be $1,400,000 in 1961.

Operating results and financial condition.—Because premium and other receipts continue to be insufficient to cover operations, the deficit is expected to continue to increase with capital impairment reaching an estimated $18,078,888 by June 30, 1961.

Sources and Applications of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Acquisitions of loans and liens	$525,033	$725,000	$950,000
Expense	3,175,545	4,907,032	5,774,664
Total gross expenditures	3,700,578	5,632,032	6,724,664
Receipts from operations (funds provided):			
Loans and liens repaid	259,430	375,000	515,000
Payment from Veterans insurance and indemnities		300,000	1,400,000
Revenue	2,476,898	3,994,184	4,509,912
Decrease in selected working capital	95,365	44,999	63,598
Total receipts from operations	2,831,693	4,714,183	6,488,510
Budget expenditures	868,885	917,849	236,154

Revenue, Expense, and Retained Earnings

Revenue:			
Funded	$2,476,898	$3,994,184	$4,509,912
Nonfunded (premiums waived)	969,772	1,120,000	1,270,000
Total revenue	3,446,670	5,114,184	5,779,912
Expense:			
Funded	3,175,545	4,907,032	5,774,664
Nonfunded:			
Liens written off	29		
Premiums waived	969,772	1,120,000	1,270,000
Increase in operating reserve	2,730,102	3,852,229	4,576,124
Total expense	6,875,448	9,879,261	11,620,788
Net loss (−) for the year	−3,428,778	−4,765,077	−5,840,876
Deficit (−), beginning of year	−10,244,157	−13,672,935	−18,438,012
Deficit (−), end of year	−13,672,935	−18,438,012	−24,278,888

Financial Condition

Assets:			
Cash with Treasury	$1,154,003	$236,154	
Accounts receivable, net	14,288	21,482	$29,482
Policy loans	602,342	951,380	1,385,380
Policy liens	3,038	4,000	5,000
Total assets	1,773,671	1,213,016	1,419,862
Liabilities:			
Current	403,610	455,803	527,401
Operating reserve:			
Reserve for cash surrender value	8,231,446	11,530,976	15,499,248
Reserve for future installments on matured contracts	1,895,623	2,366,545	2,881,607
Policy claims currently outstanding	415,927	497,704	590,494
Total liabilities	10,946,606	14,851,028	19,498,750
Government investment:			
Non-interest bearing capital:			
Start of year	4,500,000	4,500,000	4,800,000
Payment from veterans insurance and indemnities		300,000	1,400,000
End of year	4,500,000	4,800,000	6,200,000
Deficit (−)	−13,672,935	−18,438,012	−24,278,888
Total Government investment	−9,172,935	−13,638,012	−18,078,888

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash with Treasury	$2,022,888	$1,154,003	$236,154	

Status of Certain Fund Balances—Continued

	1958 actual	1959 actual	1960 estimate	1951 estimate
Obligated balance, net:				
Current liabilities	$306,773	$403,610	$455,803	$527,401
Accounts receivable, net (−)	−12,816	−14,288	−21,482	−29,482
Total obligated balance	293,957	389,322	434,321	497,919
Unobligated balance	1,728,931	764,681	−198,167	−497,919

Object Classification

		1959 actual	1960 estimate	1961 estimate
12	Pensions, annuities, and insurance claims	$3,175,545	$4,907,032	$5,774,664
16	Investments and loans (policy loans)	525,033	725,000	950,000
	Total obligations	3,700,578	5,632,032	6,724,664

Soldiers' and Sailors' Civil Relief Fund

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Insurance program:			
(*a*) Claims paid on guaranteed premiums of servicemen's commercial life insurance policies	$20,977	$18,750	$18,750
(*b*) Refund claims paid to former servicemen for payments made to the Government	1,438,568	191,432	
(*c*) Writeoff of claims receivable	29,005		
Total program costs	1,488,550	210,182	18,750
(*d*) Unfunded adjustment to total program costs: Writeoff of claims receivable (−)	−29,005		
Total program (costs—obligations)	1,459,545	210,182	18,750
Financing:			
Amounts becoming available: Revenue and receipts:			
Appropriation	1,300,000		
Collection of claims receivable	2,152	2,000	2,000
Revenue	431	400	
Total amounts becoming available	1,302,583	2,400	2,000
Unobligated balance brought forward	432,077	275,115	67,333
Total amounts available	1,734,660	277,515	69,333
Unobligated balance carried forward	−275,115	−67,333	−50,583
Financing applied to program	1,459,545	210,182	18,750

The fund finances claims arising from the guarantee of premiums due on commercial life insurance policies held by servicemen while they are in service and for 2 years after discharge (72 Stat. 487). The Government guarantees the repayment of any indebtedness not liquidated by the insured himself. Any payment by the Government on cases approved subsequent to October 6, 1942, creates a debt owed the Government by the insured. The Supreme Court has ruled that, in cases approved prior to October 6, 1942, the insured individuals may make claims for refunds of any payments made to the Government because of alleged indebtedness.

Budget program—Insurance program.—(*a*) Claims paid on guaranteed premiums are made to commercial insurance companies in cases where the servicemen failed to make premium payments which were guaranteed by the Government and (*b*) refund claims paid to former servicemen for payments made to the Government are one-time payments to a limited group of claimants which are expected to be completed in 1960.

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VETERANS ADMINISTRATION—Continued

Public enterprise funds—Continued

SOLDIERS' AND SAILORS' CIVIL RELIEF FUND—Continued

The activity of the fund is indicated in the following table:

	1959 actual	*1960 estimate*	*1961 estimate*
Number of settlements	75	75	75
Number of refunds	7,065	943	----
Average cost per settlement	$280	$250	$250
Average cost per refund	$204	$203	----

Financing.—Payment of claims against this fund are financed from collection of claims receivable, revenue, and appropriations as needed.

Operating results and financial condition.—The payment of refund claims in 1959 and 1960 has created expense substantially in excess of the small revenue of the fund, thereby increasing the deficit by $1.5 million in 1959 and $0.2 million in 1960.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Claims paid	$20,977	$18,750	$18,750
Expense	1,438,568	191,432	----
Increase in selected working capital	----	144,544	----
Total gross expenditures	1,459,545	354,726	18,750
Receipts from operations (funds provided):			
Claims repaid	2,152	2,000	2,000
Revenue	431	400	----
Decrease in selected working capital	144,986	----	----
Total receipts from operations	147,569	2,400	2,000
Budget expenditures	1,311,976	352,326	16,750

Revenue, Expense, and Retained Earnings

Revenue	$431	$400	----
Expense	1,467,573	191,432	----
Net loss (−) for the year	−1,467,142	−191,032	----
Deficit (−), beginning of year	−210,953	−1,678,095	−$1,869,127
Deficit (−), end of year	−1,678,095	−1,869,127	−1,869,127

Financial Condition

Assets:			
Cash with Treasury	$419,659	$67,333	$50,583
Claims receivable	49,790	66,540	83,290
Total assets	469,449	133,873	133,873
Liabilities:			
Current	144,544	----	----
Government investment:			
Non-interest-bearing capital:			
Start of year	703,000	2,003,000	2,003,000
Appropriation	1,300,000	----	----
End of year	2,003,000	2,003,000	2,003,000
Deficit (−)	−1,678,095	−1,869,127	−1,869,127
Total Government investment	324,905	133,873	133,873

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash	$431,635	$419,659	$67,333	$50,583
Obligated balance, net: Current liabilities	----	144,544	----	----
Accounts receivable, net (−)	−442	----	----	----
Unobligated balance	432,077	275,115	67,333	50,583

Object Classification

	1959 actual	1960 estimate	1961 estimate
12 Pensions, annuities, and insurance claims	$20,977	$18,750	$18,750
13 Refunds, awards, and indemnities	1,438,568	191,432	----
Total obligations	1,459,545	210,182	18,750

VETERANS SPECIAL TERM INSURANCE FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs:			
1. Death claims paid	$5,827,345	$8,414,000	$8,490,000
2. Disability claims paid	----	100,000	150,000
3. Cash surrenders paid	1,141	10,000	50,000
4. Premiums waived and liens written off	66,581	111,600	209,400
5. Increase in operating reserve	2,461,607	11,141,376	17,526,000
Total operating costs	8,356,674	19,776,976	26,425,400
6. Unfunded adjustments to total operating costs:			
Decrease (−) in operating reserve	−2,461,607	−11,141,376	−17,526,000
Premiums waived and liens written off (−)	−66,581	−111,600	−209,400
Total operating costs, funded	5,828,486	8,524,000	8,690,000
Capital outlay:			
7. Policy loans made	2,909	125,000	700,000
8. Policy liens established	2,170	2,200	2,500
Total capital outlay	5,079	127,200	702,500
Total program (costs—obligations)	5,833,565	8,651,200	9,392,500
Financing:			
Amounts becoming available: Revenue and receipts:			
Policy loans repaid	----	27,909	300,000
Policy liens repaid	1,351	720	1,100
Premiums earned	22,292,412	23,012,657	24,567,000
Interest on investments	1,397,853	1,977,000	2,363,000
Recovery of lien writeoffs	----	400	400
Other revenue: Optioual settlements	----	2,000,000	2,000,000
Total amounts becoming available	23,691,616	27,018,686	29,231,500
Unobligated balauce brought forward (U.S. securities)	43,479,178	61,337,229	79,704,715
Total amounts available	67,170,794	88,355,915	108,936,215
Unobligated balance carried forward (U.S. securities)	−61,337,229	−79,704,715	−99,543,715
Financing applied to program	5,833,565	8,651,200	9,392,500

The fund finances the payment of claims on nonparticipating insurance policies issued before January 1, 1957, to veterans who served in the Armed Forces subsequent to April 1951 (38 U.S.C. 723). Under 72 Stat. 1716, policyholders have the right to convert to a permanent plan of insurance or to a new form of term insurance which may not be renewed beyond age 50 but which costs less than the present term insurance. Those who convert to a permanent plan will also acquire the right to purchase total disability income coverage with an additional premium.

Budget program—1. *Death claims paid.*—Payments to surviving beneficiaries continue to increase as new deaths occur among policyholders.

2. *Disability claims paid.*—Payments to individuals who have purchased total disability coverage and who subsequently become totaly disabled are expected to begin in 1960.

3. *Cash surrenders paid.*—Under the new law mentioned above authorizing conversion to permanent types of insurance, policyholders may terminate their insurance by

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cashing their policies. This activity will increase as more policyholders convert to a permanent plan.

4. *Premiums waived and lien writeoff.*—Premium payments are waived for policyholders who are totally disabled for 6 months or more. This is a cost to the fund which increases with the number of policies under premium waiver.

7 and 8. *Policy loans and liens made.*—The policyholders who convert their insurance from term to permanent plan will subsequently be entitled to borrow up to 94% of the cash value of the new policy. Disbursement of such loans from this fund is expected to begin in 1960.

The general decrease in the activity of this fund is indicated in the following table:

[Dollars in millions]

	June 30, 1958	*June 30, 1959*	*June 30, 1960*	*June 30, 1961*
Number of policies	686,628	671,751	655,000	617,000
Insurance in force	$6,267	$6,040	$5,888	$5,648

Financing.—Payments from this fund are financed primarily from premium receipts and interest on investments, which are decreasing as the number of policyholders declines.

Operating results and financial condition.—Favorable mortality experience on insurance written against this fund has kept death claims payments well below the amount of premium and interest receipts, thereby producing an annual increase in the retained earnings of the fund.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Acquisition of loans and liens	$5,079	$127,200	$702,500
Expense	5,828,486	8,524,000	8,690,000
Total gross expenditures	5,833,565	8,651,200	9,392,500
Receipts from operations (funds provided):			
Loans and liens repaid	1,351	28,629	301,100
Revenue	23,690,265	26,990,057	28,930,400
Decrease in selected working capital	211,753	335,949	417,000
Total receipts from operations	23,903,369	27,354,635	29,648,500
Budget expenditures	−18,069,804	−18,703,435	−20,256,000

Revenue, Expense, and Retained Earnings

Revenue:			
Funded	$23,690,265	$26,990,057	$28,930,400
Nonfunded: Premiums waived	66,185	110,200	208,000
Total revenue	23,756,450	27,100,257	29,138,400
Expense:			
Funded	5,828,486	8,524,000	8,690,000
Nonfunded:			
Premiums waived	66,185	111,600	209,400
Liens written off	396		
Increase in operating reserve	2,461,607	11,141,376	17,526,000
Total expense	8,356,674	19,776,976	26,425,400
Net income for the year	15,399,776	7,323,281	2,713,000
Retained earnings, beginning of year	35,856,658	51,256,434	58,579,715
Retained earnings, end of year	51,256,434	58,579,715	61,292,715

Financial Condition

Assets:			
Cash with Treasury	$711,280	$578,715	$634,715
U.S. securities (par)	66,164,000	85,000,000	105,200,000
Accounts receivable, net		2,000	10,000
Policy loans	2,909	100,000	500,000
Policy liens	2,920	3,000	3,000
Total assets	66,881,109	85,683,715	106,347,715

Financial Condition—Continued

	1959 actual	1960 estimate	1961 estimate
Liabilities:			
Current	$5,538,051	$5,876,000	$6,301,000
Operating reserve:			
Policy reserve	3,973,442	13,330,000	28,852,000
Premium waiver disability reserve	1,575,000	2,200,000	2,800,000
Reserves for future installments on matured contracts	3,722,082	4,589,000	5,522,000
Reserve for total disability	3,600	349,000	828,000
Policy claims in process of settlement	812,500	760,000	752,000
Total liabilities	15,624,675	27,104,000	45,055,000
Government investment:			
Retained earnings	51,256,434	58,579,715	61,292,715

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash and U.S. securities	$48,805,476	$66,875,280	$85,578,715	$105,834,715
Obligated balance, net:				
Current liabilities	5,326,298	5,538,051	5,876,000	6,301,000
Accounts receivable, net (−)			−2,000	−10,000
Total obligated balance	5,326,298	5,538,051	5,874,000	6,291,000
Unobligated balance	43,479,178	61,337,229	79,704,715	99,543,715

Object Classification

	1959 actual	1960 estimate	1961 estimate
12 Pensions, annuities, and insurance claims	$5,828,486	$8,524,000	$8,690,000
16 Investments and loans	5,079	127,200	702,500
Total obligations	5,833,565	8,651,200	9,392,500

Vocational Rehabilitation Revolving Fund

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs:			
Writeoff of loans	$1,829		
Provision for losses on loans included above (−)	−1,829		
Capital outlay: Loans to veterans	346,555	$300,000	$300,000
Total program (costs—obligations) (object class 12)	346,555	300,000	300,000
Financing:			
Amounts becoming available: Loans repaid	341,667	300,000	300,000
Unobligated balance brought forward	316,864	311,976	311,976
Total amount available	658,531	611,976	611,976
Unobligated balance carried forward	−311,976	−311,976	−311,976
Financing applied to program	346,555	300,000	300,000

This fund is used to make loans up to $100 to disabled veterans eligible for vocational rehabilitation who are without sufficient funds to meet their expense (38 U.S.C. 1507). Repayments are used to make new loans.

Administrative expenses are borne by the appropriation General operating expenses.

WORKLOAD, AMOUNTS LOANED AND REPAID

	1959 actual	*1960 estimate*	*1961 estimate*
Number of loans made	3,466	3,000	3,000
Average per loan	$100	$100	$100
Number of loans outstanding	1,806	1,806	1,806
Average amount per loan outstanding	$50	$50	$50
Total amount of loans made	$346,555	$300,000	$300,000
Repayment of loans	$341,667	$300,000	$300,000

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VETERANS ADMINISTRATION—Continued

Public enterprise funds—Continued

VOCATIONAL REHABILITATION REVOLVING FUND—Continued

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Acquisition of loans	$346,555	$300,000	$300,000
Increase in selected working capital	93		
Total gross expenditures	346,648	300,000	300,000
Receipts from operations (funds provided):			
Loans repaid	341,667	300,000	300,000
Budget expenditures	4,981		

Revenue, Expense, and Retained Earnings

Expense: Writeoff of loans (net loss (—) for the year)	—$1,829		
Retained earnings, beginning of year	4,106	$2,277	$2,277
Retained earnings, end of year	2,277	2,277	2,277

Financial Condition

Assets:			
Cash with Treasury	$311,976	$311,976	$311,976
Loans receivable	90,301	90,301	90,301
Total assets	402,277	402,277	402,277
Government investment:			
Non-interest-bearing capital: Start and end of year	400,000	400,000	400,000
Retained earnings	2,277	2,277	2,277
Total Government investment	402,277	402,277	402,277

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash with Treasury	$316,957	$311,976	$311,976	$311,976
Obligated balance, net:				
Current liabilities	93			
Unobligated balance	316,864	311,976	311,976	311,976

Intragovernmental funds:

SUPPLY FUND

The Supply fund finances the procurement of supplies and equipment throughout the Veterans Administration (38 U.S.C. 5011).

Budget program—Procurement and services program.—The procurement and services program includes the procurement of supplies and equipment, the operation of service and reclamation shops at each of the three supply depots which are located at Somerville, N.J., Hines, Ill., and Wilmington, Calif., a centralized book and periodical procurement activity at Somerville, N.J., and a motion picture inspection and shipping activity which distributes films to Veterans Administration hospitals and homes. Expenditures and revenue in 1961 for the procurement and services program are estimated to be $136,057,960.

Publication and reproduction program.—This program provides printing service to Veterans Administration installations on a centralized basis. Printed matter is acquired in accordance with the rules of the Joint Committee on Printing and Binding from the Government Printing Office, the General Services Administration, two Veterans Administration-operated plants in Washington, D.C., and St. Louis, Mo., and from commercial sources. Expenditures and revenue in 1961 are estimated to be $3,143,101.

Financing.—Consuming appropriations reimburse the fund for the cost of goods and services provided, including related expense such as transportation, inspection, and testing but excluding personal services and other costs incidental to the operation and administration of supply activities, which are charged directly to applicable appropriations and are not operating expense of the supply fund.

Operating results.—The fund operated at a net loss of $236,573 in 1959 on a total sales volume of $138,866,253. It is expected to break even in 1961 on a slightly higher sales volume after recovering the 1959 loss in 1960.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Procurement and services program:			
Acquisition of equipment	$2,729	$5,000	$450
Expense:			
Purchases of supplies and equipment	129,987,322	134,233,945	133,999,841
Other expense	1,906,484	1,950,423	1,961,067
Publications and reproduction program:			
Acquisition of equipment	20,857	82,134	25,355
Expense:			
Purchase of supplies	1,535,341	1,838,063	1,749,748
Other expense	1,310,057	1,312,057	1,348,107
Increase in selected working capital	15,934,505		
Total gross expenditures	150,697,295	139,421,622	139,084,568
Receipts from operations (funds provided):			
Procurement and services program:			
Revenue	135,755,719	136,048,770	136,057,960
Publications and reproduction program:			
Revenue	3,110,534	3,084,156	3,143,101
Decrease in selected working capital		2,630	
Total receipts from operations	138,866,253	139,135,556	139,201,061
Budget expenditures	11,831,042	286,066	—116,493

Revenue, Expense, and Retained Earnings

Procurement and services program:			
Revenue	$135,755,719	$136,048,770	$136,057,960
Expense	135,993,099	135,810,027	136,057,960
Net operating income or loss (—) procurement and services program	—237,380	238,743	
Publications and reproduction program:			
Revenue	3,110,534	3,084,156	3,143,101
Expense	3,100,437	3,086,326	3,143,101
Net operating income or loss (—), publications and reproduction program	10,097	—2,170	
Nonoperating loss (—) (net loss from disposal of equipment)	—9,290		
Net income or loss (—) for the year	—236,573	236,573	
Analysis of retained earnings or deficit (—):			
Retained earnings or deficit (—), beginning of year	33,242	—236,573	
Payment of earnings to Treasury (—)	—33,242		
Deficit, end of year	—236,573		

Financial Condition

Assets:			
Cash with Treasury	$11,397,995	$11,111,929	$11,228,422
Accounts receivable, net	8,108,410	8,150,000	8,150,000
Advances	619,177	80,000	80,000
Commodities for sale	27,987,197	28,463,377	28,366,043
Operating equipment, net	214,666	263,755	244,596
Total assets	48,327,445	48,069,061	48,069,061
Liabilities:			
Current	8,894,957	8,400,000	8,400,000
Government investment:			
Non-interest-bearing capital:			
Start of year	39,687,910	39,669,061	39,669,061
Capital adjustment-inventory	—18,849		
End of year	39,669,061	39,669,061	39,669,061
Retained earnings or deficit (—)	—236,573		
Total Government investment	39,432,488	39,669,061	39,669,061

NOTE.—Unpaid undelivered orders are as follows: June 30, 1958, $14,301,445; 1959, $12,112,997; 1960, $12,000,000; 1961, $12,000,000.

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Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	272	262	262
Average number of all employees	258	257	257
Number of employees at end of year	248	255	255
Average GS grade and salary	5.6 $5,048	5.6 $5,153	5.6 $5,212
Average salary of ungraded positions	$5,360	$5,509	$5,510
01 Personal services:			
Permanent positions	$1,331,461	$1,375,051	$1,385,697
Other personal services	23,429	31,345	21,144
Total personal services	1,354,890	1,406,396	1,406,841
02 Travel	16,350	17,000	17,000
03 Transportation of things	1,437,762	1,428,225	1,465,214
04 Communication services	14,689	9,925	15,830
05 Rents and utility services	13,453	12,800	12,800
06 Printing and reproduction	1,602,785	1,588,890	1,598,090
07 Other contractual services	42,669	38,998	38,355
07 Supplies and materials	117,197,479	122,976,821	122,713,906
09 Equipment	23,586	87,134	25,805
For sale to others	12,971,668	11,765,000	11,700,000
11 Grants, subsidies, and contributions	85,546	89,853	90,137
13 Refunds, awards, and indemnities	1,675	460	460
15 Taxes and assessments	238	120	130
Total accrued expenditures	134,762,790	139,421,622	139,084,568
Decrease (−) in unpaid undelivered orders and advances	−2,091,612	−652,174	
Total obligations	132,671,178	138,769,448	139,084,568

Advances and Reimbursements

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. General operating expenses	$100,293	$100,000	$100,000
2. Medical administration and miscellaneous operating expenses	1,098		
3. Outpatient care	251,490	175,000	175,000
4. Maintenance and operation of supply depots	148,666	150,000	150,000
5. Construction of hospital and domiciliary facilities	1,646		
Total program (costs—obligations)	503,193	425,000	425,000
Financing:			
Advances and reimbursements from—			
Other accounts	400,672	350,000	350,000
Non-Federal sources (40 U.S.C. 481(c))	102,521	75,000	75,000
Total financing	503,193	425,000	425,000

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	47	40	40
Average number of all employees	47	40	40
Number of employees at end of year	47	40	40
Average GS grade and salary	6.0 $5,092	6.0 $5,106	6.0 $5,106
Average salary of ungraded positions	$5,834	$5,567	$5,567
01 Personal services:			
Permanent positions	$243,029	$206,970	$206,970
Other personal services	24,322	19,830	19,830
Total personal services	267,351	226,800	226,800
02 Travel	15,384	12,175	12,175
03 Transportation of things	608	200	200
04 Communication services	22,521	28,400	28,400
05 Rents and utility services	12,513	11,100	11,100
06 Printing and reproduction	301	200	200
07 Other contractual services	118,654	99,940	99,940
08 Supplies and materials	45,770	30,800	30,800
09 Equipment	1,747	1,200	1,200
10 Lands and structures	1,646		
11 Grants, subsidies, and contributions	16,495	14,034	14,034
13 Refunds, awards, and indemnities	141	100	100
15 Taxes and assessments	62	51	51
Total obligations	503,193	425,000	425,000

Proposed for later transmission:

General Operating Expenses

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Compensation and pensions (total costs—obligations)		$2,817,000	
Financing:			
Proposed supplemental appropriation		2,817,000	

Under existing legislation, 1960.—A supplemental appropriation for 1960 is anticipated to cover the cost of increased compensation and pensions operations resulting from the enactment of Public Law 86–211 subsequent to submission of the 1960 budget.

Inpatient Care

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Maintenance and operation of hospitals:			
(a) Neuropsychiatric hospitals		$1,947,000	
(b) Tuberculosis hospitals		418,000	
(c) General medical hospitals		3,882,000	
2. Maintenance and operation of Veterans Administration domiciliary homes		79,000	
Total program (costs—obligations)		6,326,000	
Financing:			
Proposed supplemental appropriation		6,326,000	

Under existing legislation, 1960.—A supplemental appropriation of $6,326,000 is anticipated to cover the cost of wage-rate increases approved for wage-board employees between November 1, 1958, and July 31, 1959, and not included in the 1960 Inpatient care appropriation.

Maintenance and Operation of Supply Depots

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Stock control operations		$20,000	
2. Utility operations		14,000	
Total program (costs—obligations)		34,000	
Financing:			
Proposed supplemental appropriation		34,000	

Under existing legislation, 1960.—A supplemental appropriation of $34,000 is anticipated to cover the cost of wage-rate increases approved for wage-board employees between November 1, 1958, and July 31, 1959, and not included in the 1960 Maintenance and operation of supply depots appropriation.

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VETERANS ADMINISTRATION—Continued

Proposed for later transmission—Continued

COMPENSATION AND PENSIONS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Pensions, living veterans, World War I (total costs—obligations)		$105,000,000	
Financing:			
Proposed supplemental appropriation		105,000,000	

Under existing legislation, 1960.—A supplemental appropriation of $105 million is anticipated to cover uncontrollable statutory benefit costs of the compensation and pensions program primarily in the World War I pension category.

INDEPENDENT OFFICES—GENERAL PROVISIONS

SEC. 102. Where appropriations in this title are expendable for travel expenses of employees and no specific limitation has been placed thereon, the expenditures for such travel expenses may not exceed the amounts set forth therefor in the budget estimates submitted for the appropriations: *Provided*, That this section shall not apply to travel performed by uncompensated officials of local boards and appeal boards of the Selective Service System, or to travel performed in connection with the investigation of aircraft accidents by the Civil Aeronautics Board.

SEC. 103. Where appropriations in this title are expendable for the purchase of newspapers and periodicals and no specific limitation has been placed thereon, the expenditures therefor under each such appropriation may not exceed the amount of $50: *Provided*, That this limitation shall not apply to the purchase of scientific, technical, trade, or traffic periodicals necessary in connection with the performance of the authorized functions of the agencies for which funds are herein provided, nor to the purchase of newspapers and periodicals necessary for the care and welfare of patients and members in Veterans Administration hospitals and domiciliary facilities.

SEC. 104. No part of any appropriation contained in this title shall be available to pay the salary of any person filling a position, other than a temporary position, formerly held by an employee who has left to enter the Armed Forces of the United States and has satisfactorily completed his period of active military or naval service and has within ninety days after his release from such service or from hospitalization continuing after discharge for a period of not more than one year made application for restoration to his former position and has been certified by the Civil Service Commission as still qualified to perform the duties of his former position and has not been restored thereto.

SEC. 105. No part of any appropriation made available by the provisions of this title shall be used for the purchase or sale of real estate or for the purpose of establishing new offices outside the District of Columbia: *Provided*, That this limitation shall not apply to programs which have been approved by the Congress and appropriations made therefor.

SEC. 106. No part of any appropriation contained in this title shall be used to pay the compensation of any employee engaged in personnel work in excess of the number that would be provided by a ratio of one such employee to one hundred and thirty-five, or a part thereof, full-time, part-time, and intermittent employees of the agency concerned: *Provided*, That for purposes of this section employees shall be considered as engaged in personnel work if they spend half time or more in personnel administration consisting of direction and administration of the personnel program; employment, placement, and separation; job evaluation and classification; employee relations and services; wage administration; and processing, recording, and reporting. (*Independent Offices Appropriations Act, 1960.*)

CORPORATIONS—GENERAL PROVISION

SEC. 202. No part of the funds of, or available for expenditure by, any corporation or agency included in this title shall be used to pay the compensation of any employee engaged in personnel work in excess of the number that would be provided by a ratio of one such employee to one hundred and thirty-five, or a part thereof, full-time, part-time, and intermittent employees of the agency concerned: *Provided*, That for purposes of this section employees shall be considered as engaged in personnel work if they spend half-time or more in personnel administration consisting of direction and administration of the personnel program; employment, placement, and separation; job evaluation and classification; employee relations and services; committees of expert examiners and boards of civil-service examiners; wage administration; and processing, recording, and reporting. (*Independent Offices Appropriation Act, 1960.*)

GENERAL PROVISIONS

SEC. 301. No part of any appropriation contained in this Act, or of the funds available for expenditure by any corporation or agency included in this Act, shall be used for publicity or propaganda purposes designed to support or defeat legislation pending before the Congress. (*Independent Offices Appropriation Act, 1960.*)

Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1961

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
AMERICAN BATTLE MONUMENTS COMMISSION								
Salaries and expenses	1	$1,500	1	$250	$1,250	8		For use in field by members and secretary on inspection trips and by officers and employees in supervision, maintenance, and construction of U.S. military cemeteries and memorials abroad.
ATOMIC ENERGY COMMISSION								
Operating expenses	392	593,000	358	71,600	521,400	1,103	$598,531	To provide necessary transportation of Atomic Energy Commission and contractor personnel on official business by authorized operators within and between projects and plant and laboratory areas. To provide transportation to and from official meetings. Also used for delivery of classified mail in Washington area.
Station wagon	17	33,150	28	5,600	27,550	97		Do.
Ambulance	4	27,916	4	1,500	26,416	42		Do.
Bus	47	1,067,840	[1] 47	57,500	1,010,340	342		Do.
Total, Atomic Energy Commission	460	1,721,906	437	136,200	1,585,706	1,584	598,531	

See footnotes at end of table, p. 230.

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1961—Continued

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
CIVIL AERONAUTICS BOARD								
Salaries and expenses			1	$300			$14,700	This vehicle is used in investigating aircraft accidents in Alaska.
Station wagon	1	$1,950			$1,650			Motor pool vehicles are used for official business elsewhere in the field and in the Washington area. Do.
CIVIL SERVICE COMMISSION								
Salaries and expenses							6,900	Commissioners, executive director and other staff officers: Transportation to and from official meetings in Washington, D.C. Performance of official duties in the field.
Station wagon							900	Do.
Investigations (revolving fund)							5,000	Investigators: Performance of official duties in the field.
Total, Civil Service Commission.							12,800	
EXPORT-IMPORT BANK OF WASHINGTON								
Salaries and expenses	1	6,250	1	1,000	5,250			Members of Board of Directors and other Bank officials: Transportation to and from official meetings and conferences in the Washington area with Members of Congress, U.S. Government officials, personnel of foreign embassies, and officials of international organizations.
Station wagon							660	Delivery of special dispatches; movement of light equipment, supplies, and packaged documents all within the Washington area.
FARM CREDIT ADMINISTRATION								
Administrative expenses							600	Used in transporting officials and employees to and from the Capitol and Government departments and offices in the transaction of official business. Messengers: Delivery of special or classified mail in the Washington area.
FEDERAL AVIATION AGENCY								
Expenses	15	22,500	15	2,250	20,250	82	423,000	Administrator and other Agency officials for transportation to and from official meetings in the Washington area; regional and district staff officials maintenance inspectors and safety agents for transportation to remote facility locations, accident investigations, inspection of aircraft repair facilities, manufacturing plants, and airman schools. Six cars are operated out of Washington for use of technical personnel for inspections at manufacturing plants and Federal Aviation Agency field facilities. General Services Administration has exempted these latter vehicles from the Washington motor pool operation on the basis of special use requirements.
Station wagon	5	9,750	5	1,000	8,750	12	7,800	Do.
Bus						1	1,800	Do.
Ambulance						1		Do.
Operation and maintenance, National Capital airports.	8	13,000	1	300	12,700	2		Staff officials for transportation from the Washington National Airport and Dulles International Airport to various Government buildings to attend official conferences and meetings and for airport police patrol duty.
Ambulance	1	10,000			10,000	1		Used for emergency purposes at Dulles International Airport.
Research and development						9	2,500	National Aviation Facilities Experimental Center. Use by Director, deputy, division chiefs and technical personnel of NAFEC and Systems Analysis Division, Atlantic City. To provide transportation to and from official meetings on the base and surrounding area.
Station wagon						7	2,500	Do.
Ambulance						3		Used for emergency purposes at the National Aviation Facilities Experimental Center.
Bus						2		Used at the National Aviation Facilities Experimental Center for transportation of personnel between center facilities.
Total, Federal Aviation Agency.	29	55,250	21	3,550	51,700	120	437,600	
FEDERAL COMMUNICATIONS COMMISSION								
Salaries and expenses	3	4,500	3	300	4,200	18	[1] 37,139	Field engineers: Transportation of electronic equipment and personnel for inspection, investigation, examination, and engineering measurements. Most vehicles have been extensively modified and contain numerous items of permanently installed electronic equipment (2 in Washington, D.C., area).
Station wagon			2	200		8	1,370	Field engineers: 7 station wagons contain special electronic equipment for mobile engineering measurements. The other is used for hauling equipment, mail, and personnel to and from monitoring stations in areas remote from public transportation (none in Washington, D.C., area).
Total, Federal Communications Commission.	3	4,500	5	500	4,200	26	38,509	
FEDERAL HOME LOAN BANK BOARD								
Federal Home Loan Bank Board revolving fund.							600	Members of Board and its staff officers: To and from official meetings in Washington, D.C. Messengers: Delivery of mail and other official documents, Washington area.
FEDERAL MEDIATION AND CONCILIATION SERVICE								
Salaries and expenses						1		Director and his staff: Transportation to and from meetings and conferences in the District of Columbia as the official representative of the Service, with Members of Congress, Government officials, and representatives of labor and management.

See footnotes at end of table, p. 230.

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1961—Continued

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
FEDERAL POWER COMMISSION								
Salaries and expenses							$10,000	Engineers and other members of the Commission's staff in regional offices for inspection of electric utility and gas plants, and hydroelectric projects during construction; miscellaneous field investigations; and for general administrative use in Washington.
FEDERAL TRADE COMMISSION								
Salaries and expenses							10,800	Chairman, Commissioners and executives: Transportation by General Services Administration motor pool car to and from official meetings aud conferences in Washington, D.C., with Members of Congress and U.S. Government officials. Use of General Services Administration motor pool facilities throughout the United States by attorney investigators in conducting official investigations.
GENERAL ACCOUNTING OFFICE								
Salaries and expenses							1,674	Used in transporting officials and employees to and from the Capitol and Government departments and offices in the transaction of official business.
INTERSTATE COMMERCE COMMISSION								
Salaries and expenses	33	$49,500	27	$5,400	$44,100	201		All vehicles (234) to be used by employees in the field in connection with the duties of the Commission.
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION								
Salaries and expenses: Station wagon.							7,400	For transporting personnel, supplies, and mail in the metropolitan District of Columbia area.
Research and development	21	31,500	14		31,500	44		To provide necessary transportation of National Aeronautics and Space Administration and contractor personnel at domestic and foreign installations.
Station wagon	36	67,200	12		67,200	39		For transportation of personnel, supplies, and equipment at domestic and foreign installations.
Bus	2	19,000	3		19,000	3	75,000	For transportation of National Aeronautics and Space Administration and contractor personnel between widely dispersed research facilities and remotely located research stations; visiting dignitaries, committee and conference members.
Ambulance	1	5,000	1		5,000	3		For use where medical facilities are inadequate.
Total, National Aeronautics and Space Administration.	60	122,700	[1] 30		122,700	89	82,400	
NATIONAL CAPITAL HOUSING AUTHORITY								
Operation and maintenance of properties aided by Public Housing Administration.						1		Automobile used by National Capital Housing Authority officials in trips to properties, building sites, and other agencies. Interviewers checking residences of housing applicants for substandard conditions.
Station wagon						3		Engineers to inspect operating housing properties located throughout the city. Planners and engineers in checking and inspecting properties under development.
Total, National Capital Housing Authority.						4		
NATIONAL CAPITAL PLANNING COMMISSION								
Salaries and expenses							1,200	Used by members and staff of Commission for inspection trips and meetings in connection with planning, administrative, and land acquisition matters.
Land acquisition, National Capital park, parkway, and playground system.							250	Do.
Total, National Capital Planning Commission.							1,450	
NATIONAL LABOR RELATIONS BOARD								
Salaries and expenses							4,000	For the transaction of official Government business by the 5 Board members, the general counsel, and other employees of the Board in Washington, D.C., and (cost of hire) by the employees of several regional offices.
NATIONAL SCIENCE FOUNDATION								
Salaries and expenses: Station wagon.						1	400	Director, deputy director, associate directors: Transportation to and from official meetings and conferences in Washington, D.C. Messengers: Delivery of special mail in the Washington area.
RAILROAD RETIREMENT BOARD								
Salaries and expenses and Railroad unemployment insurance administration fund.						1		In the transaction of official business for the Railroad Retirement Board, to be used by the Board members and other designated officials in the official performance of their duties and also to transport official papers between the headquarters office, the Treasury Department, and the Federal Reserve bank.
Station wagon							600	Do.
RENEGOTIATION BOARD								
Salaries and expenses							1,000	The hire of automobiles is required to meet the needs of the Board members and other staff members in the transaction of official business.

See footnotes at end of table, p. 230.

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1961—Continued

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION								
Saint Lawrence Seaway Development Corporation fund.	1	$1,350	1	$250	$1,100	2	----------	Administrator, deputy administrator, executive and administrative staff, and operations supervisors: Messengers for pickup and delivery of mail to post office, operations building, marine base, and Eisenhower and Snell Locks. General use for transportation purposes in the executive direction, management and supervision of the construction and operation, and maintenance programs of the Seaway.
Station wagon	1	1,950	1[1]	300	1,650	----------	----------	Do.
Total, Saint Lawrence Seaway Development Corporation.	2	3,300	2	550	2,750	2	----------	
SECURITIES AND EXCHANGE COMMISSION								
Salaries and expenses: Station wagon	----------	----------	----------	----------	----------	1	[2] $5,000	5 Commissioners and staff members: Transportation to and from official meetings and conferences in Washington, D.C., with Members of Congress and other U.S. Government officials. Messengers: Delivery of special mail in the Washington area.
SELECTIVE SERVICE SYSTEM								
Salaries and expenses	----------	----------	----------	----------	----------	55	24,150	To be used by officials at State headquarters for the purpose of visiting local boards within the several States and other official travel as required.
Limousine	1	5,000	1	1,000	4,000	----------	----------	To be used by the Director of Selective Service.
Station wagon	7	13,650	7	1,400	12,250	38	6,035	Same as above and to deliver supplies and equipment if necessary.
Total, Selective Service System.	8	18,650	8	2,400	16,250	93	30,185	
SMALL BUSINESS ADMINISTRATION								
Salaries and expenses	----------	----------	----------	----------	----------	----------	45,000	Washington: Vehicles are rented for use by the Administrator and other Washington officials to provide transportation to and from congressional hearings and official meetings and conferences in Washington. Field: Vehicles are rented for use by financial and other specialists to provide transportation in carrying out the financial assistance (particularly loan administration), procurement and technical assistance, and investment and development assistance programs of the agency.
SMITHSONIAN INSTITUTION								
Salaries and expenses, National Gallery of Art.	----------	----------	----------	----------	----------	1	----------	Official use of officers of the National Gallery of Art.
TENNESSEE VALLEY AUTHORITY								
Tennessee Valley Authority fund	200	300,000	200	78,000	222,000	596	14,000	The TVA program is conducted in an area of more than 80,000 square miles, with many installations at isolated points. Travel by automobile is frequently more economical than common carrier and sometimes the only available method of transportation. TVA's 800 units are pooled in one fleet and are issued to employees as requested. About 417 units will be used in power operations, maintenance, and transmission construction activities; 136 in dam and steamplant construction at isolated sites not served by common carrier; 96 units in reservoir operations; and 151 in forestry, fertilizer, agricultural, administrative and miscellaneous activities. Motor vehicles will be hired on special occasions to meet peak demands and at remote locations where the Authority does not maintain a pool of motor vehicles and personal cars are not available.
Station wagon	----------	----------	----------	----------	----------	4	----------	Do.
Total, Tennessee Valley Authority.	200	300,000	200	78,000	222,000	600	14,000	
UNITED STATES INFORMATION AGENCY								
Salaries and expenses	22	33,000	22	14,472	18,528	111	1,000	Director, deputy director, and other agency officials: (1) Transportation to and from official meetings and conferences in Washington, D.C., with Members of Congress, U.S. Government officials, and officials of foreign governments and international organizations. (2) Foreign Service personnel: Transportation in foreign countries to and from meetings with U.S. Government officials; transportation of official visitors. (3) Radio relay base personnel: Transportation to and from out-of-town sites overseas on day and night shifts.
Station wagon	32	62,400	32	21,200	41,200	58	2,640	Same as (2) and (3) above and (4) personnel in Washington and New York City: transportation of engineers, producers, film, and radio equipment to special events in the cities.
Bus	1	2,600	1	300	2,300	7	----------	Same as (3).
Total, United States Information Agency.	55	98,000	55	35,972	62,028	176	3,640	
VETERANS ADMINISTRATION								
General operating expenses	----------	----------	----------	----------	----------	1	40	Administrator, deputy administrator and top staff officials. Transportation to and from official meetings and conferences including operations alert.
Bus	----------	----------	----------	----------	----------	----------	300	Staff officials and employees of Veterans Administration: Transportation to and from official meetings, budget hearings, employee meetings, etc.
Station wagon	----------	----------	----------	----------	----------	----------	1,500	Messengers: Delivery of special or classified mail in the Washington area.

See footnotes at end of table, p. 230.

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1961—Continued

Appropriation	Motor vehicles to be purchased: Number	Motor vehicles to be purchased: Gross cost	Old vehicles to be exchanged: Number	Old vehicles to be exchanged: Allowance (estimate)	Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
VETERANS ADMINISTRATION—con.								
Inpatient care	53	$79,500	53	$6,360	$73,140	268	$272,133	The passenger-carrying vehicles are to be used in the efficient and economical operation of Veterans Administration hospitals for the primary purpose of transporting sick and disabled veterans from point to point in the best interest of proper care and treatment of patients. The vehicles are to be operated by designated employees or officials of the various hospitals, regional offices, and supply depots (after the manager has satisfied himself as to their experience, safety records, and such knowledge of local and State laws and regulations as may be prescribed by Veterans Administration standards and applicable procedures. Operators must also have Federal permits to drive these vehicles.)
Station wagon	5	9,750	5	750	9,000	40	15,000	Do.
Ambulance	21	168,000	21	5,250	162,750	108	[3] 515,206	Do.
Bus	15	69,000	15	2,850	66,150	92	36,000	Do.
Outpatient care	2	3,000	2	240	2,760	2	----------	Do.
Total, Veterans Administration.	96	329,250	96	15,450	313,800	511	840,179	
Total, independent offices	949	2,712,756	884	279,572	2,433,384	3,419	2,154,328	

[1] Includes 1 vehicle to be disposed of without replacement.
[2] Includes $1,500 for hire of motor vehicles from commercial sources.
[3] Includes contract ambulance service in the amount of $395,206.

Statement of proposed obligations for purchase, maintenance, and operation of aircraft for the fiscal year 1961

Appropriation	Aircraft to be purchased: Number	Aircraft to be purchased: Gross cost	Aircraft to be exchanged: Number	Aircraft to be exchanged: Allowance (estimate)	Net cost of aircraft to be purchased	Old aircraft still to be used	Cost of maintenance and operation of aircraft	Users and public purpose
ATOMIC ENERGY COMMISSION								
Operating expenses	----------	----------	----------	----------	----------	3	$263,085	Transportation of official personnel, air patrol of prohibited areas, geological evaluations.
CIVIL AERONAUTICS BOARD								
Salaries and expenses	----------	----------	----------	----------	----------	1	11,300	Staff officials: For investigating aircraft accidents in the field.
FEDERAL AVIATION AGENCY								
Expenses	----------	----------	----------	----------	----------	106	16,089,000	Used by specialized flight inspection, and engineering personnel, and flight operations agents for certifying the accuracy and reliability of aids to air space navigation and traffic control; developing flight safety standards and procedures; establishing minimum enroute altitudes; operational training and flight performance proficiency; surveillance of airmen and aircraft performance and investigation of accidents. In addition, aircraft are used for logistic support of Federal Aviation Agency facilities located in Alaska and Pacific areas, and to provide transportation to key staff officials when in the best interest of public business.
Establishment of air navigation facilities.	9	$7,379,000	----------	----------	$7,379,000	----------	----------	Do.
Research and development	----------	----------	----------	----------	----------	23	4,028,200	Aircraft will be utilized for experimental flight projects concerning air traffic control systems and devices.
Total, Federal Aviation Agency.	9	7,379,000	----------	----------	7,379,000	129	20,117,200	
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION								
Salaries and expenses	----------	----------	----------	----------	----------	8	112,000	Aircraft to be used by officials and designated employees primarily for research and space activities and for transporting personnel and equipment to remotely located field installations.
Research and development	----------	----------	----------	----------	----------		52,100	
Total, National Aeronautics and Space Administration.	----------	----------	----------	----------	----------	[1] 8	164,100	
TENNESSEE VALLEY AUTHORITY								
Tennessee Valley Authority fund	----------	----------	----------	----------	----------	9	131,000	6 Bell helicopters will be used for transmission line patrol, malaria control spraying, reconnaissance, aerial inventories, and air sampling in the vicinity of Tennessee Valley Authority steamplants for air pollution tests; one large helicopter will be used for transmission line brush control spraying and transporting men and materials to inaccessible mountainous areas; 1 airplane will be used for passenger service with some use for aerial mapping and reconnaissance; and 1 airplane will be used principally for the transportation of engineers to widely scattered projects and for transportation of administrative officers on official business.
Total, independent offices	9	7,379,000	----------	----------	7,379,000	150	20,686,685	

[1] Includes 2 aircraft on loan from the military services.

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GENERAL SERVICES ADMINISTRATION

The new obligational authority of $508 million recommended for the General Services Administration for 1961 is $224 million above the 1960 amount. This increase is primarily for the construction of new Federal buildings and for the strategic stockpile program. Expenditures are estimated to increase $28 million over 1960, mainly for new building construction.

Management of the Government's general property and records accounts for 92% of the new obligational authority recommended for 1961. New obligational authority for real property activities will increase by $181 million to $426 million; of this increase, $160 million is for construction of new buildings, for which no funds were provided in 1960; and $21 million is for other expenses, primarily office space for tenant agencies and construction of emergency relocation sites protected against fallout. Increases in new obligational authority totaling $5 million are requested for supply, records, and transportation and utility services to meet increased workload.

Stockpile inventories, together with strategic materials held in other Government inventories, are sufficient to meet all but a few stockpile objectives. Most of the expenditures in 1961 will be in connection with storing an estimated $7 billion worth of materials in the strategic and supplemental stockpiles, rotating materials subject to deterioration, and upgrading certain materials to a form more readily usable in an emergency. In 1960, this program is being financed from balances of appropriations made in prior years. Since only about $4 million of such balances are estimated to be available in 1961, new obligational authority of $39 million will be required.

New obligational authority and expenditures for the General Services Administration are shown by function in the following table:

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
Major national security:						
067 Stockpiling and defense production expansion	$3,000		$39,132	$73,293	$60,000	$45,000
International affairs and finance:						
151 Conduct of foreign affairs	3,750			363	2,750	637
152 Economic and technical development				−1,018	1,011	267
Total, international affairs and finance	3,750			−655	3,761	904
Labor and welfare:						
213 Promotion of public health	1,020			3,579	2,500	1,500
Commerce and housing:						
515 Community development and facilities				49		
518 Other aids to business				−2,327	−4,116	−2,356
Total, commerce and housing				−2,278	−4,116	−2,356
General government:						
602 Judicial functions				30		
603 Executive direction and management		$200	250		195	245
605 General property and records management	489,363	283,892	468,970	284,794	367,529	412,584
Total, general government	489,363	284,092	469,220	284,824	367,724	412,829
Interest:						
652 Interest on refunds of receipts			100	431	100	75
Total, General Services Administration	497,133	284,092	508,452	359,194	429,969	457,952

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
							1961 estimate		
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	Total	From new obligational authority	From prior authority
REAL PROPERTY ACTIVITIES									
Current authorizations:									
Operating expenses, Public Buildings Service	605	$145,795	$151,065	$170,500	$148,053	$151,550	$169,400	$167,000	$2,400
Repair and improvement of public buildings	605	75,000	60,000	60,000	78,016	66,000	62,000	29,200	32,800
Payments, public buildings purchase contracts	605	311	1,675	4,630	106	1,675	4,630	4,630	
Construction and acquisition of public buildings	605			185,000			35,000	35,000	
Construction of relocation facilities	605			3,800			1,000	1,000	
Sites and expenses, public buildings projects	605	39,915	25,000		23,282	20,800	20,083		20,083
Construction, public buildings projects	605	152,810			1,781	65,850	65,300		65,300
Construction, Federal Office Building Numbered Six, Washington, District of Columbia	605	14,000			248	7,500	4,000		4,000
Construction, public buildings	605	323			151	1,500	480		480
Construction, United States Court of Claims and Federal Office Building, Washington, District of Columbia	605	1,200			6	600	500		500
Construction, United States Mission Building, New York, New York	151	3,750			363	2,750	637		637
Hospital facilities in the District of Columbia	213	1,020			3,579	2,500	1,500		1,500
Miscellaneous accounts:									
Acquisition of land and building, Chicago, Illinois	605						500		500
Additional court facilities	602				30				
Defense public works, community facilities	515				49				
Operating expenses	605					1			
Remodeling the Congress Street Post Office, Chicago, Illinois	605				275	50	16		16
Renovation and improvement of federally owned buildings outside the District of Columbia	605				6				
Repair, preservation, and equipment, outside the District of Columbia	605				7	1			
Sites and planning, public buildings outside the District of Columbia	605				43	316	16		16
United States Post Office and Courthouse, Nome, Alaska	605				219				
Permanent authorizations:									
Expenses, disposal of surplus real and related personal property (indefinite special fund)	605	1,015	1,400	2,000	867	1,300	1,800	1,400	400
Public enterprise funds:									
Cost of maintenance, repair, etc., of improvements, public buildings	605				—107				
Maintenance, etc., Lafayette Building, Washington, D.C., public buildings	605				—7				
Intragovernmental funds:									
Buildings management fund	605				—4,412	—1,226	—1,200		—1,200
Construction services, public buildings	605				22	—15	10		10
Proposed for later transmission:									
Under existing legislation: Operating expenses, Public Buildings Service	605		5,900			5,900			
Total, real property activities		435,139	245,040	425,930	252,577	327,052	365,672	238,230	127,442
PERSONAL PROPERTY ACTIVITIES									
Current authorizations:									
Operating expenses, Federal Supply Service:									
Definite	605	3,716	3,770	4,240	5,789	5,880	7,450	7,030	420
Indefinite	605	1,999	2,230	3,260					
Expenses, supply distribution	605	20,507	21,450	23,300	19,984	21,400	23,200	21,650	1,550
Intragovernmental funds:									
General supply fund (current appropriation)	605	21,250			—801	7,417	6,355		6,355
Administrative expenses, foreign aid procurements	152				—1,018	1,011	267		267
Advances and reimbursements	605				25	10	10		10
Total, personal property activities		47,472	27,450	30,800	23,979	35,718	37,282	28,680	8,602
RECORDS ACTIVITIES									
Current authorizations:									
Operating expenses, National Archives and Records Service	605	9,154	9,177	9,600	9,243	9,200	9,500	9,100	400
TRANSPORTATION AND UTILITIES ACTIVITIES									
Current authorizations:									
Operating expenses, Transportation and Public Utilities Service	605	1,996	2,000	2,400	1,975	1,937	2,358	2,208	150

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
							1961 estimate		
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	Total	From new obligational authority	From prior authority
DEFENSE MATERIALS ACTIVITIES									
Current authorizations:									
Strategic and critical materials	067	$3,000		$39,132	$73,293	$60,000	$45,000	$20,000	$25,000
Public enterprise funds:									
Abaca fiber program	518				−217	−1,730			
Limitation on administrative expenses, abaca fiber program		(52)	($47)						
Defense production guarantees, defense materials activities	518				−591	−846	−548		−548
Total, defense materials activities		3,000		39,132	72,485	57,424	44,452	20,000	24,452
GENERAL ACTIVITIES									
Current authorizations:									
Salaries and expenses, Office of Administrator	605	372	225	240	362	231	236	228	8
Allowances and office facilities for former Presidents	603		200	250		195	245	240	5
Refunds under Renegotiation Act (interest)	652			100	431	100	75	75	
Public enterprise funds:									
Federal Facilities Corporation fund	518				−958	−1,198	−1,602		−1,602
Limitation on administrative expenses, Federal Facilities Corporation fund		(27)	(20)	(20)					
Reconstruction Finance Corporation liquidation fund	518				−561	−342	−206		−206
Limitation on administrative expenses, Reconstruction Finance Corporation liquidation fund		(54)	(40)	(40)					
Intragovernmental funds:									
Administrative operations fund	605				−386	−300	−50		−50
Working capital fund	605				47	−48	−10		−10
Total, general activities		372	425	590	−1,065	−1,362	−1,312	543	−1,855
Total new obligational authority and budget expenditures		497,133	284,092	508,452	359,194	429,969	457,952	298,761	159,191
RECAPITULATION									
Enacted or recommended in this document:									
Current authorizations: Appropriations		$496,118	$276,792	$506,452	$359,194	$424,069	$457,952	$298,761	$159,191
Permanent authorizations: Appropriations		1,015	1,400	2,000					
Proposed for later transmission:									
Appropriations			5,900			5,900			
Total new obligational authority and budget expenditures		497,133	284,092	508,452	359,194	429,969	457,952	298,761	159,191

EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

[In thousands]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1959	1960	1961	1959	1960	1961	1959	1960	1961
REAL PROPERTY ACTIVITIES										
Cost of maintenance, repair, etc., of improvements, public buildings	605	$7			$114			−$107		
Maintenance, etc., Lafayette Building, Washington, D.C., public buildings	605	1			8			−7		
DEFENSE MATERIALS ACTIVITIES										
Abaca fiber program	518	2,896	$1,134		3,113	$2,864		−217	−$1,730	
Defense production guarantees, defense materials activities	518	250	7	$5	841	853	$553	−591	−846	−$548
GENERAL ACTIVITIES										
Federal Facilities Corporation fund	518	335	1,064	45	1,293	2,262	1,647	−958	−1,198	−1,602
Reconstruction Finance Corporation liquidation fund	518	533	96	57	1,094	438	263	−561	−342	−206
Total, public enterprise funds		4,022	2,301	107	6,463	6,417	2,463	−2,441	−4,116	−2,356

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ANALYSIS OF UNEXPENDED BALANCES

[In thousands]

Description	Balance, start of 1959		Balance, start of 1960		Balance, start of 1961		Balance, start of 1962	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document:								
Appropriations:								
Operating expenses, Public Buildings Service		$7,222		$3,752		$3,267		$4,367
Repair and improvement of public buildings	$352	45,123	$555	42,107		36,107		34,107
Construction and acquisition of public buildings							$2,162	150,000
Construction of relocation facilities							100	2,800
Sites and expenses, public buildings projects	16,506	26,525	26,118	43,158	$16,926	47,358	11,372	27,275
Construction, public buildings projects			120,630	151,029	8,067	87,129	42	21,829
Construction, Federal Office Building Numbered Six, Washington, District of Columbia			2,493	13,752		4,302		302
Construction, public buildings	1,784	1,808	1,181	1,980	5	480		
Construction, United States Court of Claims and Federal Office Building, Washington, District of Columbia			196	1,194	15	594		94
Construction, United States Mission Building, New York, New York			154	3,387		637		
Hospital facilities in the District of Columbia	5,013	7,557	678	4,998	103	2,498	71	998
Acquisition of land and building, Chicago, Illinois	500	500	500	500		500		
Defense public works, community facilities	9	9						
Remodeling the Congress Street Post Office, Chicago, Illinois	67	364	62	89	23	39		
Renovation and improvement of federally owned buildings outside the District of Columbia	1	7						
Sites and planning, public buildings outside the District of Columbia	376	376	16	332		16		
United States Post Office, Chicago, Illinois	42	43						
United States Post Office and Courthouse, Nome, Alaska	87	289	71	71				
Strategic and critical materials	144,082	223,337	108,371	153,043	3,668	34,672		28,804
Refunds under Renegotiation Act (interest)	531	531	100	100			25	25
Other		3,165		2,926		3,232		3,733
Total, appropriations	169,350	316,856	261,125	422,418	28,807	220,831	13,772	274,334
Revolving and management funds	26,158	49,910	49,824	66,868	26,445	51,821	21,810	43,590
Total, General Services Administration	195,508	366,766	310,949	489,286	55,252	272,652	35,582	317,924

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

Description	1959 actual	1960 estimate	1961 estimate
Balances brought forward at start of year from authorizations enacted or recommended in this document:			
Appropriations	$316,856	$422,418	$220,831
Revolving and management funds	49,910	66,868	51,821
Total balances brought forward	366,766	489,286	272,652
New obligational authority:			
Enacted or recommended in this document:			
Current authorizations: Appropriations	496,118	276,792	506,452
Permanent authorizations: Appropriations	1,015	1,400	2,000
Total new obligational authority enacted or recommended	497,133	278,192	508,452
Proposed for later transmission: Appropriations		5,900	
Total new obligational authority	497,133	284,092	508,452
Other amounts available: Appropriations available in prior year	−356		
Total budget authorizations available	863,543	773,378	781,104
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	359,194	424,069	298,761
Out of balances of prior obligational authority			159,191
Total expenditures from obligational authority enacted or recommended	359,194	424,069	457,952
From obligational authority proposed for later transmission: Out of new obligational authority		5,900	
Total budget expenditures	359,194	429,969	457,952
Amounts no longer available:			
Unobligated balances rescinded		58,371	
Unobligated balances expiring and lapsing	1,647	289	23
Capital transfers from revolving funds to receipt accounts	13,174	12,097	5,205
Adjustment of balances downward in expired accounts, net	243		
Total amounts no longer available	15,064	70,757	5,228
Balances carried forward at close of year from authorizations enacted or recommended in this document:			
Appropriations	422,418	220,831	274,334
Revolving and management funds	66,868	51,821	43,590
Total balances carried forward at close of year	489,286	272,652	317,924
Obligations incurred, net	$366,515	$469,032	$522,894

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REAL PROPERTY ACTIVITIES

Current authorizations:

OPERATING EXPENSES, PUBLIC BUILDINGS SERVICE

For necessary expenses of real property management and related activities as provided by law; rental of buildings in the District of Columbia; restoration of leased premises; moving Government agencies (including space adjustments) in connection with the assignment, allocation, and transfer of building space; acquisition by purchase or otherwise and disposal by sale or otherwise of real estate and interests therein; and payments in lieu of taxes pursuant to the Act of August 12, 1955 (40 U.S.C. 521); [$151,000,000] *$170,500,000: Provided,* That this appropriation shall be available, without regard to section 322 of the Act of June 30, 1932, as amended (40 U.S.C. 278a), with respect to buildings, or parts thereof, heretofore leased under the appropriation for "Emergency operating expenses". (*Independent Offices Appropriation Act, 1960.*)

Appropriated 1960, **$151,000,000** Estimate 1961, **$170,500,000**
Appropriated (adjusted) 1960, **$151,065,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Buildings management	$135,186,563	$143,477,025	$162,057,052
2. Acquisition and disposal	2,823,231	3,064,193	2,907,000
3. Design and construction	255,272	244,498	246,700
4. Program planning	520,794	588,229	588,200
5. Service direction	607,482	668,953	668,100
6. Administrative operations	3,588,200	3,900,000	4,250,000
7. Adjustment of prior year costs	105,619		
Total program costs [1]	143,087,161	151,942,898	170,717,052
8. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−288,704	−877,898	−217,052
Total program (obligations)	142,798,457	151,065,000	170,500,000
Financing:			
Comparative transfers to other accounts	1,896,291		
1959 appropriation available in 1958	291,607		
Unobligated balance no longer available	808,605		
New obligational authority	145,794,960	151,065,000	170,500,000
New obligational authority:			
Appropriation	$145,818,960	$151,000,000	$170,500,000
Transferred to "Operating expenses, National Archives and Records Service" (72 Stat. 243)	−24,000		
Transferred from "Salaries and expenses," Immigration and Naturalization Service, Department of Justice (5 U.S.C. 630e)		65,000	
Appropriation adjusted	145,794,960	151,065,000	170,500,000

[1] Includes capital outlay as follows: June 30, 1959, $1,600,668; 1960, $1,690,000; 1961, $600,000.

This appropriation provides for basic real property operations of the General Services Administration including planning and direction of all real property programs; acquisition, operation, maintenance, protection, and utilization of general-purpose buildings and space; management and operation of communication facilities; management of excess real property and disposal of surpluses; and central direction of all buildings design, construction, repair, and improvement.

The appropriation request for 1961 is a net increase of $15,535,000 above a comparable amount for 1960. The net increase is composed of $15,050,000 for management and operation of buildings, and $485,000 for other program activities and administrative operations to support the expanded program. A 1960 supplemental is anticipated for wage board rate increases, composed of $3,900,000 to annualize increases granted in 1959 and $2,000,000 for estimated 1960 increases. The 1961 request includes the 1961 cost of 1959 increases, but does not include the cost of increases which may be granted in 1960 or 1961.

1. *Buildings management.*—This activity provides for (*a*) rental, operation, protection, and utilization of Government-owned, leased, and purchase contract space, as indicated in the following table:

AVERAGE NET SQUARE FEET

	1959 actual	*1960 estimate*	*1961 estimate*
Government-owned space	55,086,000	55,563,000	57,606,000
Leased space	21,961,000	22,684,000	24,687,000
Purchase contract space	69,000	683,000	1,406,000

(*b*) maintenance and operation of joint-use communication facilities; (*c*) protection and maintenance of surplus and national industrial reserve properties; and (*d*) payments in lieu of taxes on certain properties transferred from the Reconstruction Finance Corporation.

The net increase for 1961 of $15,050,000 over the comparable amount for 1960 is composed generally of increased workload with fixed costs as follows:

Operation and protection of Government-owned space	$3,948,200
Rental, operation, and protection of leased space	4,989,000
Cost of space supplied to other agencies, reimbursable in 1960	4,000,000
Operation and protection of purchase contract space	1,102,800
Planning for Federal civil agency communications system	210,000
Employee health benefits	800,000
Total	15,050,000

2. *Acquisition and disposal.*—This activity provides for (*a*) acquisition of real property by lease, purchase, exchange, or donation, and management of available building sites pending construction; (*b*) utilization of excess and disposal of surplus and national industrial reserve property; and (*c*) appraisal services, including the procurement of appraisals under contract.

3. *Design and construction.*—This activity provides for a small staff responsible for direction of all programs involving design, construction, and remodeling of Federal buildings.

4. *Program planning.*—This activity provides centralized planning of real property programs including immediate and long-range building needs for housing Federal activities throughout the country.

8. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $2,168,559; 1959, $1,879,855; 1960, $1,001,957; 1961, $784,905.

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Total number of permanent positions	459	441	454
	Full-time equivalent of all other positions	6	2	1
	Average number of all employees	440	439	448
	Number of employees at end of year	445	435	447
	Average GS grade and salary	8.9 $7,332	9.0 $7,407	8.9 $7,424
01	Personal services:			
	Permanent positions	$3,205,382	$3,247,996	$3,342,906
	Positions other than permanent	25,024	8,315	3,644
	Other personal services	22,252	24,989	12,850
	Total personal services	3,252,658	3,281,300	3,359,400
02	Travel	209,779	350,000	379,300
03	Transportation of things	33,621	3,200	3,200
04	Communication services	101,602	113,500	113,500
05	Rents and utility services	201		
06	Printing and reproduction	50,444	45,100	45,100
07	Other contractual services	132,967,604	141,711,500	161,284,000
	Payment to "Administrative operations fund"	3,588,200	3,900,000	4,250,000
	Services performed by other agencies	24,115	25,000	25,000
08	Supplies and materials	78,507	29,300	29,300
09	Equipment	1,572,102	907,300	307,300
10	Lands and structures	515,328		
11	Grants, subsidies, and contributions	200,212	212,900	218,000
13	Refunds, awards, and indemnities	22,458	500	500
15	Taxes and assessments	473,233	485,400	485,400
	1959 program obligated in 1958	−291,607		
	Total obligations	142,798,457	151,065,000	170,500,000

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REAL PROPERTY ACTIVITIES—Continued

Current authorizations—Continued

REPAIR AND IMPROVEMENT[, FEDERALLY OWNED] OF PUBLIC BUILDINGS

For expenses, *not otherwise provided for*, necessary [for the repair, alteration, preservation, renovation, improvement, extension, equipment, and demolition of federally owned buildings and buildings occupied] *to alter public buildings and to acquire additions to sites* pursuant to the Public Buildings [Purchase Contract] Act of [1954 (40 U.S.C. 356)] *1959 (73 Stat. 479)*, [not otherwise provided for,] including grounds, approaches and appurtenances, wharves and piers, together with the necessary dredging adjacent thereto; [acquisition of land as authorized by title III of the Act of June 16, 1949 (40 U.S.C. 297);] and care and safeguarding of sites acquired for [Federal buildings] *public buildings; preliminary planning of projects by contract or otherwise; maintenance, preservation, demolition, and equipment;* $60,000,000, to remain available until expended: *Provided, That for the purposes of this appropriation, buildings constructed pursuant to the Public Buildings Purchase Contract Act of 1954 (40 U.S.C. 356) shall be considered to be public buildings: Provided further, That annual accrued expenditures under this appropriation account, covering amounts becoming payable as a result of obligations incurred both in the current fiscal year and in prior fiscal years, shall not exceed $72,000,000. (Independent Offices Appropriation Act, 1960.)*

Appropriated 1960, **$60,000,000** Estimate 1961, **$60,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs:			
1. Maintenance	$17,593,402	$17,404,000	$18,375,000
2. Repairing, remodeling, and improving	20,386,647	22,448,000	17,350,000
3. Air conditioning	1,753,704	698,000	795,000
4. Fallout shelters			125,000
5. Administrative operations	995,800	900,000	955,000
6. Adjustment of prior year costs	149,313		
Total operating costs	40,878,866	41,450,000	37,600,000
Capital outlay:			
1. Maintenance	297,319	226,000	300,000
2. Repairing, remodeling, and improving	10,541,332	11,600,000	16,900,000
3. Air conditioning	27,731,936	17,024,000	15,700,000
4. Fallout shelters			1,500,000
Total capital outlay	38,570,587	28,850,000	34,400,000
Total accrued expenditures	79,449,453	70,300,000	72,000,000
Unpaid undelivered orders brought forward	−37,944,219	−33,269,846	−23,524,986
Adjustment of unpaid undelivered orders brought forward	1,150,698		
Unpaid undelivered orders carried forward	33,269,846	23,524,986	11,524,986
Total program (obligations)	75,925,778	60,555,140	60,000,000
Financing:			
Unobligated balance brought forward	−352,284	−555,140	
Recovery of prior year obligations	−1,128,634		
Unobligated balance carried forward	555,140		
Appropriation (new obligational authority)	75,000,000	60,000,000	60,000,000

This appropriation provides for maintaining, repairing, remodeling, improving, and other changes, except extensions and conversions costing over $200,000, in over 4,800 public buildings under the jurisdiction of General Services Administration. The buildings were constructed or purchased at a cost exceeding $1.6 billion and contain more than 123 million net square feet of floor space, of which 29.8 million square feet is in the Washington, D.C., metropolitan area. The budget for 1961 provides for continuation of the long-range program initiated in 1957, to alleviate deterioration and obsolescence of buildings which adversely affect efficient operations of tenant agencies. Included in this account is a limitation on accrued expenditures in accordance with Public Law 85–759.

1. *Maintenance.*—Normal recurring needs for repairs to buildings and equipment develop at the average rate of $0.15 per net square foot each year. Less than 2% of the activity provides for minor capitalized items too small to be considered as renovation projects.

2. *Repairing, remodeling, and improving.*—Elimination of major obsolescence and deterioration of buildings is provided by bringing the properties up to modern standards of usefulness to improve working conditions and efficiency of occupying agencies. It is estimated that about 49% of this work will be for capital improvements.

3. *Air conditioning.*—Improvements in working conditions are provided for occupants of buildings located in areas of high temperature and humidity. Except for a nominal sum each year for program development and supervision, all costs under this activity are considered to be capital improvements. Except for work related to Post Office Department modernization, the program through 1961 will provide about 40% of the air conditioning required in existing buildings located in zones where the combination of effective temperature and humidity exceeds 80°.

4. *Fallout shelters.*—Fallout shelters are being included in existing Federal buildings to stimulate and encourage State and local governments and private enterprise to provide such facilities in their buildings. Except for a nominal sum for program development and supervision, all costs are considered to be capital improvements.

Object Classification

		1959 actual	1960 estimate	1961 estimate
02	Travel	$265,687	$350,000	$350,000
03	Transportation of things	7,179	7,000	7,000
04	Communication services	134,614	130,000	130,000
05	Rents and utility services	187	500	500
06	Printing and reproduction	153,001	150,000	150,000
07	Other contractual services	42,009,762	37,172,500	36,607,500
	Payment to "Administrative operations fund"	995,800	900,000	955,000
	Services performed by other agencies	13,683	15,000	15,000
08	Supplies and materials	234,277	225,000	225,000
09	Equipment	287,666	250,000	250,000
10	Lands and structures	31,810,016	21,345,140	21,300,000
13	Refunds, awards, and indemnities	13,906	10,000	10,000
	Total obligations	75,925,778	60,555,140	60,000,000

PAYMENTS, PUBLIC BUILDINGS PURCHASE CONTRACTS

For payments of principal, interest, taxes, and any other obligations under contracts entered into pursuant to the Public Buildings Purchase Contract Act of 1954 (40 U.S.C. 356), [$1,675,000: *Provided*, That authority heretofore granted under this head for the Administrator of General Services to enter into a 10-year contract for the project at Sacramento, California, for which the annual payment for amortization of principal and interest thereon shall not exceed $1,250,600, is hereby extended to December 31, 1959] *$4,630,000. (Independent Offices Appropriation Act, 1960.)*

Appropriated 1960, **$1,675,000** Estimate 1961, **$4,630,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Payments to contractors	$105,362	$1,497,700	$3,754,000
2. Taxes	849	177,300	876,000
Total program (costs—obligations) [1]	106,211	1,675,000	4,630,000

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Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Financing:			
Unobligated balance no longer available	$204,689		
Appropriation (new obligational authority)	310,900	$1,675,000	$4,630,000

[1] Includes capital outlay as follows: June 30, 1959, $41,104; 1960, $888,200; 1961, $1,821,200.

Purchase contracts have been executed to construct and acquire 29 specific buildings costing $52.6 million through lease-purchase arrangements, under the Public Buildings Purchase Contract Act of 1954. By the end of 1960 27 buildings will have been completed. Of the two remaining buildings one will be completed in 1961 and one in 1962. The Government's obligation for one of the completed buildings will be liquidated during 1960 through prepayment of the contract. The estimate for 1961 provides for payments to contractors on 27 projects and taxes becoming payable on 26 projects.

Object Classification

		1959 actual	1960 estimate	1961 estimate
10	Lands and structures	$41,104	$888,200	$1,821,200
14	Interest	64,258	609,500	1,932,800
15	Taxes and assessments	849	177,300	876,000
	Total obligations	106,211	1,675,000	4,630,000

Construction and Acquisition of Public Buildings

For expenses, not otherwise provided for, necessary to construct, alter by extension or conversion (involving an expenditure in excess of $200,000 for any one project), and acquire public buildings pursuant to the Public Buildings Act of 1959 (73 Stat. 479), including preliminary planning of public buildings projects by contract or otherwise; equipment for such buildings; and prepayment of purchase contracts entered into pursuant to the Public Buildings Purchase Contract Act of 1954 (40 U.S.C. 356); to remain available until expended, $185,000,000, of which not to exceed $68,930,000 shall be available for construction projects inside the District of Columbia: Provided, That annual accrued expenditures under this appropriation account, covering amounts becoming payable as a result of obligations incurred in the current fiscal year shall not exceed $60,000,000.

Estimate 1961, **$185,000,000**

Program and Financing

	Costs to this appropriation					Analysis of 1961 financing			
	Total estimate	To June 30, 1958	1959 actual	1960 estimate	1961 estimate	Deduct unpaid undelivered orders and unobligated balance, start of year	Add unpaid undelivered orders and unobligated balance, end of year	Appropriation required for 1961	Appropriation required to complete
Program by activities:									
1. Construction:									
(a) Inside the District of Columbia	$152,917,000				$19,354,000		$49,576,000	$68,930,000	$83,987,000
(b) Outside the District of Columbia	625,110,352				25,946,000		59,105,000	85,051,000	540,059,352
Total construction	778,027,352				45,300,000		108,681,000	153,981,000	624,046,356
2. Extension and conversion of buildings	18,088,000				5,700,000		8,019,000	13,719,000	4,369,000
3. Sites and expenses:									
(a) Site acquisition	9,200,000				7,800,000		1,400,000	9,200,000	
(b) Design and supervision	8,100,000				1,200,000		6,900,000	8,100,000	
(c) Program development	1,351,915								1,351,915
(d) Administrative operations	1,607,223								1,607,223
Total, sites and expenses	20,259,138				9,000,000		8,300,000	17,300,000	2,959,138
Total accrued expenditures	816,374,490				60,000,000		125,000,000	185,000,000	631,374,490
4. Unpaid undelivered orders carried forward					122,838,000				
Total program (obligations)					182,838,000				
Financing:									
Unobligated balance carried forward					2,162,000				
Appropriation (new obligational authority)					185,000,000				

This new appropriation will provide, pursuant to the Public Buildings Act of 1959, for financing (*a*) site acquisition, design, and construction of new public buildings, and (*b*) extension and conversion of existing structures where individual project expenditures exceed $200,000.

1. *Construction.*—The estimate for 1961 provides for construction starts on buildings costing $167.7 million, including 8 previously authorized projects costing $149.2 million, which have been resubmitted to the Public Works Committees. Provision is made for fallout shelters in accordance with the national shelter policy.

2. *Extension and conversion of buildings.*—Through major extension and conversion projects existing buildings are brought up to standards and expanded to make them suitable for the current and future needs of the tenant agencies. Individual projects involving expenditures of more than $200,000 requiring approval of the Public Works Committees are financed under this appropriation, while those costing less are financed under Repair and improvement of public buildings. The estimate includes $13.7 million for such projects the total cost of which is $18.1 million.

3. *Sites and expenses.*—A total of $17.3 million has been included for acquisition of sites and design for new projects for which construction funds are provided in 1961 or will be required in subsequent years.

Object Classification

		1959 actual	1960 estimate	1961 estimate
02	Travel			$150,000
03	Transportation of things			7,000
04	Communication services			20,000
06	Printing and reproduction			237,000
07	Other contractual services			5,514,000
08	Supplies and materials			7,000
09	Equipment			3,000
10	Lands and structures			176,900,000
	Total obligations			182,838,000

Construction of Relocation Facilities

For expenses necessary for the construction of relocation facilities pursuant to the Public Buildings Act of 1959 (73 Stat. 479), $3,800,000, to remain available until expended.

Estimate 1961, **$3,800,000**

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REAL PROPERTY ACTIVITIES—Continued

Current authorizations—Continued

CONSTRUCTION OF RELOCATION FACILITIES—Continued

Program and Financing

	Costs to this appropriation					Analysis of 1961 financing		
	Total estimate	To June 30, 1958	1959 actual	1960 estimate	1961 estimate	Add unpaid undelivered orders and unobligated balance, end of year	Appropriation required for 1961	Appropriation required to complete
Program by activities:								
1. Site acquisition	$374,000				$359,000	$15,000	$374,000	
2. Design and supervision	707,000				524,000	183,000	707,000	
3. Construction	18,679,000				257,000	2,402,000	2,659,000	$16,020,000
4. Administrative operations	240,000				60,000		60,000	180,000
Total program costs	20,000,000				1,200,000	2,600,000	3,800,000	16,200,000
5. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net					2,500,000			
Total program (obligations)					3,700,000			
Financing:								
Unobligated balance carried forward					100,000			
Appropriation (new obligational authority)					3,800,000			

This appropriation provides for the acquisition of sites, design, and construction of buildings to house essential Federal activities at selected relocation sites as part of the emergency plan to insure continuity of government in the event of nuclear attack. The estimate for 1961 contemplates a start in an overall program of providing protected space against fallout at 11 relocation sites for national headquarters of civilian agencies in the executive branch.

5. *Relation of costs to obligations.*—Year-end balance of unpaid undelivered orders for 1961 is $2,500,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
02 Travel			$4,000
06 Printing and reproduction			15,000
07 Other contractual services			677,000
Payment to "Administrative operations fund"			60,000

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
10 Lands and structures			$2,944,000
Total obligations			3,700,000

[SITES AND EXPENSES, PUBLIC BUILDINGS PROJECTS]

[For an additional amount for expenses necessary in connection with construction of public buildings projects not otherwise provided for, as specified under this head in the Independent Offices Appropriation Act, 1959, $25,000,000, to remain available until expended, and this amount shall be expended for projects at such additional locations as may be selected by the Administrator of General Services and in amounts he deems necessary.] (*Independent Offices Appropriation Act, 1960.*)

Appropriated 1960, **$25,000,000**

Program and Financing

	Costs to this appropriation					Analysis of 1961 financing			
	Total estimate	To June 30, 1958	1959 actual	1960 estimate	1961 estimate	Deduct unpaid undelivered orders and unobligated balance, start of year	Add unpaid undelivered orders and unobligated balance, end of year	Appropriation required for 1961	Appropriation required to complete
Program by activities:									
1. Site acquisition	$48,622,448	$10,527,924	$15,946,276	$20,770,776	$1,377,472	$1,377,472			
2. Design and supervision	50,414,355	3,612,467	6,560,372	12,025,415	19,233,030	28,216,101	$8,983,071		
3. Construction	987,290	21,409	443,720	52,161	400,000	470,000	70,000		
4. Program development	3,648,030	626,910	368,175	500,000	500,000	2,152,945	1,652,945		
5. Administrative operations	2,792,877	364,777	140,000	363,000	500,000	1,925,100	1,425,100		
Total program costs	106,465,000	15,153,487	23,458,543	33,711,352	22,010,502	34,141,618	12,131,116		
6. Relation of cost to obligations:									
Costs financed from obligations of other years (unpaid undelivered orders), net (−)					−16,456,502				
Obligations incurred for costs of other years (unpaid undelivered orders), net			6,843,751	480,648					
Total program (obligations)			30,302,294	34,192,000	5,554,000				
Financing:									
Unobligated balance brought forward			−16,505,473	−26,118,179	−16,926,179				
Unobligated balance carried forward			26,118,179	16,926,179	11,372,179				
Appropriation (new obligational authority)			39,915,000	25,000,000					

This appropriation provided for site acquisition, design, and supervision of construction of 121 new public buildings; construction of a few small buildings; and program planning and development of projects to be proposed for future authorization.

By the end of 1960 sites will have been acquired for all projects and drawings and specifications completed for all but 35 projects from funds previously appropriated under this head. After completion of design of the 35 projects the remaining funds will be utilized for super-

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vision of construction as projects are funded and started, and for program direction and administrative expenses.

The program for 1961 is provided for under the appropriation Construction and acquisition of public buildings, which includes $17.3 million for sites and expenses incident to additional new projects.

6. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $9,891,040; 1959, $16,734,791; 1960, $17,215,439; 1961, $758,937.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Number of permanent positions	41	41	41
Average number of all employees	34	40	40
Number of employees at end of year	36	41	41
Average GS grade and salary	8.4 $7,069	8.4 $7,152	8.4 $7,220

Object Classification—Continued

		1959 actual	1960 estimate	1961 estimate
01	Personal services:			
	Permanent positions	$240,949	$290,800	$291,900
	Positions other than permanent	1,923		
	Other personal services	1,275	2,200	1,100
	Total personal services	244,147	293,000	293,000
02	Travel	33,710	200,000	150,000
03	Transportation of things	6,052	15,000	8,000
04	Communication services	10,902	24,500	10,000
05	Rents and utility services	14		
06	Printing and reproduction	150,608	241,000	50,000
07	Other contractual services	12,351,830	16,498,200	4,518,000
	Payment to "Administrative operations fund"	140,000	363,000	500,000
	Services performed by other agencies	374	500	1,000
08	Supplies and materials	1,990	4,500	3,000
09	Equipment	1,384	2,000	2,000
10	Lands and structures	17,346,008	16,531,300	
11	Grants, subsidies, and contributions	15,186	19,000	19,000
13	Refunds, awards, and indemnities	10		
15	Taxes and assessments	79		
	Total obligations	30,302,294	34,192,000	5,554,000

Construction, Federal Office Building Numbered Six, Washington, District of Columbia

Program and Financing

	Costs to this appropriation					Analysis of 1961 financing			Appropriation required to complete
	Total estimate	To June 30, 1958	1959 actual	1960 estimate	1961 estimate	Deduct unpaid undelivered orders and unobligated balance, start of year	Add unpaid undelivered orders and unobligated balance, end of year	Appropriation required for 1961	
Program by activities:									
1. Construction (total program costs)	$12,050,000		$404,664	$8,000,000	$3,645,336	$3,645,336			
2. Relation of costs to obligations:									
Costs financed from obligations of other years (unpaid undelivered orders), net (−)				−7,457,193	−3,645,336				
Obligations incurred for costs of other years (unpaid undelivered orders), net			11,102,529						
Total program (obligations) (object class 10)			11,507,193	542,807					
Financing:									
Unobligated balance brought forward				−2,492,807					
Unobligated balance transferred to "Construction, public buildings projects" (73 Stat. 507)				1,950,000					
Unobligated balance carried forward			2,492,807						
Appropriation (new obligational authority)			14,000,000						

A contract for construction of Federal Office Building No. 6 in the southwest redevelopment area, Washington, D.C., was awarded in March 1959, for completion at the end of 1961.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, $11,102,529 and 1960, $3,645,336.

Construction, Public Buildings

Program and Financing

	Costs to this appropriation					Analysis of 1961 financing			Appropriation required to complete
	Total estimate	To June 30, 1958	1959 actual	1960 estimate	1961 estimate	Deduct unpaid undelivered orders and unobligated balance, start of year	Add unpaid undelivered orders and unobligated balance, end of year	Appropriation required for 1961	
Program by activities:									
1. Brownsville, Tex., border station	$565,000	$3,615	$15,263	$500,000	$46,122	$46,122			
2. Eagle Pass, Tex., border station	343,400	2,671	20,637	310,000	10,092	10,092			
3. Madawaska, Maine, border station	281,600		92,421	175,000	14,179	14,179			
4. Rooseveltown, N.Y., border station	280,000	414	3,290	250,000	26,296	26,296			
5. San Ysidro, Calif., border station	978,000	318,300	21,438	600,000	38,262	38,262			
Total program costs	2,448,000	325,000	153,049	1,835,000	134,951	134,951			
6. Relation of costs to obligations:									
Costs financed from obligations of other years, net (−)				−659,638	−129,551				
Obligations incurred for costs of other years, net			773,095						
Total program (obligations)			926,144	1,175,362	5,400				
Financing:									
Unobligated balance brought forward			−1,783,906	−1,180,762	−5,400				
Unobligated balance carried forward			1,180,762	5,400					
Appropriation (new obligation authority)			323,000						

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REAL PROPERTY ACTIVITIES—Continued

Current authorizations—Continued

CONSTRUCTION, PUBLIC BUILDINGS—Continued

Contracts for construction of two of the five authorized border stations were awarded in 1959 and scheduled for completion in 1960. Contracts for the three remaining stations will be awarded in 1960 for completion in 1961.

6. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$13,454	$789,189	$129,551	
Selected resources at start of year (−)	−$13,454	−$789,189	−$129,551	
Adjustment of selected resources reported at start of year	−2,639			
Costs financed from obligations of other years, net (−)		−659,638	−129,551	
Obligations incurred for costs of other years, net	773,095			

Object Classification

		1959 actual	1960 estimate	1961 estimate
02	Travel	$1,998	$3,000	$1,000
06	Printing and reproduction	1,372	2,000	
07	Other contractual services	96,123	85,362	4,400
10	Lands and structures	826,651	1,085,000	
	Total obligations	926,144	1,175,362	5,400

CONSTRUCTION, PUBLIC BUILDINGS PROJECTS

Program and Financing

	Costs to this appropriation					Analysis of 1961 financing			
	Total estimate	To June 30, 1958	1959 actual	1960 estimate	1961 estimate	Deduct unpaid undelivered orders and unobligated balance, start of year	Add unpaid undelivered orders and unobligated balance, end of year	Appropriation required for 1961	Appropriation required to complete
Program by activities:									
1. Site acquisition	$150,000			$150,000					
2. Design and supervision	73,000			62,809	$10,191	$10,191			
3. Construction of public buildings	124,910,000		$2,175,633	48,613,839	63,689,809	74,120,528	$10,430,719		
4. Acquisition of buildings	28,050,000			28,050,000					
5. Prepayment of purchase contracts	1,577,000			1,577,000					
Total program costs	154,760,000		2,175,633	78,453,648	63,700,000	74,130,719	10,430,719		
6. Relation of costs to obligations:									
Costs financed from obligations of other years (unpaid undelivered orders), net (−)					−55,675,000				
Obligations incurred for costs of other years (unpaid undelivered orders), net			30,004,471	36,058,807					
Total program (obligations)			32,180,104	114,512,455	8,025,000				
Financing:									
Unobligated balance brought forward				−120,629,896	−8,067,441				
Unobligated balance transferred from "Construction, Federal Office Building Numbered Six, Washington, District of Columbia"				−1,950,000					
Unobligated balance carried forward			120,629,896	8,067,441	42,441				
Appropriation (new obligational authority)			152,810,000						

This appropriation provided for financing the construction of 47 authorized public buildings, and the acquisition of buildings and sites thereof by purchase, condemnation, or otherwise, including prepayment of purchase contracts. Except for site and design costs for the building at Milledgeville, Ga., and sites obtained as incidental to buildings purchased or otherwise acquired for continued use, costs for site acquisition, design and construction supervision have been provided for under Sites and expenses, public buildings projects.

During 1959 contracts were awarded for construction of 20 projects estimated to cost $33.6 million. The program for 1960 contemplates construction starts on 26 projects costing $83.4 million; the acquisition of several needed buildings, where economically justified, at a cost of $28.1 million; and prepayment of the purchase contract on the project at Rock Island, Ill., at a cost of $1.577 million. The program for 1961 contemplates start of construction on the remaining authorized project at an estimated cost of $8 million.

Future construction programs, including costs of site acquisition, design, and supervision, will be financed, beginning in 1961, under a new appropriation Construction and acquisition of public buildings.

6. *Relation of costs to obligations.*—Year-end balances of unpaid, undelivered orders are as follows: 1959, $30,004,471; 1960, $66,063,278; 1961, $10,388,278.

Object Classification

		1959 actual	1960 estimate	1961 estimate
02	Travel	$116	$1,000	$1,000
04	Communication services		500	200
06	Printing and reproduction	101	2,000	
07	Other contractual services	23,917	31,884	11,600
08	Supplies and materials		500	200
10	Lands and structures	32,155,970	114,476,571	8,012,000
	Total obligations	32,180,104	114,512,455	8,025,000

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Construction, United States Court of Claims and Federal Office Building, Washington, District of Columbia

Program and Financing

	Costs to this appropriation					Analysis of 1961 financing			Appropriation required to complete
	Total estimate	To June 30, 1958	1959 actual	1960 estimate	1961 estimate	Deduct unpaid undelivered orders and unobligated balance, start of year	Add unpaid undelivered orders and unobligated balance, end of year	Appropriation required for 1961	
Program by activities:									
1. Design and supervision	$1,803,000		$84,814	$800,000	$315,186	$315,186			$603,000
2. Construction	35,100,000								35,100,000
Total program costs	36,903,000		84,814	800,000	315,186	315,186			35,703,000
3. Relation of costs to obligations:									
Costs financed from obligations of other years (unpaid undelivered orders), net (−)				−619,004	−300,166				
Obligations incurred for costs of other years (unpaid undelivered orders), net			919,170						
Total program (obligations)			1,003,984	180,996	15,020				
Financing:									
Unobligated balance brought forward				−196,016	−15,020				
Unobligated balance carried forward			196,016	15,020					
Appropriation (new obligational authority)			1,200,000						

Work is continuing on the design of a building in Washington, D.C., for use of the U.S. Court of Claims and agencies of the executive branch of the Government. Funds for construction and supervision thereof will be provided later.

Relation of costs to obligations.—Year-end balances of unpaid undelivered orders are as follows: 1959, $919,170 and 1960, $300,166.

Object Classification

	1959 actual	1960 estimate	1961 estimate
02 Travel	$48	$2,000	$2,000
06 Printing and reproduction	356	28,000	1,000
07 Other contractual services	1,003,580	150,996	12,020
Total obligations	1,003,984	180,996	15,020

Construction, United States Mission Building, New York, New York

Program and Financing

	Costs to this appropriation					Analysis of 1961 financing			Appropriation required to complete
	Total estimate	To June 30, 1958	1959 actual	1960 estimate	1961 estimate	Deduct unpaid undelivered orders, start of year	Add unpaid undelivered orders, end of year	Appropriation required for 1961	
Program by activities:									
1. Construction (total program costs)	$3,750,000		$555,975	$3,000,000	$194,025	$194,025			
2. Relation of costs to obligations:									
Costs financed from obligations of other years (unpaid undelivered orders), net (−)				−2,845,620	−194,025				
Obligations incurred for costs of other years (unpaid undelivered orders), net			3,039,645						
Total program (obligations) (object class 10)			3,595,620	154,380					
Financing:									
Unobligated balance brought forward				−154,380					
Unobligated balance carried forward			154,380						
Appropriation (new obligational authority)			3,750,000						

A contract was awarded in November 1958, for construction of a building in New York City to house the U.S. Mission to the United Nations, for completion early in 1961.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, $3,039,645 and 1960, $194,025.

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REAL PROPERTY ACTIVITIES—Continued

Current authorizations—Continued

HOSPITAL FACILITIES IN THE DISTRICT OF COLUMBIA

Program and Financing

	Costs to this appropriation					Analysis of 1961 financing			Appropriation required to complete
	Total estimate	To June 30, 1958	1959 actual	1960 estimate	1961 estimate	Deduct unpaid undelivered orders and unobligated balance, start of year	Add unpaid undelivered orders and unobligated balance, end of year	Appropriation required for 1961	
Program by activities:									
1. Construction	$23,410,000	$22,658,382	$609,388	$142,230					
2. Grants	17,320,000	6,599,063	2,962,691	2,857,770	$1,500,000	$1,900,476	$400,476		$3,000,000
Total program costs	40,730,000	29,257,445	3,572,079	3,000,000	1,500,000	1,900,476	400,476		3,000,000
3. Relation of costs to obligations:									
Costs financed from obligations of other years (unpaid undelivered orders), net (—)				−2,425,000	−1,468,000				
Obligations incurred for costs of other years (unpaid undelivered orders), net			1,783,212						
Total program (obligations)			5,355,291	575,000	32,000				
Financing:									
Unobligated balance brought forward			−5,013,090	−677,799	−102,799				
Unobligated balance carried forward			677,799	102,799	70,799				
Appropriation (new obligational authority)			1,020,000						

Improvements of private hospital facilities in the District of Columbia are made under legislation authorizing appropriations of $40,730,000.

1. *Construction.*—Under appropriations of $23,410,000 a new hospital center was physically completed and occupied during 1958. Cleanup will be completed and remaining equipment installed during 1960.

2. *Grants.*—Under appropriations of $14,320,000 grants totaling $13,994,578 have been approved for private agencies in the District of Columbia for improving existing hospital facilities on which building costs are estimated at $34.8 million.

Approximately $7.1 million, representing 50% of the grants, is to be reimbursed by the District of Columbia over a period of years.

3. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1958, $2,439,465; 1959, $4,222,677; 1960, $1,797,677; 1961, $329,677.

Object Classification

		1959 actual	1960 estimate	1961 estimate
02	Travel	$208	$200	$200
03	Transportation of things	57		
04	Communication services	80	50	
05	Rents and utility services	35		
06	Printing and reproduction	1,197		
07	Other contractual services	226,915	32,250	31,800
09	Equipment	134,252	85,000	
10	Lands and structures	99,422	7,500	
11	Grants, subsidies, and contributions	4,893,125	450,000	
	Total obligations	5,355,291	575,000	32,000

REAL PROPERTY ACTIVITIES MISCELLANEOUS ACCOUNTS

NOTE.—The following schedule includes unobligated balances for "Renovation and improvement of federally owned buildings outside the District of Columbia."

Program and Financing

	Costs to this appropriation					Analysis of 1961 financing			Appropriation required to complete
	Total estimate	To June 30, 1958	1959 actual	1960 estimate	1961 estimate	Deduct unpaid undelivered orders and unobligated balance, start of year	Add unobligated balance no longer available, end of year	Appropriation required for 1961	
Program by activities:									
1. "Acquisition of land and building, Chicago, Ill."	$3,000,000	$2,500,000			$500,000	$500,000			
2. "Defense public works, community facilities"	49,523		$49,523						
3. "Remodeling the Congress Street Post Office, Chicago, Ill."	1,153,672	922,076	183,145	$37,673	10,778	33,306	$22,528		
4. "Sites and planning, public buildings outside the District of Columbia"	2,303,744	1,927,781	43,679	332,284					
5. "United States Post Office, Chicago, Ill."	8,724,683	8,726,115	−1,432						
6. "United States Post Office and Courthouse, Nome, Alaska"	1,229,411	1,111,389	118,022						
Total program costs	16,461,033	15,187,361	392,937	369,957	510,778	533,306	22,528		
7. Relation of costs to obligations:									
Costs financed from obligations of other years (unpaid undelivered orders), net (—)					−510,778				
Obligations incurred for costs of other years (unpaid undelivered orders), net			36,209	185,728					
Total program (obligations)			429,146	555,685					
Financing:									
Unobligated balance brought forward			−1,082,273	−648,802	−22,528				
Restoration from Treasury			−40,438						
Unobligated balance carried forward			648,802	22,528					
Unobligated balance no longer available			44,763	70,589	22,528				
Appropriation (new obligational authority)									

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1. *Acquisition of land and building, Chicago, Ill.*—Condemnation proceedings are in process to acquire the Rand-McNally Building, Chicago, Ill., to provide housing for certain agencies in the Chicago area.

3. *Remodeling the Congress Street Post Office, Chicago, Ill.*—The completion of a contract for remodeling the Congress Street Post Office at Chicago, Ill., to accommodate the city's construction of a superhighway through the building and other contracts for appurtenant work are contemplated in 1960.

4. *Sites and planning, public buildings outside the District of Columbia.*—Balance available is reserved in event additional court awards are granted for sites previously acquired by condemnation.

7. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $288,841; 1959, $325,050; 1960, $510,778.

Object Classification

	1959 actual	1960 estimate	1961 estimate
02 Travel	$917		
03 Transportation of things	1,146		
07 Other contractual services	7,881	$1,500	
10 Lands and structures	420,634	554,185	
Adjustment of prior year costs	−1,432		
Total obligations	429,146	555,685	

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriations, as follows:
"Acquisition and construction of radio facilities," United States Information Agency.
"Additions to Natural History Building," Smithsonian Institution.
"Animal disease laboratory facilities," Agricultural Research Service.
"Buildings and facilities," Federal Prisons System.
"Bureau of Engraving and Printing Fund."
"Construction and development, additional Washington airport," Federal Aviation Agency.
"Construction and equipment, maximum security building," Saint Elizabeths Hospital.
"Construction and equipment of treatment building," Saint Elizabeths Hospital.
"Construction and equipment, treatment and cafeteria building," Saint Elizabeths Hospital.
"Construction," Bureau of Mines.
"Construction," Central Intelligence Agency.
"Construction, continued treatment building," Saint Elizabeths Hospital.
"Construction," Gallaudet College.
"Construction, National Capital Airports," Federal Aviation Agency.
"Construction of auditorium-fine arts building (liquidation of contract authorization)," Howard University.
"Construction of biologics standards laboratory building," Public Health Service.
"Construction of buildings," Howard University.
"Construction of dental research building," Public Health Service.
"Construction of facilities," National Bureau of Standards.
"Construction of laboratories," National Bureau of Standards.
"Construction of library facilities," Public Health Service.
"Construction of men's dormitory (liquidation of contract authorization)," Howard University.
"Construction of research facilities," Public Health Service.
"Construction of surgical facilities," Public Health Service.
"Establishment of air navigation facilities," Federal Aviation Agency.
"Extension and remodeling, State Department building."
"General office building," Public Health Service.
"Government Printing Office revolving fund."
"Grants to States for unemployment compensation and employment service administration," Bureau of Employment Security.
"Limitation on construction, Bureau of Old-Age and Survivors Insurance (trust fund)."
"Major repairs and preservation of buildings and grounds," Saint Elizabeths Hospital
"Museum of History and Technology," Smithsonian Institution.
"Research and development," Office of Civil and Defense Mobilization.
"Salaries and expenses," Agricultural Research Service.
"Salaries and expenses," Office of Civil and Defense Mobilization.
"Salaries and expenses," Smithsonian Institution.

Permanent authorizations:

EXPENSES, DISPOSAL OF SURPLUS REAL AND RELATED PERSONAL PROPERTY

(Indefinite special fund)

Appropriated (est.) 1960, **$1,400,000** Estimate 1961, **$2,000,000**

Amounts Available for Appropriation

	1959 actual	1960 estimate	1961 estimate
Unappropriated balance brought forward	$10,002,920	$16,301,009	$11,000,000
Receipts, net	7,264,730	−3,901,009	3,500,000
Unobligated balance returned to unappropriated receipts	48,291		
Total available for appropriation	17,315,941	12,400,000	14,500,000
Deduct appropriation	1,014,932	1,400,000	2,000,000
Unappropriated balance carried forward	16,301,009	11,000,000	12,500,000

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Appraisers' fees and surveying	$435,700	$600,000	$600,000
2. Auctioneers' and brokers' fees	198,726	700,000	1,050,000
3. Advertising	243,615	245,000	400,000
4. Adjustment of prior year costs	6,870		
Total program costs	884,911	1,545,000	2,050,000
5. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)		−145,000	−50,000
Obligations incurred for costs of other years (unpaid undelivered orders), net	130,021		
Total program (obligations)	1,014,932	1,400,000	2,000,000
Financing:			
Appropriation (new obligational authority)	1,014,932	1,400,000	2,000,000

Appraisers, auctioneers, and brokers familiar with local markets are used to accelerate the disposal of surplus real and related personal property. Fees of appraisers, auctioneers, and brokers and costs of advertising and surveying are paid out of receipts, subject to a limit of 12% of the proceeds of all dispositions within each year (40 U.S.C.A. 485(b)). Also paid from such proceeds is the direct expense in connection with utilization of excess real and related personal property (68 Stat. 1051). Sales by auctioneers amounted to $10.6 million in 1959 and sales by both auctioneers and brokers are estimated at $20 million in 1960 and $25 million in 1961.

Gross receipts from all sources were $38,924,996 in 1959 and are estimated to be $45,000,000 in 1960 and $50,000,000 in 1961.

5. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $215,801; 1959, $345,822; 1960, $200,822; 1961, $150,822.

Object Classification

	1959 actual	1960 estimate	1961 estimate
06 Printing and reproduction	$232	$1,000	$2,000
07 Other contractual services	1,014,700	1,399,000	1,998,000
Total obligations	1,014,932	1,400,000	2,000,000

Public enterprise funds:

COST OF MAINTENANCE, REPAIR, ETC., OF IMPROVEMENTS, PUBLIC BUILDINGS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating expense (total program costs)	$1,407		
Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−1,238		
Total program (obligations)	169		

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REAL PROPERTY ACTIVITIES—Continued

Public enterprise funds—Continued

COST OF MAINTENANCE, REPAIR, ETC., OF IMPROVEMENTS, PUBLIC BUILDINGS—Continued

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Financing:			
Amounts becoming available: Revenue and receipts: Rentals	$114,477		
Unobligated balance brought forward	547,688		
Total amounts available	662,165		
Capital transfer (payment of profits to Treasury) (−)	−661,996		
Financing applied to program	169		

Operating expense.—Prior to September 2, 1958, rentals received from occupants of sites or improvements thereon acquired for future construction of Federal buildings were used for necessary maintenance, repairs, and alterations. From that date expenses have been borne by and rentals deposited into the Buildings management fund (72 Stat. 1709). All profits have been returned to the Treasury.

Relation of costs to obligations.—Year-end balance of unpaid undelivered orders for 1958 is $1,238.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Expense	$1,407		
Increase in selected working capital	5,841		
Total gross expenditures	7,248		
Receipts from operations (funds provided):			
Revenue	114,477		
Budget expenditures	−107,229		

Revenue, Expense, and Retained Earnings

Revenue	$114,477		
Expense	1,407		
Net income for the year	113,070		
Analysis of retained earnings:			
Retained earnings, beginning of year	548,926		
Payment of profits to Treasury (−)	−661,996		
Retained earnings, end of year			

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash with Treasury	$554,767			
Obligated balance, net:				
Current liabilities	16,382			
Unpaid undelivered orders	1,238			
Accounts receivable, net, and cash in transit (−)	−10,541			
Total obligated balance	7,079			
Unobligated balance	547,688			

Object Classification

	1959 actual	1960 estimate	1961 estimate
07 Other contractual services	$1,407		
Decrease (−) in unpaid undelivered orders	−1,238		
Total obligations	169		

MAINTENANCE, ETC., LAFAYETTE BUILDING, WASHINGTON, D.C., PUBLIC BUILDINGS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operations, protection, and maintenance (total costs—obligations) (object class 07)	$1,355		
Financing:			
Amounts becoming available: Revenue and receipts: Rentals	7,954		
Unobligated balance brought forward	33,893		
Total amounts available	41,847		
Capital transfer (payment of profits to Treasury) (−)	−40,492		
Financing applied to program	1,355		

Prior to September 2, 1958, rentals received from commercial occupants were used for maintenance and repair. From that date expenses have been borne by and rentals deposited into the Buildings management fund (72 Stat. 1709).

All profits have been returned to the Treasury.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Expense	$1,355		
Receipts from operations (funds provided):			
Revenue	7,954		
Decrease in selected working capital	487		
Total receipts from operations	8,441		
Budget expenditures	−7,086		

Revenue, Expense, and Retained Earnings

Revenue	$7,954		
Expense	1,355		
Net income for the year	6,599		
Analysis of retained earnings:			
Retained earnings, beginning of year	33,893		
Payment of profits to Treasury (−)	−40,492		
Retained earnings, end of year			

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash with Treasury	$33,405			
Obligated balance, net:				
Current liabilities	812			
Accounts receivable, net (−)	−1,300			
Total obligated balance	−488			
Unobligated balance	33,893			

Intragovernmental funds:

BUILDINGS MANAGEMENT FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs:			
1. Buildings management:			
(a) Operation and protection of Government-owned space	$78,280,998	$83,341,400	$88,950,600
(b) Rental, operation, and protection of leased space	80,397,293	84,969,800	93,583,800
(c) Operation and protection of purchase contract space	102,820	1,007,200	2,128,000

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Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
Operating costs—Continued			
2. Moving and space alterations	$2,345,527	$2,722,200	$2,740,200
3. Temporary space and moving costs incident to new buildings	29,960	1,165,300	1,665,300
4. Operation of communication facilities:			
(a) Telephone	16,654,740	17,617,100	17,669,100
(b) Rapid written	2,786,447	2,783,000	2,800,000
(c) Planning for Federal agency communication system		40,000	250,000
5. Protection and maintenance:			
(a) Reserve properties	114,898		
(b) Surplus properties	720,623	2,600,000	2,606,000
6. Maintenance repairs:			
(a) General Services Administration operated buildings	6,856,907	8,300,000	7,042,000
(b) Non-General Services Administration operated buildings	4,468,092	5,000,000	5,021,000
7. Security guarding	4,805,516	4,900,000	4,954,000
8. Operation and maintenance of sites held for future construction	73,580	150,000	150,000
9. Job order work:			
(a) General Services Administration appropriations	13,080,409	7,500,000	8,048,000
(b) Financed by other agencies	22,784,951	38,600,000	77,056,000
10. Other	5,990,427	1,500,000	1,503,000
11. Equipment transferred out without charge	5,169		
12. Adjustment of prior year expense	48,554		
13. Net loss from sale of equipment	1,798		
14. Inventory adjustment of equipment	−2,006		
Total operating costs	239,546,703	262,196,000	316,167,000
15. Unfunded adjustments to total operating costs:			
Depreciation included above (−)	−224,525	−325,000	−325,000
Other	−4,961		
Total operating costs, funded	239,317,217	261,871,000	315,842,000
Capital outlay:			
16. Acquisition of equipment [1]	293,738	325,000	325,000
Total program costs, funded	239,610,955	262,196,000	316,167,000
17. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−24,500,717	−2,630,059	
Total program (obligations)	215,110,238	259,565,941	316,167,000
Financing:			
Amounts becoming available: Revenue and receipts:			
Sales of goods and services	239,419,837	262,346,000	316,317,000
Decrease in accepted orders on hand	−10,836,544	−10,458,681	
Sale of equipment	6,857		
Rental of future building sites	816,704	850,000	850,000
Adjustment of prior year income	4,880		
Other revenue	64,449		
Total amounts becoming available	229,476,183	252,737,319	317,167,000
Unobligated balance brought forward	−2,074,805	11,892,856	3,964,410
Total amounts available	227,401,378	264,630,175	321,131,410
Capital transfer (payment of earnings to Treasury) (−)	−398,284	−1,099,824	−1,000,000
Unobligated balance carried forward	−11,892,856	−3,964,410	−3,964,410
Financing applied to program	215,110,238	259,565,941	316,167,000

[1] Excludes equipment transferred in without charge in 1959, $340,367.

This fund finances, on a reimbursable basis, buildings management activities consisting of: Management, rental, operation, and protection of Government-owned and leased space in and outside the District of Columbia for housing Federal agencies; recurring repairs to Government-owned space under jurisdiction of General Services Administration; operation of joint-use communication facilities; protection and maintenance of excess and surplus properties; and maintenance and repair of sites or improvements thereon reserved for future construction of Federal buildings, including operation of space occupied by commercial tenants; and other related building services (66 Stat. 594). Retained earnings resulting from operations, after making provision for prior year losses, if any, are paid into the Treasury as miscellaneous receipts.

Operating costs for 1961 are estimated at $316.2 million, a net increase of $54 million over 1960, due mainly to work in space occupied by the Post Office Department.

1. *Buildings management*—(*a*) *Operation and protection of Government-owned space.*—Provides for operation and protection of 80,906,000 average square feet of space in 1961 compared to 78,363,000 square feet in 1960 and 77,917,526 square feet in 1959. The change from 1960 reflects additional space to be serviced due to construction of new buildings and certain space presently housing postal activities which is being vacated by the Post Office Department.

(*b*) *Rental, operation, and protection of leased space.*—Provides for 38,487,000 average square feet in 1961 compared to 36,984,000 in 1960 and 36,483,969 in 1959, based on currently projected programs of Federal agencies.

(*c*) *Operation and protection of purchase contract space.*—Provides for 1,406,000 average square feet in 1961 compared to 683,000 in 1960 and 128,403 in 1959. The increase over 1960 provides for operation and protection of the post office and courthouse building at Omaha, Nebr., to be completed early in 1961, and full year costs of 20 buildings scheduled for completion during 1960.

2. *Moving and space alterations.*—Provides for minimum of moving and related alterations based on experience factors derived from buildings management operations.

3. *Temporary space and moving costs incident to new buildings.*—Provides rents, alterations, etc., incident to setting up temporary quarters for agencies that must be moved to make way for demolition due to construction and moving agencies into temporary space or completed buildings. No provision is made for furniture requirements incident to occupancy of new buildings. Effective July 1, 1960, the furnishing of such buildings becomes the responsibility of occupant agencies.

4. *Operation of communication facilities.*—Provides for management and operation of telecommunication services and facilities for use of Federal agencies.

5. *Protection and maintenance.*—Provides for protection and maintenance of excess and surplus properties.

6. *Maintenance repairs.*—Provides for day-to-day maintenance to General Services Administration operated buildings, Public Health Service hospitals, and other Government buildings under jurisdiction of General Services Administration.

7. *Security guarding.*—Provides extra guarding service for other agencies where specifically authorized by law.

8. *Operation and maintenance of sites held for future construction.*—Provides for maintenance and repairs of sites or improvements thereon reserved for future construction of Federal buildings, and operation of space occupied by commercial tenants.

9. *Job order work.*—Provides for special services and improvements to buildings for General Services Administration and other agencies. Increases in 1960 and 1961 are principally for work which will be performed for the Post Office Department in connection with its modernization program.

10. *Other.*—Provides for program supervision of repair and improvement operations as distinguished from architectural and design activities initially financed from the Construction services fund, and utility services furnished in the District of Columbia to buildings operated by other agencies.

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REAL PROPERTY ACTIVITIES—Continued

Intragovernmental funds—Continued

BUILDINGS MANAGEMENT FUND—Continued

17. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*9161 estimate*
Selected resources at end of year:				
Advances	$1,735	$2,651	$2,600	$2,600
Inventories, supplies, and materials	2,770,345	2,849,454	2,849,000	2,849,000
Inventory, work in process	6,109,682	6,525,181	6,525,000	6,525,000
Deferred charges	13,516	596,635	596,000	596,000
Unpaid undelivered orders	36,208,098	10,628,738	8,000,000	8,000,000
Total selected resources at end of year	45,103,376	20,602,659	17,972,600	17,972,600
Selected resources at start of year (−)		−45,103,376	−20,602,659	−17,972,600
Costs financed from obligations of other years, net (−)		−24,500,717	−2,630,059	

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Acquisition of equipment	$293,738	$325,000	$325,000
Expense	239,317,217	261,871,000	315,842,000
Total gross expenditures	239,610,955	262,196,000	316,167,000
Receipts from operations (funds provided):			
Revenue	240,305,870	263,196,000	317,167,000
Proceeds from sale of equipment	6,857		
Decrease in selected working capital	3,710,259	226,442	200,000
Total receipts from operations	244,022,986	263,422,442	317,367,000
Budget expenditures	−4,412,031	−1,226,442	−1,200,000

Revenue, Expense, and Retained Earnings

Revenue	$240,305,870	$263,196,000	$317,167,000
Expense	239,327,449	262,196,000	316,167,000
Net operating income	978,421	1,000,000	1,000,000
Nonoperating income:			
Proceeds from sale of equipment	6,857		
Net book value of assets sold (−)	−8,655		
Net loss (−) from sale of equipment	−1,798		
Other nonoperating expense, net (−)	−214,293		
Inventory adjustment of equipment	2,006		
Equipment transferred from other sources, net	335,198		
Net nonoperating income	121,113		
Net income for the year	1,099,534	1,000,000	1,000,000
Analysis of retained earnings:			
Retained earnings, beginning of year	398,284	1,099,824	1,000,000
Payment of earnings to Treasury (−)	−398,284	−1,099,824	−1,000,000
Adjustment of prior year transactions affecting equipment	290		
Retained earnings, end of year	1,099,824	1,000,000	1,000,000

Financial Condition

Assets:			
Cash with Treasury	$12,837,792	$12,964,410	$13,164,410
Accounts receivable, net	13,654,417	14,000,000	15,000,000
Advances	2,651	2,600	2,600
Work in process	6,525,181	6,525,000	6,525,000
Inventories, supplies, and materials	2,849,454	2,849,000	2,849,000
Deferred charges	596,635	596,000	596,000
Equipment, net	2,003,738	2,003,738	2,003,738
Total assets	38,469,868	38,940,748	40,140,748
Liabilities:			
Current	29,429,296	30,000,000	31,200,000
Unfunded leave liability	9,102,547	9,100,000	9,100,000
Total liabilities	38,531,843	39,100,000	40,300,000
Government investment:			
Non-interest bearing capital	7,940,748	7,940,748	7,940,748
Provision for unfunded leave liability (−)	−9,102,547	−9,100,000	−9,100,000
Retained earnings	1,099,824	1,000,000	1,000,000
Total Government investment	−61,975	−159,252	−159,252

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash with Treasury	$8,824,045	$12,837,792	$12,964,410	$13,164,410
Obligated balance, net:				
Current liabilities	28,916,968	29,429,296	30,000,000	31,200,000
Unpaid undelivered orders	36,208,098	10,628,738	8,000,000	8,000,000
Accepted orders on hand (−)	−36,295,225	−25,458,681	−15,000,000	−15,000,000
Accounts receivable, net, and cash in transit (−)	−17,930,991	−13,654,417	−14,000,000	−15,000,000
Total obligated balance	10,898,850	944,936	9,000,000	9,200,000
Unobligated balance	−2,074,805	11,892,856	3,964,410	3,964,410

Object Classification

	1959 actual	1960 estimate	1961 estimate
GENERAL SERVICES ADMINISTRATION			
Total number of permanent positions	20,213	19,853	20,490
Full-time equivalent of all other positions	242	240	240
Average number of all employees	19,848	19,426	20,200
Number of employees at end of year	19,796	19,404	20,300
Average GS grade and salary	4.6 $4,835	4.1 $4,622	4.1 $4,643
Average salary of ungraded positions	$4,237	$4,332	$4,332
01 Personal services:			
Permanent positions	$86,440,325	$84,670,000	$88,106,000
Positions other than permanent	921,915	950,000	950,000
Other personal services	2,964,459	3,248,000	2,978,000
Total personal services	90,326,699	88,868,000	92,034,000
02 Travel	22,374	20,000	20,000
03 Transportation of things	166,256	170,000	170,000
04 Communication services	14,558,070	15,000,000	15,000,000
05 Rents and utility services	79,352,270	84,040,000	93,300,000
06 Printing and reproduction	112,235	113,000	113,000
07 Other contractual services	34,893,066	53,494,000	94,839,000
Services performed by other agencies	1,108,512	1,200,000	1,200,000
08 Supplies and materials	12,935,160	13,200,000	13,400,000
09 Equipment	293,738	325,000	325,000
11 Grants, subsidies, and contributions	5,375,285	5,400,000	5,400,000
13 Refunds, awards, and indemnities	140,093	141,000	141,000
15 Taxes and assessments	93,965	95,000	95,000
Undistributed:			
Adjustment of prior year expense	48,554		
Nonoperating expense	165,739		
Total, General Services Administration	239,592,016	262,066,000	316,037,000
ALLOCATION TO BUREAU OF PUBLIC ROADS, DEPARTMENT OF COMMERCE			
Total number of permanent positions	1	1	1
Average number of all employees	1	1	1
Number of employees at end of year	1	1	1
Average GS grade and salary	8.1 $6,598	8.2 $6,674	8.2 $6,671
01 Personal services:			
Permanent positions	$4,289	$4,300	$4,300
Other personal services	753	700	700
Total personal services	5,042	5,000	5,000
05 Rents and utility services	325	400	400
06 Printing and reproduction	13		
07 Other contractual services	13,244	124,300	124,300
08 Supplies and materials	17		
11 Grants, subsidies, and contributions	279	300	300
15 Taxes and assessments	19		
Total, Department of Commerce	18,939	130,000	130,000
Total costs	239,610,955	262,196,000	316,167,000
Costs financed from obligations of other years, net (−)	−24,500,717	−2,630,059	
Total obligations	215,110,238	259,565,941	316,167,000

CONSTRUCTION SERVICES, PUBLIC BUILDINGS

Construction service activities consisting of surveys and test borings performed in connection with the acquisition of Federal building sites; preparation of drawings and specifications for the construction or alteration of public buildings; supervision of construction and alteration activities; and other related services are financed by this fund on a reimbursable basis from funds appropriated, transferred, or advanced to General Services Administration (40 U.S.C. 296).

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Operations.—Prior to 1960 the fund was used solely for financing direct engineering and architectural services at the departmental level. Beginning with 1960, use of the fund was extended to cover the initial financing of salaries and related expenses of all personnel engaged in buildings design and construction activities, both departmental and field. The increase in 1961 is mainly to provide for work performed in connection with the Post Office modernization program and an expanded General Services Administration construction program.

Operating results.—Retained earnings will be reduced in 1960 to approximately $100,000 and maintained at that level in subsequent years to provide a token amount of working capital.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Expense	$2,270,617	$8,200,000	$8,800,000
Increase in selected working capital	112,421		10,000
Total gross expenditures	2,383,038	8,200,000	8,810,000
Receipts from operations (funds provided):			
Revenue	2,360,778	8,169,063	8,800,000
Decrease in selected working capital		46,422	
Total receipts from operations	2,360,778	8,215,485	8,800,000
Budget expenditures	22,260	−15,485	10,000

Revenue, Expense, and Retained Earnings

Revenue	$2,360,778	$8,169,063	$8,800,000
Expense	2,270,617	8,200,000	8,800,000
Net income or loss (−) for the year	90,161	−30,937	
Retained earnings, beginning of year	40,776	130,937	100,000
Retained earnings, end of year	130,937	100,000	100,000

Financial Condition

Assets:			
Cash with Treasury	$234,515	$250,000	$240,000
Accounts receivable, net	220,229	600,000	800,000
Total assets	454,744	850,000	1,040,000
Liabilities:			
Current	323,807	750,000	940,000
Government investment:			
Retained earnings	130,937	100,000	100,000

NOTE.—Unpaid undelivered orders are as follows: June, 30 1958, $1,664; 1959, $318.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	240	1,013	1,088
Full-time equivalent of all other positions	8	5	
Average number of all employees	215	1,014	1,078
Number of employees at end of year	239	1,010	1,070
Average GS grade and salary	10.3 $8,456	8.9 $7,202	9.1 $7,269
01 Personal services:			
Permanent positions	$1,755,661	$7,274,550	$7,829,885
Positions other than permanent	29,300	17,500	
Other personal services	11,858	55,950	30,115
Annual leave reserve, funded		66,000	50,000
Excess of annual leave taken (−) over leave earned	−43,547		
Total personal services	1,753,272	7,414,000	7,910,000
02 Travel	3,608	10,000	10,000
03 Transportation of things	1,223	1,200	1,500
04 Communication services	22,900	25,000	35,000
06 Printing and reproduction	46,951	27,000	49,500
07 Other contractual services	13,107	46,800	80,000
Payment to "Administrative operations fund"	292,000	178,000	178,000
08 Supplies and materials	7,999	7,500	10,000
09 Equipment		7,000	10,000
11 Grants, subsidies, and contributions	109,227	477,500	510,000
13 Refunds, awards, and indemnities	15	4,500	4,500
15 Taxes and assessments	1,232	1,500	1,500

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
Adjustment of prior year expense	$19,083		
Total costs	2,270,240	$8,200,000	$8,800,000
Decrease (−) in unpaid undelivered orders	−1,346	−318	
Total obligations	2,268,894	8,199,682	8,800,000

ADVANCES AND REIMBURSEMENTS, REAL PROPERTY ACTIVITIES

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Operating expenses, Public Buildings Service	$13,937	$15,000	$15,000
2. Sites and expenses, public buildings projects	46		
Total program (costs—obligations)	13,983	15,000	15,000
Financing:			
Advances and reimbursements from—			
Other accounts	13,937	15,000	15,000
Non-Federal sources (5 U.S.C. 61(b))	46		
Total financing	13,983	15,000	15,000

Object Classification

Total number of permanent positions	1		
Number of employees at end of year	0		
Average GS grade and salary	15 $13,978		
01 Personal services: Permanent positions	$2,062		
02 Travel	376		
06 Printing and reproduction	8,455		
07 Other contractual services	3,090	$15,000	$15,000
Total obligations	13,983	15,000	15,000

Proposed for later transmission:

OPERATING EXPENSES, PUBLIC BUILDINGS SERVICE

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Buildings management (total costs—obligations)		$5,900,000	
Financing:			
Proposed supplemental appropriation		5,900,000	

Under existing legislation, 1960.—It is anticipated that an additional $5,900,000 will be required, of which $3,900,000 is needed to finance in 1960 the cost of increases in wage-board rates granted between July 1, 1958, and June 30, 1959, and $2,000,000 for such increases to be granted during 1960.

PERSONAL PROPERTY ACTIVITIES

OPERATING EXPENSES, FEDERAL SUPPLY SERVICE

For necessary expenses of personal property management and related activities as authorized by law and not otherwise provided for, including not to exceed $300 for the purchase of newspapers and periodicals, [$3,770,000] *$4,240,000*: *Provided*, That not to exceed [$2,230,000] *$3,260,000* of any funds received during the current or preceding fiscal year for deposit under section 204(a) of the Federal Property and Administrative Services Act of 1949, as

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PERSONAL PROPERTY ACTIVITIES—Continued

OPERATING EXPENSES, FEDERAL SUPPLY SERVICE—Continued

amended, and not otherwise disposed of by law, shall be deposited to the credit of this appropriation and shall be available for necessary expenses in carrying out the functions of the General Services Administration under the said Act, with respect to the utilization and disposal of excess and surplus personal property. (*Independent Offices Appropriation Act, 1960.*)

Appropriated (est.) 1960, **$6,000,000** Estimate 1961, **$7,500,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Utilization and sales	$1,774,539	$2,034,141	$2,945,700
2. Supply standards	411,692	464,098	513,200
3. Federal catalog participation	552,334	548,904	576,300
4. Motor vehicle management	202,841	205,200	240,700
5. Supply contracting	760,338	777,323	834,600
6. Supply management	367,416	377,159	436,100
7. Procurement policy	52,000	98,000	168,000
8. Service direction	572,436	560,636	570,400
9. Administrative operations	914,100	948,000	1,200,000
10. Adjustment of prior year costs	11,555		
Total program costs [1]	5,619,251	6,013,461	7,485,000
11. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−6,006	−13,461	
Obligations incurred for costs of other years (unpaid undelivered orders), net			15,000
Total program (obligations)	5,613,245	6,000,000	7,500,000
Financing:			
Unobligated balance no longer available	101,455		
New obligational authority	5,714,700	6,000,000	7,500,000
New obligational authority:			
Appropriation:			
Definite	$3,715,690	$3,770,000	$4,240,000
Indefinite	1,999,010	2,230,000	3,260,000
Appropriation	5,714,700	6,000,000	7,500,000

[1] Includes capital outlay as follows: June 30, 1959, $49,990; 1960, $17,419; 1961, $35,900.

This appropriation provides for establishment of efficient personal property management practices throughout the Federal Government.

1. *Utilization and sales.*—Excess usable personal property is reported to General Services Administration for screening against needs of Federal agencies to accomplish maximum Government utilization and obviate new purchases by transfers of property. The residue, together with surpluses not screened by General Services Administration, is either donated for educational, public health, or civil defense purposes or released for public sale. Utilization transfers amounted to $138 million in 1958, $141 million in 1959, and are expected to be $215 million in 1960 and $305 million in 1961. Total excesses generated are now exceeding World War II peaks: $7.1 billion in 1958, $6.9 billion in 1959, and are estimated at $9 billion in 1960 and $10 billion in 1961. Expense of these operations is provided from proceeds of sales of surplus personal property.

2. *Supply standards.*—Standards of quality and other characteristics of common-use commodities are established by specifications and qualified products lists for mandatory use by Government agencies. The amount requested for 1961 will provide for the production of 400 new specifications and 427 major revisions, amendments, and purchase descriptions as compared to 350 and 380, respectively, in 1960, and will increase Federal standards production from 32 in 1960 to 37 in 1961.

3. *Federal catalog participation.*—Uniform catalog identification for each item in the civilian agencies supply operations is provided and coordination maintained with Department of Defense in development of a single Federal catalog system. The military departments have now converted to the exclusive use of this system. General Services Administration will have completed 246,200 items used by General Services Administration and other civil agencies by the end of 1960. This request provides for completing 57,500 additional items in 1961, leaving approximately 396,300 items to be identified.

4. *Motor vehicle management.*—Governmentwide policies and procedures are developed for improving the economy and efficiency of operating motor equipment. Interagency motor pools are established at locations where studies indicate savings and improved efficiency will result. It is expected that the number of pools in operation will increase from 44 at the end of 1959 to 58 for 1960 and 70 for 1961.

5. *Supply contracting.*—Term contracts for common-use commodities and services are established for large aggregate volume requirements against which agencies place individual orders at uniform price advantages.

6. *Supply management.*—Policies and procedures for improving supply operations in Government agencies are developed and their installation coordinated through the conduct of training programs and supply conferences, continuous onsite technical assistance, and by special surveys as required.

7. *Procurement policy.*—Policies and procedures are developed for achieving the maximum of uniformity and simplification of procurement regulations relating to purchasing and contracting throughout the Government.

11. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $74,467; 1959, $68,461; 1960, $55,000; and 1961, $70,000.

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Total number of permanent positions	559	598	744
	Full-time equivalent of all other positions	5	1	1
	Average number of all employees	522	571	706
	Number of employees at end of year	551	586	730
	Average GS grade and salary	8.0 $6,625	8.2 $6,798	8.3 $6,739
	Average salary of ungraded positions	$4,410	$4,410	$4,290
01	Personal services:			
	Permanent positions	$3,433,517	$3,853,000	$4,745,000
	Positions other than permanent	31,850	5,100	5,100
	Other personal services	22,788	38,900	24,500
	Total personal services	3,488,155	3,897,000	4,774,600
02	Travel	151,138	177,500	270,800
03	Transportation of things	10,141	14,000	13,400
04	Communication services	161,461	155,800	189,700
05	Rents and utility services	23,718	32,700	35,000
06	Printing and reproduction	298,294	291,500	332,000
07	Other contractual services	110,308	81,400	157,800
	Payment to "Administrative operations fund"	914,100	948,000	1,200,000
	Services performed by other agencies	147,792	97,900	117,000
08	Supplies and materials	42,671	41,900	62,100
09	Equipment	40,104	5,900	35,900
11	Grants, subsidies, and contributions	213,571	253,200	310,400
13	Refunds, awards, and indemnities	8,917	3,000	1,100
15	Taxes and assessments	2,875	200	200
	Total obligations	5,613,245	6,000,000	7,500,000

EXPENSES, SUPPLY DISTRIBUTION

For expenses, not otherwise provided, necessary for operation of the stores depot system and other procurement services, including contractual services incident to receiving, handling, and shipping warehouse items; and not to exceed $250 for purchase of newspapers and periodicals; [$21,450,000] *$23,300,000.* (*Independent Offices Appropriation Act, 1960.*)

Appropriated 1960, **$21,450,000** Estimate 1961, **$23,300,000**

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Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Stores activities:			
Stores operations	$7,070,159	$7,649,433	$8,345,000
Space and related costs	3,071,646	3,467,720	3,442,000
2. Buying operations	4,135,462	4,449,789	4,619,000
3. Inspection operations	1,303,671	1,581,976	2,029,000
4. Administrative operations	4,299,800	4,695,000	4,900,000
5. Adjustment of prior year costs	−205		
Total program costs [1]	19,880,533	21,843,918	23,335,000
6. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−393,918	−35,000
Obligations incurred for costs of other years, net	241,886		
Total program (obligations)	20,122,419	21,450,000	23,300,000
Financing:			
Unobligated balance no longer available	384,581		
Appropriation (new obligational authority)	20,507,000	21,450,000	23,300,000

[1] Includes capital outlay as follows: June 30, 1959, $134,612; 1960, $228,621; 1961, $25,000.

This appropriation provides for expenses of operating the nationwide supply system whereby common-use commodities are sold to Government agencies from stocks in supply depots or by direct delivery from suppliers, whichever is more economical. Most of the costs of commodities sold are initially financed from the General supply fund, subject to reimbursement by ordering agencies. Wherever economical and feasible, costs of commodities furnished directly from the supplier are financed by payment directly from the requisitioning agency appropriation without involving the General supply fund. Total sales for 1961 are programed at $357.3 million as compared with $341.6 million programed for 1960, and actual sales of $322.2 million for 1959.

1. *Stores activities—Stores operations.*—Stocks of common-use commodities are received, warehoused and sold at cost to Federal agencies through a nationwide system of supply depots. Continuous increase in stores sales is shown in the following figures: 1955, $75.9 million; 1956, $96.4 million; 1957, $116.4 million; 1958, $120.7 million; 1959, $145.5 million; 1960 and 1961 estimated at $156 million and $171.7 million, respectively.

2. *Buying operations.*—Commodities are procured (a) to maintain inventories at stores depots to insure availability in advance of sales orders, and (*b*) for direct delivery to agencies. Total procurement for both purposes in 1961 is estimated at $364.8 million compared to $345 million in 1960 and actual purchases of $322.6 million in 1959.

3. *Inspection operations.*—Delivery of commodities of specified standards is assured by inspection at contractors' plants or supply depots, and by laboratory tests and analyses of samples prior to acceptance.

6. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimat*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$455,533	$658,918	$265,000	$230,000
Selected resources at start of year (−)		−455,533	−658,918	−265,000
Adjustment of selected resources reported at start of year		38,501		
Costs financed from obligations of other years, net (−)			393,918	35,000
Obligations incurred for costs of other years, net		241,886		

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Total number of permanent positions	1,854	1,923	2,054
	Full-time equivalent of all other positions	41	27	25
	Average number of all employees	1,694	1,789	1,946
	Number of employees at end of year	1,753	1,825	1,953
	Average GS grade and salary	6.3 $5,521	6.5 $5,612	6.5 $5,661
	Average salary of ungraded positions	$4,678	$4,792	$4,836
01	Personal services:			
	Permanent positions	$8,632,829	$9,388,600	$10,341,700
	Positions other than permanent	214,657	140,800	125,000
	Other personal services	335,226	172,200	139,800
	Total personal services	9,182,712	9,701,600	10,606,500
02	Travel	126,097	190,000	236,000
03	Transportation of things	343,366	371,500	414,000
04	Communication services	330,413	343,000	370,600
05	Rents and utility services	2,113,471	2,394,200	2,558,700
06	Printing and reproduction	372,418	365,500	484,400
07	Other contractual services	2,063,694	2,144,900	2,405,300
	Payment to "Administrative operations fund"	4,299,800	4,695,000	4,900,000
	Services performed by other agencies	137,724	140,000	168,000
08	Supplies and materials	348,835	378,300	413,000
09	Equipment	209,959	66,700	25,000
11	Grants, subsidies, and contributions	551,618	610,800	657,700
13	Refunds, awards, and indemnities	33,680	37,500	39,700
15	Taxes and assessments	8,632	11,000	11,100
	Total obligations	20,122,419	21,450,000	23,300,000

Intragovernmental funds:

GENERAL SUPPLY FUND

This fund finances, on a reimbursable basis, a national supply depot system and a system of ordering supplies for direct delivery to agencies. Supplies or services are sold from the fund at cost to other agencies and the District of Columbia. Expenses for operating the fund for these purposes are provided for under the appropriation Expenses, supply distribution (5 U.S.C. 630g).

Also financed by the fund and reimbursed by the using agencies are operations of interagency motor equipment pools established in areas of high vehicle density.

Budget program.—The estimate for 1961 provides for continued expansion in sales of stores items to the military establishments under the program for progressively expanding use of these supply facilities by Department of Defense, and a slight increase in civilian agency sales. Activation of additional interagency motor equipment pools programed for 1961 is expected to produce substantial increase in sales of services.

Supply distribution—(a) Stores items.—Stocks of common-use commodities are purchased in volume and stored in supply depots for issue to Government agencies. Sales reached an all-time high of $167.6 million in 1959 and are estimated to increase to $180.5 million in 1960 and $202.7 million in 1961. An increasing amount of larger volume orders are being shipped direct from suppliers to customer agencies to reduce handling costs.

(*b*) *Nonstores items.*—Definite quantity requirements of commodities which are not susceptible to economical stocking in supply depots are purchased for direct shipment to customer agencies. Sales through the fund are expected to increase from $102.3 million in 1959 to $139.1 million in 1960 with a slight reduction to $132.6 million in 1961 due to an anticipated decrease in household and quarters furniture sales.

Motor pools.—Motor vehicle services are supplied to Government agencies through a system of interagency motor pools, still under development, to serve areas of high vehicle density. Sales are expected to increase from $11 million in 1959 to $14 million in 1960 and $16.7 million

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PERSONAL PROPERTY ACTIVITIES—Continued

Intragovernmental funds—Continued

GENERAL SUPPLY FUND—Continued

in 1961 due to an increase in the number of motor pools in operation from 44 in 1959 to 58 in 1960 and 70 in 1961.

Rehabilitation and repair of furniture and equipment.—Furniture and equipment repair services, provided through commercial sources wherever feasible and economical, are expected to increase from $1.1 million in 1959 to $1.6 million in 1960 and $2 million in 1961.

Equipment rental.—Operating equipment, necessary to carry out the supply distribution activity, is acquired and charged on an accrual basis to the using activities. Collections from using activities are expected to remain at the 1959 level of $0.3 million in 1960 and 1961.

Undistributed.—Gain or losses on equipment disposals, adjustments between fiscal years, inventory writeoffs, and discounts are applied against operating costs. In 1959, the net operating income was $1.6 million.

Operating results and financial condition.—Current investment of the U.S. Government in the fund is $104.6 million of which $95.8 million represents direct appropriations, $5.7 million donated assets, $0.6 million capitalized surplus, and retained earnings of $2.5 million.

Additional donated assets arising from transfers of motor vehicles from other agencies upon establishment of interagency motor equipment pools will be capitalized in the fund.

Any operating surplus, as determined by General Accounting Office audit, must be returned to Treasury as miscellaneous receipts. Payments made in 1960 amount to $2,531,996.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Supply distribution:			
Stores items:			
Acquisition of equipment	$425,407	$675,000	$700,000
Purchase of commodities for sale	178,844,467	185,208,431	207,200,000
Nonstores items: Purchase of commodities for sale	102,337,698	139,100,000	132,600,000
Motor pools:			
Acquisition of equipment	6,462,729	8,135,000	9,325,000
Other expense	8,248,658	11,024,000	12,974,000
Rehabilitation and repair of furniture and equipment: Other expense	1,058,737	1,599,000	1,999,000
Undistributed:			
Other expense	252,909		
Adjustment of prior year transactions	14,381		
Increase in selected working capital		183,515	
Total gross expenditures	297,644,986	345,924,946	364,798,000
Receipts from operations (funds provided):			
Supply distribution:			
Stores items: Revenue	167,578,955	180,500,000	202,700,000
Nonstores items: Revenue	102,337,698	139,100,000	132,600,000
Motor pools: Revenue	10,972,012	14,000,000	16,700,000
Rehabilitation and repair of furniture and equipment: Revenue	1,061,557	1,600,000	2,000,000
Equipment rental: Revenue	259,960	300,000	335,000
Undistributed receipts:			
Proceeds from sale of equipment	1,051,425	1,107,500	1,600,000
Revenue	1,779,240	1,900,000	1,900,000
Adjustment of prior year transactions	38,718		
Decrease in selected working capital	13,367,073		608,000
Total receipts from operations	298,446,638	338,507,500	358,443,000
Budget expenditures	−801,652	7,417,446	6,355,000

Revenue, Expense, and Retained Earnings

	1959 actual	1960 estimate	1961 estimate
Supply distribution:			
Stores items:			
Revenue	$167,578,955	$180,500,000	$202,700,000
Expense	167,117,865	180,000,000	202,200,000
Net operating income, stores items	461,090	500,000	500,000
Nonstores items:			
Revenue	102,337,698	139,100,000	132,600,000
Expense	102,337,698	139,100,000	132,600,000
Net operating income or loss (−), nonstores items			
Motor pools:			
Revenue	10,972,012	14,000,000	16,700,000
Expense	10,763,786	13,900,000	16,600,000
Net operating income, motor pools	208,226	100,000	100,000
Rehabilitation and repair of furniture and equipment:			
Revenue	1,061,557	1,600,000	2,000,000
Expense	1,059,185	1,600,000	2,000,000
Net operating income, rehabilitation and repair of furniture and equipment	2,372		
Equipment rental:			
Revenue	259,960	300,000	335,000
Expense	259,960	300,000	335,000
Net operating income or loss (−), equipment rental			
Undistributed:			
Revenue	1,779,240	1,900,000	1,900,000
Expense	252,909		
Adjustment of prior year transactions	24,337		
Net operating income, undistributed	1,550,668	1,900,000	1,900,000
Nonoperating income:			
Proceeds from sale of equipment	1,051,425	1,107,500	1,600,000
Net book value of assets sold (−)	−802,470	1,107,500	1,600,000
Net gain from sale of equipment	248,955		
Equipment adjustment	−1,871		
Equipment transferred from other sources, net	62,701		
Net nonoperating income	309,785		
Net income for the year	2,532,141	2,500,000	2,500,000
Analysis of retained earnings:			
Retained earnings, beginning of year	2,171,852	2,531,996	2,500,000
Payment of earnings to Treasury (−)	−2,171,852	−2,531,996	−2,500,000
Adjustment of prior year transactions affecting equipment	−145		
Retained earnings, end of year	2,531,996	2,500,000	2,500,000

Financial Condition

Assets:			
Cash with Treasury	$35,709,222	$25,759,780	$16,904,780
Accounts receivable, net	35,268,483	41,213,000	43,644,000
Advances	1,891		
Inventories for sale	53,091,569	58,300,000	63,300,000
Supplies, deferred charges, etc	204,263	300,000	400,000
Equipment, net	17,042,808	23,368,308	29,631,308
Total assets	141,318,236	148,941,088	153,880,088
Liabilities:			
Current	36,738,152	42,593,000	45,732,000
Government investment:			
Non-interest bearing capital:			
Start of year	79,626,741	102,048,088	103,848,088
Appropriation	21,250,000		
Donations during year	1,171,347	1,800,000	1,800,000
End of year	102,048,088	103,848,088	105,648,088
Retained earnings	2,531,996	2,500,000	2,500,000
Total Government investment	104,580,084	106,348,088	108,148,088

NOTE.—Unpaid undelivered orders are as follows: June 30, 1958, $107,442,213; 1959, $69,902,418; 1960, $68,100,000; 1961, $70,600,000. Accepted orders on hand are as follows: June 30, 1958, $78,009,795; 1959, $50,174,502; 1960, $49,000,000; 1961, $56,000,000.

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Object Classification

	1959 actual	1960 estimate	1961 estimate
GENERAL SERVICES ADMINISTRATION			
Total number of permanent positions	406	473	530
Full-time equivalent of all other positions	4		
Average number of all employees	365	430	503
Number of employees at end of year	387	455	515
Average GS grade and salary	6.7 $5,579	6.9 $5,742	6.9 $5,731
Average salary of ungraded positions	$5,271	$5,381	$5,381
Direct costs:			
09 Equipment	$6,888,136	$8,810,000	$10,025,000
Reimbursable costs:			
01 Personal services:			
Permanent positions	1,956,552	2,388,725	2,793,755
Positions other than permanent	22,062		
Other personal services	47,504	18,375	10,745
Total personal services	2,026,118	2,407,100	2,804,500
02 Travel	52,195	60,000	70,000
03 Transportation of things	8,638	12,000	14,000
04 Communication services	43,467	60,000	70,000
05 Rents and utility services	275,316	395,000	470,000
06 Printing and reproduction	16,348	23,000	27,000
07 Other contractual services	1,743,902	2,700,000	3,200,000
Payment to "Administrative operations fund"	369,875	404,000	445,000
Services performed by other agencies	552,692	830,000	1,200,000
08 Supplies and materials	3,501,866	4,965,000	5,880,000
Materials supplied to other agencies	269,722,853	319,100,000	334,800,000
11 Grants, subsidies, and contributions	117,986	156,400	182,000
13 Refunds, awards, and indemnities	2,935	5,500	5,500
15 Taxes and assessments	3,447	5,000	5,000
Total reimbursable costs	278,437,638	331,123,000	349,173,000
Total, General Services Administration	285,325,774	339,933,000	359,198,000
ALLOCATION TO DEPARTMENT OF THE INTERIOR			
07 Other contractual services	592,610	600,000	600,000
Total costs	285,918,384	340,533,000	359,798,000
Costs financed from obligations of other years, net (−)	−25,761,514		
Obligations incurred for costs of other years, net		3,499,859	7,600,000
Total obligations	260,156,870	344,032,859	367,398,000

Administrative Expenses, Foreign Aid Procurements

This fund was established to account for expenses incurred rendering foreign aid procurement to the International Cooperation Administration (22 U.S.C. 1782). Earnings credited to the fund are derived from mutually agreed upon advances based on program workload received. Beginning with 1961 provision is made to finance these expenses from appropriated funds.

Operations.—Program workload arises from purchase authorizations received from the International Cooperation Administration. Services are programed in 1961 at the 1960 level under the appropriations Expenses, supply distribution and Operating expenses, Transportation and Public Utilities Service.

Operating results.—Net earnings have been retained to insure financing of operating costs notwithstanding fluctuations in operating revenue. The unobligated balance will be returned to International Cooperation Administration in 1961 after obligations are liquidated.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Acquisition of equipment	$1,827	$3,500	
Expense	1,043,678	1,007,500	
Refund of surcharge income to International Cooperation Administration			$227,743
Increase in selected working capital			39,000
Total gross expenditures	1,045,505	1,011,000	266,743

Sources and Application of Funds (Operations)—Continued

	1959 actual	1960 estimate	1961 estimate
Receipts from operations (funds provided):			
Revenue	$1,909,163		
Decrease in selected working capital	154,655	$33	
Total receipts from operations	2,063,818	33	
Budget expenditures	−1,018,313	1,010,967	$266,743

Revenue, Expense, and Retained Earnings

Revenue	$1,909,163		
Expense	1,043,678	$1,007,500	$227,743
Net operating income or loss (−)	865,485	−1,007,500	−227,743
Nonoperating loss (−): Equipment transferred out without charge	−1,827	−3,500	
Net income or loss (−) for the year	863,658	−1,011,000	−227,743
Retained earnings, beginning of year	375,085	1,238,743	227,743
Retained earnings, end of year	1,238,743	227,743	

Financial Condition

Assets:			
Cash with Treasury	$1,277,710	$266,743	
Liabilities:			
Unfunded leave liability	77,186	78,000	
Current	38,967	39,000	
Total liabilities	116,153	117,000	
Government investment:			
Provision for unfunded leave liability (−)	−77,186	−78,000	
Retained earnings	1,238,743	227,743	
Total Government investment	1,161,557	149,743	

NOTE.—Unpaid undelivered orders are as follows: June 30, 1958, $2,322; 1959, $134.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	134	109	
Full-time equivalent of all other positions	1		
Average number of all employees	120	107	
Number of employees at end of year	99	109	
Average GS grade and salary	6.8 $5,697	6.8 $5,616	
01 Personal services:			
Permanent positions	$675,435	$613,300	
Positions other than permanent	7,778		
Other personal services	3,827	4,700	
Excess of annual leave taken (−) over leave earned	−4,501		
Total personal services	682,539	618,000	
02 Travel	15,085	20,900	
03 Transportation of things	2,279	13,100	
04 Communication services	14,805	16,200	
06 Printing and reproduction	29,144	41,300	
07 Other contractual services	31,262	34,000	
Payment to "Administrative operations fund"	218,200	220,000	
08 Supplies and materials	5,178	4,400	
09 Equipment	1,827	3,500	
11 Grants, subsidies, and contributions	43,093	38,400	
13 Refunds, awards, and indemnities	1,881	1,000	
15 Taxes and assessments	212	200	
Total costs	1,045,505	1,011,000	
Decrease (−) in unpaid undelivered orders	−2,188	−134	
Total obligations	1,043,317	1,010,866	

Advances and Reimbursements, Personal Property Activities

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Civil defense warehousing	$2,290,672	$2,256,946	$2,200,000
2. Operating expenses, Federal Supply Service	8,322		
3. Expenses, supply distribution	1,342,343	2,000,000	2,000,000

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PERSONAL PROPERTY ACTIVITIES—Continued

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS, PERSONAL PROPERTY ACTIVITIES—Continued

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
4. Prior year advances returned	$14,291		
Total program costs [1]	3,655,628	$4,256,946	$4,200,000
5. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (—)	−119,035	−56,946	
Total program (obligations)	3,536,593	4,200,000	4,200,000
Financing:			
Unobligated balances brought forward	14,291		
Advances and reimbursements from—			
Other accounts	3,545,555	4,200,000	4,200,000
Non-Federal sources (5 U.S.C. 61(b))	5,110		
Unobligated balance no longer available	−28,363		
Total financing	3,536,593	4,200,000	4,200,000

[1] Includes capital outlay as follows: June 30, 1959, $30,980; 1960, $73,641; 1961, $48,500.

5. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $235,981; 1959, $116,946; 1960, $60,000; 1961, $60,000.

Object Classification

		1959 actual	1960 estimate	1961 estimate
Total number of permanent positions		340	360	360
Full-time equivalent of all other positions		22	18	18
Average number of all employees		290	347	346
Number of employees at end of year		312	355	355
Average GS grade and salary		4.4 $4,484	4.6 $4,589	4.6 $4,643
Average salary of ungraded positions		$4,699	$4,952	$4,952
01	Personal services:			
	Permanent positions	$1,230,877	$1,562,200	$1,568,200
	Positions other than permanent	98,891	87,500	87,500
	Other personal services	74,724	86,500	80,500
	Total personal services	1,404,492	1,736,200	1,736,200
02	Travel	30,613	25,000	25,000
03	Transportation of things	108,809	139,300	139,300
04	Communication services	21,557	24,300	24,300
05	Rents and utility services	551,214	575,200	575,200
06	Printing and reproduction	1,875	4,300	4,300
07	Other contractual services	897,637	1,193,000	1,193,000
	Payment to "Administrative operations fund"	85,000	85,000	85,000
	Services performed by other agencies	42,825	1,500	1,500
08	Supplies and materials	247,120	265,000	265,000
09	Equipment	54,839	48,500	48,500
11	Grants, subsidies, and contributions	67,195	94,200	94,200
13	Refunds, awards, and indemnities	16,724	3,300	3,300
15	Taxes and assessments	6,693	5,200	5,200
	Total obligations	3,536,593	4,200,000	4,200,000

RECORDS ACTIVITIES

OPERATING EXPENSES, NATIONAL ARCHIVES AND RECORDS SERVICE

For necessary expenses in connection with Federal records management and related activities as provided by law, including *reimbursement for security guard services, and* contractual services incident to movement or disposal of records, [$9,176,800] *$9,600,000. (Independent Offices Appropriation Act, 1960.)*

Appropriated 1960, **$9,176,800** Estimate 1961, **$9,600,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Records management and centers	$5,441,518	$5,462,800	$5,694,600
2. Archives and related services	2,820,660	2,846,100	2,971,000
3. Service direction	357,390	392,800	394,400
4. Administrative operations	429,100	468,800	540,000
5. Adjustment of prior year costs	$2,798		
Total program costs [1]	9,051,466	$9,170,500	$9,600,000
6. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net	27,537	6,300	
Total program (obligations)	9,079,003	9,176,800	9,600,000
Financing:			
1959 appropriation available in 1958	64,111		
Unobligated balance no longer available	11,386		
New obligational authority	9,154,500	9,176,800	9,600,000
New obligational authority:			
Appropriation	$8,082,500	$9,176,800	$9,600,000
Transferred from—			
"Operating expenses, Public Buildings Service" (72 Stat. 243)	24,000		
"Operation and maintenance, Army" (5 U.S.C. 630c)	581,000		
"Operation and maintenance, Navy" (5 U.S.C. 630c)	467,000		
Appropriation (adjusted)	9,154,500	9,176,800	9,600,000

[1] Includes capital outlay as follows: June 30, 1959, $140,373; 1960, $123,300; 1961, $94,000.

This appropriation provides for basic operations of the General Services Administration which deal with management of the Government's archives and records, including custody and administration of permanent records in the National Archives and other noncurrent records in Federal records centers, assistance to records management programs of Government agencies, operation of presidential libraries, and filing and publication of Federal laws and regulations.

1. *Records management and centers.*—Records of Federal agencies which must be retained for a period of time, but are not needed for frequent reference, are brought into and administered in Federal records centers serving specified geographical areas. A national center at St. Louis administers records of former civilian employees of the Government and a locator file for individuals currently employed. In addition to civilian agencies already served, the centers now furnish records center facilities to the entire Naval Establishment, the Army and Air Force at the seat of government, and for selected Army and Air Force records throughout the world.

The increase in 1961 is to provide for additional workload in regional records centers to meet requirements of other agencies, as shown in the following table:

	1959 actual	*1960 estimate*	*1961 estimate*
Records administered (millions of cubic feet)	5.56	5.75	6.20
Unit cost per cubic foot of records administered	$0.598	$0.575	$0.573
Reference services, number (millions)	2.6	2.6	2.7

2. *Archives and related services.*—The permanently valuable records of the Government are selected, arranged, cataloged, preserved, and serviced in the Archives of the United States. Related services consist of (*a*) publication of the Federal Register and related compilations and the United States Statutes at Large, (*b*) preservation and servicing of historical materials in presidential libraries, and (*c*) servicing the National Historical Publications Commission.

The increase in 1961 is to provide for additional workload in the National Archives and the Office of the Federal Register, and to begin operating the Eisenhower Library early in calendar year 1961.

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6. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $116,203; 1959, $143,740; 1960, $150,040; 1961, $150,040.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	1,217	1,187	1,222
Full-time equivalent of all other positions	4	3	3
Average number of all employees	1,160	1,161	1,190
Number of employees at end of year	1,151	1,166	1,192
Average GS grade and salary	6.3 $5,540	6.4 $5,641	6.4 $5,685
Average salary of ungraded positions	$4,546	$4,592	$4,634
01 Personal services:			
Permanent positions	$6,284,011	$6,386,250	$6,627,300
Positions other than permanent	23,840	10,000	10,000
Other personal services	50,238	54,150	29,400
Total personal services	6,358,089	6,450,400	6,666,700
02 Travel	48,968	70,000	70,000
03 Transportation of things	49,907	47,600	46,900
04 Communication services	160,670	180,500	182,300
05 Rents and utility services	669,831	699,900	725,000
06 Printing and reproduction	82,610	76,900	78,400
07 Other contractual services	595,346	466,400	570,500
Payment to "Administrative operations fund"	429,100	468,800	540,000
Services performed by other agencies	27,445	25,000	25,000
08 Supplies and materials	211,015	144,400	161,200
09 Equipment	26,338	23,300	24,000
10 Lands and structures	59,262	100,000	70,000
11 Grants, subsidies, and contributions	405,345	411,800	428,200
13 Refunds, awards, and indemnities	17,034	9,800	9,800
15 Taxes and assessments	2,154	2,000	2,000
1959 program obligated in 1958	−64,111		
Total obligations	9,079,003	9,176,800	9,600,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS, RECORDS ACTIVITIES

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating expenses, National Archives and Records Service (total costs—obligations)	$83,740	$60,000	$60,000
Financing:			
Advances and reimbursements from other accounts	83,740	60,000	60,000

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	6	4	4
Average number of all employees	5	3	3
Number of employees at end of year	5	3	3
Average GS grade and salary	8.5 $7,088	4.0 $4,139	4.0 $4,243
Average salary of ungraded positions	$6,032	$6,032	$6,032
01 Personal services:			
Permanent positions	$36,518	$17,268	$17,333
Other personal services	1,984	732	667
Total personal services	38,502	18,000	18,000
02 Travel	3,468	2,000	2,000
06 Printing and reproduction	17,000	15,000	15,000
08 Supplies and materials	24,770	25,000	25,000
Total obligations	83,740	60,000	60,000

TRANSPORTATION AND UTILITIES ACTIVITIES

OPERATING EXPENSES, TRANSPORTATION AND PUBLIC UTILITIES SERVICE

For necessary expenses of transportation and public utilities management and related activities, as provided by law, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), at rates not to exceed $75 per diem for individuals[, $2,000,000]; *and not to exceed $100 for the purchase of newspapers and periodicals; $2,400,000. (Independent Offices Appropriation Act, 1960.)*

Appropriated 1960, **$2,000,000** Estimate 1961, [a] **$2,400,000**

[a] Includes $32,000 for activities previously carried under "Strategic and critical materials." The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Transportation services	$1,350,725	$1,383,303	$1,655,800
2. Public utilities management	173,956	230,832	228,200
3. Service direction	110,833	136,881	135,200
4. Administrative operations	307,700	306,000	380,000
5. Adjustment of prior year costs	1,784		
Total program costs [1]	1,944,998	2,057,016	2,399,200
6. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)		−25,016	
Obligations incurred for costs of other years (unpaid undelivered orders), net	29,614		800
Total program (obligations)	1,974,612	2,032,000	2,400,000
Financing:			
Comparative transfers from (−) other accounts	−28,448	−32,000	
Unobligated balance no longer available	49,636		
Appropriation (new obligational authority)	1,995,800	2,000,000	2,400,000

[1] Includes capital outlay as follows: June 30, 1959, $11,810; 1960, $32,062; 1961, $6,200.

This appropriation provides for improving management of transportation and public utility services in civilian agencies, protecting the Government's interests in cases before regulatory bodies, and furnishing services to civilian agencies in these specialized fields.

1. *Transportation services.*—Plans and procedures for improving transportation practices of civilian agencies are developed; reasonable rates are negotiated with carriers; interests of the Government in cases before regulatory bodies are protected; and rates, routing, and related services are supplied to civilian agencies.

2. *Public utilities management.*—As a central management function for all agencies, rate and economic studies are made, contracts negotiated, and the Government's interests as a user or consumer of utility services protected by participation in rate negotiations and litigations. Representation is also provided in rate proceedings involving communications common carriers relating to the semiautomatic ground environment system (SAGE) for early defense warning (50 U.S.C.A. 491).

6. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $22,602; 1959, $52,216; 1960, $27,200; 1961, $28,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	209	209	246
Full-time equivalent of all other positions	4	2	1
Average number of all employees	197	205	242
Number of employees at end of year	196	209	247
Average GS grade and salary	8.5 $6,925	8.6 $7,080	8.3 $6,948
01 Personal services:			
Permanent positions	$1,336,078	$1,436,700	$1,670,000
Positions other than permanent	46,252	29,700	26,000
Other personal services	12,528	11,000	6,400
Total personal services	1,394,858	1,477,400	1,702,400
02 Travel	28,764	36,800	50,000
03 Transportation of things	2,236	6,900	3,000
04 Communication services	31,448	32,900	38,600
06 Printing and reproduction	20,173	23,900	28,200
07 Other contractual services	28,316	18,100	43,200
Payment to "Administrative operations fund"	307,700	306,000	380,000
Services performed by other agencies	4,724	6,800	6,800
08 Supplies and materials	22,969	22,200	26,900
09 Equipment	30,740	3,400	6,200
11 Grants, subsidies, and contributions	86,107	94,100	108,900
13 Refunds, awards, and indemnities	15,480	2,800	5,000
15 Taxes and assessments	1,097	700	800
Total obligations	1,974,612	2,032,000	2,400,000

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TRANSPORTATION AND UTILITIES ACTIVITIES—Continued

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS, TRANSPORTATION AND UTILITIES ACTIVITIES

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating expenses, Transportation and Public Utilities Service (total costs—obligations)	$28,054	$30,000	$13,000
Financing:			
Advances and reimbursements from other accounts	28,054	30,000	13,000

Object Classification

Total number of permanent positions		6		5		2
Average number of all employees		4		4		2
Number of employees at end of year		5		4		2
Average GS grade and salary	8.5	$6,320	7.4	$5,678	7.0	$5,668
01 Personal services:						
Permanent positions		$26,300		$24,100		$11,250
Other personal services		101		200		50
Total personal services		26,401		24,300		11,300
02 Travel		319		3,000		300
04 Communication services		38		600		300
06 Printing and reproduction		21		100		100
07 Other contractual services		68		250		100
08 Supplies and materials				250		200
11 Grants, subsidies, and contributions		1,207		1,500		700
Total obligations		28,054		30,000		13,000

DEFENSE MATERIALS ACTIVITIES

STRATEGIC AND CRITICAL MATERIALS

[Funds available for] *For necessary expenses in* carrying out the provisions of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98–98b), during the current fiscal year, [shall be available] for transportation and handling, within the United States (including charges at United States ports), storage, security, and maintenance of strategic and critical materials acquired for or transferred to the supplemental stockpile established pursuant to section 104(b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1704(b)), [and] for carrying out the provisions of the National Industrial Reserve Act of 1948 (50 U.S.C. 451–462), relating to machine tools and industrial manufacturing equipment for which the General Services Administration is responsible, including *reimbursement for security guard services,* services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), and not to exceed [$3,230,000] *$2,948,000* for operating expenses, [but total obligations of funds available for carrying out the provisions of the Strategic and Critical Materials Stock Piling Act during the current fiscal year shall not exceed $50,000,000] *$39,132,000, with which shall be merged the unobligated balances of funds remaining available under this head on June 30, 1960: Provided,* That to the extent materials sold under section 3(d) of said Act to prevent deterioration are excess to stockpile needs the replacement provisions of said section 3(d) shall not be mandatory: *Provided further,* That during the current fiscal year, there shall be no limitation on the value of surplus strategic and critical materials which, in accordance with section 6(a) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98e(a)), may be transferred to stockpiles established in accordance with said Act: *Provided further,* That no part of funds available shall be used for construction of warehouses or tank storage facilities: *Provided further,* That [unobligated balances of funds in excess of $50,000,000 as of July 1, 1959, together with] any receipts from sales [or otherwise,] during the *current* fiscal year [1960, are hereby rescinded and] shall be promptly deposited into the Treasury. (*Independent Offices Appropriation Act, 1960.*)

Estimate 1961, [a] **$39,132,000**

[a] Excludes $32,000 for activities transferred in the estimates to "Operating expenses, Transportation and Public Utilities Service." The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Acquisition of materials:			
(a) New materials	$44,539,818	$15,986,000	$5,400,000
(b) Upgrading materials	2,458,890	6,900,000	5,700,000
Total, acquisition of materials	46,998,708	22,886,000	11,100,000
2. Inventory management:			
(a) Rotation of materials	37,257,785	23,020,000	21,700,000
(b) Storage of materials	14,171,873	14,376,000	13,800,000
(c) Physical inventorying	2,384,895	6,000,000	1,200,000
Total, inventory management	53,814,553	43,396,000	36,700,000
3. National industrial equipment reserve:			
(a) Transportation, processing, and storage	793,696	1,900,000	2,702,000
(b) Expansion of facilities	762,570	430,000	
Total, national industrial equipment reserve	1,556,266	2,330,000	2,702,000
4. Operating expenses:			
(a) Service direction	237,752	246,000	252,000
(b) Program	1,671,415	1,814,000	1,711,000
(c) Administrative operations	1,438,700	1,128,000	975,000
Total, operating expenses	3,347,867	3,188,000	2,938,000
5. Adjustment of prior year costs	19,788		
Total program costs [1]	105,737,182	71,800,000	53,440,000
6. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−23,701,635	−25,500,000	−10,340,000
Total program (obligations)	82,035,547	46,300,000	43,100,000
Financing:			
Comparative transfers from (−) or to other accounts	−1,867,843	32,000	
Unobligated balance brought forward	−144,081,728	−108,370,923	−3,668,000
Advances and reimbursements from—			
Other accounts	−674,521		−300,000
Non-Federal sources	−38,304,779		
Recovery of prior year obligations	−2,477,599		
Unobligated balance carried forward	108,370,923	3,668,000	
Unobligated balance rescinded (73 Stat. 506)		58,370,923	
Appropriation (new obligational authority)	3,000,000		39,132,000

[1] Includes capital outlay as follows: June 30, 1959, $250,373; 1960, $62,000; 1961, $58,000.

The Defense Materials Service acquires and administers national stockpile inventories pursuant to the Strategic and Critical Materials Stock Piling Act, and has custody of the supplemental stockpile established by the Agricultural Trade Development and Assistance Act of 1954. Programs are administered in accordance with guidelines established by the Office of Civil and Defense Mobilization. This Service also administers the inventory of machine tools and industrial manufacturing equipment established under the National Industrial Reserve Act of 1948. The Department of Defense makes selections for the reserve and provides program guidance.

National stockpile objectives were reduced substantially in 1958 in line with the changed concept as to the probable duration of a national emergency from 5 years to 3 years. In arriving at remaining requirements to meet objectives, all U.S. Government inventories of strategic materials are applied. No reimbursable transfers from other programs are provided for.

The 1961 obligational program is $43,100,000, of which $39,132,000 will be new obligational authority. The balance is proposed to be financed by $300,000 reimbursement for Economy Act transactions relating to storage and handling activities, and $3,668,000 of unobligated balance forwarded from 1960. Total 1961 funds have been distributed to provide $7,221,000 for new material acquisition and required upgrading of existing material, $30,139,000 for inventory management and rotation, $2,792,000 for

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national industrial equipment reserve operations and $2,948,000 for operating expenses.

The data below reflects in composite the extent to which national stockpile objectives as of June 30, 1959, are provided for: (*a*) from financing under the Strategic and Critical Materials Stock Piling Act, and (*b*) under all U.S. Government programs involving strategic materials.

The current basic objectives are valued at $2,330 million and maximum objectives at $4,454.6 million. June 30, 1959 prices have been used.

STATUS OF ACQUISITION

[In millions]

	1959 actual		*1960 estimate*		*1961 estimate*	
	National stockpile	*All Government programs*	*National stockpile*	*All Government programs*	*National stockpile*	*All Government programs*
Material in inventory and on order:						
In inventory:						
Basic objectives	$2,276.6	$2,311.4	$2,278.4	$2,315.3	$2,279.5	$2,317.0
Maximum objectives	4,118.3	4,394.4	4,125.4	4,414.9	4,127.1	4,420.1
On order:						
Basic objectives	.6	5.6	--------	2.9	--------	2.2
Maximum objectives	6.5	25.5	.6	6.2	--------	2.2
Total:						
Basic objectives	2,277.2	2,317.0	2,278.4	2,318.2	2,279.5	2,319.2
Maximum objectives	4,124.8	4,419.9	4,126.0	4,421.1	4,127.1	4,422.3
Balance to be acquired:						
Basic objectives	52.8	13.0	51.6	11.8	50.5	10.8
Maximum objectives	329.8	34.7	328.6	33.5	327.5	32.3

1. *Acquisition of materials*—(*a*) *New materials.*—Direct acquisitions for the national stockpile are as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
New materials	$4,335,293	$1,760,000	$1,325,000

Based on national stockpile objectives, and the proposed budget, status of acquisition of the 74 materials now on the national stockpile list is as follows:

NUMBER OF MATERIALS, 1959 ACTUAL

	National stockpile		*All Government programs*	
	Basic objectives	*Maximum objectives*	*Basic objectives*	*Maximum objectives*
Percent completed:				
100	64	50	69	62
90 to 99	1	6	1	3
75 to 89	1	7	3	6
50 to 74	3	6	1	3
25 to 49	4	3	--	--
Under 25	1	2	--	--
Total	74	74	74	74

NUMBER OF MATERIALS, 1961 ESTIMATE

Percent completed:				
100	65	51	71	63
90 to 99	--	6	2	4
75 to 89	1	6	1	4
50 to 74	3	6	--	3
25 to 49	4	3	--	--
Under 25	1	2	--	--
Total	74	74	74	74

(*b*) *Upgrading materials.*—Stockpiled material is being upgraded to a more usable form where current inventories in such form are not adequate to meet the initial surge of demand under abnormal conditions of intensive mobilization.

2. *Inventory management.*—This covers cost of maintaining the national stockpile and the U.S. supplemental stockpile of strategic materials in prime condition for use in case of emergency, including storage, special preservation, inventorying, rotation, and surplus disposal.

Acquisition cost of these inventories is as follows:

[In millions]

	1959 actual	*1961 estimate*
National stockpile	$6,216.2	$6,149.1
U.S. supplemental stockpile	604.1	863.9
Total national and supplemental	6,820.3	7,013.0

(*a*) *Rotation of materials.*—Inventories of perishable materials are rotated periodically to prevent deterioration. Materials required for stockpile objectives are replaced with fresh materials to maintain the quality of such inventories. Materials which will be so rotated in 1961 are cordage fibers and shellac. Comparative costs to the Government are as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Selling expense and replacement cost	$48,148,348	$14,065,340	$15,212,000
Receipts from sales	38,303,961	[1] 11,477,000	[1] 12,550,000
Net cost to Government	9,844,387	2,588,340	2,662,000

[1] Since under existing (1960) and proposed (1961) appropriation language these amounts must be placed in miscellaneous receipts, the full replacement cost must be included in the appropriation request.

Estimates for 1961 are submitted on the basis that materials excess to stockpile needs will be rotated without replacement. Such authority was provided in the Independent Offices Appropriation Act, 1960, and similar authority is being requested for 1961. Materials planned for rotation without replacement in 1961 are castor oil, feathers and down, rubber, silk waste and noils, and sperm oil. Gross receipts from sales are deposited into the Treasury as miscellaneous receipts. Comparative estimates are as follows:

	1960	*1961*
Gross receipts from sales	$37,517,000	$36,946,000
Selling expense financed from appropriated funds	1,286,660	1,242,000
Net income to Government	36,230,340	35,704,000

(*b*) *Storage of materials.*—Strategic materials were stored at 217 locations as of June 30, 1959, utilizing approximately 25 million square feet of closed storage, 55 million square feet of open storage, and 2 million barrels of tank storage. Total weight of the materials in national and supplemental stockpiles approximated 30.9 million short tons on June 30, 1959.

	1959 actual	*1960 estimate*	*1961 estimate*
Recurring storage costs	$9,889,755	$10,216,385	$10,072,827
Nonrecurring storage costs	3,771,110	2,759,087	2,405,150
Relocation transportation and handling	230,383	667,500	618,300
Disposal handling	2,858	49,028	288,723
Net cost	13,894,106	13,692,000	13,385,000
Reimbursable operations	598,610	310,000	300,000
Total cost or estimate	14,492,716	14,002,000	13,685,000

(*c*) *Physical inventorying.*—This program was initiated in 1957, and the first cycle is scheduled for completion by June 30, 1960. It is not planned to undertake a repeat cycle in 1961.

3. *National industrial equipment reserve.*—The reserve authorized by the National Industrial Reserve Act of 1948 consists entirely of machine tools and industrial manufacturing equipment selected by the Secretary of Defense from lists of such property declared excess to the needs of the three military departments and other executive agencies. Based on estimates of the Department of Defense, it is anticipated that for the next 2 years approximately 3,000 items will be selected annually for the reserve from excess declarations of production equipment compared to 1,678 for 1959.

Machine tools and other production equipment in the national industrial equipment reserve are intended primarily for the expansion in an emergency of defense supporting industries such as manufacturers of ball bearings, gears, tools and dies, and machine tools. Each of the military departments also maintains a reserve of production equipment for the current and mobilization requirements of direct military contractors and producers specifically designated as mobilization suppliers.

Estimates for the national industrial equipment reserve for 1961 are based on the selection of 3,000 items, the same

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DEFENSE MATERIALS ACTIVITIES—Continued

STRATEGIC AND CRITICAL MATERIALS—Continued

rate of selection estimated for 1960. A total of 1,678 items were selected for the reserve in 1959.

No expansion of facilities is planned for 1960 and 1961, since sufficient dehumidified space will be available to cover requirements for these years as well as the first 6 months of 1962.

4. *Operating expenses.*—Covers all expenses at the central and regional office levels for administering programs financed under this appropriation head including the Defense Materials Service and the integrated staff offices of General Services Administration. Decrease in workload in 1961 from 1960 will be limited. However, better supervision and increased economies due to mechanization and improved operation methods will permit an overall reduction of $250,000 in 1961.

6. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $67-619,832; 1959, $43,918,197; 1960, $18,418,197; and 1961, $8,078,197.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	570	566	535
Full-time equivalent of all other positions	125	54	9
Average number of all employees	618	589	528
Number of employees at end of year	592	536	535
Average GS grade and salary	7.6 $6,455	7.8 $6,568	7.8 $6,615
Average salary of ungraded positions	$5,103	$5,163	$5,141
01 Personal services:			
Permanent positions	$2,948,639	$3,225,490	$3,128,260
Positions other than permanent	538,610	144,580	47,700
Other personal services	30,910	24,630	12,040
Total personal services	3,518,159	3,394,700	3,188,000
02 Travel	79,727	110,000	110,000
03 Transportation of things	4,377,479	2,568,600	2,303,100
04 Communication services	48,735	51,900	50,700
05 Rents and utility services	2,528	5,700	5,600
06 Printing and reproduction	21,451	24,000	21,800
07 Other contractual services	15,096,207	11,089,900	9,375,900
Payment to "Administrative operations fund"	1,438,700	1,128,000	975,000
Services performed by other agencies	8,673,033	8,403,800	5,577,600
08 Snpplies and materials	48,400,577	19,230,200	21,210,700
09 Equipment	163,370	57,600	57,600
10 Lands and structures	13,199		
11 Grants, subsidies, and contributions	181,462	212,100	204,500
13 Refunds, awards, and indemnities	5,655	6,800	6,200
15 Taxes and assessments	15,265	16,700	13,300
Total obligations	82,035,547	46,300,000	43,100,000

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriations, as follows:
"Acquisition of strategic minerals," Department of the Interior.
"Plant acquisition and construction," Atomic Energy Commission.

Public enterprise funds:

ABACA FIBER PROGRAM

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs:			
1. Operating program:			
(a) Cost of fiber sold	$2,953,686	$1,090,559	
(b) Research and development	−12,983		
(c) Administrative expenses	36,651	47,000	
(d) Undistributed:			
Loss on sale of supplies	84,056	271,373	
Loss on disposal of fixed assets	631,326	848,255	
Other expense	16,292	100,000	
Total operating program	3,709,028	2,357,187	
2. Standby program (maintenance of acreage and other property)	$92,820		
Total operating costs	3,801,848	$2,357,187	
3. Unfunded adjustments to total operating costs:			
Depreciation included above (−)	−364,189	−196,000	
Other costs included above not requiring funding (−)	−1,004,085	−848,255	
Total operating costs, funded	2,433,574	1,312,932	
Capital outlay:			
1. Operating program: Replacement of fixed assets	4,667	2,000	
Total program costs, funded	2,438,241	1,314,932	
4. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−374,816	−482,432	
Total program (obligations)	2,063,425	832,500	
Financing:			
Amounts becoming available: Revenue and receipts:			
Sales of fiber	2,597,227	1,228,000	
Proceeds from disposal of fixed assets	516,518	600,000	
Total amounts becoming available	3,113,745	1,828,000	
Unobligated balance brought forward	4,708,816	2,259,136	
Total amounts available	7,822,561	4,087,136	
Capital transfer (repayment of investment to Treasury) (−)	−3,500,000	−3,254,636	
Unobligated balance carried forward	−2,259,136		
Financing applied to program	2,063,425	832,500	

Production and sale of abaca fiber is authorized by the Abaca Production Act of 1950 (50 U.S.C. 541).

The revised stockpile planning policy, based on an emergency period of 3 years instead of 5 years, greatly reduced mobilization requirements for this item. On July 21, 1958, the Director of the Office of Civil and Defense Mobilization, requested that the General Services Administration terminate the program.

All efforts to sell the plantations on a going-concern basis were unsuccessful. Therefore, cultivations on 8,500 acres remaining at that time were butcher-harvested. Sale of remaining assets and termination of the program is contemplated by the end of 1960.

Net assets of $17,365,563 were transferred to the General Services Administration on July 1, 1954. Losses from operation and liquidation of the program are estimated at $10,610,927. The balance of $6,754,636 will be returned to the Treasury.

Relation of costs to obligations.—The relation of costs to obligations is derived from year-end balances of selected resources as reflected in the following table:

Selected resources at end of year:	*1958 actual*	*1959 actual*	*1960 estimate*	*1961 estimate*
Advances	$100			
Inventories, deferred charges, etc	761,272	$476,932		
Unpaid undelivered orders	95,876	5,500		
Total selected resources at end of year	857,248	482,432		
Selected resources at start of year (−)		−857,248	−$482,432	
Costs financed from obligations of other years, net (−)		−374,816	−482,432	

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Operating program:			
Replacement of fixed assets	$4,667	$2,000	
Expense:			
Cost of producing fiber for sale	2,180,780	714,000	
Other expense	43,026	147,000	
Loss on sale of supplies	84,056	271,373	
Standby program: Standby maintenance cost	3,800		
Increase in selected working capital	580,167		
Total gross expenditures	2,896,496	1,134,373	

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Sources and Application of Funds (Operations)—Continued

	1959 actual	1960 estimate	1961 estimate
Receipts from operations (funds provided):			
Operating program:			
Revenue	$2,597,227	$1,228,000	
Undistributed receipts:			
Proceeds from disposal of fixed assets	516,518	600,000	
Decrease in selected working capital		1,036,827	
Total receipts from operations	3,113,745	2,864,827	
Budget expenditures	−217,249	−1,730,454	

Revenue, Expense, and Retained Earnings

Operating program:			
Revenue	$2,597,227	$1,228,000	
Expense	2,620,887	1,237,559	
Net operating loss (−), operating program	−23,660	−9,559	
Standby program: Expense (net operating loss (−))	−92,820		
Nonoperating loss (−):			
Proceeds from disposal of fixed assets	516,518	600,000	
Net book value of fixed assets disposed (−)	−1,520,603	−1,448,255	
Net loss (−) from disposal of fixed assets	−1,004,085	−848,255	
Loss on sale of supplies (−)	−84,056	−271,373	
Net nonoperating loss (−)	−1,088,141	−1,119,628	
Net loss (−) for the year	−1,204,621	−1,129,187	
Deficit (−), beginning of year	−8,277,119	−9,481,740	
Deficit (−), end of year	−9,481,740	−10,610,927	

Financial Condition

Assets:			
Cash with Treasury	$1,524,182		
Accounts receivable, net	1,188,719		
Commodities for sale	180,559		
Supplies, deferred charges, etc.	296,373		
Structures and equipment, net	1,642,255		
Total assets	4,832,088		
Liabilities:			
Current	448,265		
Government investment:			
Non-interest-bearing capital:			
Start of year	17,365,563	$13,865,563	
Repayment of investment to Treasury (−)	−3,500,000	−3,254,636	
End of year	13,865,563	10,610,927	
Deficit (−)	−9,481,740	−10,610,927	
Total Government investment	4,383,823		

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash with Treasury	$4,806,933	$1,524,182		
Obligated balance, net:				
Current liabilities	762,149	448,265		
Unpaid undelivered orders	95,876	5,500		
Accounts receivable, net, and cash in transit (−)	−759,908	−1,188,719		
Total obligated balance	98,117	−734,954		
Unobligated balance	4,708,816	2,259,136		

[Limitation on Administrative Expenses, Abaca Fiber Program]

[Not to exceed $47,000 of funds available to the General Services Administration for the abaca fiber program shall be available for administrative expenses incident to the abaca fiber program, to be computed on an accrual basis, and to be exclusive of the interest paid, depreciation, capitalized expenditures, expenses in connection with the acquisition, protection, operation, maintenance, improvement, or disposition of real or personal property relating to the abaca fiber program, and expenses of services performed on a contract or fee basis in connection with the performance of legal services.] (*Independent Offices Appropriation Act, 1960.*)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Program supervision	$22,451	$32,800	
2. Administrative operations	14,200	14,200	
Total accrued administrative expenses	36,651	47,000	
Financing:			
Unobligated balance no longer available	15,299		
Limitation	51,950	47,000	

No funds for the abaca fiber program will be needed in 1961 as liquidation of the program will be completed by the end of 1960.

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Total number of permanent positions	3	2	
	Average number of all employees	2	2	
	Number of employees at end of year	1	2	
	Average GS grade and salary	8.0 $7,571	9.5 $9,028	
01	Personal services:			
	Permanent positions	$20,013	$18,055	
	Other personal services	49	145	
	Excess of annual leave taken (−) over leave earned	−654		
	Total personal services	19,408	18,200	
02	Travel	1,215	3,400	
04	Communication services	362	400	
06	Printing and reproduction	95	100	
07	Other contractual services	51	9,300	
	Payment to "Administrative operations fund"	14,200	14,200	
08	Supplies and materials	21	200	
11	Grants, subsidies, and contributions	1,299	1,200	
	Total accrued administrative expenses	36,651	47,000	

Defense Production Guarantees, Defense Materials Activities

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Acquisition of loan	$243,000		
Loan guarantee expense	7,304	$6,700	$5,500
Total program (costs—obligations)	250,304	6,700	5,500
Financing:			
Amounts becoming available: Revenue and receipts:			
Loan guarantee fees	770,814	663,000	543,000
Interest on acquired loan	5,329		
Repayment of acquired loan	65,015	177,985	
Total amounts becoming available	841,158	840,985	543,000
Unobligated balance brought forward	4,555,690	5,146,544	5,980,829
Total amounts available	5,396,848	5,987,529	6,523,829
Unobligated balance carried forward	−5,146,544	−5,980,829	−6,518,329
Financing applied to program	250,304	6,700	5,500

Guarantees are given on loans made by public or private financing institutions, including Federal Reserve banks, to facilitate performance of defense production contracts. Upon demand of lending institutions the Government is required to purchase the guaranteed percentage of the loan or the Government may elect to make a voluntary purchase of the guaranteed percentage. Advances from appropriations available for procurement may be made to this fund for its temporary use, although such action has

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DEFENSE MATERIALS ACTIVITIES—Continued

Public enterprise funds—Continued

DEFENSE PRODUCTION GUARANTEES, DEFENSE MATERIALS ACTIVITIES—Continued

not been necessary to date. Net earnings are retained to meet possible future losses (50 U.S.C. App. 2091).

Guarantees totaling $26.7 million on two loans, representing the Government's maximum contingent liability as guarantor, are estimated to be in effect at the end of 1961, compared to $41.3 million and five loans on June 30, 1959. Retained earnings are anticipated to be $6.5 million at the end of 1961.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Acquisition of loan	$243,000		
Loan guarantee expense	7,304	$6,700	$5,500
Total gross expenditures	250,304	6,700	5,500
Receipts from operations (funds provided):			
Loan guarantee fees	770,814	663,000	543,000
Interest on acquired loan	5,329		
Repayment of acquired loan	65,015	177,985	
Decrease in selected working capital	409	12,000	10,000
Total receipts from operations	841,567	852,985	553,000
Budget expenditures	−591,263	−846,285	−547,500

Revenue, Expense, and Retained Earnings

Revenue: Loan guarantee fees and interest	$776,143	$663,000	$543,000
Expense: Loan guarantee expense	7,304	6,700	5,500
Net income for the year	768,839	656,300	537,500
Retained earnings, beginning of year	4,555,690	5,324,529	5,980,829
Retained earnings, end of year	5,324,529	5,980,829	6,518,329

Financial Condition

Assets:			
Cash with Treasury	$4,969,657	$5,815,942	$6,363,442
Accounts receivable	176,887	164,887	154,887
Loans receivable	177,985		
Total assets	5,324,529	5,980,829	6,518,329
Government investment:			
Retained earnings	5,324,529	5,980,829	6,518,329

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash	$4,378,394	$4,969,657	$5,815,942	$6,363,442
Obligated balance, net:				
Current liabilities	151			
Accounts receivable (−)	−177,447	−176,887	−164,887	−154,887
Total obligated balance	−177,296	−176,887	−164,887	−154,887
Unobligated balance	4,555,690	5,146,544	5,980,829	6,518,329

NOTE.—Loan guarantees outstanding, not included above, are as follows: June 30, 1958, $46,500,352; 1959, $41,265,701; 1960, $33,559,900; 1961, $26,714,700.

Object Classification

	1959 actual	1960 estimate	1961 estimate
07 Other contractual services	$7,304	$6,700	$5,500
16 Investments and loans	243,000		
Total obligations	250,304	6,700	5,500

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS, DEFENSE MATERIALS ACTIVITIES

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Receipt and custody of bartered strategic materials (total program costs)	$5,253,687	$5,598,603	$5,500,000
2. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)		−98,603	
Obligations incurred for costs of other years (unpaid undelivered orders), net	98,603		
Total program (obligations)	5,352,290	5,500,000	5,500,000
Financing:			
Advances and reimbursements from Commodity Credit Corporation	5,352,290	5,500,000	5,500,000

2. *Relation of costs to obligations.*—Year-end balance of unpaid undelivered orders for 1959 is $98,603.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	63	71	70
Average number of all employees	61	68	68
Number of employees at end of year	51	70	70
Average GS grade and salary	6.5 $5,469	6.9 $5,797	6.9 $5,807
Average salary of ungraded positions	$4,534	$5,240	$5,237
01 Personal services:			
Permanent positions	$339,229	$387,800	$386,500
Other personal services	10,501	2,500	1,500
Total personal services	349,730	390,300	388,000
02 Travel	14,688	12,000	12,000
03 Transportation of things	3,159,266	3,351,000	3,448,200
04 Communication services	5,600	5,600	5,600
05 Rents and utility services	2,367	2,300	2,300
06 Printing and reproduction	2,675	2,700	2,700
07 Other contractual services	971,281	1,000,000	1,022,000
Payment to "Administrative operations fund"	106,100	110,000	90,000
Services performed by other agencies	481,787	400,000	400,000
08 Supplies and materials	2,497	2,500	2,600
09 Equipment	11	100	100
10 Lands and structures	236,428	196,800	100,000
11 Grants, subsidies, and contributions	18,656	25,400	25,200
13 Refunds, awards, and indemnities	800	800	800
15 Taxes and assessments	404	500	500
Total obligations	5,352,290	5,500,000	5,500,000

GENERAL ACTIVITIES

SALARIES AND EXPENSES, OFFICE OF ADMINISTRATOR

For expenses of executive direction for activities under the control of the General Services Administration, including not to exceed $250 for purchase of newspapers and periodicals, [$225,000] *$240,000. (Independent Offices Appropriation Act, 1960.)*

Appropriated 1960, **$225,000** Estimate 1961, **$240,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Executive direction (total program costs)[1]	$210,004	$225,427	$240,000
2. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−1,057	−427	
Total program (obligations)	208,947	225,000	240,000
Financing:			
Comparative transfers to other accounts	146,945		
Unobligated balance no longer available	16,348		
Appropriation (new obligational authority)	372,240	225,000	240,000

[1] Includes capital outlay as follows: June 30, 1959, $1,290 and 1960, $1,090.

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Policy direction and coordination of all programs of the Administration are provided by the Administrator with the assistance of a small central office staff.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $1,484; 1959, $427.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	21	20	22
Average number of all employees	20	20	22
Number of employees at end of year	20	20	22
Average GS grade and salary	9.3 $8,044	9.1 $7,762	9.3 $7,976
01 Personal services:			
Permanent positions	$173,765	$180,522	$197,145
Positions other than permanent	1,632	2,000	2,000
Other personal services	1,984	2,878	2,255
Total personal services	177,381	185,400	201,400
02 Travel	3,146	8,000	8,000
04 Communication services	3,413	3,400	3,400
06 Printing and reproduction	4,348	6,000	5,300
07 Other contractual services	6,719	6,700	6,700
Services performed by other agencies	308	300	300
08 Supplies and materials	1,939	1,900	1,900
09 Equipment	190	900	
11 Grants, subsidies, and contributions	11,178	12,000	13,000
13 Refunds, awards, and indemnities	300	300	
15 Taxes and assessments	25	100	
Total obligations	208,947	225,000	240,000

Allowances and Office Facilities for Former Presidents

For carrying out the provisions of the Act of August 25, 1958 (72 Stat. 838), [$200,000] *$250,000: Provided,* That the Administrator of General Services shall transfer to the Secretary of the Treasury such sums as may be necessary to carry out the provisions of sections (a) and (e) of such Act. (*Independent Offices Appropriation Act, 1960.*)

Appropriated 1960, **$200,000** Estimate 1961, **$250,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Allowances and pensions	$59,333	$70,000	$82,500
2. Office staff and facilities	87,038	130,574	167,500
Total program costs [1]	146,371	200,574	250,000
3. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)		−574	
Obligations incurred for costs of other years (unpaid undelivered orders), net	574		
Total program (obligations)	146,945	200,000	250,000
Financing:			
Comparative transfers from (−) other accounts	−146,945		
Appropriation (new obligational authority)		200,000	250,000

[1] Includes capital outlay as follows: June 30, 1959, $3,917; 1960, $4,574; 1961, $6,000.

This appropriation provides for allowances, office staff, furnished space, and mailing privileges for three former Presidents and pensions for two widows of former Presidents.

3. *Relation of costs to obligations.*—Year-end balance of unpaid undelivered orders for 1959 is $574.

Object Classification

	1959 actual	1960 estimate	1961 estimate
01 Personal services	$65,399	$100,000	$125,000
03 Transportation of things	74		
04 Communication services	612	2,000	2,500
07 Other contractual services	13,016	18,700	26,000
09 Equipment	4,490	4,000	6,000
11 Grants, subsidies, and contributions	$3,829	$5,000	$7,500
12 Pensions, annuities, and insurance claims	59,333	70,000	82,500
15 Taxes and assessments	192	300	500
Total obligations	146,945	200,000	250,000

Refunds Under Renegotiation Act

For refunds under section 201(f) of the Renegotiation Act of 1951 (50 U.S.C. App. 1231(f)), $900,000, to remain available until expended.

Estimate 1961, **$900,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Rebate payments	$208,871	$800,000	$580,000
2. Refund payments	969,548	300,000	220,000
Total program (costs—obligations)	1,178,419	1,100,000	800,000
Financing:			
Unobligated balance brought forward	−885,700	−1,107,810	−7,810
Advances and reimbursements from other accounts	−529		
Unobligated balance carried forward	1,107,810	7,810	107,810
Appropriation (new obligational authority)	1,400,000		900,000

Refund and rebate payments due World War II contractors are made upon approval of claims presented under the Revenue Act of 1951. Of the 4,140 claims with payments estimated at some $52.5 million all but 105 had been settled through June 30, 1959. It is hoped that most of the remaining claims will be settled by the end of 1961 within funds requested.

Object Classification

	1959 actual	1960 estimate	1961 estimate
13 Refunds, awards, and indemnities	$856,515	$1,000,000	$725,000
14 Interest	321,904	100,000	75,000
Total obligations	1,178,419	1,100,000	800,000

Public enterprise funds:

Note.—Expenditures from the following funds for 1960 are subject to the first paragraph of title II of the Independent Offices Appropriations Act, 1960. For 1961 this paragraph is shown in the Independent Offices chapter, p. 147, preceding Federal Home Loan Bank Board.

Federal Facilities Corporation Fund

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Synthetic rubber program:			
Administrative expense	$26,433	$20,000	$20,000
Loss on sale of equipment		14,245	
Property, plant, and equipment—transferred out without charge		5,036,775	
Other	592,597	1,512,385	25,000
Total program costs	619,030	6,583,405	45,000
Unfunded adjustment to total program costs:			
Depreciation included above (−)	−283,125		
Other costs included above not requiring funding (−)		−5,051,020	
Total program costs, funded	335,905	1,532,385	45,000
Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−3,308	−1,271,385	
Total program (obligations)	332,597	261,000	45,000

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GENERAL ACTIVITIES—Continued

Public enterprise funds—Continued

FEDERAL FACILITIES CORPORATION FUND—Continued

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Financing:			
Amounts becoming available: Revenue and receipts:			
Synthetic rubber program:			
Sale of equipment		$7,000	
Collection of mortgages receivable	$792,990	943,600	$1,239,500
Interest on mortgages receivable	340,040	314,900	276,700
Other revenue	24,163		
Tin program:			
Collection of mortgages receivable	55,000	80,000	90,000
Interest on mortgages receivable	46,600	44,400	41,200
Other	21,951		
Total amounts becoming available	1,280,744	1,389,900	1,647,400
Unobligated balance brought forward	6,264,358	2,212,505	1,741,405
Total amounts available	7,545,102	3,602,405	3,388,805
Capital transfer (repayment of investment to Treasury) (−)	−5,000,000	−1,600,000	−1,700,000
Unobligated balance carried forward	−2,212,505	−1,741,405	−1,643,805
Financing applied to program	332,597	261,000	45,000

Federal Facilities Corporation was created June 30, 1954, under the provisions of the Rubber Act of 1948 and Executive Order 10539, primarily to administer the operations of the Government-owned synthetic rubber facilities until disposal of the properties to private interests was completed. In addition, the Corporation was designated to conduct the operations of the Government-owned tin smelter at Texas City, Tex.

Administration and jurisdiction of the Federal Facilities Corporation was transferred to the Administrator of General Services from the Secretary of the Treasury pursuant to Executive Order 10720, dated July 11, 1957. Assets transferred to General Services Administration represented a net investment of the Government of $29,443,475.

Synthetic rubber program.—In Executive Order 10678, dated September 20, 1956, the President named the Corporation as successor to the Rubber Producing Facilities Disposal Commission for the purpose of administering the contracts entered into in disposing of the synthetic rubber plants.

With the transfer of the remaining alcohol butadiene plant, Louisville, Ky., to the Public Buildings Service for disposal, and the contemplated disposal of the catalyst manufacturing equipment in Baltimore, Md., all in 1960, the Corporation's sole remaining function with respect to synthetic rubber is to administer the sale contracts. The loss to this fund indicated in the budget schedule is expected to be recovered to the Government, in part, on the disposal of the Louisville facility.

Tin program.—Public Law 608, approved June 22, 1956, provided for operation of the tin smelter until January 31, 1957. It also authorized and directed the Corporation to take steps immediately to sell or lease the tin-producing facilities. Sale of the facilities was completed February 15, 1957, and the Corporation's sole remaining function with respect to tin is to administer the sale contract.

Administrative expenses.—Administrative expenses consist of salary and related costs of an engineer engaged in the administration of sales contracts, together with rental costs of office space and payment to the Administrative operations fund for administrative support.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Inventories for sale	$468,257	$467,620		
Supplies and deferred charges	804,301	803,765		
Unpaid undelivered orders	2,135			
Total selected resources at end of year	1,274,693	1,271,385		
Selected resources at start of year (−)		−1,274,693	−$1,271,385	
Costs financed from obligations of other years, net (−)		−3,308	−1,271,385	

Operating results.—During 1959, the Corporation paid into the Treasury $5 million from liquidation proceeds. This and other actions reduced the equity of the Treasury to $17.5 million.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Synthetic rubber program: Expense	$335,268	$1,064,765	$45,000
Receipts from operations (funds provided):			
Synthetic rubber program:			
Proceeds from mortgages repaid	792,990	943,600	1,239,500
Proceeds from sale of equipment		7,000	
Revenue	364,203	314,900	276,700
Tin program:			
Proceeds from mortgages repaid	55,000	80,000	90,000
Revenue	68,551	44,400	41,200
Decrease in selected working capital	12,320	872,466	
Total receipts from operations	1,293,064	2,262,366	1,647,400
Budget expenditures	−957,796	−1,197,601	−1,602,400

Revenue, Expense, and Retained Earnings

Synthetic rubber program:			
Revenue	$364,203	$314,900	$276,700
Expense	619,030	1,532,385	45,000
Net operating income or loss (−), synthetic rubber program	−254,827	−1,217,485	231,700
Tin program: Revenue	68,551	44,400	41,200
Nonoperating income or loss (−):			
Synthetic rubber program:			
Proceeds from sale of equipment		7,000	
Net book value of assets sold (−)		−21,245	
Net nonoperating loss (−), synthetic rubber program		−14,245	
Net income or loss (−) for the year	−186,276	−1,187,330	272,900
Analysis of equity:			
Equity, beginning of year	22,713,288	17,527,012	9,702,907
Transfer of plant, property, and equipment (−)		−5,036,775	
Repayment of investment to Treasury (−)	−5,000,000	−1,600,000	−1,700,000
Equity, end of year	17,527,012	9,702,907	8,275,807

Financial Condition

Assets:			
Cash with Treasury	$560,804	$158,405	$60,805
Accounts receivable, net	1,715,337	1,597,000	1,592,000
Chemicals for sale	467,620		
Supplies and deferred charges	803,765		
Mortgages receivable	8,985,102	7,961,502	6,632,002
Property, plant, and equipment, net	5,058,020		
Total assets	17,590,648	9,716,907	8,284,807
Liabilities:			
Current	63,636	14,000	9,000
Government equity:			
Non-interest-bearing equity	17,527,012	9,702,907	8,275,807

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Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash with Treasury	$4,603,008	$560,804	$158,405	$60,805
Obligated balance, net: Current liabilities	105,970	63,636	14,000	9,000
Unpaid undelivered orders	2,135			
Accounts receivable, net (−)	−1,769,455	−1,715,337	−1,597,000	−1,592,000
Total obligated balance	−1,661,350	−1,651,701	−1,583,000	−1,583,000
Unobligated balance	6,264,358	2,212,505	1,741,405	1,643,805

Limitation on Administrative Expenses, Federal Facilities Corporation

Not to exceed $20,000 shall be available during the fiscal year [1960] *1961* for all administrative expenses of the Corporation (including use of the services and facilities of Federal Reserve banks), to be computed on an accrual basis, and to be exclusive of interest paid, depreciation, capitalized expenditures, expenses in connection with the acquisition, protection, operation, maintenance, improvement, or disposition of real or personal property belonging to the Corporation or in which it has an interest, expenses of services performed on a contract or fee basis in connection with the performance of legal services, and all administrative expenses reimbursable from other Government agencies. (*Independent Offices Appropriation Act, 1960.*)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities: Synthetic rubber (total accrued administrative expenses)	$26,433	$20,000	$20,000
Financing: Unobligated balance no longer available	187		
Limitation	26,620	20,000	20,000

Object Classification

Total number of permanent positions	6	3	3
Average number all employees	4	3	3
Number of employees at end of year	3	3	3
Average GS grade and salary	10.3 $9,105	15.0 $13,978	15.0 $13,978
01 Personal services: Permanent positions	$41,609	$37,233	$37,233
Other personal services	183	286	143
Excess of annual leave taken (−) over leave earned	−5,903		
Total personal services	35,889	37,519	37,376
Deduct portion not chargeable to limitation	17,441	23,433	23,344
Net personal services	18,448	14,086	14,032
02 Travel	1,899	2,000	2,000
04 Communication services	287	100	100
07 Other contractual services	1,574	1,014	1,068
Payment to "Administrative operations fund"	1,340	600	600
Services performed by other agencies	1,750	1,300	1,300
08 Supplies and materials	25		
11 Grants, subsidies, and contributions	1,110	900	900
Total accrued administrative expenses	26,433	20,000	20,000

Reconstruction Finance Corporation Liquidation Fund

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities: Liquidation of World War II assets program: Administrative expenses	$43,168	$39,000	$39,000
Other	478,703	24,550	15,000
Decrease (−) in valuation allowances on accounts and other receivables	−469,592		
Profit on sale of equipment	−40,199		
Liquidation of Smaller War Plants Corporation program: Administrative expenses	$10,792	$1,000	$1,000
Other	2	3,500	
Total program costs	22,874	68,050	55,000
Unfunded adjustment to total program costs: Profit on sale of equipment	40,199		
Total program (obligations)	63,073	68,050	55,000
Financing: Amounts becoming available: Liquidation of World War II assets program: Revenue and receipts: Proceeds from—Sale of land, structures, and equipment	165,200		
Revenue	343,286	317,100	262,900
Liquidation of Smaller War Plants Corporation program: Revenue and receipts: Loans repaid	27,246	119,055	
Revenue	6,535	1,600	
Adjustment of prior year transactions	1,621		
Total amounts becoming available	543,888	437,755	262,900
Unobligated balance brought forward	13,266,385	12,355,200	9,124,905
Total amounts available	13,810,273	12,792,955	9,387,805
Capital transfer (repayment of investment to Treasury) (−)	−1,392,000	−3,600,000	
Unobligated balance carried forward	−12,355,200	−9,124,905	−9,332,805
Financing applied to program	63,073	68,050	55,000

Under the provisions of Reorganization Plan No. 1 of 1957, the Reconstruction Finance Corporation was abolished as a corporate entity and the remaining functions of the Smaller War Plants Corporation and the World War II assets program were transferred to the General Services Administration for final liquidation.

Operations.—It is anticipated that there will continue during 1961 the servicing of leases and conditional sales agreements covering 12 facilities, plus servicing of 47 other miscellaneous assets and 1 loan of the Smaller War Plants Corporation. Financial and legal servicing will also be required on 13 liabilities, plus approximately 80 cases in the hands of the Department of Justice under the complex food subsidy program.

Administrative expense requirements are estimated to continue at the 1960 level.

Operating results.—Proceeds from liquidation will be paid into miscellaneous receipts of the Treasury.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied): Liquidation of World War II assets program: Expense	$521,871	$63,550	$54,000
Liquidation of Smaller War Plants Corporation program: Expense	10,794	4,500	1,000
Increase in selected working capital		28,153	1,800
Total gross expenditures	532,665	96,203	56,800
Receipts from operations (funds provided): Liquidation of World War II assets program: Proceeds from sale of land, structures, and equipment	165,200		
Revenue	343,286	317,100	262,900
Liquidation of Smaller War Plants Corporation program: Loans repaid	27,246	119,055	
Revenue	6,535	1,600	
Adjustment of prior year transactions	1,621		
Decrease in selected working capital	549,645		
Total receipts from operations	1,093,533	437,755	262,900
Budget expenditures	−560,868	−341,552	−206,100

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GENERAL ACTIVITIES—Continued

Public enterprise funds—Continued

RECONSTRUCTION FINANCE CORPORATION LIQUIDATION FUND—Continued

Revenue, Expense, and Retained Earnings

	1959 actual	1960 estimate	1961 estimate
Liquidation of World War II assets program:			
Revenue	$343,286	$317,100	$262,900
Expense	521,871	63,550	54,000
Net operating income or loss (−), liquidation of World War II assets program	−178,585	253,550	208,900
Liquidation of Smaller War Plants Corporation program:			
Revenue	6,535	1,600	
Expense	10,794	4,500	1,000
Adjustment of prior year transactions	1,621		
Net operating loss (−), Liquidation of Smaller War Plants Corporation program	−2,638	−2,900	−1,000
Nonoperating income or loss (−):			
Liquidation of World War II assets program:			
Proceeds from sale of land, structures, and equipment	165,200		
Net book value of assets sold (−)	−125,001		
Decrease in valuation allowances:			
Accounts and other receivables	469,592		
Net nonoperating income	509,791		
Net income for the year	328,568	250,650	207,900
Analysis of equity:			
Equity, beginning of year	14,162,502	13,099,070	9,749,720
Repayment of investment to Treasury (−)	−1,392,000	−3,600,000	
Equity, end of year	13,099,070	9,749,720	9,957,620

Financial Condition

Assets:			
Cash with Treasury	$8,263,553	$5,005,105	$5,211,205
Accounts and other receivables, net	4,136,788	4,129,800	4,122,100
Loans receivable, net	119,055		
Land, structures, and equipment, net	617,915	617,915	617,915
Investment in securities	6,900	6,900	6,900
Total assets	13,144,211	9,759,720	9,958,120
Liabilities:			
Current	45,141	10,000	500
Government equity:			
Non-interest-bearing equity	13,099,070	9,749,720	9,957,620

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash with Treasury	$9,094,685	$8,263,553	$5,005,105	$5,211,205
Obligated balance, net:				
Current liabilities	51,759	45,141	10,000	500
Accounts and other receivables, net (−)	−4,223,459	−4,136,788	−4,129,800	−4,122,100
Total obligated balance	−4,171,700	−4,091,647	−4,119,800	−4,121,600
Unobligated balance	13,266,385	12,355,200	9,124,905	9,332,805

NOTE.—There is a contingent liability of $16,848,343 represented by claims in litigation, etc., under the World War II assets program.

LIMITATION ON ADMINISTRATIVE EXPENSES, RECONSTRUCTION FINANCE CORPORATION LIQUIDATION FUND

Not to exceed $40,000 (to be computed on an accrual basis) of the funds derived from liquidation of functions of Reconstruction Finance Corporation transferred to General Services Administration under Reorganization Plan No. 1 of 1957 (22 F.R. 4633), shall be available during the current fiscal year for administrative expenses incident to the liquidation of said functions: *Provided*, That as used herein the term "administrative expenses" shall be construed to include all salaries and wages, services performed on a contract or fee basis, and travel and other expenses, including the purchase of equipment and supplies, of administrative offices, but this amount shall be exclusive of costs of services performed on a contract or fee basis in connection with the termination of contracts or in the performance of legal services: *Provided further*, That the distribution of administrative expenses to the account shall be made in accordance with generally recognized accounting principles and practices. (*Independent Offices Appropriation Act, 1960.*)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Liquidation of World War II assets and liabilities	$43,168	$39,000	$39,000
2. Liquidation of Smaller War Plants Corporation	10,792	1,000	1,000
Total accrued administrative expenses (object class 07)	53,960	40,000	40,000
Financing:			
Limitation	53,960	40,000	40,000

Intragovernmental funds:

ADMINISTRATIVE OPERATIONS FUND

Funds available to General Services Administration for administrative operations, in support of program activities, shall be expended and accounted for, as a whole, through a single fund, which is hereby authorized: *Provided*, That costs and obligations for such administrative operations for the respective program activities shall be accounted for in accordance with systems approved by the General Accounting Office: *Provided further*, That the total amount deposited into said account for the fiscal year [1960] *1961* from funds made available to General Services Administration in this Act shall not exceed [$12,750,000] *$13,300,000*, of which not to exceed [$400] *$600* may be used for purchase of newspapers and periodicals: *Provided further*, That amounts deposited into said account for administrative operations for each program shall not exceed the amounts included in the respective program appropriations for such purposes. (*Independent Offices Appropriation Act, 1960.*)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Financial services	$9,244,977	$9,662,394	$10,167,700
2. Administrative services	3,872,087	3,904,688	4,102,100
3. Legal services	1,144,092	1,206,411	1,209,500
4. Legislative and information services	280,237	300,551	329,500
5. Management supervision	304,532	316,650	280,000
6. Adjustment of prior year costs	9,040		
Total program costs [1]	14,854,965	15,390,694	16,088,800
7. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)		−45,694	
Obligations incurred for costs of other years (unpaid undelivered orders), net	235,792		11,200
Total program (obligations)	15,090,757	15,345,000	16,100,000
Financing:			
Advances and reimbursements from other accounts:			
Limitation	12,399,760	12,983,000	13,300,000
Excluded from limitation	2,727,959	2,580,000	2,800,000
Unobligated balance no longer available	−36,962	−218,000	
Total financing	15,090,757	15,345,000	16,100,000

[1] Includes capital outlay as follows: June 30, 1959, $118,972; 1960, $219,740; 1961, $44,000

Financial, administrative, legal, legislative, and informational services and management supervision required to support all General Services Administration programs are provided by the integrated staff organization of General Services Administration. They are initially financed from an administrative operations fund into which the various benefiting appropriations and funds make deposits for their share of the obligations incurred. Of the amount deposited in the fund during a fiscal year, the total amount from appropriations made available to General Services

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Administration in the annual act for the year is subject to a specific monetary limitation and amounts from each appropriation are limited to those included in the respective program appropriations for that purpose. Deposits from other sources are not covered in the limitation as the scope of programs and supporting workload is seldom precisely known in advance.

Estimated amounts available for 1961 from the various sources and comparable data for 1959 and 1960 are:

	1959 comparable	*1960 comparable*	*1961 estimate*
Included in limitation:			
Operating expenses, Public Buildings Service	$3,588,200	$3,900,000	$4,250,000
Repair and improvement of public buildings	995,800	900,000	955,000
Sites and expenses, public buildings projects	140,000	363,000	----------
Operating expenses, Federal Supply Service	914,100	948,000	1,200,000
Expenses, supply distribution	4,468,000	4,865,000	4,900,000
Operating expenses, National Archives and Records Service	429,100	468,800	540,000
Operating expenses, Transportation and Public Utilities Service	357,700	356,000	380,000
Strategic and critical materials	1,438,700	1,128,000	975,000
Abaca fiber program	14,200	14,200	----------
Reconstruction Finance Corporation liquidation fund	53,960	40,000	40,000
Construction of relocation facilities	----------	----------	60,000
Total included in limitation	12,399,760	12,983,000	13,300,000
Excluded from limitation:			
Sites and expenses, public buildings projects	----------	----------	500,000
Expansion of defense production	1,142,000	1,090,000	800,000
Buildings management fund	627,513	634,600	640,000
General supply fund	369,875	404,000	445,000
Construction services	292,000	178,000	178,000
Office of Civil and Defense Mobilization	85,000	85,000	85,000
Commodity Credit Corporation	106,100	110,000	90,000
Commission on Civil Rights	21,000	21,000	21,000
Acquisition of strategic minerals	20,000	----------	----------
Additional Washington airport	27,200	12,900	----------
Outdoor Recreation Resources Review Commission	7,500	25,000	25,000
Federal Facilities Corporation fund	1,340	600	500
Other minor sources	28,431	18,900	15,500
Total excluded from limitation	2,727,959	2,580,000	2,800,000
Unobligated balance (savings)	−36,962	−218,000	----------
Grand total	15,090,757	15,345,000	16,100,000

The increases in General Services Administration programs requested for 1961 will require increases in supporting administrative services and certain understaffed services require strengthening to provide more adequate support.

7. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $107,403; 1959, $343,195; 1960, $297,501; 1961, $308,701.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	2,042	2,053	2,060
Full-time equivalent of all other positions	23	10	2
Average number of all employees	1,970	2,001	2,022
Number of employees at end of year	2,005	2,053	2,060
Average GS grade and salary	7.1 $6,168	7.4 $6,298	7.4 $6,402
Average salary of ungraded positions	$4,679	$4,809	$4,809
01 Personal services:			
Permanent positions	$12,038,708	$12,529,144	$12,916,303
Positions other than permanent	94,883	43,094	16,720
Other personal services	218,228	170,662	59,677
Total personal services	12,351,819	12,742,900	12,992,700
02 Travel	180,273	231,000	252,500
03 Transportation of things	12,844	20,200	19,300
04 Communication services	205,672	221,100	226,500
05 Rents and utility services	523,162	686,100	972,800
06 Printing and reproduction	357,595	307,500	332,000
07 Other contractual services	153,385	119,700	237,800
Services performed by other agencies	66,142	33,600	34,900
08 Supplies and materials	141,564	114,600	120,800
09 Equipment	266,264	41,600	50,900
11 Grants, subsidies, and contributions	769,353	815,800	843,800
13 Refunds, awards, and indemnities	57,033	6,100	14,000
15 Taxes and assessments	5,651	4,800	2,000
Total obligations	15,090,757	15,345,000	16,100,000

Working Capital Fund

A central blueprinting, photostating, duplicating, and distribution service is financed by the Working capital fund pending reimbursements (40 U.S.C. 293). The Chairman, Joint Committee on Printing, U.S. Congress, in letters dated August 21, 1959, and October 28, 1959, authorized the establishment of field printing plants at Boston, Mass., and at Atlanta, Ga., Kansas City, Mo., and Dallas, Tex., respectively. Due to delay in delivery of reproduction equipment, the printing plants authorized October 28, 1959, will not be in operation until after January 1, 1960.

Operating results.—Surplus earnings are deposited into miscellaneous receipts of the Treasury. Through June 30, 1959, a total of $52,267 has been deposited, and it is estimated that $10,472 and $5,000 will be deposited in 1960 and 1961, respectively.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Acquisition of equipment	$42,489	$50,700	$10,000
Expense:			
Purchase of raw materials	237,274	250,800	268,200
Other expense	839,257	916,100	971,700
Increase in selected working capital	37,135	----------	3,000
Total gross expenditures	1,156,155	1,217,600	1,252,900
Receipts from operations (funds provided):			
Revenue	1,108,790	1,177,800	1,262,800
Proceeds from sale of equipment	690	----------	----------
Decrease in selected working capital	----------	88,103	----------
Total receipts from operations	1,109,480	1,265,903	1,262,800
Budget expenditures	46,675	−48,303	−9,900

Revenue, Expense, and Retained Earnings

Revenue	$1,108,790	$1,177,800	$1,262,800
Expense	1,098,086	1,172,800	1,258,800
Net operating income	10,704	5,000	4,000
Nonoperating income or loss (−):			
Proceeds from sale of equipment	690	----------	----------
Net book value of assets sold (−)	−576	----------	----------
Net gain from sale of equipment	114	----------	----------
Inventory adjustments of equipment	−206	----------	----------
Equipment transferred to other sources, net	−140	----------	----------
Net nonoperating loss (−)	−232	----------	----------
Net income for the year	10,472	5,000	4,000
Analysis of retained earnings:			
Retained earnings, beginning of year	9,554	10,472	5,000
Payment of earnings to Treasury (−)	−9,554	−10,472	−5,000
Retained earnings, end of year	10,472	5,000	4,000

Financial Condition

Assets:			
Cash with Treasury	$99,532	$137,363	$142,263
Accounts receivable, net	128,929	145,000	150,000
Inventory—stock	59,988	75,988	78,988
Equipment, net	117,393	169,993	158,093
Total assets	405,842	528,344	529,344
Liabilities:			
Current	150,826	255,000	257,000
Government investment:			
Non-interest-bearing capital:			
Start of year	244,544	244,544	268,344
Donated assets	----------	23,800	----------
End of year	244,544	268,344	268,344
Retained earnings	10,472	5,000	4,000
Total Government investment	255,016	273,344	272,344

NOTE.—Unpaid undelivered orders are as follows: June 30, 1958, $12,831; 1959, $686; 1960, $1,000; 1961, $1,000.

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GENERAL ACTIVITIES—Continued

Intragovernmental funds—Continued

WORKING CAPITAL FUND—Continued

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	146	171	172
Full-time equivalent of all other positions	1	1	1
Average number of all employees	141	157	168
Number of employees at end of year	145	171	172
Average GS grade and salary	4.5 $4,613	4.3 $4,546	4.5 $4,677
Average salary of ungraded positions	$4,958	$4,961	$4,922
01 Personal services:			
Permanent positions	$666,869	$745,900	$804,500
Positions other than permanent	3,083	2,400	2,400
Other personal services	26,636	22,700	13,100
Excess of annual leave taken (—) over leave earned	−3,603		
Total personal services	692,985	771,000	820,000
02 Travel	2,173	5,000	5,000
03 Transportation of things	48		
04 Communication services	2,845	4,000	4,400
06 Printing and reproduction	17		
07 Other contractual services	71,157	69,600	71,000
Services performed by other agencies	15,420	7,000	7,000
08 Supplies and materials	251,010	242,200	273,300
09 Equipment	42,489	50,700	10,000
11 Grants, subsidies, and contributions	42,517	49,100	53,200
13 Refunds, awards, and indemnities	1,520	2,500	2,500
15 Taxes and assessments	470	500	500
Adjustment of prior year costs	2,215		
Total costs	1,124,866	1,201,600	1,246,900
Costs financed from obligations of other years, net (—)	−17,991		
Obligations incurred for costs of other years, net		16,314	3,000
Total obligations	1,106,875	1,217,914	1,249,900

ADVANCES AND REIMBURSEMENTS, GENERAL ACTIVITIES

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Federal Radiation Council (total costs—obligations)		$13,000	$35,000
Financing:			
Advances and reimbursements from other accounts		13,000	35,000

General Services Administration performs administrative services for the Federal Radiation Council.

Object Classification

	1959 actual	1960 estimate	1961 estimate
01 Personal services:			
Positions other than permanent		$3,000	$4,500
Other personal services			17,500
Total personal services		3,000	22,000
02 Travel		4,400	6,200
04 Communication services		1,000	1,300
06 Printing and reproduction		1,500	2,000
07 Other contractual services		$425	$485
08 Supplies and materials		1,000	1,300
09 Equipment		1,600	1,600
15 Taxes and assessments		75	115
Total obligations		13,000	35,000

GENERAL PROVISIONS

The appropriate appropriation or fund available to the General Services Administration shall be credited with (1) cost of operation, protection, maintenance, upkeep, repair, and improvement, included as part of rentals received from Government corporations pursuant to law (40 U.S.C. 129); (2) reimbursements for services performed in respect to bonds and other obligations under the jurisdiction of the General Services Administration, issued by public authorities, States, or other public bodies, and such services in respect to such bonds or obligations as the Administrator deems necessary and in the public interest may, upon the request and at the expense of the issuing agencies, be provided from the appropriate foregoing appropriation; and (3) appropriations or funds available to other agencies, and transferred to the General Services Administration, in connection with property transferred to the General Services Administration pursuant to the Act of July 2, 1948 (50 U.S.C. 451ff), and such appropriations or funds may, with the approval of the Bureau of the Budget, be so transferred.

[Not to exceed $2,000,000 granted in the Independent Offices Appropriation Act, 1959, under the appropriation for "Construction, Federal Office Building Numbered Six, Washington, District of Columbia", may be transferred to "Construction, Public Buildings projects": *Provided,* That the latter appropriation] *Appropriations under the head "Construction, Public Buildings Projects"* shall be available for acquisition of buildings and sites thereof by purchase, condemnation or otherwise, including prepayment of purchase contracts: *Provided* [*further*], That the limits of cost applicable to projects authorized under said appropriation may be exceeded to the extent that savings are effected on other projects.

Not to exceed 10 per centum of any limitation on accrued expenditures herein made for the General Services Administration may be transferred to any other such limitation, but no such limitation shall be increased or decreased by more than 10 per centum as a result of such transfers.

Funds available to the General Services Administration shall be available for the hire of passenger motor vehicles.

No part of any money appropriated by this or any other Act for any agency of the executive branch of the Government shall be used during the current fiscal year for the purchase within the continental limits of the United States of any typewriting machines except in accordance with regulations issued pursuant to the provisions of the Federal Property and Administrative Services Act of 1949, as amended.

Not to exceed 2 per centum of any appropriation made available to the General Services Administration for the current fiscal year by this Act may be transferred to any other such appropriation, but no such appropriation shall be thereby increased more than 2 per centum: *Provided,* That such transfers shall apply only to operating expenses, and shall not exceed in the aggregate the amount of $2,000,000. (*Independent Offices Appropriation Act, 1960.*)

Appropriations available to any department or agency during the current fiscal year for necessary expenses, including maintenance or operating expenses, shall be available for reimbursement to the General Services Administration for those expenses of renovation and alteration of buildings and facilities which constitute public improvements, performed in accordance with the Public Buildings Act of 1959 (73 Stat. 479) or other applicable law.

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1961

Types	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
PERSONAL PROPERTY ACTIVITIES								
General supply fund	1,732	$2,806,689	1,843	$619,217	$2,187,472	5,564	$225,000	Operations of interagency motor pools at 70 locations of high vehicle density by June 30, 1961, under Public Law 83-766, approved Sept. 1, 1954. Pools will provide motor transportation for participating Government agencies, including General Services Administration in the conduct of Government business.
Station wagon	577	1,160,638	612	187,952	972,686	1,240	----------	
Ambulance	2	18,000	2	622	17,378	38	----------	
Bus	9	63,000	10	4,670	58,330	68	----------	
Total, General Services Administration.	2,320	4,048,327	2,467	812,461	3,235,866	6,910	225,000	

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HOUSING AND HOME FINANCE AGENCY

The Housing and Home Finance Agency is responsible for the administration of the Federal Government's housing and community development programs, including grants for urban renewal and public housing, home mortgage insurance, mortgage purchases, and loans for public facilities. A considerable share of the financial requirements each year is met by repayments of loans or other receipts from assets acquired in earlier years. Several of the most important programs have long lead-times between initial obligation or other reservation of funds and the eventual disbursements.

New obligational authority of $652 million is recommended for the Housing and Home Finance Agency for 1961, compared with an estimated $793 million for 1960. The primary reason for the decline is a $250 million decrease in college housing loans. This program is being terminated in favor of a proposed new program for college facilities to be administered by the Department of Health, Education, and Welfare. The reduction in new authority for college housing loans is partially offset by recommended increases of $150 million for special assistance functions of the Federal National Mortgage Association and $20 million for public facility loans to small communities. A reduction of $50 million in the urban renewal program reflects the provision in the Housing Act of 1959 for $350 million in capital grant authority for 1960 and $300 million for 1961.

Net expenditures are estimated to rise from $361 million in 1960 to $500 million in 1961. This increase results mainly because net expenditures in 1960 are being substantially reduced by the receipt of $385 million from the exchange of Federal National Mortgage Association mortgages and college housing loans for Treasury bonds. Aside from this transaction, expenditures for most Housing and Home Finance Agency programs will be lower in 1961 than in 1960.

New obligational authority and expenditures by function are shown in the table below:

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
Commerce and housing:						
515 Community development and facilities	$110,250	$359,725	$331,750	$102,260	$231,092	$203,073
516 Public housing programs	128,074	143,830	159,200	97,280	129,964	147,699
517 Other aids to housing	19,547	289,782	160,637	952,689	−168	149,702
Total, Housing and Home Finance Agency	257,871	793,337	651,587	1,152,229	360,888	500,474

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
							1961 estimate		
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	Total	From new obligational authority	From prior authority
OFFICE OF THE ADMINISTRATOR									
Current authorizations:									
Salaries and expenses	517	$8,683	$9,342	$10,637	$8,826	$8,935	$10,507	$9,573	$934
Limitation on use of nonadministrative funds from college housing, public facility loans, and urban renewal		(2,500)	(2,600)	(3,000)					
Urban planning grants	515	3,250	1,725	4,750	1,834	2,400	4,650	1,781	2,869
Farm housing research	517				48	24			
Housing studies (liquidation of contract authorization)	517			(600)			300		300
Permanent authorizations:									
Housing studies (contract authorization)	517	1,000							
Public enterprise funds:									
College housing:									
Operations, college housing loans fund (authorization to expend from debt receipts)	517		250,000		179,722	185,560	148,110		148,110
Limitation on administrative expenses, college housing loans		(1,718)	(1,723)	(1,400)					
Public facility loans:									
Operations, public facility loans (authorization to expend from debt receipts)	515			[1] 20,000	21,355	24,905	24,299		24,299
Limitation on administrative expenses, public facility loans		(434)	(525)	(530)					
Public works planning:									
Reserve of planned public works (payment to revolving fund) (current appropriation)	515	7,000	6,000	7,000	3,828	8,731	6,450		6,450
Public works planning fund	515								
Liquidating programs:									
Revolving fund (liquidating programs)	517				−26,285	−174,215	−414		−414
Limitation on administrative expenses, revolving fund (liquidating programs)		(651)	(653)	(155)					
Urban renewal:									
Grants for slum clearance and urban renewal (liquidation of contract authorization)	515	(50,000)	(90,000)	(150,000)	75,243	145,056	167,674		167,674
Urban renewal fund (grants) (permanent contract authorization)	515	100,000	350,000	300,000					
Urban renewal fund (loans and planning advances)	515								
Community disposal operations: Community disposal operations fund	516				−20,721	−11,102	−6,149		−6,149
Proposed for later transmission:									
Under existing legislation:									
Urban planning grants	515		2,000						
Urban renewal: Grants for slum clearance and urban renewal (liquidation of contract authorization)	515		(50,000)			50,000			
Total, Office of the Administrator		119,933	619,067	342,387	243,850	240,294	355,427	11,354	344,073
FEDERAL NATIONAL MORTGAGE ASSOCIATION									
Public enterprise funds:									
Loans for secondary market operations	517				41,531	−41,531	50,000		50,000
Special assistance functions fund (authorization to expend from debt receipts)	517		25,000	[1] 150,000	1,015,076	462,000	230,000		230,000
Management and liquidating functions fund	517				−214,870	−364,611	−169,000		−169,000
Limitation on administrative expenses		(5,585)	(6,050)	(6,650)					
Proposed for later transmission:									
Under existing legislation: Limitation on administrative expenses			(250)						
Total, Federal National Mortgage Association			25,000	150,000	841,737	55,858	111,000		111,000
FEDERAL HOUSING ADMINISTRATION									
Public enterprise funds:									
Federal Housing Administration fund (permanent indefinite authorization to expend from debt receipts)	517	9,864	5,440		−51,359	−76,330	−119,801		−119,801
Limitation on administrative expenses		(7,941)	(8,100)	(8,800)					
Limitation on nonadministrative expenses		(46,035)	(48,000)	(50,000)					

[1] To carry out authorizing legislation to be proposed for 1961.

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
							1961 estimate		
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	Total	From new obligational authority	From prior authority
PUBLIC HOUSING ADMINISTRATION									
Public enterprise funds:									
Low rent public housing program:									
Annual contributions (current appropriation)	516	$115,500	$120,000	$146,000					
Administrative expenses (current appropriation)	516	12,574	12,830	13,200					
Low rent public housing program fund	516				$116,882	$133,066	$150,848		$150,848
Limitation on administrative expenses		(12,574)	(12,830)	(13,200)					
Limitation on nonadministrative expenses		(2,300)	(1,500)	(1,350)					
Intragovernmental funds:									
Administrative expenses	516				1,119				
Proposed for later transmission:									
Under existing legislation: Low rent public housing program: Annual contributions (current appropriation)	516		11,000			8,000	3,000		3,000
Total, Public Housing Administration		128,074	143,830	159,200	118,001	141,066	153,848		153,848
Total new obligational authority and budget expenditures		257,871	793,337	651,587	1,152,229	360,888	500,474	$11,354	489,120
RECAPITULATION									
Enacted or recommended in this document:									
Current authorization:									
Appropriations		$147,007	$149,897	$181,587					
Appropriations to liquidate contract authorizations		(50,000)	(90,000)	(150,600)					
Authorizations to expend from debt receipts			275,000	170,000	$1,152,229	$302,888	$497,474	$11,354	$486,120
Permanent authorizations:									
Authorizations to expend from debt receipts		9,864	5,440						
Contract authorizations		101,000	350,000	300,000					
Proposed for later transmission:									
Appropriations			13,000			58,000	3,000		3,000
Appropriations to liquidate contract authorizations			(50,000)						
Total new obligational authority and budget expenditures		257,871	793,337	651,587	1,152,229	360,888	500,474	11,354	489,120

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EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

[In thousands]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1959	1960	1961	1959	1960	1961	1959	1960	1961
OFFICE OF THE ADMINISTRATOR										
College housing: Operations, college housing loans fund	517	$199,137	$263,285	$183,960	$19,415	$77,725	$35,850	$179,722	$185,560	$148,110
Public facility loans: Operations, public facility loans	515	22,268	27,295	28,043	913	2,390	3,744	21,355	24,905	24,299
Public works planning: Public works planning fund	515	5,885	12,231	9,950	2,057	3,500	3,500	3,828	8,731	6,450
Liquidating programs: Revolving fund (liquidating programs)	517	1,507	1,254	1,732	27,792	175,469	2,146	−26,285	−174,215	−414
Urban renewal:										
Grants for slum clearance and urban renewal (liquidation of contract authorization)	515	147,875	284,279	268,044	72,632	139,223	100,370	75,243	145,056	167,674
Urban renewal fund (grants)										
Urban renewal fund (loans and planning advances)										
Proposed for later transmission	515		50,000						50,000	
Community disposal operations fund	516	11,638	4,794	966	32,359	15,896	7,115	−20,721	−11,102	−6,149
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
Secondary market operations fund	517	307,312	940,000	850,000	265,781	981,531	800,000	41,531	−41,531	50,000
Special assistance functions fund	517	1,086,129	600,760	394,420	71,053	138,760	164,420	1,015,076	462,000	230,000
Management and liquidating functions fund	517	68,386	224,529	65,330	283,256	589,140	234,330	−214,870	−364,611	−169,000
FEDERAL HOUSING ADMINISTRATION										
Federal Housing Administration fund	517	159,730	163,990	149,545	211,089	240,320	269,346	−51,359	−76,330	−119,801
PUBLIC HOUSING ADMINISTRATION										
Low rent public housing program fund	516	281,450	358,814	422,353	164,568	225,748	271,505	116,882	133,066	150,848
Proposed for later transmission	516		8,000	3,000					8,000	3,000
Total, public enterprise funds		2,291,317	2,939,231	2,377,343	1,150,915	2,589,702	1,892,326	1,140,402	349,529	485,017

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ANALYSIS OF UNEXPENDED BALANCES

[In thousands]

Description	Balance, start of 1959		Balance, start of 1960		Balance, start of 1961		Balance, start of 1962	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document:								
Appropriations:								
Urban planning grants, Office of the Administrator	$713	$2,897	$1,044	$4,313	$669	$3,638	$669	$3,738
Other		971		551		934		1,364
Total, appropriations	713	3,868	1,044	4,864	669	4,572	669	5,102
Authorizations to expend from debt receipts:								
Operations, college housing loans fund, Office of the Administrator	273,905	536,143	82,056	330,582	178,841	380,582	61,640	230,582
Operations, public facility loans, Office of the Administrator	65,112	86,300	33,858	62,049	11,581	37,049	6,828	32,049
Urban renewal fund, Office of the Administrator	542,696	927,000	205,626	902,000	703,518	873,000	634,544	855,000
Investment in flood indemnity operations, Federal Flood Indemnity Administration	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Secondary market operations fund, Federal National Mortgage Association	2,315,000	2,315,000	2,273,469	2,273,469	2,315,000	2,315,000	2,265,000	2,265,000
Special assistance functions fund, Federal National Mortgage Association	1,399,601	2,485,779	665,558	1,438,917	476,422	976,917	257,992	873,917
Low rent public housing program fund, Public Housing Administration	427,644	1,465,000	361,275	1,473,000	398,937	1,470,000	416,386	1,470,000
Total, authorizations to expend from debt receipts	5,523,958	8,315,222	4,121,842	6,980,017	4,584,299	6,552,548	4,142,390	6,226,548
Contract authorizations:								
Housing studies, Office of the Administrator	1,500	1,500	2,500	2,500	2,500	2,500	1,900	1,900
Urban renewal fund, Office of the Administrator	826,792	1,093,000	637,801	1,143,000	727,801	1,353,000	677,801	1,503,000
Total, contract authorizations	828,292	1,094,500	640,301	1,145,500	730,301	1,355,500	679,701	1,504,900
Revolving and management funds:								
Operations, college housing loans fund, Office of the Administrator		15,173		41,012		55,452		57,342
Operations, public facility loans, Office of the Administrator		1,796		4,692		4,787		5,488
Urban renewal fund, Office of the Administrator		30,367		30,124		4,068		4,394
Management and liquidating functions fund, Federal National Mortgage Association	42,688	59,727	37,510	59,428	38,100	57,558	33,177	51,558
Federal Housing Administration fund	491,396	578,225	566,780	639,448	660,176	721,218	778,809	831,640
Low rent public housing program fund, Public Housing Administration		39,833		42,079		44,490		52,364
Other	18,217	27,864	14,233	29,583	5,779	20,169	4,596	18,282
Total, revolving and management funds	552,301	752,985	618,523	846,366	704,055	907,741	816,582	1,021,068
Proposed for later transmission:								
Appropriations						5,000		2,000
Total, Housing and Home Finance Agency	6,905,264	10,166,575	5,381,710	8,976,747	6,019,324	8,825,362	5,639,342	8,759,618

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

Description	1959 actual	1960 estimate	1961 estimate
Balances brought forward at start of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	$3,868	$4,864	$4,572
Authorizations to expend from debt receipts	8,315,222	6,980,017	6,552,548
Contract authorizations	1,094,500	1,145,500	1,355,500
Revolving and management funds	752,985	846,366	907,741
Proposed for later transmission: Appropriations			5,000
Total balances brought forward	10,166,575	8,976,747	8,825,362
New obligational authority:			
Enacted or recommended in this document:			
Current authorizations:			
Appropriations	147,007	149,897	181,587
Appropriations to liquidate contract authorizations	(50,000)	(90,000)	(150,600)
Authorizations to expend from debt receipts		275,000	170,000
Total new obligational authority under current authorizations	147,007	424,897	351,587
Permanent authorizations:			
Authorizations to expend from debt receipts	9,864	5,440	
Contract authorizations	101,000	350,000	300,000
Total new obligational authority under permanent authorizations	110,864	355,440	300,000
Total new obligational authority enacted or recommended	257,871	780,337	651,587
Proposed for later transmission:			
Appropriations		13,000	
Appropriations to liquidate contract authorizations		(50,000)	
Total new obligational authority proposed for later transmission		13,000	
Total new obligational authority	257,871	793,337	651,587
Other amounts available:			
Net transfers of balances to (—) other agencies	—111		
Appropriations available in prior years	—48		
Total other amounts available	—159		
Total budget authorizations available	10,424,287	9,770,084	9,476,949
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	1,152,229	302,888	11,354
Out of balances of prior obligational authority			486,120
Total expenditures from obligational authority enacted or recommended	1,152,229	302,888	497,474
From obligational authority proposed for later transmission:			
Out of new obligational authority		58,000	
Out of balances of prior obligational authority			3,000
Total budget expenditures	1,152,229	360,888	500,474
Amounts no longer available:			
Unobligated balances expiring and lapsing	246,757	391,681	207,379
Capital transfers from revolving funds to receipt accounts	48,521	192,153	9,478
Adjustment of balances downward in expired accounts, net	33		
Total amounts no longer available	295,311	583,834	216,857
Balances carried forward at close of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	4,864	4,572	5,102
Authorizations to expend from debt receipts	6,980,017	6,552,548	6,226,548
Contract authorizations	1,145,500	1,355,500	1,504,900
Revolving and management funds	846,366	907,741	1,021,068
Proposed for later transmission: Appropriations		5,000	2,000
Total balances carried forward at close of year	8,976,747	8,825,362	8,759,618
Obligations incurred, net	$1,485,988	—$428,111	$814,712

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OFFICE OF THE ADMINISTRATOR

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Office of the Administrator, including rent in the District of Columbia; services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); purchase of newspapers and periodicals (not to exceed $3,000); and purchase of two passenger motor vehicles [(including one in the District of Columbia, to remain under the control of the Agency, at a purchase price of not to exceed $3,500) of which one shall be] for replacement only; [$9,052,000] *$10,637,000*: *Provided*, That necessary expenses of inspections and of providing representatives at the site of projects being planned or undertaken by local public agencies pursuant to title I of the Housing Act of 1949, as amended, projects financed through loans to educational institutions authorized by title IV of the Housing Act of 1950, as amended, and projects and facilities financed by loans to public agencies pursuant to title II of the Housing Amendments of 1955, as amended, shall be compensated by such agencies or institutions by the payment of fixed fees which in the aggregate will cover the costs of rendering such services, and expenses for such purpose shall be considered nonadministrative; and for the purpose of providing such inspections, the Administrator may utilize any agency and such agency may accept reimbursement or payment for such services from such institutions, or the Administrator, and shall credit such amounts to the appropriations or funds against which such charges have been made, but such nonadministrative expenses shall not exceed [$2,900,000] *$3,000,000*.

[For an additional amount for "Salaries and expenses", $290,000, of which $220,000 shall be available only upon the enactment into law of legislation continuing beyond September 30, 1959, the program authorized by title VI of the Housing Act of 1954, as amended (68 Stat. 590, 637).] *(5 U.S.C. 133y–16; 42 U.S.C. 1451; 12 U.S.C. 1749; Independent Offices Appropriation Act, 1960; Mutual Security Appropriation Act, 1960.)*

Appropriated 1960, [a] **$9,342,000** Estimate 1961, **$10,637,000**

[a] Includes $290,000 appropriated in Mutual Security Appropriation Act, 1960.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. General agency supervision	$1,142,364	$1,214,000	$1,300,000
2. Consolidated compliance activities	623,635	632,000	637,000
3. Voluntary home mortgage credit	241,651	290,000	300,000
4. Community disposition activities	604,368	325,000	110,000
5. Community facilities programs:			
(a) Public works planning advances	517,825	530,000	600,000
(b) College housing loans	1,596,567	1,723,000	1,400,000
(c) Public facility loans	473,438	525,000	530,000
(d) Liquidating activities	189,729	155,000	155,000
(e) School construction	987,189	1,000,000	900,000
(f) Project inspection and audit	775,080	1,000,000	800,000
6. Urban renewal program:			
(a) Urban renewal activities	6,068,706	6,676,000	7,800,000
(b) Project inspection and audit	1,248,790	1,600,000	2,200,000
7. Miscellaneous services performed for other agencies	42,084	14,000	14,000
Total program costs	14,511,426	15,684,000	16,746,000
8. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−48,487		
Total program (obligations)	14,462,939	15,684,000	16,746,000
Financing:			
Comparative transfers to other accounts	42,078		
1959 appropriation available in 1958	48,487		
Advances and reimbursements from other accounts	−6,017,913	−6,342,000	−6,109,000
Unobligated balance no longer available	148,409		
Appropriation (new obligational authority)	8,684,000	9,342,000	10,637,000

In addition to general supervision, the Administrator of the Agency is responsible for several activities administered by constituents of the Agency under delegation of authority. These include: Slum clearance and urban renewal and urban planning assistance which have been delegated to the Urban Renewal Commissioner; and the programs of public works planning, college housing loans, public facility loans, and certain liquidating activities which have been delegated to the Community Facilities Commissioner. The Administrator serves as Chairman of the Board of Directors of the Federal National Mortgage Association. He also serves as Chairman of the National Voluntary Mortgage Credit Extension Committee and provides staff assistance to the national committee and regional committees through which the voluntary home mortgage credit program operates.

The appropriation requested for 1961, $10,637,000, is an increase of $1,295,000 over 1960, reflecting primarily the need for increased field staff carrying out the urban renewal program.

2. *Consolidated compliance activities.*—A consolidated investigation and compliance staff serves the entire Agency.

3. *Voluntary home mortgage credit.*—Staff assistance is provided to the national and regional committees engaged in a program to facilitate the flow of funds for Federal Housing Administration insured and Veterans Administration guaranteed home mortgage loans into areas of shortage and for minority housing financing.

4. *Community disposition activities.*—For detail of this activity, see community disposal operations fund under Public enterprise funds.

5. *Community facilities programs.*—(*a*), (*b*), (*c*), and (*d*). For detail of these activities, see Public enterprise funds.

(*e*) *School construction.*—The Administrator, under a working agreement with the Commissioner of Education, performs certain technical services in connection with the program of school construction. Funds appropriated to the Office of Education are transferred to the Administrator for this purpose.

(*f*) *Project inspection and audit.*—Provision is made for construction progress inspections and financial audits of college housing and public facility projects. The costs of these activities are recovered by the Government through lees.

6. (*a*) *Urban renewal activities.*—For detail of activities for this program see Urban renewal fund under public enterprise funds.

(*b*) *Project inspection and audit.*—The cost of site representation and inspection and financial audit of slum clearance and urban renewal projects being planned or undertaken by local public agencies is recovered by the Government through fees.

8. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $63,442; 1959, $14,955; 1960, $14,955; 1961, $14,955.

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Total number of permanent positions	1,813	1,914	1,976
	Average number of all employees	1,611	1,713	1,824
	Number of employees at end of year	1,652	1,813	1,886
	Average GS grade and salary	8.9 $7,229	9.1 $7,397	9.1 $7,482
01	Personal services:			
	Permanent positions	$11,734,652	$12,653,000	$13,521,000
	Other personal services	111,448	160,000	110,000
	Total personal services	11,846,100	12,813,000	13,631,000
02	Travel	702,452	869,000	994,000
03	Transportation of things	19,172	18,000	26,000
04	Communication services	263,846	275,000	297,000
05	Rents and utility services	285,380	284,000	223,000
06	Printing and reproduction	147,094	150,000	160,000
07	Other contractual services	174,080	164,000	279,000
	Services performed by other agencies	143,977	148,000	103,000
08	Supplies and materials	107,157	115,000	122,000
09	Equipment	107,506	75,000	88,000
11	Grants, subsidies, and contributions	686,804	742,000	788,000
13	Refunds, awards, and indemnities	10,791	12,000	15,000
15	Taxes and assessments	17,067	19,000	20,000
	1959 program obligated in 1958	−48,487		
	Total obligations	14,462,939	15,684,000	16,746,000

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OFFICE OF THE ADMINISTRATOR—Continued

Current authorizations—Continued

LIMITATION ON USE OF NONADMINISTRATIVE FUNDS FROM COLLEGE HOUSING, PUBLIC FACILITY LOANS, AND URBAN RENEWAL

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Payment to "Salaries and expenses" (total costs—obligations) (object class 07)	$2,021,414	$2,600,000	$3,000,000
Financing:			
Unobligated balance no longer available	478,586	300,000	
Limitation	2,500,000	2,900,000	3,000,000

These funds are used for activities described under Salaries and expenses, in paragraphs 5(*f*) and 6(*b*).

URBAN PLANNING GRANTS

For grants in accordance with the provisions of section 701 of the Housing Act of 1954, as amended, [$975,000] *$4,750,000.*

[For an additional amount for "Urban planning grants", $750,000: *Provided,* That this paragraph shall be effective only upon the enactment into law of legislation amending section 701 of the Housing Act of 1954, as amended, so as to authorize appropriation of the foregoing amount.] (*Independent Offices Appropriation Act, 1960; Mutual Security Appropriation Act, 1960.*)

Appropriated 1960, [a] **$1,725,000** Estimate 1961, **$4,750,000**

[a] Includes $750,000 appropriated in the Mutual Security Appropriation Act, 1960.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Grants to planning agencies (total costs—obligations) (object class 11)	$2,919,083	$2,100,000	$4,750,000
Financing:			
Unobligated balance brought forward:			
Reserved	−709,420	−750,825	−650,825
Unreserved	−3,662	−293,174	−18,174
Unobligated balance carried forward:			
Reserved	750,825	650,825	650,825
Unreserved	293,174	18,174	18,174
Appropriation (new obligational authority)	3,250,000	1,725,000	4,750,000

Section 701 of the Housing Act of 1954, as amended by the Housing Act of 1959, authorizes $20 million in matching grants to State, metropolitan, or regional planning areas to help finance surveys, land-use studies, and urban renewal plans in small cities and metropolitan or regional areas. An aggregate of $10,750,000 has been appropriated to date. The budget program calls for an appropriation of $4,750,000 in 1961 in furtherance of the program as expanded under the 1960 amendments, and anticipates a supplemental appropriation of $2 million for 1960 under Proposed for later transmission.

Permanent authorizations:

HOUSING STUDIES (LIQUIDATION OF CONTRACT AUTHORIZATION)

For payment of obligations incurred pursuant to the provisions of section 602 of the Housing Act of 1956 (12 U.S.C. 1701d–3) for housing investigations, research, and analysis, $600,000, to remain available until expended.

Estimate 1961, **$600,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Housing studies (total costs—obligations) (object class 07)			$600,000
Financing:			
Unobligated balance brought forward (contract autborization)	−$1,500,000	−$2,500,000	−2,500,000
Unobligated balance carried forward (contract authorization)	2,500,000	2,500,000	1,900,000
Contract authorization (new obligational authority)	1,000,000		

Status of Unfunded Contract Authorization

Unfunded balance at beginning of year	$1,500,000	$2,500,000	$2,500,000
Contract authorization (new)	1,000,000		
Unfunded balance at end of year	−2,500,000	−2,500,000	−1,900,000
Appropriation to liquidate contract authorization			600,000

The Housing Act of 1956 provided $2,500,000 in contract authorization for a program of housing studies with emphasis on problems of housing need, demand, and supply. The budget program calls for entering into contracts aggregating $600,000 in 1961 with an equivalent amount proposed for contract liquidation.

NOTE.—Expenditures from the following funds for 1960 are subject to the first paragraph of title II of the Independent Offices Appropriation Act, 1960. For 1961 this paragraph is shown in the independent offiees chapter, p. 147, preceding Federal Home Loan Bank Board.

Public enterprise funds:

COLLEGE HOUSING

OPERATIONS, COLLEGE HOUSING LOANS FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Loan reservations issued, net:			
(*a*) College housing	$29,553,326	$210,237,295	
(*b*) College service facilities	−620,326	27,288,072	
(*c*) Housing for student nurses and interns	1,994,000	25,000,000	
Total reservations issued, net	30,927,000	262,525,367	
Reservations at beginning of year	242,257,000	77,018,000	$128,841,367
Reservations at close of year	−77,018,000	−128,841,367	
Loan commitments	196,166,000	210,702,000	128,841,367
2. Interest on borrowings	11,638,110	17,640,000	21,900,000
3. Administrative expenses	1,675,000	1,723,000	1,400,000
4. Other expense	694,506	875,000	660,000
Total program (obligations)	210,173,616	230,940,000	152,801,367
Financing:			
Accounts becoming available:			
Authorization to expend from public debt receipts		250,000,000	
Revenue and receipts:			
Loan repayment and bonds exchanged	4,774,000	57,400,000	11,100,000
Revenue	13,550,038	20,325,000	24,500,000
Adjustment of prior year revenue	697		
Total amounts becoming available	18,324,735	327,725,000	35,600,000
Unobligated balance brought forward (authorization to expend from public debt receipts):			
Reserved	242,257,000	77,018,000	128,841,367
Unreserved	31,648,248	5,038,367	50,000,000
Total amounts available	292,229,983	409,781,367	214,441,367
Unobligated balance carried forward (authorization to expend from public debt receipts):			
Reserved	−77,018,000	−128,841,367	
Unreserved	−5,038,367	−50,000,000	−61,640,000
Financing applied to program	210,173,616	230,940,000	152,801,367

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Under the Housing Act of 1950 as amended (12 U.S.C. 1749), the program provides long-term loans at low interest rates to finance three types of facilities: (*a*) housing accommodations for students and faculty at institutions of higher education; (*b*) related facilities, such as student unions and dining facilities at such institutions up to a maximum of $125 million; and (*c*) housing at nursing schools above the high school level and hospital-connected housing for interns up to a maximum of $50 million. The program is funded by a Treasury borrowing authorization of $1,175 million. Under the statutory interest formula—the higher of 2.75% or 0.25% above the average rate on the outstanding public debt—the loan rate for the current year is 3.125%.

Budget program.—The budget program contemplates reservation of $262.5 million for new loans during the current year. These reservations will be funded chiefly by the $250 million authorization to expend from public debt receipts provided by the Housing Act of 1959. No new fund reservations are contemplated during 1961. Some $129 million of reservations will remain for conversion to loan commitments in 1961, and construction and loan disbursement operations will not be concluded until subsequent fiscal years.

Because of the considerable time and expense involved in the planning of projects and completion of full loan applications, it has been the practice to reserve funds on approval of preliminary applications filed to determine eligibility and feasibility of the project. The net amount of program reservations issued has been used to control the volume of applications processed within the limitations. Reservations are converted into loan contracts after detailed planning, filing of a full loan application, and agency review. Program policies are designed to assure the soundness of loans without interfering with the applicant's operations as an educational institution. The following table shows the number of cases involved in principal workload stages:

	1959 actual	*1960 estimate*	*1961 estimate*
Preliminary applications:			
Received	252	168	---
Withdrawn or rejected	26	33	---
Reservations issued [1]	235	164	---
Full applications:			
Withdrawn or rejected	12	15	---
Loans approved	198	180	138
Reservations outstanding, and full applications on hand, close of year	179	138	---

[1] Includes 161 reservations contingent on the enactment of $200 million increase in the authorization recommended for 1959 in the 1960 budget.

After execution of the contracts, the institutions proceed with final plans and specifications, award of construction contracts, and preparation of bond indentures.

Financing.—Borrowers generally are able to finance much of the construction period with bank loans or other available funds, and the purchase of bonds is typically delayed until construction is well advanced. The projected purchases of $160 million, down from the current year estimate of $240 million due to program delays in 1959, are based on the following activity in terms of projects:

	1959 actual	*1960 estimate*	*1961 estimate*
Construction starts	232	167	198
Substantial completions	188	231	180

The $160 million in bond purchases, less $12 million in repayments and net operating receipts, account for the $148 million of budget expenditures. Receipts in 1960 include $50 million estimated to be obtained from the exchange of college housing loans for privately held Government bonds as well as $7.4 million in loan repayments.

Operating results and financial condition.—In 1961, for the first time, with decreasing administrative costs attributable to the cessation of new program activity, the program will show net earnings of some $140,000. The projected cumulative deficit of $3.5 million, including the effect of a $2.4 million allowance for losses on loans, should be eliminated in a few years, and accordingly no action is required to deal with it.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Acquisition of loans	$185,130,150	$240,000,000	$160,000,000
Expense	14,007,616	20,238,000	23,960,000
Increase in selected working capital		3,046,756	
Total gross expenditure	199,137,766	263,284,756	183,960,000
Receipts from operations (funds provided):			
Loans repaid and bonds exchanged	4,774,000	57,400,000	11,100,000
Revenue	13,550,038	20,325,000	24,500,000
Decrease in selected working capital	1,091,438		250,000
Adjustment of prior year revenue	697		
Total receipts from operations	19,416,173	77,725,000	35,850,000
Budget expenditures	179,721,593	185,559,756	148,110,000

Revenue, Expense, and Retained Earnings

Revenue	$13,550,038	$20,325,000	$24,500,000
Expense	14,474,438	20,838,000	24,360,000
Net operating income or loss (−) for the year	−924,400	−513,000	140,000
Deficit (−), beginning of year	−2,199,222	−3,122,925	−3,635,925
Adjustment of prior year revenue	697		
Deficit (−), end of year	−3,122,925	−3,635,925	−3,495,925

Financial Condition

Assets:			
Cash with Treasury and in banks	$41,012,359	$55,452,603	$57,342,603
Accounts receivable, net	54,663	55,000	65,000
Loans receivable, net	553,440,358	735,440,358	883,940,358
Accrued interest receivable	4,015,891	10,575,000	12,450,000
Total assets	598,523,271	801,522,961	953,797,961
Liabilities:			
Current	7,228,196	10,740,886	12,875,886
Government investment:			
Interest-bearing capital:			
Start of year	388,856,549	594,418,000	794,418,000
Borrowings from Treasury during year, net	205,561,451	200,000,000	150,000,000
End of year	594,418,000	794,418,000	944,418,000
Deficit (−)	−3,122,925	−3,635,925	−3,495,925
Total Government investment	591,295,075	790,782,075	940,922,075

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash	$15,172,501	$41,012,359	$55,452,603	$57,342,603
Budget authorization	536,143,451	330,582,000	380,582,000	230,582,000
Total unexpended balance	551,315,952	371,594,359	436,034,603	287,924,603
Obligated balance, net:				
Current liabilities	4,851,357	7,228,196	10,740,886	12,875,886
Undisbursed loan obligations	275,344,500	286,380,350	257,082,350	225,923,717
Accounts and accrued interest receivable, net (−)	−2,785,153	−4,070,554	−10,630,000	−12,515,000
Total obligated balance	277,410,704	289,537,992	257,193,236	226,284,603
Unobligated balance	273,905,248	82,056,367	178,841,367	61,640,000

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OFFICE OF THE ADMINISTRATOR—Continued

Public enterprise funds—Continued

College Housing—Continued

LIMITATION ON ADMINISTRATIVE EXPENSES, OFFICE OF THE ADMINISTRATOR, COLLEGE HOUSING LOANS

Not to exceed [$1,723,000] *$1,400,000* shall be available for all administrative expenses, which shall be on an accrual basis, of carrying out the functions of the Administrator under the program of housing loans to educational institutions (title IV of the Housing Act of 1950, as amended, 12 U.S.C. 1749–1749d), but this amount shall be exclusive of payment for services and facilities of the Federal Reserve banks or any member thereof, the Federal home-loan banks, and any insured bank within the meaning of the Act creating the Federal Deposit Insurance Corporation (Act of August 23, 1935, as amended, 12 U.S.C. 264) which has been designated by the Secretary of the Treasury as a depository of public money of the United States. (*Independent Offices Appropriation Act, 1960.*)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Payment to "Salaries and expenses" (object class 07)	$1,718,200	$1,723,000	$1,400,000
Financing:			
Limitation	1,718,200	1,723,000	1,400,000

Public Facility Loans

For loans pursuant to title II of the Housing Amendments of 1955, as amended, to be borrowed from the Secretary of the Treasury as provided in section 203(a) of said Act, $20,000,000, to remain available until expended. (Authorizing legislation to be proposed for 1961.)

Estimate 1961, **$20,000,000**

OPERATIONS, PUBLIC FACILITY LOANS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Loan commitments, net	$31,017,000	$22,500,000	$25,500,000
2. Interest on borrowings	594,637	1,457,000	2,255,000
3. Administrative expenses	434,200	525,000	530,000
4. Other expense	120,452	185,000	212,000
Total program (obligations)	32,166,289	24,667,000	28,497,000
Financing:			
Amounts becoming available:			
Authorization to expend from public debt receipts (proposed legislation)			20,000,000
Revenue and receipts:			
Loan repayment	42,300	250,000	500,000
Revenue	870,731	2,140,000	3,244,000
Total amounts becoming available	913,031	2,390,000	23,744,000
Unobligated balance brought forward (authorization to expend from public debt receipts):			
Reserved (approved contracts not yet executed)	6,362,000	1,687,500	1,687,500
Unreserved	58,749,630	32,170,872	9,893,872
Total amounts available	66,024,661	36,248,372	35,325,372
Unobligated balance carried forward (authorization to expend from public debt receipts):			
Reserved (approved contracts not yet executed)	−1,687,500	−1,687,500	−1,687,500
Unreserved	−32,170,872	−9,893,872	−5,140,872
Financing applied to program	32,166,289	24,667,000	28,497,000

Loans to local governmental units for essential public works or facilities are made under the $100 million authorization provided by the Housing Amendments of 1955 (65 Stat. 635, 642). The budget assumes augmentation of this authority by $20 million in 1961. Loans are restricted to a maximum 40-year term and to qualified applicants unable to obtain funds from other sources at reasonable rates. The statute extends priority to (*a*) communities of less than 10,000 population and to (*b*) water, sewage, and gas-distribution systems.

Budget program.—Over 90% of the loans approved to date have been to finance water and sewer facilities. In 95% of the cases, the loans are to governmental units of less than 5,000 population. In general, these communities have little or no technical staff or experience in planning, construction, and operating public facilities, and many have never before sold a bond issue or acquired a performance rating for such undertakings. Loans made under the program average around $350,000. Subsequent to the Federal loan application or approval, some of the applicants have been able to obtain private financing, thus extending the usefulness of the program beyond the amounts of funds and number of cases disbursed by the Government.

The number of cases involved or anticipated in the 3-year period is as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Applications received	118	125	150
Processing:			
Cases disapproved or withdrawn	62	39	45
Gross approvals	87	90	95
Attrition after approval	15	15	10
Net approvals	72	75	85

Interest rates have been adjusted from time to time to meet the changes in the general trend of market interest rates. Initially established at 3.75% for general obligation bonds and 4.25% for revenue issues, the most recent level for 30-year maturities is 4.5% and 4.875% for the respective types of securities.

Financing.—The program has been financed with a Treasury borrowing authorization of $100 million. This authorization will be exhausted early in the budget year, and an increase of $20 million is requested for 1961. Legislation is being proposed authorizing increases as may be approved in subsequent appropriation acts. Recommended appropriation language is included above. The loan portfolio will be adequate as a basis for net interest earnings covering all administrative and other expenses in 1961.

Operating results.—Expenses include a $125,000 increase in the allowance for losses at the rate of 0.5% on loans disbursed, in addition to administrative expenses, loan servicing, and other costs. Net interest earnings of $789,000, from the approximate 1% margin between the average loan rates and the rates paid on Treasury borrowings, exceed all expenses; a net income of $122,000 is estimated for 1961. Thus the cumulative deficit accrued in the initial years of program activity can be reduced to $1,206,380 by the end of 1961 and will be further reduced in 1962 and subsequent years; accordingly, no action is necessary to make provision for this deficit.

Budget expenditures, principally determined by loan disbursements, are estimated at $24,299,000.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Acquisition of loans	$21,108,350	$25,000,000	$25,000,000
Expense	1,149,289	2,167,000	2,997,000
Increase in selected working capital	10,606	127,635	46,000
Total gross expenditure	22,268,245	27,294,635	28,043,000
Receipts from operations (funds provided):			
Loans repaid	42,300	250,000	500,000
Revenue	870,731	2,140,000	3,244,000
Total receipts from operations	913,031	2,390,000	3,744,000
Budget expenditures	21,355,214	24,904,635	24,299,000

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Revenue, Expense, and Retained Earnings

	1959 actual	1960 estimate	1961 estimate
Revenue	$870,731	$2,140,000	$3,244,000
Expense	1,252,274	2,292,000	3,122,000
Net operating loss (−) for the year	−381,543	−152,000	122,000
Deficit (−), beginning of year	−794,837	−1,176,380	−1,328,380
Deficit (−), end of year	−1,176,380	−1,328,380	−1,206,380

Financial Condition

Assets:			
Cash with Treasury and in banks	$4,691,770	$4,787,135	$5,488,135
Accounts receivable, net	13,633	18,000	20,000
Loans receivable, net	32,191,848	56,816,848	81,191,848
Accrued interest receivable, net	433,834	1,118,000	1,655,000
Total assets	37,331,085	62,739,983	88,354,983
Liabilities:			
Current	556,565	1,117,463	1,610,463
Government investment:			
Interest-bearing capital:			
Start of year	13,700,000	37,950,900	62,950,900
Borrowings from Treasury during year, net	24,250,900	25,000,000	25,000,000
End of year	37,950,900	62,950,900	87,950,900
Deficit (−)	−1,176,380	−1,328,380	−1,206,380
Total Government investment	36,774,520	61,622,520	86,744,520

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash	$1,796,085	$4,691,770	$4,787,135	$5,488,135
Budget authorizations	86,300,000	62,049,100	37,049,100	32,049,100
Total unexpended balance	88,096,085	66,740,870	41,836,235	37,537,235
Obligated balance, net:				
Current liabilities	245,239	556,565	1,117,463	1,610,463
Undisbursed loan obligations	22,864,750	32,773,400	30,273,400	30,773,400
Accounts and accrued interest receivable, net (−)	−125,534	−447,467	−1,136,000	−1,675,000
Total obligated balance	22,984,455	32,882,498	30,254,863	30,708,863
Unobligated balance	65,111,630	33,858,372	11,581,372	6,828,372

LIMITATION ON ADMINISTRATIVE EXPENSES, OFFICE OF THE ADMINISTRATOR, PUBLIC FACILITY LOANS

Not to exceed [$525,000] *$530,000* of funds in the revolving fund established pursuant to title II of the Housing Amendments of 1955, as amended, shall be available for administrative expenses, but this amount shall be exclusive of payment for services and facilities of the Federal Reserve banks or any member thereof, the Federal home-loan banks, and any insured bank within the meaning of the Act creating the Federal Deposit Insurance Corporation (Act of August 23, 1935, as amended, 12 U.S.C. 264) which has been designated by the Secretary of the Treasury as a depository of public money of the United States. (*Independent Offices Appropriation Act, 1960.*)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Payment to "Salaries and expenses" (object class 07)	$434,200	$525,000	$530,000
Financing:			
Limitation	434,200	525,000	530,000

PUBLIC WORKS PLANNING

RESERVE OF PLANNED PUBLIC WORKS (PAYMENT TO REVOLVING FUND)

For payment to the revolving fund established pursuant to section 702 of the Housing Act of 1954, as amended (40 U.S.C. 462), [$6,000,000] *$7,000,000.* (*Independent Offices Appropriation Act, 1960.*)

Appropriated 1960, **$6,000,000** Estimate 1961, **$7,000,000**

PUBLIC WORKS PLANNING FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Commitments for planning advances	$11,255,769	$10,500,000	$10,500,000
Expense	43		
Total program (obligations) (object class 16)	11,255,812	10,500,000	10,500,000
Financing:			
Amounts becoming available:			
Appropriation	7,000,000	6,000,000	7,000,000
Collection of advances	2,056,063	3,500,000	3,500,000
Revenue	941		
Total amounts becoming available	9,057,004	9,500,000	10,500,000
Unobligated balance brought forward:			
Reserved (approved contracts not yet executed)	2,604,553	1,065,047	1,065,047
Unreserved	1,736,227	1,076,925	76,925
Total amounts available	13,397,784	11,641,972	11,641,972
Unobligated balance carried forward:			
Reserved (approved contracts not yet executed)	−1,065,047	−1,065,047	−1,065,047
Unreserved	−1,076,925	−76,925	−76,925
Financing applied to program	11,255,812	10,500,000	10,500,000

A program of interest-free advances to State and local public agencies for the planning of local public works was authorized by the Housing Act of 1954 (12 U.S.C. 1703, 40 U.S.C. 462) and revisions were made by the Housing Act of 1955 (12 U.S.C. 1426 note, 1464).

Budget program.—The program is intended to further a constant high level of essential public works construction by financing a reserve of well-planned projects. A construction potential of $1.6 billion has been created by the $26.2 million in advances approved up to the beginning of the current fiscal year, and the advances contemplated for the 1960 and 1961 years would raise the cumulative total of planned projects to approximately $3 billion. Actual and estimated program activity is shown in the following tabulation:

	1959 actual	*1960 estimate*	*1961 estimate*
Applications received	703	650	650
Processing:			
Cases disapproved or withdrawn	160	140	140
Gross approvals	515	515	515
Plans completed and approved	338	375	375
Projects started and advances repaid	105	150	150

In accordance with the statutory requirement that the proposed projects be ones scheduled for construction within a reasonable period, assurance is required that the construction start is intended within 5 years. Over 70% of the applications have come from local governmental units of less than 50,000 population, and over 75% of the projects are for water, sewer, and school construction.

Financing.— The program is financed by a revolving fund to which appropriations of $48 million are author-

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OFFICE OF THE ADMINISTRATOR—Continued

Public enterprise funds—Continued

PUBLIC WORKS PLANNING—Continued

PUBLIC WORKS PLANNING FUND—continued

ized, the fund to be subsequently maintained at this level in outstanding undisbursed balances and active advances. A total of $30 million has been appropriated through the beginning of the current fiscal year, and the fund had revolved to the extent of a cumulative $3.3 million in repayments as required when projects were placed under construction. Repayments are expected to reach $3.5 million per year in 1960 and 1961. An appropriation of $7 million accordingly will permit $10.5 million of approvals during the budget year.

Operating results.—Since the advances are interest-free, the program has no revenue except for minor interest charges on repayments which become delinquent. To provide for those few projects which will not be started due to changes in local conditions after the completion of planning, a reserve for losses has been built up equal to one-half of 1% of advances disbursed, and accretions to the reserve constitute the net operating loss on the statement of revenue, expense, and retained earnings.

Budget expenditures approximately equal the difference between the estimated $9.9 million in disbursements and $3.5 million in repayments.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Disbursement of planning advances	$5,784,897	$12,200,000	$9,900,000
Expense	43		
Increase in selected working capital	99,967	31,253	50,000
Total gross expenditures	5,884,907	12,231,253	9,950,000
Receipts from operations (funds provided):			
Repayment of planning advances	2,056,063	3,500,000	3,500,000
Revenue	941		
Budget expenditures	3,827,903	8,731,253	6,450,000

Revenue, Expense, and Retained Earnings

Revenue	$941		
Expense	290,188	$610,000	$495,000
Net operating loss (−) for the year	−289,247	−610,000	−495,000
Deficit (−), beginning of year	−255,424	−544,671	−1,154,671
Deficit (−), end of year	−544,671	−1,154,671	−1,649,671

Financial Condition

Assets:			
Cash with Treasury and in banks	$16,488,670	$13,757,417	$14,307,417
Accounts receivable, net	218,747	250,000	300,000
Planning advances receivable, net	6,747,912	14,837,912	20,742,912
Total assets	23,455,329	28,845,329	35,350,329
Government investment:			
Non-interest-bearing capital:			
Start of year	17,000,000	24,000,000	30,000,000
Appropriation during year	7,000,000	6,000,000	7,000,000
End of year	24,000,000	30,000,000	37,000,000
Deficit (−)	−544,671	−1,154,671	−1,649,671
Total Government investment	23,455,329	28,845,329	35,350,329

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash	$13,316,573	$16,488,670	$13,757,417	$14,307,417
Obligated balance, net:				
Undisbursed advance obligations	9,094,573	14,565,445	12,865,445	13,465,445
Accounts receivable, net (−)	−118,780	−218,747	−250,000	−300,000
Total obligated balance	8,975,793	14,346,698	12,615,445	13,165,445
Unobligated balance	4,340,780	2,141,972	1,141,972	1,141,972

LIQUIDATING PROGRAMS

REVOLVING FUND (LIQUIDATING PROGRAMS)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Grants to local governments	$157,429	$93,000	
2. Disposition and management costs	161,975	300,000	$300,000
3. Transfer to Federal National Mortgage Association (73 Stat. 670)		60,000	
4. Other costs	1,314,268	651,340	253,000
Total program (obligations)	1,633,672	1,104,340	553,000
Financing:			
Amounts becoming available:			
Revenue and receipts:			
Collection and sale of loans and mortgages	15,098,566	167,368,849	450,000
Repayment of planning advances	1,058,209	930,000	700,000
Other receipts	1,324,750	493,869	115,000
Interest revenue on loans and mortgages	9,312,179	5,511,000	881,000
Recovery of prior year obligations	161,641	110,112	
Total amounts becoming available	26,955,345	174,413,830	2,146,000
Unobligated balance brought forward	11,563,088	8,773,557	2,083,047
Total amounts available	38,518,433	183,187,387	4,229,047
Capital transfer (repayment of investment to Treasury) (−)	−28,000,000	−180,000,000	−2,000,000
Unobligated balance transferred to "Liquidation of Hoonah housing project revolving fund," Bureau of Indian Affairs, Department of the Interior (72 Stat. 974)	−111,204		
Unobligated balance carried forward	−8,773,557	−2,083,047	−1,676,047
Financing applied to program	1,633,672	1,104,340	553,000

The revolving fund for liquidating programs was established by provisions of the Independent Offices Appropriation Act, 1955, to provide for the orderly liquidation of a number of Housing and Home Finance Agency programs as well as any other programs that may be transferred by legislation.

Budget program.—The assets remaining for disposition at the end of 1959 consisted chiefly of mortgages accepted in financing real property sales. During 1960, in accordance with provisions of the Housing Act of 1959 (73 Stat. 670), $160 million of these mortgages are to be sold to Federal National Mortgage Association. The budget program centers on the accounting, servicing, collection, and related activities for the portfolio of loans and advances to local governments totaling $31.6 million of the $39 million of net assets remaining to be liquidated.

Financing.—Receipts, largely from principal repayments and interest on loans and advances, total $2.1 million in the budget year against expenses of $1.7 million.

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The sharp decline from the current year reflects the 1960 sale of mortgages to the Federal National Mortgage Association.

Financial condition.—The Government's original investment in the consolidated liquidating program totaled almost $2.5 billion. By the close of 1961 there will remain on hand about $37.9 million in assets to be liquidated. Repayments to Treasury of $180 million and $2 million estimated for 1960 and 1961 will bring the cumulative total repaid to $892 million.

The following schedule shows the Government's investment at the close of each year:

[In thousands]

	1959 actual	*1960 estimate*	*1961 estimate*
Non-interest-bearing investment:			
Appropriations	$2,214,712	$2,214,712	$2,214,712
Assets transferred from other agencies	276,852	276,852	276,852
Assets transferred to other agencies (−)	−388,442	−388,804	−389,224
Statutory grants and donations (−)	−770,221	−770,221	−770,221
Repayment of investment to Treasury (−)	−710,463	−890,463	−892,463
Total non-interest-bearing investment	622,438	442,076	439,656
Deficit (−)	−410,945	−402,286	−401,926
Total Government investment	211,493	39,790	37,730
Net book value of principal assets:			
Cash	8,498	2,734	653
Loans, mortgages, and advances	196,075	31,572	29,804
Land, structures, and equipment	3,083	2,804	3,034
Other	3,837	2,680	4,239
Total	211,493	39,790	37,730

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Acquisition of loans and other assets	$376,209		
Grants to local governments	157,429	$93,000	
Expense	973,566	1,101,128	$703,000
Transfer to Federal National Mortgage Association (73 Stat. 670)		60,000	
Increase in selected working capital			1,029,000
Total gross expenditures	1,507,204	1,254,128	1,732,000
Receipts from operations (funds provided):			
Realization of assets:			
Loans repaid	15,098,566	7,368,849	450,000
Sale of loans to Federal National Mortgage Association		160,000,000	
Repayment of planning advances	1,058,209	930,000	700,000
Proceeds from sale of real property	1,003,042	319,000	
Revenue	9,383,994	5,571,000	881,000
Other receipts	157,959	114,869	115,000
Adjustment of prior year expense and other transactions	91,934		
Decrease in selected working capital	998,899	1,165,152	
Total receipts from operations	27,792,603	175,468,870	2,146,000
Budget expenditures	−26,285,399	−174,214,742	−414,000

Revenue, Expense, and Retained Earnings

Proceeds from sale of real property	$754,359	$278,000	
Net book value of real property sold (−)	−756,634	−486,000	
Net loss (−) from sale	−2,275	−208,000	
Revenue	9,383,994	5,571,000	$881,000
Expense (−)	−8,495,296	3,296,012	−521,150
Net income or loss (−) for the year	886,423	8,659,012	359,850
Analysis of deficit (−):			
Deficit (−), beginning of year	−405,033,325	−410,945,255	−402,286,243
Adjustment of valuation allowances and property transferred to other agencies	−6,798,353		
Deficit (−), end of year	−410,945,255	−402,286,243	−401,926,393

Financial Condition

Assets:			
Cash with Treasury	$8,018,939	$2,233,681	$647,681
Cash on hand and in banks	478,992	500,000	5,000
Accounts receivable, net	2,729,322	1,266,366	1,148,366
Deferred and undistributed charges	128		
Loans receivable, net	184,050,983	17,671,024	16,722,874
Planning advances, net	12,024,207	13,901,390	13,081,390
Acquired security or collateral, net	5,721		
Other assets, net	3,445,355	3,330,486	3,215,486
Land, structures, and equipment, net	3,082,764	2,803,977	3,033,977
Total assets	213,836,411	41,706,924	37,854,774

Financial Condition—Continued

	1959 actual	1960 estimate	1961 estimate
Liabilities:			
Current	$2,343,712	$1,917,000	$125,000
Government investment:			
Non-interest-bearing capital:			
Start of year	653,899,984	622,437,954	442,076,167
Assets transferred from other Federal agencies	1,600		
Assets transferred to other Federal agencies (−)	−1,351,357	−361,787	−420,000
Assets transferred to other public bodies (−)	−1,988,516		
Repayment of investment to Treasury (−)	−28,000,000	−180,000,000	−2,000,000
Collection of claims settled by General Accounting Office	−123,757		
End of year	622,437,954	442,076,167	439,656,167
Deficit (−)	−410,945,255	−402,286,243	−401,926,393
Total Government investment	211,492,699	39,789,924	37,729,774

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash with Treasury	$9,844,744	$8,018,939	$2,233,681	$647,681
Obligated balance, net:				
Current liabilities	2,226,965	2,343,712	1,917,000	125,000
Undisbursed grant obligations	267,467	109,984		
Unpaid undelivered orders	3,731			
Accounts receivable, net, and cash on hand and in banks (−)	−4,216,507	−3,208,314	−1,766,366	−1,153,366
Total obligated balance	−1,718,344	−754,618	150,634	−1,028,366
Unobligated balance	11,563,088	8,773,557	2,083,047	1,676,047

LIMITATION ON ADMINISTRATIVE EXPENSES, OFFICE OF THE ADMINISTRATOR, REVOLVING FUND (LIQUIDATING PROGRAMS)

During the current fiscal year not to exceed [$653,000] *$155,000* shall be available for administrative expenses, but this amount shall be exclusive of expenses necessary in the case of defaulted obligations to protect the interests of the Government and legal services on a contract or fee basis and of payment for services and facilities of the Federal Reserve banks or any member thereof, any servicer approved by the Federal National Mortgage Association, the Federal home-loan banks, and any insured bank within the meaning of the Act of August 23, 1935, as amended, creating the Federal Deposit Insurance Corporation (12 U.S.C. 264) which has been designated by the Secretary of the Treasury as a depository of public money of the United States. (*Independent Offices Appropriation Act, 1960.*)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Management and disposition of loans, investments, and real property (total obligations)	$637,507	$653,000	$155,000
Financing:			
Unobligated balance no longer available	13,393		
Limitation	650,900	653,000	155,000

Object Classification

Total number of permanent positions		83		65	
Average number of all employees		71		68	
Number of employees at end of year		72		0	
Average GS grade and salary	6.2	$5,660	5.6	$5,316	
01 Personal services:					
Permanent positions		$392,146		$363,300	
Other personal services		4,510		6,300	
Total personal services		396,656		369,600	
02 Travel		1,737		1,000	
03 Transportation of things		14			
04 Communication services		10,333		10,000	
05 Rents and utility services		34,528		32,000	
06 Printing and reproduction		15		500	
07 Other contractual services		2,482		2,280	
Payment to other accounts		153,700		205,000	$155,000
General Accounting Office audit		4,292		3,000	

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OFFICE OF THE ADMINISTRATOR—Continued

Public enterprise funds—Continued

LIQUIDATING PROGRAMS—Continued

LIMITATION ON ADMINISTRATIVE EXPENSES, OFFICE OF THE ADMINISTRATOR, REVOLVING FUND (LIQUIDATING PROGRAMS)—continued

Object Classification—Continued

		1959 actual	1960 estimate	1961 estimate
08	Supplies and materials	$7,882	$7,000	
09	Equipment	1,057		
11	Grants, subsidies, and contributions	24,547	22,000	
13	Refunds, awards, and indemnities	120	500	
15	Taxes and assessments	144	120	
	Total obligations	637,507	653,000	$155,000

URBAN RENEWAL

The Housing Act of 1949, as amended by the Housing Act of 1954, authorizes Federal assistance to local governments for acquisition, clearance, and redevelopment of slums and blighted areas, and for conservation and rehabilitation of larger areas not requiring clearance action. Federal grants defray two-thirds of net project costs. Contract authority totaling $1.7 billion has been authorized and an additional $300 million becomes available under existing law on July 1, 1960. In addition, temporary project financing and long-term financing of land disposed of under lease agreements through direct or guaranteed loans is provided under Treasury borrowing authorization of $1 billion.

As a condition precedent to Federal assistance, a community is required to develop a workable program to eliminate blight and achieve a stable well-planned community with well-organized neighborhoods. The Administrator's certification of the workable program is made for 1 year, and annual recertification based on demonstrated satisfactory progress is required for continued eligibility for Federal assistance. The budget program projects the following activity:

	1959 actual	*1960 estimate*	*1961 estimate*
Workable program certifications	405	220	190
Recertifications	377	570	700

Since grants are nearly a complete measure of Government program costs, the program and financing schedule for grants and an outline of associated activities is presented first. This is followed by a similar schedule and discussion of the loan assistance portion of the program and the combined financial statements for the entire program.

[CAPITAL] GRANTS FOR SLUM CLEARANCE AND URBAN RENEWAL

For an additional amount for payment of [capital] grants as authorized by title I of the Housing Act of 1949, as amended (42 U.S.C. 1453, 1456), [$90,000,000] *$150,000,000.* (*Independent Offices Appropriation Act, 1960.*)

Appropriated 1960, **$90,000,000** Estimate 1961, **$150,000,000**

URBAN RENEWAL FUND (GRANTS)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Grant funds reserved, net	$118,119,168	$386,300,000	$300,000,000
Reservations outstanding at beginning of year	772,356,219	601,484,757	727,784,757
Reservations outstanding at end of year (−)	−601,484,757	−727,784,757	−677,784,757
Total program (obligations)	288,990,630	260,000,000	350,000,000

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Financing:			
Amounts becoming available: Contract authorization (permanent)	$100,000,000	$350,000,000	$300,000,000
Unobligated balance brought forward (contract authorization):			
Under reservation	772,356,219	601,484,757	727,784,757
Available for reservation	54,435,619	36,316,451	16,451
Total amounts available	926,791,838	987,801,208	1,027,801,208
Unobligated balance carried forward (contract authorization):			
Under reservation	−601,484,757	−727,784,757	−677,784,757
Available for reservation	−36,316,451	−16,451	−16,451
Financing applied to program	288,990,630	260,000,000	350,000,000

Status of Unfunded Contract Authorization

Unfunded balance at beginning of year	$1,093,000,000	$1,143,000,000	$1,353,000,000
Contract authorization (new)	100,000,000	350,000,000	300,000,000
Transferred to Proposed for later transmission		−50,000,000	
Unfunded balance at end of year	−1,143,000,000	−1,353,000,000	−1,503,000,000
Appropriation to liquidate contract authorization	50,000,000	90,000,000	150,000,000

Budget program.—Administrative action is taken to reserve or earmark contract authority for grants at the time approval is given for planning a project, or for a more general neighborhood planning program presaging a specific project application. This is done to assure availability of grant assistance after a considerable period of time and substantial community investment required for the urban renewal undertaking. Planning is, in the typical case, limited to 18 months. The following table reflects the number of projects in the planning stages:

	1959 actual	*1960 estimate*	*1961 estimate*
Planning approved	97	155	135
Planning terminated	23	25	20
Planning completed	94	110	110
Planning in process at year end	240	260	265

The execution phase occurs usually over a period of several years, during which Federal progress payments are made as substantial action is completed both with respect to the project itself and the provision of the local share of project cost. These progress payments permit the retirement of temporary project financing, thus achieving savings in project costs. It is estimated that during the budget year payment of Federal grants will total $150 million, as compared with $140 million (including a proposed $50 million supplemental appropriation) in the current year.

	1959 actual	*1960 estimate*	*1961 estimate*
Projects entering execution	96	110	110
Projects completed	16	25	40
Projects in execution at year end	355	440	510

In most instances, Federal grants are limited to two-thirds of net project costs. This is true of the usual renewal project, of special demonstration projects reporting on improved methods for dealing with the problems of urban blight, and also of the community renewal programs authorized by the Housing Act of 1959 for the identification of eligible areas, the extent of need and resources available for appropriate action, and the scheduling of local renewal activities. Federal grants defray full costs of relocating displaced families and businesses from urban renewal areas up to a maximum of $200 per family, or $3,000 per business establishment, and for restoration of loan fund losses from advances and accrued interest on terminated projects. The distribution of actual and estimated grant payments is shown in the schedule of Sources and application of funds.

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URBAN RENEWAL FUND (LOANS AND PLANNING ADVANCES)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Loan contracts executed, net:			
1. Planning advances	$7,578,061	$16,200,000	$13,000,000
2. Temporary loans	412,418,166	395,000,000	440,000,000
3. Definitive loans	2,774,000	5,000,000	10,000,000
Total loan and advance commitments	422,770,227	416,200,000	463,000,000
4. Adjustment to estimated effect on Treasury borrowing requirements (Public Law 86-372)		−301,250,000	−340,000,000
Total loan obligations	422,770,227	114,950,000	123,000,000
5. Interest on borrowings	2,255,209	3,179,250	3,844,000
6. Other	1,251,281	1,224,989	2,200,000
Total program (obligations)	426,276,717	119,354,239	129,044,000
Financing:			
Amounts becoming available:			
Repayment of Federal planning advances	6,016,252	13,698,146	13,450,000
Restoration of availability on partial funding basis:			
Repayment of temporary loans from project settlement funds	16,895,445	6,400,000	11,250,000
Retirement of commitments resulting from repayment of guaranteed non-Federal loans from project settlement funds	20,714,492	7,225,000	16,250,000
Cancellations resulting from availability of project settlement funds (waivers)	41,891,286	10,500,000	12,500,000
Revenue	3,689,255	4,806,000	6,620,000
Recovery of prior year obligations under Public Law 86-372		574,617,101	
Total amounts becoming available	89,206,730	617,246,247	60,070,000
Unobligated balance brought forward (authorization to expend from public debt receipts)	542,695,676	205,625,689	703,517,697
Total amounts available	631,902,406	822,871,936	763,587,697
Unobligated balance carried forward (authorization to expend from public debt receipts)	−205,625,689	−703,517,697	−634,543,697
Financing applied to program	426,276,717	119,354,239	129,044,000

Budget program.—The Treasury borrowing authority provides loan assistance in financing the planning and execution of urban renewal projects by the following types of commitments:

1. *Planning advances.*—The financing of planning costs directly associated with the project and repayable with interest from project funds.

2. *Temporary loans.*—Initial financing needs under the contract are generally met through direct short-term Federal loans. Thereafter the redevelopment agency generally relies upon private borrowings secured by pledge of the Federal loan commitment. Temporary loans are repaid from the proceeds of land sales and from local and Federal cash grants.

3. *Definitive loans.*—Commitments issued to secure private financing for the net value of redeveloped land which is leased rather than sold.

The loan commitments cover total expenditures by the local public agency in carrying out the project. However, experience demonstrates that only a minor portion of the Federal loan commitment is outstanding at any one time as a direct Federal loan, since project expenditures take place over several years and early borrowings are retired progressively from local and Federal grants and from the sale of land in portions of the project prepared for reuse. In addition, private financing obtained with a pledge of the Federal loan commitment as security is relied upon as the source of funds for approximately 75% of temporary loans and for all definitive loans. The following table shows the status of total Federal loan commitments at the end of each of the years covered by this budget.

[In thousands]

	1959 actual	*1960 estimate*	*1961 estimate*
Total Federal loans and loan commitments at end of year	$794,975	$1,100,948	$1,390,343
Federal loans and advances outstanding	70,593	126,394	144,944
Guaranteed non-Federal loans outstanding	273,449	425,721	645,566
Unutilized	450,933	548,833	599,833

Technical amendments to section 102(e) of the Housing Act of 1949 were enacted in 1959, redefining obligations against the Treasury borrowing authorization as the estimated amount of direct Federal loans to be made. Such obligations are estimated at (*a*) the face amount of planning advance commitments and (*b*) 25% of temporary loan commitments. Loan commitments and obligations in the 1960 and 1961 columns of the program and financing schedule show the adjustments occasioned by these amendments. Total Federal loan commitments of $463 million in 1961 are reflected in the schedule at the maximum probable Federal exposure of $123 million.

Financing.—Borrowing authority previously committed is restored through transactions of the following four types: (*a*) Repayment of planning advances; (*b*) repayment of temporary loans from project settlement funds which include proceeds from the sale of land, Federal grants, and local grants; (*c*) cancellation of temporary loan commitments by waivers permitting the use of project settlement funds as a substitute for additional loans; and (*d*) retirement of commitments as a result of the repayment of guaranteed non-Federal loans from project settlement funds.

The full amount of repayments of planning advances is included in the program and financing schedule for all 3 years. The repayment, cancellation, and retirement of temporary loans represents, however, under Public Law 86-372, restoration of amounts available for obligation equal to only 25% of gross recoveries change in commitments in 1960 and 1961 and is so shown on the program and financing statement. Repayments of Federal temporary loans from the proceeds of non-Federal guaranteed loans are not reflected on the program and financing statement since the reduction in Federal loan balances is offset by an increase in undisbursed commitments; such repayments, amounting to $44.2 million in 1959, $94.3 million in 1960, and $35 million in 1961, are shown in the statement of Sources and application of funds. An adjustment in the amount of $574.6 million is included for 1960 to reduce outstanding charges against the authority at the beginning of the year to accord with the provisions of Public Law 86-372. The amount of the adjustment represents 75% of outstanding temporary loans and undisbursed commitments and 100% of outstanding definitive loans and undisbursed commitments.

Operating results.—The small margin of interest earnings has been inadequate to balance actual losses on the unsecured planning advances for terminated projects and the continually accruing interest on Treasury borrowings used to finance the advances. This impairment of capital is being corrected, as authorized by the Housing Act of 1959, by use of the grant appropriation to repay the Treasury borrowing associated with these terminated projects, and the results are directly reflected in the 1960 surplus adjustment of $362,844 and the elimination of $2.5 million in unfunded reserves for losses, thus placing the loan fund temporarily in a surplus position.

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OFFICE OF THE ADMINISTRATOR—Continued

Public enterprise funds—Continued

URBAN RENEWAL—Continued

URBAN RENEWAL FUND (LOANS AND PLANNING ADVANCES)—con.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Acquisition of advance planning loans	$8,755,577	$13,000,000	$12,000,000
Acquisition of temporary loans	60,076,093	176,400,000	100,000,000
Grants chargeable to capital investment:			
Grants to local public agencies	72,200,000	130,800,000	135,700,000
Relocation grants	2,800,000	8,000,000	13,000,000
Demonstration grants	536,633	1,300,000	1,300,000
Expense	3,503,672	4,779,250	6,044,000
Adjustment of prior year transactions	3,165		
Total gross expenditures	147,875,140	334,279,250	268,044,000
Receipts from operations (funds provided):			
Advance planning loans repaid	6,016,252	13,698,146	13,450,000
Temporary loans repaid:			
Repaid from project settlement funds	16,895,445	25,600,000	45,000,000
Refunded with guaranteed non-Federal financing	44,182,280	94,300,000	35,000,000
Revenue	3,689,255	4,806,000	6,620,000
Adjustment of prior year transactions—repayment of planning advances charged off		362,844	
Decrease in selected working capital	1,848,520	455,885	300,000
Total receipts from operations	72,631,752	139,222,875	100,370,000
Budget expenditures	75,243,388	195,056,375	167,674,000

Revenue, Expense, and Retained Earnings

Revenue	$3,689,255	$4,806,000	$6,620,000
Expense [1]	4,107,633	2,264,406	6,044,000
Net income or loss (−) for the year	−418,378	2,541,594	576,000
Analysis of retained earnings or deficit (−):			
Retained earnings or deficit (−), beginning of year	−1,481,767	−1,903,310	1,001,128
Adjustment of prior year transactions	−3,165	362,844	
Retained earnings or deficit (−), end of year	−1,903,310	1,001,128	1,577,128

[1] Excludes expense borne by Office of the Administrator administrative expense appropriations amounting to $6,068,706 in 1959; $6,676,000 in 1960; and $7,800,000 in 1961.

Financial Condition

	1959 actual	1960 estimate	1961 estimate
Assets:			
Cash with Treasury and in banks	$30,124,049	$4,067,674	$4,393,674
Accounts receivable, net	2,021,409	2,200,000	2,800,000
Loans receivable, net	68,089,683	126,394,214	144,944,214
Total assets	100,235,141	132,661,888	152,137,888
Liabilities:			
Current	4,027,691	4,650,000	5,550,000
Government investment:			
Interest-bearing capital:			
Start of year	73,000,000	98,000,000	127,000,000
Borrowings from Treasury during year, net	25,000,000	29,000,000	18,000,000
End of year	98,000,000	127,000,000	145,000,000
Non-interest-bearing capital:			
Start of year	25,647,393	110,760	10,760
Appropriations during year	50,000,000	140,000,000	150,000,000
Appropriations expended	−75,536,633	−140,100,000	−150,000,000
End of year	110,760	10,760	10,760
Retained earnings or deficit (−)	−1,903,310	1,001,128	1,577,128
Total Government investment	96,207,450	128,011,888	146,587,888

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash	$30,367,437	$30,124,049	$4,067,674	$4,393,674
Budget authorizations:				
Authorization to expend from public debt receipts	927,000,000	902,000,000	873,000,000	855,000,000
Unfinanced contract authorization	1,093,000,000	1,143,000,000	1,353,000,000	1,503,000,000
Total unexpended balance	2,050,367,437	2,075,124,049	2,230,067,674	2,362,393,674
Obligated balance, net:				
Current liabilities	2,023,794	4,027,691	4,650,000	5,550,000
Undisbursed loan and advance obligations:				
Federally guaranteed private loans	131,292,005	273,448,687	[1] 171,089,218	[1] 222,089,218
Other undisbursed loan commitments	257,574,254	450,932,632		
Undisbursed capital grant obligations	291,855,555	505,309,551	625,209,551	825,209,551
Accounts receivable, net (−)	−1,865,685	−2,021,409	−2,200,000	−2,800,000
Total obligated balance	680,879,923	1,231,697,152	798,748,769	1,050,048,769
Unobligated balance	1,369,487,514	843,426,897	1,431,318,905	1,312,344,905

[1] Undisbursed loan and advance obligations reflect partial funding authorized by Public Law 86-372 and exclude contingent liabilities of $803,464,101 in 1960 and $1,023,309,101 in 1961.

COMMUNITY DISPOSAL OPERATIONS

COMMUNITY DISPOSAL OPERATIONS FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Loans acquired to finance property disposal:			
(a) Purchase money mortgages	$10,281,780	$4,316,005	$781,245
(b) Improvement loans	412,798	16,800	
2. Administrative and other expenses	660,000	325,000	110,000
3. Statutory credits granted to purchasers:			
Priority purchasers, 15%	2,375,538	239,180	
Waiver of indemnity, 10%	1,583,693	159,450	
Credit for property improvements	413,124	176,340	50,000
Total program (obligations)	15,726,933	5,232,775	941,245
Financing:			
Amounts becoming available:			
Assets transferred from Atomic Energy Commission at appraised value	18,667,211	12,177,264	3,139,790
Value added by property improvements financed at sale	412,798	16,800	
Collection of mortgages and purchase contracts	1,003,526	929,796	465,545
Proceeds from sale of mortgages	15,557,757	2,500,000	3,235,000
Interest and other revenue	711,312	632,500	376,000
Gain or loss (−) on the sale of realty	378,725	214,200	−51,310
Total amounts becoming available	36,731,329	16,470,560	7,165,025
Unobligated balance brought forward	2,312,671	3,317,067	2,554,852
Total amounts available	39,044,000	19,787,627	9,719,877
Capital transfer (repayment of investment to Treasury) (−)	−20,000,000	−12,000,000	−7,000,000
Unobligated balance carried forward	−3,317,067	−2,554,852	−1,778,632
Financing applied to program	15,726,933	5,232,775	941,245

The Atomic Energy Community Act of 1955 (69 Stat. 471) provides for the disposition of the Government-owned properties at Oak Ridge, Tenn., and Richland, Wash. The sales and financing functions under the act were transferred to the Housing and Home Finance Administrator by Executive Order 10657.

Budget program.—The initial inventory of property to be sold consisted of 11,866 parcels with a total appraised

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value of $82.5 million. By the end of 1959, sales totaled 10,411 parcels having an appraised value of $67.2 million or 88% of the disposal inventory. Parcels remaining for disposal are apartments and vacant land requiring the preparation of extensive factual material for open offerings. It is estimated that all of the remaining inventory will be disposed of by the end of the budget year.

The following schedule shows disposition by general property type and community:

[Dollars in millions]

	Total		Actual through June 30, 1959		1960 estimate		1961 estimate	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Oak Ridge, Tenn.:								
Residential	6,240	$28.8	5,390	$24.4	550	$4.2	300	$0.2
Nonresidential	280	2.8	215	2.5	65	.3	---	---
Subtotal	6,520	31.6	5,605	26.9	615	4.5	300	.2
Richland, Wash.:								
Residential	5,031	40.4	4,784	37.8	247	2.6	---	---
Nonresidential	335	10.5	22	2.5	226	5.1	87	2.9
Subtotal	5,366	50.9	4,806	40.3	473	7.7	87	2.9
Total	11,886	82.5	10,411	67.2	1,088	12.2	387	3.1

Sales proceeds in 1961 are estimated at $2.3 million in cash and $0.8 million in purchase money mortgages. An analysis of actual and estimated sales for the disposal program from inception is shown in the following schedule:

[In thousands]

	Total	Oak Ridge	Richland
Appraised value of properties sold	$82,520	$31,644	$50,876
Less: Statutory allowances:			
Priority—15%	9,233	3,365	5,868
Indemnity—10%	6,154	2,243	3,911
Tenant improvements	2,082	537	1,545
Total	17,469	6,145	11,324
Net value of properties sold	65,051	25,499	39,552
Improvement loans made	1,468	623	845
Sales proceeds	66,519	26,122	40,397
Represented by:			
Cash	33,494	14,793	18,701
Purchase money mortgages	32,363	10,674	21,689
3-year purchase contracts	662	655	7
Total	66,519	26,122	40,397

Operating results.—An estimated loss of $51,310 on realty sales in 1961 compares with profits of $592,925 during the 2 preceding years. The loss in 1961 reflects the lower marketability of the residual inventory. Sale of $3.2 million in mortgages is also projected, leaving a portfolio of $3.1 million conventional mortgages on uninsurable residences and commercial properties. Interest and other income exceeded administrative and other expenses for the first time in 1959, and more substantial earnings are estimated as expenses decline in the current and budget years. Cumulative net earnings are estimated at $0.8 million by the close of 1961.

Total repayment of Government investment will amount to $61 million with a payment of $7 million in 1961. The following table shows the cumulative results of the program at the close of the 3 years covered by the budget.

[In thousands]

	1959 actual	1960 estimate	1961 estimate
Government investment:			
Assets transferred from Atomic Energy Commission at appraised value	$67,203	$79,380	$82,520
Statutory allowances (—)	—16,844	—17,419	—17,469
Repayment of investment to Treasury (—)	—42,000	—54,000	—61,000
Earnings	65	587	801
Net assets on hand, close of year	8,424	8,548	4,852

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Acquisition of assets:			
Purchase money mortgages	$10,281,780	$4,316,005	$781,245
Improvement loans made	412,798	16,800	---
Expense	660,000	325,000	110,000
Increase in selected working capital	283,402	135,743	74,500
Total gross expenditures	11,637,980	4,793,548	965,745
Receipts from operations (funds provided):			
Proceeds from sale of property	15,086,379	11,833,294	3,038,480
Proceeds from sale of mortgages	15,557,757	2,500,000	3,235,000
Repayments of purchase money mortgages and purchase contracts	1,003,526	929,796	465,545
Revenue	711,312	632,500	376,000
Total receipts from operations	32,358,974	15,895,590	7,115,025
Budget expenditures	—20,720,994	—11,102,042	—6,149,280

Revenue, Expense, and Retained Earnings

Proceeds of real estate sales	$15,086,379	$11,833,294	$3,038,480
Appraised value of realty sold after statutory allowances	—14,707,654	—11,619,094	—3,089,790
Net gain or loss (—) from sale of realty	378,725	214,200	—51,310
Proceeds of mortgage sales	15,557,757	2,500,000	3,235,000
Book value of mortgages sold	—15,352,562	—2,500,000	—3,235,000
Net gain from sale of mortgages	205,195	---	---
Operating income:			
Revenue	711,312	632,500	376,000
Expense	660,000	325,000	110,000
Net operating income	51,312	307,500	266,000
Net income for the year	635,232	521,700	214,690
Retained earnings or deficit (—), beginning of year	—570,231	65,001	586,701
Retained earnings, end of year	65,001	586,701	801,391

Financial Condition

Assets:			
Cash with Treasury and in banks	$3,537,310	$2,639,352	$1,788,632
Accounts receivable	21,873	20,500	15,000
Purchase money mortgages (includes improvement loans)	5,107,191	5,993,400	3,074,100
Total assets	8,666,374	8,653,252	4,877,732
Liabilities:			
Current	242,116	105,000	25,000
Government investment:			
Non-interest-bearing capital:			
Start of year	14,064,401	8,359,257	7,961,551
Assets transferred from Atomic Energy Commission during the year	18,667,211	12,177,264	3,139,790
Statutory allowances	—4,372,355	—574,970	—50,000
Repayment of investment to Treasury (—)	—20,000,000	—12,000,000	—7,000,000
End of year	8,359,257	7,961,551	4,051,341
Retained earnings	65,001	586,701	801,391
Total Government investment	8,424,258	8,548,252	4,852,732

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash with Treasury	$2,816,316	$3,537,310	$2,639,352	$1,788,632
Obligated balance, net:				
Current liabilities	544,437	242,116	105,000	25,000
Accounts receivable, net (—)	—40,792	—21,873	—20,500	—15,000
Total obligated balance	503,645	220,243	84,500	10,000
Unobligated balance	2,312,671	3,317,067	2,554,852	1,778,632

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OFFICE OF THE ADMINISTRATOR—Continued

Public enterprise funds—Continued

COMMUNITY DISPOSAL OPERATIONS—Continued

COMMUNITY DISPOSAL OPERATIONS FUND—continued

Object Classification

		1959 actual	1960 estimate	1961 estimate
07	Other contractual services	$660,000	$325,000	$110,000
11	Grants, subsidies, and contributions	4,372,355	574,970	50,000
16	Investments and loans	10,694,578	4,332,805	781,245
	Total obligations	15,726,933	5,232,775	941,245

Proposed for later transmission:

URBAN PLANNING GRANTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Grants to planning agencies (total costs—obligations)		$2,000,000	
Financing:			
Proposed supplemental appropriation		2,000,000	

Under existing legislation, 1960.—A supplemental appropriation is anticipated for 1960 in furtherance of the program as expanded under the 1959 amendments.

URBAN RENEWAL

GRANTS FOR SLUM CLEARANCE AND URBAN RENEWAL (LIQUIDATION OF CONTRACT AUTHORIZATION)

Status of Unfunded Contract Authorization

	1959 actual	1960 estimate	1961 estimate
Unfunded contract authorization transferred from "Urban renewal fund (grants)"		$50,000,000	
Proposed supplemental appropriation to liquidate contract authorization		50,000,000	

Under existing legislation, 1960.—A supplemental appropriation for 1960 is anticipated to liquidate contract authority for grants.

FEDERAL FLOOD INDEMNITY ADMINISTRATION

Public enterprise funds:

INVESTMENT IN FLOOD INDEMNITY OPERATIONS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Financing:			
Unobligated balance brought forward (authorization to expend from public debt receipts)	$500,000,000	$500,000,000	$500,000,000
Unobligated balance carried forward (authorization to expend from public debt receipts)	−500,000,000	−500,000,000	−500,000,000
Financing applied to program			

The Administrator is authorized to borrow up to $500 million, plus such additional amounts as the President shall approve, from the Secretary of the Treasury in the furtherance of the programs enacted in the Federal Flood Insurance Act of 1956. No borrowings have been made or are proposed.

FEDERAL NATIONAL MORTGAGE ASSOCIATION

The Association, operating under the Federal National Mortgage Association Charter Act (12 U.S.C. 1716, et seq.), purchases, services, and sells residential mortgages that are insured by the Federal Housing Administration or guaranteed by the Veterans Administration. The Association's functions are carried out through three programs for which separate accountability is required by statute. These programs—secondary market operations, special assistance functions, and management and liquidating functions—are described in the following sections.

NOTE.—Expenditures from the following funds for 1960 are subject to the first paragraph of title II of the Independent Offices Appropriation Act, 1960. For 1961 this paragraph is shown in the independent offices chapter, p. 147, preceding Federal Home Loan Bank Board.

Public enterprise funds:

LOANS FOR SECONDARY MARKET OPERATIONS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Loans to the secondary market operations fund	$307,311,970	$940,000,000	$800,000,000
Purchase of preferred stock in the secondary market operations fund			50,000,000
Total program (obligations)	307,311,970	940,000,000	850,000,000
Financing:			
Amounts becoming available: Repayment of loans by the secondary market operations fund	265,780,935	981,531,035	800,000,000
Unobligated balance brought forward (authorization to expend from public debt receipts)	2,315,000,000	2,273,468,965	2,315,000,000
Total amounts available	2,580,780,935	3,255,000,000	3,115,000,000
Unobligated balances carried forward (authorization to expend from public debt receipts)	−2,273,468,965	−2,315,000,000	−2,265,000,000
Financing applied to program	307,311,970	940,000,000	850,000,000

The secondary market operations of the Federal National Mortgage Association were authorized by the Housing Act of 1954 to provide limited liquidity for Government insured and guaranteed mortgages and to improve the distribution of investment capital available for home mortgage financing. This assistance to the secondary market for home mortgages is provided by the purchase and sale of mortgages insured by the Federal Housing Administration or guaranteed by the Veterans Administration on or after August 2, 1954, that are of such quality, type, and class as meet generally the purchase standards imposed by private institutional mortgage investors. Purchases and sales may be made only at such prices and on such terms as will reasonably prevent excessive use of the Association's facilities and permit the Association to operate on a fully self-supporting basis.

The authorizing statute contemplates that the secondary market operations will ultimately be completely owned and financed by private participants. Accordingly, these operations are treated in the budget as a trust enterprise and the financial statements relating thereto appear in part III of this document.

The secondary market operations were initially capitalized by the issuance of $92.8 million of Federal National

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Mortgage Association preferred stock to the Secretary of the Treasury. Subsequently, increased preferred stock subscriptions by the Secretary of the Treasury, amounting to $50 million (Public Law 85–10, approved March 27, 1957) and $65 million (Public Law 85–104, approved July 12, 1957) were authorized, of which $50 million was subscribed in 1957. The preferred stock will be retired as rapidly as feasible and, in the meantime, the Association will pay dividends on the utilized portion thereof to the Treasury at rates determined by the Secretary of the Treasury. Private capitalization for these operations is accumulated pursuant to a statutory requirement which provides that sellers of mortgages to the Association must subscribe to common stock in an amount not less than 1% and not more than 2% of the unpaid principal amounts of the mortgages involved as determined by the Association from time to time, taking into consideration conditions in the mortgage market and the general economy.

Recommendations for legislation to transfer ownership of the Association to private owners of capital stock must be submitted to the Congress as promptly as practicable after all the Treasury-held preferred stock has been retired.

The Association is authorized to finance its secondary market operations through borrowing from the public on the security of nonguaranteed debentures. Such obligations may not exceed the lesser of: (*a*) ten times the sum of the capital and surplus applicable to these operations or (*b*) the sum of assets free of liens or incumbrances, representing cash, mortgages, obligations of the United States or guaranteed thereby, or obligations which are lawful investments for fiduciary, trust, or public funds. The Secretary of the Treasury, so long as any of the preferred stock is outstanding, is authorized to purchase such debentures in an amount not exceeding $2.25 billion outstanding at any one time.

Budget program.—Mortgage purchases are estimated in considerably larger volume in 1960 and 1961 than in 1959. During the same period, only a limited volume of mortgages is estimated to be sold. This reflects the limited supply of funds which are estimated to be available for long-term investment and anticipated continuation of relatively high interest rates. Actual and estimated program levels are shown in the following table:

[In millions]

	1959 actual	*1960 estimate*	*1961 estimate*
Mortgage purchases (net of discount)	$302.1	$1,047.0	$975.0
Mortgage sales (net of discount)	72.3	4.8	4.8
Repayments and other credits	52.7	67.0	86.2
Balance in portfolio at end of year	1,511.3	2,486.5	3,370.6

The prices at which mortgages are purchased under these operations are established by the Association within the range of market prices for the particular class of mortgages involved. In establishing its purchase prices, the Association follows the practices of private institutions and varies such prices by geographic factors, interest rate of the loan, and the ratio of equity to value of the subject property. The budget assumes that mortgages will be purchased during 1960 and 1961 at average discounts of 4.8 and 2.5 points, respectively, below their face value, and that sales will be made at an average price of 0.5 points above the purchase price.

Financing.—The projected mortgage purchase program will require substantial additional borrowing by the Association in 1960 and 1961. Outstanding borrowings, which totaled $1,331.6 million at the end of 1959, are estimated to increase by $938.4 million in 1960 and by an additional $800 million in 1961. The additional loan funds, as well as the funds necessary to repay Treasury in 1960 the $41.5 million in loans outstanding at the end of 1959, are estimated to be provided through the sale of the Association's debentures to the public. Substantial interim Treasury borrowing will be required, but will be repaid within the same fiscal year from the proceeds from the sale of debentures. The increase in outstanding borrowing will make necessary the further purchase by Treasury of $50 million of the Association's preferred stock (authorized by Public Law 85–104) in order to maintain the ratio of borrowing to equity within the limits specified by the statute. Other financing will be obtained from the sale and repayment of mortgages, earnings, and mandatory subscriptions of common stock by sellers of mortgages to the Association.

The amounts of the principal financing balances outstanding at year end are summarized in the following table:

[In millions]

	1959 actual	*1960 estimate*	*1961 estimate*
Private financing:			
Nonguaranteed debentures	$1,290.1	$2,270.0	$3,070.0
Common stock subscribed	42.9	65.8	86.7
Treasury financing:			
Borrowing from Treasury	41.5	−41.5	----
Preferred stock	142.8	142.8	192.8

Operating results.—Operations are reflected in budget expenditures only to the extent of Treasury financing.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Purchase of preferred stock in the Secondary market operations fund	----	----	$50,000,000
Loans to the Secondary market operations fund	$307,311,970	$940,000,000	800,000,000
Total expenditures	307,311,970	940,000,000	850,000,000
Receipts from operations (funds provided):			
Repayment of loans by the Secondary market operations fund	265,780,935	981,531,035	800,000,000
Budget expenditures	41,531,035	−41,531,035	50,000,000

Special Assistance Functions

PAYMENT TO SPECIAL ASSISTANCE FUNCTIONS FUND

For purchases and commitments to purchase mortgages pursuant to sections 305(a) and 305(c) of the National Housing Act, as amended, to be borrowed from the Secretary of the Treasury in accordance with the provisions of section 305(d) of said Act, $150,000,000, to remain available until expended. (Authorizing legislation to be proposed for 1961.)

Estimate 1961, **$150,000,000**

SPECIAL ASSISTANCE FUNCTIONS FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operations:			
1. Mortgage servicing fees	$1,819,246	$5,250,000	$6,330,000
2. Interest on Treasury borrowings	17,683,234	58,189,000	73,525,000
3. Other obligations	1,692,756	1,321,000	1,365,000
Total operations	21,195,236	64,760,000	81,220,000
Capital outlay:			
4. Mortgage purchase commitments:			
Armed services housing	20,634,360	30,000,000	15,000,000
Cooperative housing	26,340,300	20,000,000	25,000,000
Low cost housing ($13,500 or less)	588,783,775	----	----
Urban renewal and relocation housing	209,077,699	257,399,468	362,350,000
Housing for the elderly	20,728,554	40,000,000	50,000,000
Other	11,503,649	12,000,000	4,000,000
Total capital outlay	877,066,337	359,399,468	456,350,000
Total program (obligations)	898,261,573	424,159,468	537,570,000

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FEDERAL NATIONAL MORTGAGE ASSOCIATION—Continued

Public enterprise funds—Continued

SPECIAL ASSISTANCE FUNCTIONS—Continued

SPECIAL ASSISTANCE FUNCTIONS FUND—continued

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Financing:			
Amounts becoming available:			
Authorization to expend from public debt receipts:			
Based on existing legislation		$25,000,000	
Based on proposed legislation			$150,000,000
Revenue and receipts:			
Mortgage loan repayments and sales	$19,069,178	54,885,000	64,790,000
Interest on mortgage loans	24,598,817	68,365,000	87,215,000
Commitment fees	6,485,471	3,117,000	2,950,000
Purchase and marketing fees and other receipts	7,439,638	3,890,000	1,885,000
Recovery of prior year obligations	121,303,023	104,766,000	35,300,000
Total amounts becoming available	178,896,127	260,023,000	342,140,000
Unobligated balance brought forward (authorization to expend from public debt receipts)	1,415,938,713	665,558,229	476,421,761
Total amounts available	1,594,834,840	925,581,229	818,561,761
Unobligated balance carried forward (authorization to expend from public debt receipts)	−665,558,229	−476,421,761	−257,991,761
Unobligated balance no longer available (authorization to expend from public debt receipts)	−31,015,038	−25,000,000	−23,000,000
Financing applied to program	898,261,573	424,159,468	537,570,000

Federal National Mortgage Association is authorized to provide special assistance to the extent that the President has determined that it is in the public interest for the financing of (*a*) selected types of home mortgages (pending establishment of their marketability) originated under special housing programs designed to provide housing of acceptable standards at full economic costs for segments of the national population which are unable to obtain adequate housing under established home financing programs, and (*b*) home mortgages generally as a means of retarding or stopping a decline in mortgage lending and home building which threatens materially the stability of a high-level national economy. The Association is authorized, for these purposes, to make commitments to purchase and to purchase mortgages up to $950 million outstanding at any one time. An additional authorization in the amount of $150 million is needed for these programs during 1961.

In addition to the special programs the Association may undertake pursuant to specific direction of the President, the Association, by express legislation, is also authorized to enter into commitments to purchase and to purchase mortgages on cooperative housing insured under section 213 of the National Housing Act, as amended, up to a limit of $225 million outstanding at any one time; to make commitments to purchase and to purchase mortgages on armed services family housing insured under title VIII of that act, up to a limit of $500 million outstanding at any one time; and, within a limitation of $1 billion outstanding at any one time, to make commitments to purchase and to purchase Federal Housing Administration insured and Veterans Administration guaranteed mortgages of $13,500 or less covering low and moderate priced housing on which construction had not commenced at the time application was made for Federal National Mortgage Association's commitment.

The Association is required by Public Law 85–104, to pay not less than 100% of the unpaid balance for special assistance mortgages purchased under contracts entered into during the period between July 12, 1957, and August 7, 1958. This legislation was not reenacted in 1958 and subsequently was rescinded (Public Law 86–372). Commitments to purchase mortgages and immediate purchases are currently made at less than par.

Federal National Mortgage Association special assistance functions are financed principally by Treasury borrowings, and all benefits and burdens of the program inure solely to the Secretary of the Treasury.

Budget program.—During 1960 and 1961, Federal National Mortgage Association will provide special assistance, under Presidential determination, for (*a*) housing in or supporting urban renewal areas; (*b*) housing for the elderly; (*c*) housing in Alaska and Guam; and (*d*) disaster housing. In addition, cooperative and armed services family housing will receive limited assistance under the special authority cited above.

Mortgage purchase commitments under the special assistance functions are estimated to decline from $877.1 million in 1959 to $359.4 million in 1960, and increase to $456.4 million in 1961. The reduction in commitments is due primarily to the completion in 1959 of commitment activity under the $1 billion special authorization for the purchase of low-cost housing mortgages enacted in April 1958 as an antirecession measure.

However, commitments for mortgages on housing in urban renewal areas and for the relocation of displaced families are estimated to increase from $209.1 million in 1959 to $257.4 million in 1960 and to $327.4 million in 1961. This reflects (*a*) the rapid growth in the amount of land becoming available for redevelopment under the urban renewal program and (*b*) the increasing displacement of families by urban renewal, highway, and other public improvement projects. The estimates assume, however, that, during this period, an increasing proportion of the financing requirements for these mortgages will be obtained from private investors.

Commitments for mortgages originated under the relatively new program for housing for the elderly will materially increase in 1960 and 1961 over 1959.

The purchase of mortgages, which lags well behind commitments, is shown in the following table:

[In millions]

	1959 actual	*1960 estimate*	*1961 estimate*
Purchases:			
1. Urban renewal and relocation housing	$81.8	$145.0	$225.0
2. Housing for the elderly	7.3	20.0	30.0
3. Alaska, Guam, and disaster areas	10.8	7.0	8.0
4. Armed services housing	265.7	120.0	25.0
5. Cooperative housing	43.8	50.0	30.0
6. Low-cost housing	656.7	200.0	------
Total purchases	1,066.1	542.0	318.0
Less purchase discount	1.2	6.0	4.8
Total purchases (net)	1,064.9	536.0	313.2

Mortgage sales which amounted to $8.9 million in 1959 are now estimated at $5 million for each of the years 1960 and 1961.

Financing.—The budget estimates for the mortgage purchase programs, under Presidential determination, require an increase in authorization to expend from public debt receipts of $150 million in 1961. Appropriation

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language, as recommended above, is dependent upon the enactment of proposed legislation providing for increases in the authorization by annual appropriation acts.

Net borrowings from the Treasury were $1,015.8 million in 1959 and are estimated at $462 million in 1960 and $230 million in 1961, thereby increasing the interest-bearing investment of the Government to $1,861.6 million at the end of 1961.

Operating results.—Previously, earnings were retained and paid into miscellaneous receipts of the Treasury following the year earned. A payment of $188,822 was made in 1957; another payment of $2,444,739 was made in 1958. In order to protect the Association against losses inherent in a portfolio of its present size, earnings will be retained and accumulated. The following table shows the cumulative amounts at the end of each fiscal year covered by these estimates:

RETAINED EARNINGS (CUMULATIVE)

1958 actual	$7,237,937
1959 actual	24,033,600
1960 estimate	34,375,600
1961 estimate	45,045,600

POSITION WITH RESPECT TO MORTGAGE PURCHASE AUTHORITY

	1959 actual	*1960 estimate*	*1961 estimate*
Under Presidential Determination (Sec. 305(c))			
Mortgage purchase authority	$950,000,000	$950,000,000	$1,100,000,000
Charges against authority:			
Mortgage loans outstanding at end of year (before allowance for losses)	140,097,000	297,102,000	542,002,000
Undisbursed commitments at end of year	282,210,000	417,625,000	543,475,000
Total charges against authority	422,307,000	714,727,000	1,085,477,000
Unused authority	527,693,000	235,273,000	14,523,000
Cooperative Housing (Sec. 305(e))			
Mortgage purchase authority	200,000,000	225,000,000	225,000,000
Charges against authority:			
Mortgage loans outstanding at end of year (before allowance for losses)	110,341,000	157,411,000	185,111,000
Undisbursed commitments at end of year	62,910,000	30,000,000	23,000,000
Total charges against authority	173,251,000	187,411,000	208,111,000
Unused authority	26,749,000	37,589,000	16,889,000
Armed Services Housing (Sec. 305(f))			
Mortgage purchase authority	500,000,000	500,000,000	500,000,000
Charges against authority:			
Mortgage loans outstanding at end of year (before allowance for losses)	307,596,000	420,046,000	435,446,000
Undisbursed commitments at end of year	125,803,000	29,500,000	18,500,000
Total charges against authority	433,399,000	449,546,000	453,946,000
Unused authority	66,601,000	50,454,000	46,054,000
Low and Moderate Priced Housing (Sec. 305(g))			
Mortgage purchase authority	1,000,000,000	1,000,000,000	1,000,000,000
Charges against authority:			
Mortgage loans outstanding at end of year (before allowance for losses)	653,049,000	823,524,000	788,524,000
Undisbursed commitments at end of year	287,568,000	----------	----------
Total charges against authority	940,617,000	823,524,000	788,524,000
Unused authority	59,383,000	176,476,000	211,476,000
Total, All Programs			
Mortgage purchase authority	2,650,000,000	2,675,000,000	2,825,000,000
Charges against authority:			
Mortgage loans outstanding at end of year (before allowance for losses)	1,211,083,000	1,698,083,000	1,951,083,0
Undisbursed commitments at end of year	758,491,000	477,125,000	584,975,000
Total charges against authority	1,969,574,000	2,175,208,000	2,536,058,000
Unused authority	680,426,000	499,792,000	288,942,000

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Acquisition of assets: Federal Housing Administration insured and Veterans Administration guaranteed mortgages	$1,064,933,581	$536,000,000	$313,200,000
Expense	21,195,236	64,760,000	81,220,000
Total gross expenditures	1,086,128,817	600,760,000	394,420,000
Receipts from operations (funds provided):			
Realization of assets: Mortgage repayments and sales	19,069,178	54,885,000	64,790,000
Revenue	38,523,926	75,372,000	92,050,000
Decrease in selected working capital	13,459,686	8,503,000	7,580,000
Total receipts from operations	71,052,790	138,760,000	164,420,000
Budget expenditures	1,015,076,027	462,000,000	230,000,000

Revenue, Expense, and Retained Earnings

Revenue	$38,523,926	$75,372,000	$92,050,000
Expense	21,728,263	65,030,000	81,380,000
Net income for year	16,795,663	10,342,000	10,670,000
Retained earnings, beginning of year	7,237,937	24,033,600	34,375,600
Retained earnings end of year	24,033,600	34,375,600	45,045,600

Financial Condition

Assets:			
Cash with Treasury	$1,530,130	$1,530,130	$1,530,130
U.S. securities—Federal Housing Administration debentures on hand	7,750	7,750	7,750
Accounts receivable, net	5,445,193	6,700,000	7,900,000
Loans receivable, net, Federal Housing Administration insured and Veterans Administration guaranteed mortgages	1,208,498,083	1,689,343,083	1,937,593,083
Total assets	1,215,481,156	1,697,580,963	1,947,030,963
Liabilities:			
Current	21,850,297	31,608,104	40,388,104
Government investment:			
Interest-bearing capital:			
Start of year	153,750,575	1,169,597,259	1,631,597,259
Borrowings from Treasury during year, net	1,015,846,684	462,000,000	230,000,000
End of year	1,169,597,259	1,631,597,259	1,861,597,259
Retained earnings	24,033,600	34,375,600	45,045,600
Total Government investment	1,193,630,859	1,665,972,859	1,906,642,859

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash and U.S. securities	$767,223	$1,537,880	$1,537,880	$1,537,880
Budget authorizations	2,485,778,707	1,438,916,985	976,916,985	873,916,985
Total unexpended balance	2,486,545,930	1,440,454,865	978,454,865	875,454,865
Obligated balance, net:				
Current liabilities	3,542,900	21,850,297	31,608,104	40,388,104
Undisbursed mortgage commitments	1,067,661,799	758,491,532	477,125,000	584,975,000
Accounts receivable, net (−)	−597,482	−5,445,193	−6,700,000	−7,900,000
Total obligated balance	1,070,607,217	774,896,636	502,033,104	617,463,104
Unobligated balance	1,415,938,713	665,558,229	476,421,761	257,991,761

MANAGEMENT AND LIQUIDATING FUNCTIONS

MANAGEMENT AND LIQUIDATING FUNCTIONS FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operations:			
Mortgage servicing fees	$9,605,938	$8,000,000	$7,500,000
Interest on borrowings from the public	28,903,785	29,000,000	39,100,000
Other	2,240,474	2,308,737	2,028,000
Interest on Treasury borrowings	27,606,410	22,700,000	15,575,000
Total operations	68,356,607	62,008,737	64,203,000

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FEDERAL NATIONAL MORTGAGE ASSOCIATION—Continued

Public enterprise funds—Continued

MANAGEMENT AND LIQUIDATING FUNCTIONS—Continued

MANAGEMENT AND LIQUIDATING FUNCTIONS FUND—continued

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
Capital outlay:			
Mortgages purchased from Public Housing Administration, Public Law 86-372		$160,000,000	
Administrative furniture and equipment	$47,615	60,000	$50,000
Total program (obligations)	68,404,222	222,068,737	64,253,000
Financing:			
Amounts becoming available: Revenue and receipts:			
Mortgage loan repayments	188,101,051	505,000,000	165,000,000
Sale of administrative property	4,811	5,000	5,000
Interest on mortgage loans	89,046,996	75,850,000	68,000,000
Interest on U.S. securities	1,104,372	1,400,000	1,200,000
Transfer from revolving fund (liquidating programs) pursuant to Public Law 86-372		60,000	
Other revenue	137,951	6,825,000	125,000
Total amounts becoming available	278,395,181	589,140,000	234,330,000
Unobligated balance brought forward: Cash	390,386		
Investment in U.S. securities: Federal Housing Administration debentures	42,297,450	37,509,622	38,099,885
Total amounts available	321,083,017	626,649,622	272,429,885
Unobligated balance carried forward: Investment in U.S. securities (Federal Housing Administration debentures)	−37,509,622	−38,099,885	−33,176,885
Unobligated balance no longer available (authorization to expend from public debt receipts)	−215,169,173	−366,481,000	−175,000,000
Financing applied to program	68,404,222	222,068,737	64,253,000

The Association, in its management and liquidating functions, is required by law to manage and liquidate its portfolio of mortgages acquired under contracts made before November 1, 1954, or subsequently, from the Housing and Home Finance Agency or its constituent agencies (Public Law 86-372). Such liquidation is to be in an orderly manner, with a minimum of adverse effect upon the home mortgage market and minimum loss to the Federal Government. Liquidation of the portfolio is accomplished through regular repayments of mortgages according to their amortization schedules, sales of mortgages as rapidly as they can be absorbed by private investors without serious disruption of normal market conditions, and as the result of other principal credits arising from prepayments and foreclosures.

The initial mortgage purchasing phase of this activity has been completed and normally only the management and ultimate liquidation of the portfolio would need to be completed. However, additional mortgages may be acquired for this portfolio from time to time pursuant to the provisions of Public Law 86-372.

Budget program.—There will be no mortgages purchased under commitments made prior to November 1, 1954, for this portfolio during the period covered by these estimates. That purchasing program was completed during 1958. However, it is estimated that $160 million in mortgages will be acquired for liquidation from the Public Housing Administration during 1960. No such acquisition is estimated for 1961.

During 1960, receipts of $335 million are estimated to materialize from an exchange of mortgages for privately held U.S. Government bonds. No sales or exchanges are presently contemplated for 1961.

Liquidation of mortgage principal resulting from repayments, prepayments, foreclosures, and transfers in lieu of foreclosures is estimated to amount to $170 million in 1960 and $165 million in 1961, and will reduce the portfolio by those amounts.

Financing.—As of June 30, 1959, outstanding notes of the management and liquidating functions held by private investors amounted to $797.4 million. These nonguaranteed notes were issued to the public in January 1958 and will mature in August 1960. These estimates contemplate the renewal of the full amount of notes now held by private investors.

Net repayments of Treasury borrowings during the period covered by this budget were $209 million in 1959 and are estimated at $366 and $175 million in 1960 and 1961, respectively.

Operating results.—Estimated net income of $5.1 million in 1961 will be substantially below the estimate of $22 million for 1960. This results from the nonrecurring premium in 1960 on the exchange of bonds for mortgages, the reduction in portfolio and the higher interest rates estimated to be paid by the Association in 1961.

All benefits and burdens of the management and liquidating functions inure solely to the Secretary of the Treasury. Retained earnings reserved for losses and contingencies at the end of 1959 amounted to $131.3 million and are estimated at $153.3 and $158.4 million, respectively, for 1960 and 1961.

POSITION WITH RESPECT TO MORTGAGE PURCHASE AUTHORITY

	1959 actual	*1960 estimate*	*1961 estimate*
Mortgage purchase authority [1]	$2,044,784,735	$1,699,784,735	$1,534,784,735
Charges against authority: Mortgages outstanding at end of year	2,044,784,735	1,699,784,735	1,534,784,735
Unused authority			

[1] On and after Nov. 1, 1954, pursuant to Public Law 560, the Federal National Mortgage Association's mortgage purchase authority is the total of its mortgage portfolio and its outstanding commitment contracts in the management and liquidating functions.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Acquisition of assets:			
Purchase of mortgages from Public Housing Administration (73 Stat. 670)		$160,000,000	
Administrative furniture and equipment	$47,615	60,000	$50,000
Expense	68,338,667	62,015,000	64,208,000
Increase in selected working capital		2,454,188	1,072,000
Total gross expenditures	68,386,282	224,529,188	65,330,000
Receipts from operations (funds provided):			
Repayment of mortgages	188,101,051	505,000,000	165,000,000
Proceeds of sale of administrative furniture and equipment	4,811	5,000	5,000
Revenue	90,289,319	84,075,000	69,325,000
Transfer from Revolving fund (liquidating programs) (73 Stat. 670)		60,000	
Decrease in selected working capital	4,861,455		
Total receipts from operations	283,256,636	589,140,000	234,330,000
Budget expenditures	−214,870,354	−364,610,812	−169,000,000

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Revenue, Expense, and Retained Earnings

	1959 actual	1960 estimate	1961 estimate
Revenue	$90,289,319	$84,075,000	$69,325,000
Expense	68,388,083	62,065,000	64,258,000
Net operating income	21,901,236	22,010,000	5,067,000
Nonoperating income: Proceeds from sale of administrative property and equipment	4,811	5,000	5,000
Net book value of assets sold (−)	−2,904	−5,000	−5,000
Net gain from sale	1,907		
Net income for the year	21,903,143	22,010,000	5,067,000
Retained earnings, beginning of year	109,410,607	131,313,750	153,323,750
Retained earnings, end of year	131,313,750	153,323,750	158,390,750

Financial Condition

Assets:			
Cash with Treasury and on hand	$2,870,188	$1,000,000	$1,000,000
U.S. securities: Federal Housing Administration debentures on hand	56,557,800	56,557,800	50,557,800
Accounts receivable, net	29,071,681	18,750,000	16,069,701
Deferred charges and prepaid expense	17,263	11,000	6,000
Investment in Defense Housing Corporation assets, net	21,496,173	20,096,000	18,496,000
Federal Housing Administration insured and Veterans Administration guaranteed mortgages	2,008,470,643	1,509,888,509	1,361,506,509
Direct mortgage loans transferred from Reconstruction Finance Corporation	407,693	390,000	372,000
Mortgages purchased from Public Housing Administration (73 Stat. 670)		155,000,000	140,000,000
Administrative furniture and equipment, net	296,990	301,990	296,990
Total assets	2,119,188,431	1,761,995,299	1,588,305,000
Liabilities:			
Current	50,968,231	38,186,099	34,428,800
Debentures payable to the public:			
Unmatured	797,344,000	797,344,000	797,344,000
Matured and unredeemed	21,000		
Total debentures payable to the public	797,365,000	797,344,000	797,344,000
Government investment:			
Interest-bearing capital:			
Start of year	1,348,290,623	1,139,541,450	773,141,450
Repayments to Treasury during year	−208,749,173	−366,400,000	−175,000,000
End of year	1,139,541,450	773,141,450	598,141,450
Retained earnings	131,313,750	153,323,750	158,390,750
Total Government investment	1,270,855,200	926,465,200	756,532,200

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash and U.S. securities	$59,726,807	$59,427,988	$57,557,800	$51,557,800
Obligated balance, net:				
Current liabilities	58,723,045	50,968,231	38,186,099	34,428,800
Unpaid undelivered orders	16,335	21,816	21,816	21,816
Accounts receivable, net (−)	−41,700,409	−29,071,681	−18,750,000	−16,069,701
Total obligated balance	17,038,971	21,918,366	19,457,915	18,380,915
Unobligated balance	42,687,836	37,509,622	38,099,885	33,176,885

Limitation on Administrative Expenses, Federal National Mortgage Association

Not to exceed [$6,050,000] *$6,650,000* shall be available for administrative expenses which shall be on an accrual basis, and shall be exclusive of interest paid, expenses (including expenses for fiscal agency services performed on a contract or fee basis) in connection with the issuance and servicing of securities, depreciation, properly capitalized expenditures, fees for servicing mortgages, expenses (including services performed on a force account, contract, or fee basis, but not including other personal services) in connection with the acquisition, protection, operation, maintenance, improvement, or disposition of real or personal property belonging to said Association or in which it has an interest, cost of salaries, wages, travel, and other expenses of persons employed outside of the continental United States, expenses of services performed on a contract or fee basis in connection with the performance of legal services, and all administrative expenses reimbursable from other Government agencies, and said Association may utilize and may make payment for services and facilities of the Federal Reserve banks and other agencies of the Government: *Provided*, That the distribution of administrative expenses to the accounts of the Association shall be made in accordance with generally recognized accounting principles and practices. (*12 U.S.C. 1716–1723d; 5 U.S.C. 133z–15; Independent Offices Appropriation Act, 1960.*)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Secondary market operations	$1,794,830	$2,650,000	$3,400,000
2. Special assistance functions	1,645,383	1,250,000	1,325,000
3. Management and liquidating functions	2,026,903	2,210,000	1,925,000
Total accrued administrative expenses	5,467,116	6,110,000	6,650,000
Financing:			
Advances and reimbursements from other accounts		−60,000	
Unobligated balance no longer available	117,884		
Limitation	5,585,000	6,050,000	6,650,000

The Association carries out the three fiscally separate functions described as a single integrated Government instrumentality with one administrative expense limitation and a single budget and staff.

Administrative expenses under current limitation available for 1960 total $6,110,000 and are estimated at $6,650,000 in 1961.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	843	893	964
Average number of all employees	761	840	911
Number of employees at end of year	815	859	930
Average GS grade and salary	6.3 $5,526	6.7 $5,638	6.7 $5,663
01 Personal services:			
Permanent positions	$4,231,269	$4,684,700	$5,131,550
Other personal services	131,543	131,600	126,850
Total personal services	4,362,812	4,816,300	5,258,400
02 Travel	110,680	150,000	150,000
03 Transportation of things	10,588	11,150	11,000
04 Communication services	84,996	97,000	101,400
05 Rents and utility services	383,725	461,000	461,000
06 Printing and reproduction	48,935	55,900	58,600
07 Other contractual services	119,841	136,900	143,400
General Accounting Office audit	20,000	20,000	20,000
Payment to—			
Employees life insurance fund	13,441	14,500	17,000
Employees health benefits fund			54,000
08 Supplies and materials	40,694	44,900	48,700
11 Grants, subsidies, and contributions	269,211	300,350	324,500
15 Taxes and assessments	2,193	2,000	2,000
Total accrued administrative expenses	5,467,116	6,110,000	6,650,000

Proposed for later transmission:

Limitation on Administrative Expenses, Federal National Mortgage Association

Under existing legislation, 1960.—An increase in the limitation on administrative expenses for 1960 in the amount of $250,000 is needed to provide funds for increased workload in connection with the purchasing and servicing of mortgages under the secondary market program.

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FEDERAL HOUSING ADMINISTRATION

NOTE.—Expenditures from the following fund for 1960 are subject to the first paragraph of title II of the Independent Offices Appropriation Act, 1960. For 1961 this paragraph is shown in the independent offices chapter, p. 147, preceding Federal Home Loan Bank Board.

Public enterprise funds:

FEDERAL HOUSING ADMINISTRATION FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs:			
1. Home modernization and repair insurance program (title I, sec. 2):			
Administration	$994,058	$1,030,000	$1,105,000
Initiation	413,587	457,900	458,200
Maintenance	300,583	291,800	292,000
Settlement	4,891,388	8,260,318	9,763,200
2. Basic 1–4 family mortgage insurance program (titles I and II, secs. 8, 203, and 222):			
Administration	4,891,642	4,923,500	5,403,000
Initiation	34,306,141	33,863,300	35,506,000
Maintenance	1,403,257	2,199,700	2,647,500
Settlement	15,311,645	15,156,335	15,993,700
3. Basic multifamily mortgage insurance program (title II, secs. 207, 213, 231, and 232):			
Administration	714,873	761,500	855,000
Initiation	1,895,573	3,402,500	3,196,400
Maintenance	129,515	180,100	230,600
Settlement	2,863,163	778,632	1,593,300
4. Urban renewal, rehabilitation and relocation mortgage insurance program (title II, secs. 220 and 221):			
Administration	310,644	340,000	377,000
Initiation	742,588	1,282,000	1,420,900
Maintenance	13,158	33,200	57,400
Settlement	29,845	68,525	106,500
5. Armed services mortgage insurance program (title VIII, secs. 803, 809, and 810):			
Administration	239,077	228,200	238,000
Initiation	590,922	296,800	290,100
Maintenance	53,833	77,500	89,600
Settlement	−1,314,080	3,756,261	1,534,600
6. Emergency and other special incentive programs (titles VI, VII, and IX, secs. 603, 608–611, 701, 903, and 908):			
Administration	714,092	816,800	822,000
Initiation			
Maintenance	619,839	763,800	733,100
Settlement	6,028,170	8,561,876	8,943,300
7. Net gain on sale of equipment	−23,261		
Total operating costs	76,120,252	87,530,547	91,656,400
8. Unfunded adjustments to total operating costs:			
Depreciation included above (−)	−262,809	−300,000	−350,000
Net gain on sale of equipment	23,261		
Losses and provision for losses included above (−)	−11,439,695	−20,596,166	−21,256,400
Total operating costs, funded	64,441,009	66,634,381	70,050,000
Capital outlay:			
1. Home modernization and repair insurance program (title I, sec. 2):			
Acquisition of real properties	132		
Acquisition of defaulted notes	10,262,181	12,305,000	14,749,000
2. Basic 1–4 family mortgage insurance program (titles I and II, secs. 8, 203, and 222):			
Acquisition of real properties	16,188,597	17,210,014	16,743,000
3. Basic multifamily mortgage insurance program (title II, secs. 207, 213, 231, and 232):			
Acquisition of real properties	1,148,871	1,640,095	2,460,000
Acquisition of defaulted mortgages	5,221,359	1,603,599	2,006,800
Acquisition of stock in rental housing corporations	14,600	46,500	51,000
4. Urban renewal, rehabilitation and relocation mortgage insurance program (title II, secs. 220 and 221):			
Acquisition of real properties	195,914	425,036	637,500
Acquisition of stock in rental housing corporations	2,300	9,500	9,700
5. Armed services mortgage insurance program (title VIII, secs. 803, 809, and 810):			
Acquisition of real properties	664,284	2,399,979	1,200,000
Acquisition of defaulted mortgages	−270,835	7,090,096	2,329,100
Acquisition of stock in rental housing corporations		20,600	8,300

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
Capital outlay—Continued			
6. Emergency and other special incentive programs (titles VI, VII, and IX, secs. 603, 608–611, 701, 903, and 908):			
Acquisition of real properties	$17,446,427	$16,438,087	$13,150,000
Acquisition of defaulted mortgages	18,087,183	16,323,160	13,719,700
Acquisition of stock in rental housing corporations	1,000		
7. Acquisition of furniture and equipment	465,683	280,000	250,000
Total capital outlay	69,427,696	75,791,666	67,314,100
Total program costs, funded	133,868,705	142,426,047	137,364,100
9. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net (−)	−380,509		
Total program (obligations)	133,488,196	142,426,047	137,364,100
Financing:			
Amounts becoming available:			
Authorization to expend from corporate debt receipts (permanent indefinite): Net debentures issued	9,863,850	5,439,850	
Revenue and receipts:			
Fees and insurance premiums	165,639,263	189,212,200	214,066,300
Interest on U.S. securities	15,852,100	18,201,818	21,962,500
Proceeds from sale of real properties and defaulted mortgages	7,243,953	10,034,900	9,344,400
Recoveries on mortgage notes	5,554,511	6,849,358	7,587,500
Recoveries on defaulted notes	7,538,039	6,960,929	6,927,200
Proceeds from sale of equipment	32,499		
Stock in rental housing corporations redeemed	23,300	5,260	5,200
Other interest, dividends, and revenue	9,205,366	9,055,500	9,452,900
Net decrease in debentures authorized and in process (−)	−12,081,200	−9,937,150	−3,970,250
Total amounts becoming available	208,871,681	235,822,665	265,375,750
Unobligated balance brought forward (U.S. securities)	491,396,166	566,779,651	660,176,269
Total amounts available	700,267,847	802,602,316	925,552,019
Unobligated balance carried forward (U.S securities)	−566,779,651	−660,176,269	−778,809,069
Unobligated balance no longer available (net debentures retired)			−9,378,850
Financing applied to program	133,488,196	142,426,047	137,364,100

The Federal Housing Administration, created by the National Housing Act of 1934, is a noncorporate business-type agency made subject to the Government Corporation Control Act by the Housing Act of 1948. The principal purposes of the Administration are to stabilize the mortgage market and to improve home financing practices, housing standards and conditions through the insurance of loans and investments to finance the production, purchase, repair, and improvement of residential structures. As of June 30, 1959, a total of $57 billion of insurance had been written, of which $28 billion was outstanding.

The Administration conducts a wide variety of programs through 11 separate insurance funds, the most important of which is the mutual mortgage insurance fund for the insurance of mortgages on 1- to 4-family dwellings under section 203 of the National Housing Act. Other funds cover the insurance of home repair and improvement loans, insurance of mortgages on multifamily housing including cooperative housing, insurance of mortgages on housing for urban renewal, armed services, and other special purposes, and insurance of equity investments in rental housing.

The mutual mortgage insurance fund differs from other insurance funds in that mortgagors receive participation payments from any excess of fees and premiums paid over losses and expenses allocable to the fund. Through June 30, 1959, these participation payments to homeowners have amounted to $94.1 million.

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All of the Administration's insurance programs are revenue-producing. Revenue is derived from insurance premiums, appraisal and miscellaneous fees, and interest on investments in Government securities.

[Dollars in millions]

	1959 actual	*1960 estimate*	*1961 estimate*
Initiation:			
Unit applications received	1,074,552	840,000	975,000
Unit applications examined	1,023,128	885,600	918,800
Mortgage insurance commitments:			
Units	632,946	1,008,700	882,300
Amount	$7,791.5	$12,457.5	$10,879.9
Mortgage insurance written:			
Units	550,266	526,300	555,800
Amount	$6,710.1	$6,569.2	$6,873.8
Inspections:			
Inspections made (1-4 family)	1,507,654	1,432,000	1,463,600
Average multifamily units under inspection	24,270	37,000	49,900
Dwelling units started, private	350,122	352,700	373,100
Improvement loans insured:			
Notes	1,100,658	1,250,000	1,250,000
Amount (net proceeds)	$950.4	$1,125.0	$1,125.0
Servicing:			
Program status end of year—outstanding balance of insurance in force:			
Improvement loans	$1,394.2	$1,725.1	$1,833.6
Mortgage insurance	$27,051.5	$31,160.1	$35,477.7
Total	$28,445.7	$32,885.2	$37,311.3
Real estate acquisition, maintenance, sales, and insurance liquidation activity:			
Acquired security or collateral on hand:			
Defaulted loans	102,404	101,513	106,379
Amount	$44.6	$44.3	$46.4
Acquired properties and assigned mortgages:			
Mortgages and properties	8,452	8,164	7,496
Number of units	39,786	40,005	39,712
Amount	$279.5	$279.8	$275.2
Costs and income:			
Costs:			
Operating costs	$64.5	$66.6	$70.1
Capital outlay	$69.4	$75.8	$67.3
Total program costs	$133.9	$142.4	$137.4
Income:			
Fees and premiums	$165.6	$189.2	$214.1
Other	$25.1	$27.3	$31.4
Total income	$190.7	$216.5	$245.5
Excess income over program costs	$56.8	$74.1	$108.1

Budget program.—The Federal Housing Administration budget for 1961 is designed to carry out the Administration's part of the President's housing program and, in doing so, to function at a level adequate to meet its legally stated purposes of exerting a stabilizing influence in home financing and of fostering quality and cost improvement in home building.

Summary of individual insurance programs.—A summary statement, with estimated workload, is provided below for each of the major insurance programs.

1. *Home modernization and repair insurance program (title I, sec. 2).*—Financial institutions insured against losses are required to provide 10% coinsurance on loans for the alteration, repair, and improvement of residential properties. Loans insured are characteristically short-term, unsecured notes currently averaging around $900. Estimates are set forth below:

	1959 actual	*1960 estimate*	*1961 estimate*
Initiation: Loans insured	1,100,658	1,250,000	1,250,000
Servicing: Insurance in force (number of notes), end of year	2,521,436	3,072,100	3,267,541
Liquidation—acquired security or collateral on hand:			
Defaulted loans	102,404	101,513	106,379
Amount (in millions)	$44.6	$44.3	$46.4

2. *Basic 1–4 family mortgage insurance program (secs. 203 and 222).*—Mortgages are insured on 1- to 4-family structures up to present regulatory limits of 97% of the first $13,500 of appraised value, 85% of the next $2,500 of value, and 70% of value in excess of $16,000, with a maximum mortgage amount of $22,500.

A special and simplified variation of this major program, launched in 1958, to bring the advantages of FHA mortgage insurance to communities remote from FHA insuring offices, is still being operated on an experimental basis, with some expansion anticipated in the budget year. Under this variation, local lenders approved by the Federal Housing Commissioner are authorized to process applications for section 203 mortgage insurance, securing necessary appraisals and inspections through FHA-approved fee appraisers and inspectors.

Servicemen's housing mortgage insurance is another variation of the program under section 222 of the act, which authorizes the insurance of mortgages to finance the purchase of single-family homes by servicemen who have been in the Armed Forces for a minimum of 2 years.

Estimates in the basic 1- to 4-family mortgage insurance programs are as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Initiation:			
Unit applications examined:			
Section 203	914,277	754,200	788,400
Section 222	23,146	29,900	29,900
Units insured:			
Section 203	456,903	432,300	437,800
Section 222	20,602	11,300	29,900
Inspections:			
Section 203	1,456,929	1,314,000	1,339,200
Section 222	14,379	59,100	65,100
Servicing:			
Insurance contracts in force, end of year:			
Section 203	2,342,370	2,607,492	2,875,192
Section 222	54,311	64,100	92,300
Section 8	33,027	31,200	29,100
Real estate acquisition, maintenance, and sales:			
Properties acquired (units):			
Section 203	1,582	1,600	1,600
Section 222	23	100	75
Section 8	171	150	125
Properties sold (units):			
Section 203	941	1,500	1,500
Section 222	14	20	25
Section 8	160	180	180
Properties on hand, end of year (units):			
Section 203	2,392	2,492	2,592
Section 222	16	96	146
Section 8	144	114	59

3. *Basic multifamily mortgage insurance program (secs. 207, 213, 231, and 232).*—Mortgages are insured on new or existing multifamily housing projects (under sec. 207), with special provisions for mortgage insurance on certain projects undertaken by qualified cooperative groups (under sec. 213), on housing for occupancy by elderly persons (under sec. 231) and on nursing homes (under sec. 232). Estimates are as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Initiation:			
Unit applications examined:			
Sections 207, 231, and 232	20,956	43,000	40,900
Section 213	8,556	13,700	13,400
Units insured:			
Sections 207, 231, and 232	17,833	27,700	36,400
Section 213	8,651	10,300	12,200
Inspections:			
Sections 207, 231, and 232	13,098	21,950	30,300
Section 213:			
Home mortgages (dwelling units)	1,011	1,400	1,700
Project mortgages (average under construction)	3,712	5,000	6,000
Servicing:			
Insurance contracts in force, end of year:			
Sections 207, 231, and 232	577	823	1,183
Section 213	22,932	24,427	28,125
Real estate acquisitions, maintenance, and sales:			
Properties and mortgages acquired (units):			
Section 207	810	360	480
Section 213	80	100	150
Properties and mortgages sold (units):			
Section 207	82	284	112
Section 213	32	137	60
Properties and mortgages on hand, end of year (units):			
Section 207	2,096	2,172	2,540
Section 213	242	205	295

4. *Urban renewal, rehabilitation and relocation mortgage insurance program (secs. 220 and 221).*—Section 220 provides insurance of mortgage financing for the construction or rehabilitation of housing in designated urban renewal areas. Section 221 provides mortgage insurance for housing built or rehabilitated for persons displaced by governmental action in communities having approved urban renewal plans.

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FEDERAL HOUSING ADMINISTRATION—Continued

Public enterprise funds—Continued

FEDERAL HOUSING ADMINISTRATION FUND—Continued

Actual and estimated operating volume is as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Initiation:			
Unit applications examined:			
Section 220	7,702	15,100	16,900
Section 221	11,430	16,700	16,300
Units insured:			
Section 220	7,453	9,500	14,400
Section 221	8,683	11,100	13,900
Inspections:			
Section 220:			
Home mortgages (dwelling units)	1,371	6,600	8,200
Project mortgages (average under construction)	6,595	8,600	10,900
Section 221:			
Home mortgages (dwelling units)	30,842	44,600	39,400
Project mortgages (average under construction)	865	1,000	1,300
Servicing:			
Insurance contracts in force, end of year:			
Section 220	1,237	1,810	3,824
Section 221	8,403	16,650	26,600
Real estate acquisitions, maintenance, and sales:			
Section 221:			
Properties acquired (units)	23	50	75
Properties sold	4	8	18
Properties on hand, end of year (units)	19	61	118

5. *Armed services mortgage insurance program (title VIII).*—Housing is provided under title VIII, through the use of private capital under insured mortgages, for civilian and military personnel of the armed services. Government-owned public quarters for military personnel and their families are financed under section 803; sales housing for personnel at research and development installations under section 809; and rental housing for military and civilian personnel under section 810. Data on section 803 also reflect settlement activity under an expired program of rental housing for military families.

	1959 actual	*1960 estimate*	*1961 estimate*
Initiation:			
Unit applications examined:			
Sections 803 and 810	34,837	11,000	10,000
Section 809	2,224	2,000	3,000
Units insured:			
Sections 803 and 810	28,364	22,600	9,700
Section 809	1,777	1,500	1,500
Inspections:			
Section 809	3,122	6,300	10,000
Section 810 (average under construction)	------	450	1,400
Servicing:			
Insurance contracts in force, end of year:			
Sections 803 and 810	769	982	1,081
Section 809	3,047	4,543	6,038
Real estate acquisitions, maintenance, and sales:			
Section 803:			
Properties acquired (units)	50	1,200	450
Properties sold (units)	280	603	286
Properties on hand, end of year (units)	3,192	3,789	3,953

6. *Emergency and other special incentive programs.*—The special war housing mortgage insurance provisions of title VI (secs. 603 and 608–611), were continued until April 1948 for home mortgages and until March 1950 for rental-project mortgages to provide veterans' emergency housing. Other special incentive programs were added later. These included insurance of (*a*) loans for the manufacture of housing by industrial processes and short-term notes incident to the sale of such housing; (*b*) mortgages executed in connection with the sale by the Government of certain federally owned housing; and (*c*) short-term loans to finance the construction, by modern site-fabrication methods, of groups of 25 or more single-family dwellings, as well as for insured long-term financing of properties so constructed. Insurance authority under title VI has terminated. The Housing Act of 1954 transferred to title II the authority to insure mortgages to finance the sale of Government-owned housing.

Title VII offers yield insurance for rental housing equity investments (insurance of an annual return of 2.75% and a minimum annual amortization of 2%) in rental housing for families of moderate income. No investments have, as yet, been insured under this title.

Title IX provided mortgage insurance for programed defense housing, covering both 1- to 4-family and multifamily housing within the limits of programed housing needs in defense areas designated by the President. The authorization to insure under this title has terminated. Only servicing and settlement work remains with respect to insurance under this title.

Estimates are as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Servicing:			
Insurance contracts in force, end of year:			
Title VI	215,532	194,690	171,510
Title IX	45,053	42,562	39,658
Real estate acquisitions, maintenance, and sales:			
Properties and mortgages acquired (units):			
Title VI	4,616	3,485	2,860
Title IX	1,419	1,530	1,280
Properties sold (units):			
Title VI	4,075	3,413	3,077
Title IX	1,393	2,210	2,130
Properties and mortgages on hand, end of year (units):			
Title VI	24,182	24,253	24,036
Title IX	7,503	6,823	5,973

Summary of operating expense estimates.—FHA operating expenses (administrative and nonadministrative) are paid out of operating income, subject to limitation.

It is expected that a total operating expense authorization of $58,800,000 will be necessary for 1961, of which $8,800,000 will be administrative and $50,000,000 nonadministrative. The 1960 estimate is $56,100,000, of which $8,100,000 is administrative and $48,000,000 nonadministrative.

Relation of costs to obligations.—The relationship of costs to obligations is derived by year-end balances of unpaid undelivered orders as follows: 1958, $617,580; 1959, $237,071; 1960, $237,071; and 1961, $237,071.

Financing.—All FHA operations are financed out of revenue. Mortgage insurance claims are met by the issuance of debentures that are subsequently redeemed out of insurance revenue and the proceeds of the sale of acquired properties and mortgages. In 1959, a total of $71,958,750 in debentures were issued. Debentures to be issued are estimated at $71,084,250 in 1960 and $54,415,350 in 1961. Debentures were retired in 1959 in the amount of $62,094,900. Retirement of debentures in 1960 and 1961, respectively, are estimated at $65,644,400 and $63,794,200.

Operating results and retained earnings.—Operations in 1959 resulted in a net income of $125,978,190. This income was distributed as follows: $50,060,568 to the general surplus account and $31,500,000 to the participating-reserve account of the mutual mortgage insurance fund, which were established pursuant to Public Law 83–560, and $44,417,622 to the general insurance reserves under the nonmutual insurance programs.

Net income is expected to be $140,353,052 in 1960 and $165,825,300 in 1961. In the 2-year period it is estimated that income totaling $154,486,304 will be added to the general surplus account and $67,000,000 to the participating reserve account of the mutual mortgage insurance fund, while an estimated $84,692,048 of income will be placed in the insurance reserves under nonmutual funds.

Insurance reserves totaling $643,335,694 on June 30, 1958, increased to $757,912,171 during 1959 and are expected to reach $886,851,142 by June 30, 1960, and $1,040,676,442 by June 30, 1961. These reserves are required to meet future insurance losses and expenses.

Insurance authority.—Public Law 84–1020, approved August 7, 1956, amended the general mortgage insurance authorization under section 217. This amendment provides that the aggregate amount of principal obligations of all mortgages that may be insured and outstanding at any one time under insurance contracts or commitments to insure pursuant to any section or title (except sec. 2 and sec. 803) shall not exceed the sum of (*a*) the out-

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standing principal balances, as of July 1, 1956, of all insured mortgages (without taking account of prepayments or delinquencies), (*b*) the principal amount of all outstanding commitments to insure as of July 1, 1956, and (*c*) $15 billion. (The sec. 217 insurance authorization was increased $8 billion on Sept. 23, 1959, Public Law 86–372.) This general insurance authorization applies to all mortgage insurance programs except new insurance written under title VIII pursuant to commitments issued on or after August 11, 1955.

The present authorization under section 217 will be sufficient to carry the programs through the fiscal year 1960 and part of 1961. While the rate of usage of the mortgage insurance authorization is exceedingly difficult to forecast, the present authorization now appears adequate to meet demands for mortgage insurance until the next Congress is in session.

Section 803(a) of the act as amended by Public Law 84–345 and Public Law 84–1020 created a separate mortgage insurance authorization with regard to all new insurance written under title VIII pursuant to commitments issued on or after August 11, 1955, including both the new armed services housing program and the extended military housing program. This insurance authorization provides that the aggregate amount of principal obligations of all mortgages insured under this program shall not exceed $2.3 billion and that the limitation in section 217 shall not apply to this program. This amount will be adequate to carry the program through both 1960 and 1961 as shown in the tabulation below.

The title I (sec. 2) authorization of $1,750 million for repair and improvement insurance will be sufficient to carry this program through September 1960, the expiration date under present legislation. If the program is extended, as is expected, increased authorization will be required.

POSITION WITH RESPECT TO INSURANCE AUTHORITY

	1959 actual	*1960 estimate*	*1961 estimate*
Repair and improvement loan insurance:			
Insurance authority	$1,750,000,000	$1,750,000,000	$1,750,000,000
Charges against insurance authority:			
Insurance in force	1,322,947,117	1,653,146,760	1,761,553,997
Loan reports in process	71,280,852	72,000,000	72,000,000
Total charges against authority	[1] 1,394,227,969	[1] 1,725,146,760	[1] 1,833,553,997
Unused authority	355,772,031	24,853,240	----------
Additional authority required—proposed legislation	----------	----------	83,553,997
Mortgage insurance—general authorization:			
Insurance authority	29,783,993,600	[3] 37,783,993,600	37,783,993,600
Charges against insurance authority:			
Insurance in force	25,850,384,631	29,600,796,832	33,782,373,076
Commitments outstanding	2,565,442,852	6,252,701,500	7,110,433,000
Total charges against authority	[2] 28,415,827,483	35,853,498,332	40,892,806,076
Unused authority	1,368,166,117	1,930,495,268	----------
Additional authority required—proposed legislation	----------	----------	3,108,812,476
Mortgage insurance—armed services housing authorization:			
Insurance authority	2,300,000,000	2,300,000,000	2,300,000,000
Charges against insurance authority:			
Aggregate amount of mortgages insured	1,241,418,272	1,618,499,572	1,787,199,572
Commitments outstanding	271,741,018	65,759,366	63,800,000
Total charges against authority	1,513,159,290	1,684,258,938	1,850,999,572
Unused authority	786,840,710	615,741,062	449,000,428

[1] Maximum contingent liability, reflecting outstanding balances in insurance reserve accounts, is $320,146,076 in 1958, $360,388,680 in 1959, $414,957,810 in 1960, and $466,935,658 in 1961.

[2] Includes charge of $150,315 at the end of 1959, which is chargeable against the limitation of $100 million contained in section 203(i) of the National Housing Act relating to farm mortgages. This limitation was eliminated by Public Law 86–372, approved Sept. 23, 1959.

[3] Increased $8 billion by Public Law 86–372, approved Sept. 23, 1959.

NOTE.—Insurance in force under the General Authorization at June 30, 1959, June 30, 1960, and June 30, 1961, does not include $85,085, $81,813 and $78,387 respectively of outstanding balances on open-end advances which are not chargeable against the authorization.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Home modernization and repair insurance program (title I, sec. 2):			
Acquisition of real properties and defaulted notes	$10,262,313	$12,305,000	$14,749,000
Expense	4,786,411	4,548,000	4,523,200
Basic 1–4 family mortgage insurance program (titles I and II, secs. 8, 203, and 222):			
Acquisition of real properties	16,188,597	17,210,014	16,743,000
Expense	41,173,353	41,723,200	44,413,700
Participation in mutual insurance earnings	11,401,713	11,414,081	12,000,000
Basic multifamily mortgage insurance program (title II, secs. 207, 213, 231, and 232):			
Acquisition of real properties and defaulted mortgages	6,370,230	3,243,694	4,466,800
Acquisition of stock in rental housing corporations	14,600	46,500	51,000
Expense	2,796,837	4,393,800	4,359,300
Urban renewal, rehabilitation and relocation mortgage insurance program (title II, secs. 220 and 221):			
Acquisition of real properties	195,914	425,036	637,500
Acquisition of stock in rental housing corporations	2,300	9,500	9,700
Expense	1,062,160	1,651,800	1,853,800
Armed services mortgage insurance program (title VIII, secs. 803, 809, and 810):			
Acquisition of real properties and defaulted mortgages	393,449	9,490,075	3,529,100
Acquisition of stock in rental housing corporations	----------	20,600	8,300
Expense	924,620	654,800	682,200
Emergency and other special incentive programs (titles VI, VII, and IX, secs. 603, 608–611, 701, 903, and 908):			
Acquisition of real properties and defaulted mortgages	35,533,610	32,761,247	26,869,700
Acquisition of stock in rental housing corporations	1,000	----------	----------
Expense	2,295,915	2,248,700	2,217,800
Acquisition of furniture and equipment	465,683	280,000	250,000
Increase in selected working capital	25,861,154	21,563,912	12,180,550
Total gross expenditures	159,729,859	163,989,959	149,544,650
Receipts from operations (funds provided):			
Home modernization and repair insurance program (title I, sec. 2):			
Proceeds from sale of real properties	1,400	----------	----------
Recoveries on mortgage notes	55,865	56,057	56,100
Recoveries on defaulted notes	7,538,039	6,960,929	6,927,200
Revenue	17,318,096	18,408,310	19,106,400
Basic 1–4 family mortgage insurance program (titles I and II, secs. 8, 203, and 222):			
Proceeds from sale of real properties	1,395,012	2,245,800	2,256,100
Recoveries on mortgage notes	1,174,048	1,205,328	1,563,200
Revenue	129,509,931	149,856,846	174,802,900
Basic multifamily mortgage insurance program (title II, secs. 207, 213, 231, and 232):			
Proceeds from sale of real properties	34,414	49,600	56,100
Recoveries on mortgage notes	268,617	268,670	298,700
Redemption of stock in rental housing corporations	5,600	600	800
Revenue	8,292,852	11,319,066	14,411,000
Urban renewal, rehabilitation and relocation mortgage insurance program (title II, secs. 220 and 221):			
Proceeds from sale of real properties	1,000	1,800	4,000
Recoveries on mortgage notes	171	1,479	5,000
Revenue	2,213,369	3,666,100	5,385,100
Armed services mortgage insurance program (title VIII, secs. 803, 809, and 810):			
Proceeds from sale of real properties	201,100	410,500	178,700
Recoveries on mortgage notes	5,343	56,357	77,000
Redemption of stock in rental housing corporations	6,000	----------	----------
Revenue	5,758,836	6,581,300	5,135,600
Emergency and other special incentive programs (titles VI, VII, and IX, secs. 603, 608–611, 701, 903, and 908):			
Proceeds from sale of real properties	5,611,027	7,327,200	6,849,500
Recoveries on mortgage notes	4,050,467	5,261,467	5,587,500
Redemption of stock in rental housing corporations	11,700	4,660	4,400
Revenue	27,603,645	26,637,896	26,640,700
Proceeds from sale of equipment	32,499	----------	----------
Total receipts from operations	211,089,031	240,319,965	269,346,000
Budget expenditures	−51,359,172	−76,330,006	−119,801,350

Revenue, Expense, and Retained Earnings

Home modernization and repair insurance program (title I, sec. 2):			
Revenue	$17,318,096	$18,408,310	$19,106,400
Expense	6,599,616	10,040,018	11,618,400
Net operating income	10,718,480	8,368,292	7,488,000

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FEDERAL HOUSING ADMINISTRATION—Continued

Public enterprise funds—Continued

FEDERAL HOUSING ADMINISTRATION FUND—Continued

Revenue, Expense, and Retained Earnings—Continued

	1959 actual	1960 estimate	1961 estimate
Basic 1-4 family mortgage insurance programs (titles I and II, secs. 8, 203, and 222):			
Revenue	$129,509,931	$149,856,846	$174,802,900
Expense	44,510,972	44,728,754	47,550,200
Net operating income	84,998,959	105,128,092	127,252,700
Basic multifamily mortgage insurance program (title II, secs. 207, 213, 231, and 232):			
Revenue	8,292,852	11,319,066	14,411,000
Expense	5,603,124	5,122,732	5,875,300
Net operating income	2,689,728	6,196,334	8,535,700
Urban renewal, rehabilitation and relocation mortgage insurance program (title II, secs. 220 and 221):			
Revenue	2,213,369	3,666,100	5,385,100
Expense	1,096,235	1,723,725	1,961,800
Net operating income	1,117,134	1,942,375	3,423,300
Armed services mortgage insurance program (title VIII, secs. 803, 809, and 810):			
Revenue	5,758,836	6,581,300	5,135,600
Expense	−430,248	4,358,761	2,152,300
Net operating income	6,189,084	2,222,539	2,983,300
Emergency and other special incentive programs (titles VI, VII, and IX, secs. 603, 608-611, 701, 903, and 908):			
Revenue	27,603,645	26,637,896	26,640,700
Expense	7,362,101	10,142,476	10,498,400
Net operating income	20,241,544	16,495,420	16,142,300
Nonoperating income or loss (−):			
Proceeds from sale of equipment	32,499		
Net book value of assets sold (−)	−9,238		
Net nonoperating income for the year	23,261		
Net income for the year	125,978,190	140,353,052	165,825,300
Analysis of retained earnings:			
Retained earnings, beginning of year	643,335,694	757,912,171	886,851,142
Participation payments out of statutory reserve (−)	−11,401,713	−11,414,081	−12,000,000
Retained earnings, end of year	757,912,171	886,851,142	1,040,676,442

Financial Condition

Assets:			
Cash with Treasury:			
Revolving fund accounts	$35,578,444	$25,048,300	$22,037,800
Deposit fund accounts	1,732,225	1,731,700	1,731,700
U.S. securities (par)	603,869,850	696,169,850	809,602,850
Accounts receivable, net	26,074,056	39,797,590	53,252,790
Mortgage notes and sales contracts, net	139,526,879	168,475,800	193,305,400
Acquired properties, mortgages and notes, net	190,000,150	192,045,300	189,071,300
Furniture and equipment, net	1,750,252	1,730,252	1,630,252
Stock in rental housing corporations	461,660	533,000	596,800
Other assets (current)	3,054,449	3,154,500	3,254,500
Total assets	1,002,047,965	1,128,686,292	1,274,483,392
Liabilities:			
Current liabilities	100,237,853	102,334,100	107,579,000
Trust and deposit liabilities for mortgagor accounts	3,054,449	3,154,500	3,254,500
Debentures authorized and in process	29,020,650	19,083,500	15,113,250
Debentures outstanding	110,429,100	115,868,950	106,490,100
Reserve for foreclosure costs	1,393,742	1,394,100	1,370,100
Total liabilities	244,135,794	241,835,150	233,806,950
Government investment:			
Retained earnings:			
Statutory reserve—participating reserve	125,814,081	146,400,000	169,400,000
General surplus—reserves for future expense and loss	632,098,090	740,451,142	871,276,442
Total Government investment	757,912,171	886,851,142	1,040,676,442

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash and U.S. securities	$578,225,272	$639,448,294	$721,218,150	$831,640,650
Obligated balance, net:				
Current liabilities	100,841,048	100,237,853	102,334,100	107,579,000
Debentures authorized and in process	41,101,850	29,020,650	19,083,500	15,113,250
Unpaid and undelivered orders	617,580	237,071	237,071	237,071
Accounts receivable, net, and deposit fund account (−)	−14,629,522	−27,806,281	−41,529,290	−54,984,490
Authorization for debentures authorized and in process (−)	−41,101,850	−29,020,650	−19,083,500	−15,113,250
Total obligated balance	86,829,106	72,668,643	61,041,881	52,831,581
Unobligated balance	491,396,166	566,779,651	660,176,269	778,809,069

NOTE.—Contingent liability for insurance contracts in force (FHA insured notes secured by real estate having a value in excess of these amounts):

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Mortgage insurance programs	$22,291,384,140	$27,051,465,910	$31,160,123,203	$35,477,685,613
Modernization and improvement program (title I, sec. 2)	320,146,076	360,388,680	414,957,810	466,935,658
Total	22,611,530,216	27,411,854,590	31,575,081,013	35,944,621,271

LIMITATION ON ADMINISTRATIVE AND NONADMINISTRATIVE EXPENSES, FEDERAL HOUSING ADMINISTRATION

For administrative expenses in carrying out duties imposed by or pursuant to law, not to exceed [$8,100,000] *$8,800,000* of the various funds of the Federal Housing Administration shall be available, in accordance with the National Housing Act, as amended (12 U.S.C. 1701), including uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131): *Provided*, That, except as herein otherwise provided, all expenses and obligations of said Administration shall be incurred, allowed, and paid in accordance with the provisions of said Act: *Provided further*, That funds shall be available for contract actuarial services (not to exceed $1,500); and purchase of periodicals and newspapers (not to exceed [$750] *$1,000*): *Provided further*, That nonadministrative expenses classified by section 2 of Public Law 387, approved October 25, 1949, shall not exceed [$48,000,000] *$50,000,000: Provided further, That, in addition to the foregoing limitation, there may be apportioned for use, pursuant to section 3679 of the Revised Statutes, as amended, such additional amounts (not exceeding in the aggregate 15 per centum of such limitation) as may be necessary to process workload in connection with mortgage insurance applications which the Commissioner may determine to be necessary to avoid undue inconvenience or hardship to the housing industry and the public.* (*Independent Offices Appropriation Act, 1960.*)

Program and Financing—Administrative Expenses

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Home modernization and repair insurance program (title I, sec. 2)	$970,301	$1,030,000	$1,105,000
2. Basic 1-4 family mortgage insurance program (title I, sec. 8; title II, secs. 203 and 222)	4,875,706	4,923,500	5,403,000
3. Basic multifamily mortgage insurance program (title II, secs. 207 and 213)	706,278	761,500	855,000
4. Urban renewal, rehabilitation and relocation mortgage insurance program (title II, secs. 220 and 221)	317,770	340,000	377,000
5. Armed services mortgage insurance program (title VIII)	227,862	228,200	238,000
6. Emergency and other special incentive programs (titles VI, VII, and IX)	773,455	816,800	822,000
Total obligations	7,871,372	8,100,000	8,800,000
Financing:			
Unobligated balance no longer available	70,128		
Limitation	7,941,500	8,100,000	8,800,000

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Object Classification—Administrative Expenses

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	1,014	1,051	1,096
Full-time equivalent of all other positions	1	1	1
Average number of all employees	922	974	1,024
Number of employees at end of year	962	985	1,070
Average GS grade and salary	7.4 $6,029	7.4 $6,014	7.3 $6,045
01 Personal services:			
Permanent positions	$5,957,356	$6,231,000	$6,570,410
Positions other than permanent	2,387	3,000	3,000
Other personal services	157,637	147,000	125,000
Total personal services	6,117,380	6,381,000	6,698,410
02 Travel	307,716	280,000	305,000
03 Transportation of things	5,637	5,820	6,115
04 Communication services	75,293	81,950	85,000
05 Rents and utility services	631,274	632,300	730,000
06 Printing and reproduction	63,707	65,250	169,685
07 Other contractual services	227,110	198,270	294,405
08 Supplies and materials	67,347	70,810	106,385
11 Grants, subsidies, and contributions	362,146	380,000	400,000
13 Refunds, awards, and indemnities	8,840		
15 Taxes and assessments	4,922	4,600	5,000
Total obligations	7,871,372	8,100,000	8,800,000

Program and Financing—Nonadministrative Expenses

Program by activities:			
1. Home modernization and repair insurance program (title I, sec. 2)	$3,774,419	$3,539,600	$3,436,200
2. Basic 1–4 family mortgage insurance program (title I, sec. 8; title II, secs. 203 and 222)	36,473,945	37,135,400	39,306,500
3. Basic multifamily mortgage insurance program (title II, secs. 207 and 213)	2,192,051	3,686,800	3,549,800
4. Urban renewal, rehabilitation and relocation mortgage insurance program (title II, secs. 220 and 221)	786,374	1,319,700	1,484,500
5. Armed services mortgage insurance program (title VIII)	684,410	450,600	464,300
6. Emergency and other special incentive programs (titles VI, VII, and IX)	1,988,383	1,867,900	1,758,700
Total obligations	45,899,582	48,000,000	50,000,000
Financing:			
Unobligated balance no longer available	135,418		
Limitation	46,035,000	48,000,000	50,000,000

Object Classification—Nonadministrative Expenses

Total number of permanent positions	6,100	6,516	6,573
Full-time equivalent of all other positions	99	41	48
Average number of all employees	5,773	6,109	6,304
Number of employees at end of year	6,171	6,616	6,673
Average GS grade and salary	7.4 $6,029	7.4 $6,014	7.3 $6,045
01 Personal services:			
Permanent positions	$34,721,654	$36,809,200	$37,940,900
Positions other than permanent	437,857	249,300	291,300
Other personal services	1,139,580	815,800	727,000
Total personal services	36,299,091	37,874,300	38,959,200
02 Travel	2,797,392	2,924,000	3,350,700
03 Transportation of things	150,710	159,400	164,600
04 Communication services	860,097	874,300	877,200
05 Rents and utility services	1,867,042	2,236,000	2,284,200
06 Printing and reproduction	394,216	409,000	422,500
07 Other contractual services	508,357	528,300	881,400
08 Supplies and materials	360,570	381,700	393,900
09 Equipment	446,798	280,000	250,000
11 Grants, subsidies, and contributions	2,171,665	2,306,700	2,389,000
13 Refunds, awards, and indemnities	19,025		
15 Taxes and assessments	24,619	26,300	27,300
Total obligations	45,899,582	48,000,000	50,000,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Housing and Home Finance Agency	$146,159	$153,000	$153,000
2. Department of the Interior	46,731	10,000	
3. Miscellaneous services to other accounts	9,699	2,000	2,000
Total obligations	202,589	165,000	155,000
Financing:			
Advances and reimbursements from other accounts	202,589	165,000	155,000

Object Classification

	1959 actual	1960 estimate	1961 estimate
Average number of all employees	13	9	8
Number of employees at end of year	0	0	0
01 Personal services: Permanent positions	$73,925	$45,400	$37,400
02 Travel	17,554	8,500	6,500
04 Communication services	103,930	104,800	105,300
05 Rents and utility services	34		
07 Other contractual services	176	100	100
08 Supplies and materials	3,473	3,400	3,400
11 Grants, subsidies, and contributions	3,485	2,800	2,300
15 Taxes and assessments	12		
Total obligations	202,589	165,000	155,000

PUBLIC HOUSING ADMINISTRATION

The United States Housing Act of 1937 (42 U.S.C. 1401 et seq.), as amended, provides for a low rent public housing program comprising decent, safe, and sanitary dwellings within the financial reach of families of low income. The Public Housing Administration has the responsibility for administering this low rent public housing program. As provided for under the act, the Administration makes loans and annual contributions to local housing authorities to assist in financing the construction and to maintain the low rent character of the housing projects after completion and occupancy. In addition, the Public Housing Commissioner has directed, on behalf of the Housing and Home Finance Administrator, the liquidation of the public war, the defense, and the veterans reuse housing programs which are included in the revolving fund for liquidating programs (see Office of the Administrator).

Public enterprise funds:

LOW RENT PUBLIC HOUSING PROGRAM

ANNUAL CONTRIBUTIONS

For the payment of annual contributions to public housing agencies in accordance with section 10 of the United States Housing Act of 1937, as amended (42 U.S.C. 1410), [$120,000,000] *$146,000,000. (Independent Offices Appropriation Act, 1960).*

Appropriated 1960, **$120,000,000** Estimate 1961, **$146,000,000**

ADMINISTRATIVE EXPENSES

For administrative expenses of the Public Housing Administration, [$12,830,000] *$13,200,000,* to be expended under the authorization for such expenses contained in title II of this Act. *(Independent Offices Appropriation Act, 1960.)*

Appropriated 1960, **$12,830,000** Estimate 1961, **$13,200,000**

NOTE.—Expenditures from the following fund for 1960 are subject to the first paragraph of title II of the Independent Offices Appropriation Act, 1960. For 1961 this paragraph is shown in the independent offices chapter, p. 147, preceding Federal Home Loan Bank Board.

LOW RENT PUBLIC HOUSING PROGRAM FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Development and management operations:			
(a) Financing operations:			
Development loan commitments:			
New commitments	$296,336,092	$267,835,000	$342,433,000
Refunding direct with guaranteed loans	109,842,417	125,700,000	156,874,000
Administrative and mortgage loans	241,800	200,000	200,000
Judgment	19,480		
Expense	166,529		

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PUBLIC HOUSING ADMINISTRATION—Continued

Public enterprise funds—Continued

LOW RENT PUBLIC HOUSING PROGRAM—Continued

LOW RENT PUBLIC HOUSING PROGRAM FUND—continued

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
1. Development and management operations—Continued			
(*b*) Federally owned project operations:			
Acquisition of equipment and operating improvements	$169,722	$47,000	$2,400
Deferred expense—insurance and materials and supplies	55	100	11,300
Expense	525,377	541,300	542,900
(*c*) Technical services operations: Expense	1,133,584	800,000	800,000
(*d*) Disposition operations: Expense	2,001		
(*e*) Other expense	3,473		
2. Interest on borrowings	994,040	1,600,000	1,600,000
3. Administrative expenses	12,305,064	12,630,000	13,200,000
4. Annual contributions (statutory grants)	115,366,664	120,000,000	146,000,000
5. Advances	24,732	−9,154	−5,000
6. Reclassification of liability for accrued annual leave	1,535,413		
Total program (obligations)	538,666,443	529,344,246	661,658,600
Financing:			
Amounts becoming available:			
Appropriations:			
Annual contributions	115,500,000	120,000,000	146,000,000
Administrative expenses	12,574,000	12,830,000	13,200,000
Revenue and receipts:			
Collection of development loans from local authorities:			
Direct loans	1,602,251	3,400,000	2,200,000
Refunding direct with guaranteed loans	109,842,417	125,700,000	156,874,000
Permanent financing	39,746,847	90,000,000	100,000,000
Collection of other loans	347,175	250,000	318,000
Collection of judgments	168,940		
Interest on loans and other receipts	2,794,592	2,730,000	2,760,000
Revenue from federally owned projects	574,492	590,100	593,300
Technical service fees	2,345,725	873,000	1,102,000
Disposition proceeds and other revenue	664,198	174,900	518,300
Donated working capital	575		
Adjustment to prior year revenue and receipts, net	28,355		
Recovery of prior year obligations (reduction of loan commitment due to permanent financing and other cancellations)	186,996,352	210,811,000	256,011,000
Recovery of prior year obligations	57,925		8,391
Total amounts becoming available	473,243,844	567,359,000	679,584,991
Unobligated balance brought forward (authorization to expend from public debt receipts)	427,644,193	361,275,331	398,937,169
Total amounts available	900,888,037	928,634,331	1,078,522,160
Return of unexpended appropriations to Treasury (−):			
Annual contributions	−139,588		
Administrative expenses	−285,838	−200,000	
Capital transfers (payment of property receipts to Treasury) (−)	−520,837	−152,916	−478,000
Unobligated balance carried forward (authorization to expend from public debt receipts)	−361,275,331	−398,937,169	−416,385,560
Financing applied to program	538,666,443	529,344,246	661,658,600

The principal modifications of the United States Housing Act were made by Public Law 671, approved June 28, 1940 (42 U.S.C. 1501), which authorized the construction of permanent housing for war workers to be converted to low rent use after the emergency; the Housing Act of 1949, Public Law 171, approved July 15, 1949 (42 U.S.C. 1401 et seq.), which increased the borrowing power of the Public Housing Administration to $1.5 billion and increased the annual contributions authorization to $336 million; the Housing Act of 1956, Public Law 1020, approved August 7, 1956, which authorized admission of single elderly persons, a first preference in admission for the elderly and the construction of dwellings designed specifically for the elderly; the Housing Act of 1957, Public Law 85–104, approved July 12, 1957, which authorized higher exemptions from income in determining rents and eligibility for admission and occupancy, and higher construction costs; and the Housing Act of 1959, Public Law 86–372, approved September 23, 1959, which removed the specific limitations on income, exemptions, and rents and substituted the general standard that there be taken into consideration the size of the family, composition, age, physical handicap and other factors which might affect the rent paying ability of the family and the economic factors which affect the financial stability and solvency of the project. The 1959 act also revises the age requirements for admission to and occupancy of low rent public housing for elderly single persons and families, and provides that the age requirements conform to those applicable for benefits under title II of the Social Security Act, namely, 65 for men, 62 for women, and 50 for disabled persons.

Budget program.—The local housing authority applies for Federal financial assistance for a low rent public housing project, demonstrating the need for low rent housing in the community, the availability of an appropriate site, and that statutory requirements of a workable program and a cooperation agreement with the local governing body have been met. The Administration enters into an annual contributions contract with the local housing authority, which is consequently treated as the point of program initiation and control. The contract provides for (*a*) the payment of annual contributions to the local housing authority over a fixed period of years, not to exceed 40, in an amount not to exceed the interest and amortization on the bonds required to finance the construction of the projects, and (*b*) temporary financing of development costs pending substantial construction completion and permanent financing of the project.

The Housing Act of 1956 authorized the execution of new contracts for loans and annual contributions for 70,000 additional low rent public housing units. This act also continued the uncompleted authorization to execute contracts for loans and annual contributions contracts contained in the Housing Amendments of 1955. The authorization for the first increment of 35,000 units extended from August 1, 1956, through July 31, 1958. Under this authorization, 24,963 units were placed under loan and annual contributions contracts; authorization for 10,037 units expired. The second increment of 35,000 units became effective July 1, 1957, and expired on June 30, 1959. All units in the second increment were placed under annual contributions contracts.

The Housing Act of 1959 authorizes the placing of an additional 37,000 housing units under loan and annual contributions contracts. The authorization became available, without a time limitation, upon enactment of the act.

The budget program plans for the execution of annual contributions contracts for 15,000 units during 1960 and 22,000 units in 1961. The budget estimates for 1961 are based upon the execution of additional annual contributions contracts and an increased number of units in the construction stage, with correspondingly more units reaching the management stage, where the workload is cumulative.

Development progress.—The development of the low rent public housing program can be measured at any one time by the number of housing units in the principal

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stages of development. The status-by-stage analysis at respective fiscal year ends is presented in the following tabulation:

NUMBER OF DWELLING UNITS

	1959 actual	*1960 estimate*	*1961 estimate*
Development stages:			
1. Preliminary loan contract executed, site not selected	25,067	17,067	5,067
2. Site selected, annual contribution contract not executed	3,355	3,355	------
3. Annual contributions contracts executed, construction not started	101,600	91,600	83,600
4. Construction started, not available for occupancy	28,969	33,969	40,969

This analysis indicates that the development activity over the 3-year period will increase in the construction stage. It is estimated that new construction will reach 33,969 units by June 30, 1960 and 40,969 units by the end of 1961. The increased activity, during 1959, on the part of the Administration to place as many units as possible under annual contributions contracts before the effective authorization terminated on June 30, 1959, created a backlog in the third stage. The units in the third stage will decrease as units move into the construction stage more rapidly than the execution of annual contributions contracts for the 37,000 units as authorized by the Housing Act of 1959.

A further analysis is provided by the passing of dwelling units through various development stages. The number of units passing each of the 5 stages in the development process during a given fiscal year is the means of measuring program accomplishments. A 3-year comparison is presented in the following tabulation:

NUMBER OF DWELLING UNITS

	1959 actual	*1960 estimate*	*1961 estimate*
Development action:			
1. Preliminary loan contracts executed	9,846	7,000	10,000
2. Site selected	40,680	15,000	18,645
3. Annual contributions contracts executed	40,629	15,000	22,000
4. Construction started	18,646	25,000	30,000
5. Completed for occupancy	20,181	20,000	23,000

The activity shown for 1959 reflects a large number of annual contributions contracts executed. The time lag between the third and fourth stages of the development process, caused by the time required for preparation of architectural and engineering plans, and advertising for construction contracts, etc., leaves a substantial number of units under annual contributions contracts awaiting start of construction. An increased number of units will be placed under construction during 1960 and 1961. As housing units leave the construction stage, the workload in the management stage will increase correspondingly.

Loans.—The Housing Act of 1949 authorizes the Public Housing Administration to have outstanding at any one time borrowings from the Treasury of $1.5 billion. These borrowings and certain available working capital funds are used to make loans to local housing authorities. In accordance with the provisions of the annual contributions contract, the Administration makes a loan commitment to finance the initial development costs of the project. The commitment is gradually increased during the development period as progress warrants. The maximum loan commitment by the Administration cannot exceed 90% of the development costs.

During 1960 and 1961, new loan commitments will reflect additional annual contributions contracts and an increase in the number of dwelling units under construction. The dollar volume of new loan commitments is estimated to decrease from $296 million in 1959 to $268 million in 1960, and will increase to $342 million in 1961.

The Public Housing Administration makes direct short-term development loans to assist local housing authorities in financing the initial planning and the early stages of construction of a low rent housing project. When loans to local housing authorities are of sufficient amount to be attractive to private investors, the local housing authority sells short-term temporary notes and utilizes the proceeds to repay the advance and interim notes held by the Administration and for immediate construction requirements. These notes are secured by the Administration through a pledge by the local housing authority of the Administration's loan commitment. This arrangement has established an excellent security rating for these notes which sold at an average interest rate of 1.778% in 1959. Direct loans were refunded through loans by private investors, secured by the Public Housing Administration, during 1959 in the amount of $110 million. Refunding of the Public Housing Administration loans with private loans is estimated at $126 million in 1960 and $157 million in 1961. These temporary notes, financed by private investors, are issued for short periods, usually 5 months, and may be reissued several times, and in increasing amounts, before the project is completed and ready for occupancy. As a result, a considerable turnover of short-term notes takes place during each fiscal period. The volume of loan activity managed by the Administration during a fiscal year greatly exceeds the amount of loans outstanding at the fiscal year end.

The following table reviews the actual financing and refinancing of development loans by the Administration and private investors during 1959 and estimated transactions during 1960 and 1961.

[In millions]

	1959 actual	*1960 estimate*	*1961 estimate*
Loans and investments made by Public Housing Administration to local housing authorities:			
Balance at beginning of year	$91	$89	$93
Acquisitions during the year	157	223	260
Repayments during the year	159	219	259
Balance at end of year	89	93	94
Loans by private investors to local housing authorities—secured by Public Housing Administration:			
Balance at beginning of year	792	830	790
Acquisitions during the year	1,749	1,623	1,668
Repayments during the year	1,711	1,663	1,685
Balance at end of year	830	790	773

All short-term financing, both direct and federally secured, is retired when the local housing authority permanently finances the project. Refunding operations affect only the distribution between direct and secured loans and not the total outstanding.

The local housing authority obtains permanent financing principally through the sale of long-term bonds to the public. These are usually 40-year serial bonds and are secured by the Federal Government's pledge to pay annual contributions. During 1959, long-term bonds in the aggregate amount of $253.5 million were sold at interest rates ranging from 3.3509% to 3.7760%. During 1959, permanent financing totaled $288.8 million. This included the sale of local housing authority bonds and Series A notes, and also permanent notes taken by the Administration. New permanent financing is estimated at $320.9 million during 1960 and $382.2 million during 1961.

Management.—The fixed annual contribution, which is equal to the interest and amortization on the bonds and other obligations issued to permanently finance the low rent public housing project, is reduced to the extent that project operations provide net receipts which can be used for this purpose. A limited review of project management by the Administration is deemed necessary to assure that the objectives of housing legislation are being achieved

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PUBLIC HOUSING ADMINISTRATION—Continued

Public enterprise funds—Continued

LOW RENT PUBLIC HOUSING PROGRAM—Continued

LOW RENT PUBLIC HOUSING PROGRAM FUND—continued

and that the provisions of the annual contributions contract are being fulfilled. The review of project management operations is to assure that objectives of the housing legislation are met and is directed toward reduction in the cost of the program to the Federal Government.

The management workload will increase during 1960 and 1961 as projects under construction are completed. The management workload at each fiscal year end, classified according to major category and program, is shown in the table that follows:

NUMBER OF DWELLING UNITS

	1959 actual	*1960 estimate*	*1961 estimate*
Locally owned projects eligible for annual contributions	420,699	440,699	463,699
Locally owned projects paying residual receipts to the Federal Government	32,268	32,268	32,268
Federally owned directly operated projects	1,186	1,182	1,182
Federally owned projects leased to local housing authorities	992	269	269
Total all projects	455,145	474,418	497,418

Projects not eligible for annual contributions.—Federal funds are not required for the support of projects not eligible to receive annual contributions payments. These projects originated in programs where construction costs were financed out of appropriated funds. Therefore, in the absence of interest and amortization charges no need exists for the payment of annual contributions which otherwise would be required to pay such charges.

One category is the group of locally owned projects paying residual receipts to the Federal Government. Residual receipts from these projects are paid for a period of 40 years; however, the Federal Government has no liability to pay operating deficits.

Another category consists of federally owned projects leased to local housing authorities. Leasing arrangements are merely temporary expedients until such time as projects are either sold to local housing authorities and financed by sale of local housing authority bonds under annual contributions contracts or transferred to local housing authorities under conditional conveyance contracts providing for payment of residual receipts to the Federal Government. These leased projects are scheduled for disposition by conveyance or sale as rapidly as possible.

Nonadministrative expenses.—The Public Housing Administration utilizes program receipts to meet certain expenses of the low rent public housing program, and the use of these funds correspondingly reduces the requirements for appropriated funds. The Congress, in order to maintain control over the use of these receipts, established a nonadministrative expense limitation. The limitation applies to two activities: (*a*) expenses incurred in the operation and maintenance of federally owned directly operated projects, and (*b*) expenses incurred for Public Housing Administration representation during construction.

As of June 30, 1959, only 3 federally owned directly operated projects, containing 1,182 units and 4 rural units, remained. These projects have not been sold or leased to local housing authorities for various reasons, such as absence of state-enabling legislation, local conditions, and the lack of congressional authority to dispose of the projects for other than low rent use. Estimated program receipts and expenses for 1960 and 1961 are based upon the continued operation of these projects by the Administration.

The representatives of the Administration visit sites of low rent public housing projects under construction to ensure that projects will be built in accordance with specified and acceptable standards. During 1959, the Administration discontinued its policy of assigning full-time project engineers to projects while under construction. Instead, it established within the jurisdiction of each regional office a staff of traveling construction representatives who visit each project at periodic intervals. In the course of visits to projects under construction, these representatives determine the effectiveness of project inspection by local housing authorities, review the status of contract administration and adherence to requirements, expedite where a need is indicated, discuss current problems relating to the construction work, examine certain selected files, and report to the regional offices on conditions found. The local housing authorities pay a fixed fee for this service, based upon a percentage of the total development cost, and the receipts are used to pay the cost of services. The estimated cost for 1961 is based upon the revised service and an increased number of units in the construction stage.

Annual contributions.—The following table summarizes the annual contributions required to assure the low rent character of all locally owned projects on which annual contributions accrue.

	1959 actual	*1960 estimate*	*1961 estimate*
Number of units	401,467	429,221	455,717
Fixed annual contributions	$133,106,635	$149,200,000	$166,400,000
Deduct amounts available to reduce fixed annual contributions:			
Accrued interest	1,090,614	4,742,624	7,325,566
Capitalized interest	584,001	1,275,512	1,451,091
Residual receipts, end of initial operating period	216,734	176,430	287,355
Residual receipts, current period	15,575,418	11,722,617	11,054,530
Fixed annual contributions in excess of debt service requirements for Public Law 671 projects in temporary financing	273,204	282,817	281,458
Total amount available to reduce annual contributions	17,739,971	18,200,000	20,400,000
Annual contributions requirements	[1] 115,366,664	[2] 131,000,000	146,000,000

[1] $115.5 million was appropriated.
[2] Includes a supplemental appropriation of $11 million proposed for later transmission.

Increased annual contributions requirements in 1960 and 1961 are largely the result of an increased number of units eligible for annual contributions resulting from the completion and permanent financing or new projects. Another factor is the increased operating cost, particularly for extraordinary maintenance, replacement of equipment, and operating improvements.

Under the present statutory authorization, the Public Housing Administration may pay annual contributions up to $336 million per annum. The maximum amount of annual contributions which the Administration is committed to pay, on the basis of annual contributions contracts executed through June 30, 1959, is estimated at $249 million, leaving $87 million of uncommitted authority to pay annual contributions.

Administrative expenses.—Administrative expenses for the low rent public housing program amounted to $12,305,064 in 1959; for 1960 the amount of $12,830,000 was appropriated, but it is estimated that budgetary savings of $200,000 may be effected; the estimate for 1961 is $13,200,000.

The increasing number of units entering the management stage during 1960 and 1961 is the principal reason for the rise in administrative expenses. The number of

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dwelling units completed and reaching the management stage at year end will increase from 455,145 units in 1959 to 474,418 units in 1960, and 497,418 units in 1961 and will expand the management workload. This will require an increase in the number of operating engineers attached to management staffs located in the various regional offices. Additional staff is required for the increasing audit workload and to improve the quality of audits of local housing authorities as recommended by the General Accounting Office.

Operating results and financial condition.—Operating income is not intended to be sufficient to cover all program expense. Net losses, in the budget year, are approximately equal to the appropriations for administrative expenses and annual contributions payments.

Net obligations outstanding, as shown in the schedule of certain fund balances, will continue to increase during 1960 and 1961. The Administration's accelerated construction program has created new loan commitments which exceed retirements through permanent financing during these years. Commitments include the Administration's agreement to advance construction funds to local housing authorities and the securing of outstanding advance and permanent loan notes held by private investors. These commitments can be met from the authority to borrow up to $1.5 billion from the Treasury.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Development and management operations:			
Financing operations:			
Acquisition of loans and mortgages:			
Loans to local housing authorities:			
Development loans	$149,107,148	$223,000,000	$260,000,000
Administrative loans	241,800	200,000	200,000
Judgment	19,480		
Expense	966,231	1,564,000	1,564,000
Federally owned project operations:			
Acquisition of equipment, and operating improvements	170,754	40,200	9,200
Expense	561,058	579,800	580,200
Technical service operations: Expense	1,133,691	800,000	800,000
Disposition operations: Expense	2,001		
Administrative expenses	12,290,093	12,630,000	13,200,000
Annual contributions (statutory grants)	115,366,664	120,000,000	146,000,000
Reclassification of liability for accrued annual leave	1,535,413		
Total gross expenditures	281,394,333	358,814,000	422,353,400
Receipts from operations (funds provided):			
Development and management operations:			
Financing operations:			
Repayment of loans and mortgages:			
Loans to local housing authorities:			
Development loans	151,191,515	219,100,000	259,074,000
Administrative loans	34,978	57,000	115,000
Mortgage notes	312,197	193,000	203,000
Judgments receivable	168,940		
Revenue (funded)	2,794,592	2,730,000	2,760,000
Federally owned project operations:			
Revenue	574,492	590,100	593,300
Technical service operations: Revenue	2,345,725	873,000	1,102,000
Disposition proceeds and other revenue	664,198	174,900	518,300
Donated working capital	575		
Adjustment to prior year transactions, net	92,739		
Decrease in selected working capital	6,332,633	2,029,571	7,139,591
Total receipts from operations	164,512,584	225,747,571	271,505,191
Budget expenditures	116,881,749	133,066,429	150,848,209

Revenue, Expense, and Retained Earnings

Development and management operations:			
Financing operations:			
Revenue	$2,887,388	$2,730,000	$2,760,000
Expense	1,399,084	1,564,000	1,564,000
Net operating income, financing operations	1,488,304	1,166,000	1,196,000

Revenue, Expense, and Retained Earnings—Continued

	1959 actual	1960 estimate	1961 estimate
Development and management operations—Continued			
Federally owned project operations:			
Revenue	$574,492	$590,100	$593,300
Expense	909,946	695,000	695,400
Net operating loss (−), federally owned project operations	−335,454	−104,900	−102,100
Technical service operations:			
Revenue	2,345,725	873,000	1,102,000
Expense	1,133,691	800,000	800,000
Net operating income, technical service	1,212,034	73,000	302,000
Residual receipts from projects conveyed under conditional conveyance contracts	529,954	138,900	508,300
Disposition operations:			
Proceeds from sale of property	232,123	26,000	
Expense:			
Direct disposition expense	2,001		
Book value of—			
Property sold	249,889	26,000	
Property dispositions without reimbursement and inventory adjustment	4,604,913		
Administrative property transferred to other Government agencies (−)	−15,884		
Total expense	4,840,919	26,000	
Net loss (−), disposition operations	−4,608,796		
Other income and expense:			
Revenue	57,491	10,000	10,000
Expense	3,473		
Net other income	54,018	10,000	10,000
Net income or loss (−) before administrative expenses and annual contributions	−1,659,940	1,283,000	1,914,200
Administrative expenses (−)	−12,290,093	−12,630,000	−13,200,000
Annual contributions (statutory grants) (−)	−115,366,664	−120,000,000	−146,000,000
Adjustment to prior year transactions, net (decreasing loss)	92,739		
Net loss (−) for the year	−129,223,958	−131,347,000	−157,285,800
Analysis of deficit:			
Deficit (−), beginning of year:			
Reserved for project operations	189,512	14,661	8,061
Reserved for technical service operations	1,527,175	2,738,441	2,811,441
Unreserved	−754,577,236	−885,094,746	−1,016,661,062
Payment of property receipts to Treasury (−)	−520,837	−152,916	−478,000
Book value of administrative property transferred to and from other Government agencies and programs, net	263,700		
Deficit (−), end of year	−882,341,644	−1,013,841,560	−1,171,605,360
Analysis of deficit (−), end of year:			
Reserved for project operations	14,661	8,061	1,461
Reserved for technical service operations	2,738,441	2,811,441	3,113,441
Unreserved	−885,094,746	−1,016,661,062	−1,174,720,262

Financial Condition

Assets:			
Cash with Treasury and in banks [1]	$42,078,527	$44,489,182	$52,362,973
Accounts receivable, net	1,164,723	1,019,100	1,008,100
Advances	44,154	35,000	30,000
Inventories	100,855	100,855	100,855
Deferred charges	10,391	9,091	10,600
Loans to local housing authorities	87,623,578	91,666,578	92,677,578
Mortgage notes	1,696,133	1,503,133	1,300,133
Judgment receivable	18,926	18,926	18,926
Land, structures, and equipment, net	4,912,769	4,806,969	4,696,169
Total assets	137,650,056	143,648,834	152,205,334
Liabilities:			
Current [1]	44,464,411	46,333,105	53,453,405
Government investment:			
Interest-bearing capital:			
Start of year	35,000,000	27,000,000	30,000,000
Borrowing from Treasury during year, net	−8,000,000	3,000,000	
End of year	27,000,000	30,000,000	30,000,000
Non-interest-bearing capital:			
Start of year	821,166,398	948,527,289	1,081,157,289

[1] Excludes general and deposit funds in the amount of $452,579 and the respective liabilities as of June 30, 1959.

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PUBLIC HOUSING ADMINISTRATION—Continued

Public enterprise funds—Continued

LOW RENT PUBLIC HOUSING PROGRAM—Continued

LOW RENT PUBLIC HOUSING PROGRAM FUND—continued

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Government investment—Continued			
Non-interest-bearing capital—Continued			
Appropriations during year:			
Annual contributions	$115,500,000	$120,000,000	$146,000,000
Administrative expenses	12,574,000	12,830,000	13,200,000
Return of unexpended appropriations to Treasury (−):			
Annual contributions	−139,588		
Administrative expenses	−285,838	−200,000	
Assets declared excess or transferred to other Government agencies, net	−320,816		
Assets transferred to other PHA programs, net	33,133		
End of year	948,527,289	1,081,157,289	1,240,357,289
Deficit (−)	−882,341,644	−1,013,841,560	−1,171,605,360
Total Government investment	93,185,645	97,315,729	98,751,929

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash	$39,832,539	$42,078,527	$44,489,182	$52,362,973
Budget authorization	1,465,000,000	1,473,000,000	1,470,000,000	1,470,000,000
Total unexpended balance	1,504,832,539	1,515,078,527	1,514,489,182	1,522,362,973
Obligated balance, net:				
Current liabilities	38,186,730	44,464,411	46,333,105	53,453,405
Undisbursed loan obligations:				
Federally guaranteed private loans	792,244,553	830,147,511	789,871,511	773,167,511
Other undisbursed loan commitments	248,147,309	280,319,360	280,319,360	280,319,360
Unpaid undelivered orders	46,609	36,637	47,137	45,237
Accounts receivable, net, and cash on hand and in transit (−)	−1,436,855	−1,164,723	−1,019,100	−1,008,100
Total obligated balance	1,077,188,346	1,153,803,196	1,115,552,013	1,105,977,413
Unobligated balance	427,644,193	361,275,331	398,937,169	416,385,560

NOTE.—The above statements do not reflect contingent unfunded liability for commitments under annual contributions contracts covering local housing authorities' bond and notes held by private investors as follows: 1958, $2,295,760,297; 1959, $2,480,328,792; 1960, $2,712,124,792; 1961, $3,020,817,792.

LIMITATION ON ADMINISTRATIVE AND NONADMINISTRATIVE EXPENSES, PUBLIC HOUSING ADMINISTRATION

Not to exceed the amount appropriated for such expenses by title I of this Act shall be available for the administrative expenses of the Public Housing Administration in carrying out the provisions of the United States Housing Act of 1937, as amended (42 U.S.C. 1401–1433); purchase of uniforms, or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131); and purchase of not to exceed one passenger motor vehicle for replacement only: *Provided*, That necessary expenses of providing representatives of the Administration at the sites of non-Federal projects in connection with the construction of such non-Federal projects by public housing agencies with the aid of the Administration, shall be compensated by such agencies by the payment of fixed fees which in the aggregate in relation to the development costs of such projects will cover the costs of rendering such services, and expenditures by the Administration for such purpose shall be considered nonadministrative expenses, and funds received from such payments may be used only for the payment of necessary expenses of providing representatives of the Administration at the sites of non-Federal projects: *Provided further*, That all expenses of the Public Housing Administration not specifically limited in this Act, in carrying out its duties imposed by law, shall not exceed [$1,500,000] *$1,350,000*. (*Independent Offices Appropriation Act, 1960.*)

Program and Financing—Administrative Expenses

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Development	$3,379,618	$3,392,000	$3,446,000
2. Management	4,751,373	4,767,000	4,919,000
3. Audit	1,616,611	1,855,000	2,183,000
4. Administration	2,557,462	2,616,000	2,652,000
Total obligations	12,305,064	12,630,000	13,200,000
Financing:			
Unobligated balance no longer available	268,936	200,000	
Limitation	12,574,000	12,830,000	13,200,000

The Public Housing Administration is responsible for administering the low rent public housing program. Administrative expenses are incurred in the performance of development, management, audit, and administration activities of the program.

1. *Development.*—Development expenses in 1961 will be incurred assisting local housing authorities in project planning, solving architectural, engineering, and construction problems, reviewing proposed sites, assisting in land acquisition, preparing cost estimates, and rendering general advisory services.

2. *Management.*—The Administration's management functions include management reviews of projects, reviews of budget estimates, leasing and occupancy audits, consulting engineering service, and surveys of a general nature to ensure proper maintenance of properties. The management workload for the low rent public housing program is reflected in the number of dwelling units in management at year end as follows: 1959, 455,145; 1960, 474,418; 1961, 497,418.

3. *Audit.*—The Public Housing Administration conducts annual audits of all federally assisted low rent public housing projects. The audit workload at the end of 1961 will comprise 2,840 projects located in the continental United States, Alaska, Hawaii, Puerto Rico, and the Virgin Islands compared with 2,430 in 1959 and 2,574 in 1960. An internal audit program of the operations of the Public Housing Administration is also conducted.

Object Classification—Administrative Expenses

		1959 actual	1960 estimate	1961 estimate
	Total number of permanent positions	1,390	1,405	1,432
	Full-time equivalent of all other positions			
	Average number of all employees	1,327	1,363	1,420
	Number of employees at end of year	1,325	1,400	1,432
	Average GS grade and salary	8.4 $7,034	8.4 $7,084	8.4 $7,097
01	Personal services:			
	Permanent positions	$9,332,101	$9,617,103	$10,064,092
	Positions other than permanent	1,675		
	Other personal services	99,802	126,897	89,908
	Total personal services	9,433,578	9,744,000	10,154,000
02	Travel	781,844	850,000	900,000
03	Transportation of things	11,266	13,000	13,000
04	Communication services	212,758	220,000	229,000
05	Rents and utility services	749,427	757,000	765,000
06	Printing and reproduction	48,012	52,000	55,000
07	Other contractual services	153,846	135,500	218,500
	General Accounting Office audit	111,708	86,500	79,500
08	Supplies and materials	82,285	86,000	86,000
09	Equipment	120,388	55,000	50,000
11	Grants, subsidies, and contributions	585,736	615,000	633,000
13	Refunds, awards, and indemnities	10,200	12,000	12,000
15	Taxes and assessments	4,016	4,000	5,000
	Total obligations	12,305,064	12,630,000	13,200,000

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Program and Financing—Nonadministrative Expenses

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Operation and maintenance of federally owned directly operated projects	$508,240	$550,000	$550,000
2. Public Housing Administration representation during construction of projects	1,133,584	800,000	800,000
Total obligations	1,641,824	1,350,000	1,350,000
Financing:			
Unobligated balance no longer available	658,176	150,000	
Limitation	2,300,000	1,500,000	1,350,000

Object Classification—Nonadministrative Expenses

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	194	104	104
Average number of all employees	163	104	104
Number of employees at end of year	89	104	104
Average GS grade and salary	11.1 $8,057	10.8 $8,470	10.9 $8,526
01 Personal services:			
Permanent positions	$1,199,524	$747,134	$751,217
Positions other than permanent	2,522		
Other personal services	23,115	12,866	10,033
Total personal services	1,225,161	760,000	761,250
02 Travel	85,299	234,300	234,300
03 Transportation of things	6,428	5,700	1,700
04 Communication services	4,140	10,600	10,600
05 Rents and utility services	172,221	175,200	175,200
06 Printing and reproduction	115		
07 Other contractual services	14,807	23,700	28,750
Life insurance contributions	3,352	2,700	2,700
Insurance premiums	55	100	11,300
08 Supplies and materials	22,439	41,500	40,400
09 Equipment	12,658	13,800	1,000
11 Grants, subsidies, and contributions	58,292	47,400	47,400
Payment in lieu of taxes	33,044	34,200	34,500
15 Taxes and assessments	3,813	800	900
Total obligations	1,641,824	1,350,000	1,350,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Audits of urban renewal projects: Office of the Administrator, Housing and Home Finance Agency	$43,714	$50,000	$50,000
2. Labor relations services: Office of the Administrator, Housing and Home Finance Agency	10,000	10,000	10,000
3. Provision of health room facilities: International Cooperation Administration	2,862	2,300	
4. Designing a shelter unit: Office of the Administrator, Housing and Home Finance Agency	14,914		
5. Miscellaneous services:			
Small Business Administration	$2,368		
Office of the Administrator, Housing and Home Finance Agency	5,442	$5,200	$5,200
Total obligations	79,300	67,500	65,200
Financing:			
Advances and reimbursements from—			
Office of the Administrator, Housing and Home Finance Agency	74,070	65,200	65,200
International Cooperation Administration	2,862	2,300	
Small Business Administration	2,368		
Total financing	79,300	67,500	65,200

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	7	7	7
Average number of all employees	8	7	6
Number of employees at end of year	6	7	7
Average GS grade and salary	9.7 $7,233	9.0 $6,707	9.0 $6,782
01 Personal services:			
Permanent positions	$53,455	$43,975	$42,070
Other personal services	250	405	185
Total personal services	53,705	44,380	42,255
02 Travel	13,307	15,000	15,000
04 Communication services	10		
05 Rents and utility services	2,124	2,100	2,100
06 Printing and reproduction	3,496		
07 Other contractual services	3,119	3,100	3,100
08 Supplies and materials	51	40	
11 Grants, subsidies, and contributions	3,488	2,880	2,745
Total obligations	79,300	67,500	65,200

Proposed for later transmission:

LOW RENT PUBLIC HOUSING PROGRAM

ANNUAL CONTRIBUTIONS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Annual contributions (total obligations)		$11,000,000	
Financing:			
Proposed supplemental appropriation		11,000,000	

Under existing legislation, 1960.—A supplemental appropriation for 1960 is anticipated to meet contractual obligations for payment of annual contributions on low rent public housing projects.

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1961

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
OFFICE OF THE ADMINISTRATOR								
Salaries and expenses	2	$3,000	2	$700	$2,300	12	$50,000	To furnish transportation to project sites for regular engineering inspection and supervision of construction projects financed in whole or in part with funds of programs administered by the Office of the Administrator—such projects located in areas not served by the General Services Administration motor pool, and which projects are normally not readily accessible by public transportation facilities.
FEDERAL HOUSING ADMINISTRATION								
Limitation on administrative and nonadministrative expenses, Federal Housing Administration.							630	Transportation for the Commissioner, deputy commissioner, and other officials of the Federal Housing Administration to and from official meetings and conferences in Washington, D.C.
PUBLIC HOUSING ADMINISTRATION								
Limitation on administrative and nonadministrative expenses, Public Housing Administration.	1	1,500	1	150	1,350	2	30,000	Public Housing Administration employees. Transportation in the administration of official business when the use of common carrier is not practicable. Hire of motor vehicles from commercial firms will be made only in areas where a Government vehicle is not available for hire from the General Services Administration.
Total, Housing and Home Finance Agency.	3	4,500	3	850	3,650	14	80,630	

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DEPARTMENT OF AGRICULTURE

The Department of Agriculture is charged with a wide range of governmental responsibilities relating to agriculture and rural people. Of long standing are the research, educational, and regulatory activities pertaining to agricultural matters. Of more recent origin are such programs as those providing special credit facilities, price supports, and conservation assistance—programs that account for the major part of the Department's budget. While most of the Department's activities are of special benefit to farmers and rural people, many of them are of substantial benefit also to a much wider group, including consumers of agricultural commodities generally.

New obligational authority requested for the Department of Agriculture for the fiscal year 1961 totals $5,081 million, compared with $5,633 million for 1960. The reduction reflects mainly a smaller request for the Commodity Credit Corporation, for which the 1960 estimate includes an anticipated supplemental appropriation of $675 million to restore part of the Corporation's capital impairment. The 1961 request for activities other than those financed through the Corporation totals approximately the same as for 1960; the principal increases are for the conservation reserve program and the permanent appropriation for the removal of surplus agricultural commodities, and the principal decreases are for the Rural Electrification Administration and the Farmers Home Administration.

Expenditures for the fiscal year 1961 are estimated at $6,201 million, compared with $5,706 million for 1960. Commodity Credit Corporation expenditures are estimated at $3,906 million in 1961 compared with $3,500 million in 1960. Of the total for 1961, almost 64% is for stabilization of farm prices and farm income, over 12% is for conservation and development of agricultural land and water resources, 9% is for credit programs, and 5% is for research and other agricultural services. The remaining 10% is for activities that are classified in functions other than agriculture and agricultural resources, such as emergency famine relief abroad and the school lunch program. Expenditures and new obligational authority for the Department are shown by function in the following table:

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
International affairs and finance:						
152 Economic and technical development	$119,270	$104,508	$115,000	$97,928	$115,000	$120,000
Labor and welfare:						
217 Other welfare services and administration	202,045	220,388	224,668	218,461	233,544	234,119
Agriculture and agricultural resources:						
351 Stabilization of farm prices and farm income	3,854,084	3,573,651	3,046,032	5,126,336	3,499,255	3,949,620
352 Financing farm ownership and operation	279,425	239,445	216,098	245,942	235,507	221,478
353 Financing rural electrification and rural telephones	419,101	249,632	199,632	314,840	334,421	354,595
354 Conservation and development of agricultural land and water resources	559,128	709,647	772,015	546,657	739,533	764,563
355 Research and other agricultural services	307,311	324,610	333,321	291,138	298,198	324,889
Total, agriculture and agricultural resources	5,419,049	5,096,985	4,567,098	6,524,913	5,106,914	5,615,145
Natural resources:						
402 Conservation and development of forest resources	185,465	210,839	174,636	189,506	207,606	205,877
Commerce and housing:						
517 Other aids to housing				60,552	42,900	25,700
Total, Department of Agriculture	5,925,829	5,632,720	5,081,402	7,091,361	5,705,964	6,200,841

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
							1961 estimate		
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	Total	From new obligational authority	From prior authority
AGRICULTURAL RESEARCH SERVICE									
Current authorizations:									
Salaries and expenses	355	$136,634	$138,848	$139,320	$138,482	$131,790	$139,751	$120,449	$19,302
Reappropriation	355	346	1,000						
Salaries and expenses (special foreign currency program)	355			15,132			3,000	3,000	
Construction of facilities	355			900			60	60	
State experiment stations	355	31,804	31,804	32,804	31,757	31,724	32,803	32,642	161
Diseases of animals and poultry: Reappropriation	355	30			46	129	15		15
Animal disease laboratory facilities	355				3,597	8,339	4,092		4,092
Research facilities	355				61	130			
Research on strategic and critical agricultural materials	355				1	6			
Permanent authorizations:									
Alterations and improvements, animal quarantine station, Clifton, N.J. (indefinite special fund)	355		30			30			
Intragovernmental funds:									
Working capital fund	355				−110	22			
Advances and reimbursements	355					1			
Proposed for later transmission:									
Under existing legislation: Salaries and expenses (special foreign currency program) [1]	355		17,638				5,000		5,000
Total, Agricultural Research Service		168,814	189,320	188,156	173,834	172,171	184,721	156,151	28,570
EXTENSION SERVICE									
Current authorizations:									
Cooperative extension work, payments and expenses	355	63,719	64,123	67,425	63,185	64,100	67,439	66,020	1,419
FARMER COOPERATIVE SERVICE									
Current authorizations:									
Salaries and expenses	355	618	616	645	626	613	641	589	52
Intragovernmental funds:									
Advances and reimbursements	355				4	3			
Total, Farmer Cooperative Service		618	616	645	630	616	641	589	52
SOIL CONSERVATION SERVICE									
Current authorizations:									
Conservation operations	354	80,883	82,322	82,882	84,406	80,340	81,300	76,100	5,200
Watershed protection	354	25,500	22,750	27,750	19,616	26,000	31,000	4,200	26,800
Flood prevention	354	18,000	18,000	15,000	15,570	17,500	15,500	5,400	10,100
Great Plains conservation program	354	10,000	10,000	10,000	5,395	6,500	9,500		9,500
Water conservation and utilization projects	354	335	75		260	76	63		63
Total, Soil Conservation Service		134,718	133,147	135,632	125,247	130,416	137,363	85,700	51,663
AGRICULTURAL CONSERVATION PROGRAM SERVICE									
Current authorizations:									
Agricultural conservation program	354	235,000	241,500	242,600	236,091	238,000	240,000	217,285	22,715
Emergency conservation measures: Reappropriation	354	18,078			3,211	5,000	5,000		5,000
Total, Agricultural Conservation Program Service		253,078	241,500	242,600	239,302	243,000	245,000	217,285	27,715
AGRICULTURAL MARKETING SERVICE									
Current authorizations:									
Marketing research and service	355	37,967	41,417	43,142	39,023	39,653	42,814	39,079	3,735
Payments to States and possessions	355	1,160	1,195	1,195	1,160	1,195	1,195	1,195	
School lunch program	217	110,000	110,000	110,000					
Permanent authorizations:					143,793	153,686	150,461	149,300	1,161
School lunch program	217	35,000	43,657	40,000					
Perishable Agricultural Commodities Act fund (indefinite special fund)	355	673	670	670	695	740	773	417	356
Removal of surplus agricultural commodities (indefinite)	351	196,150	200,302	270,661	140,950	110,000	110,000		110,000
Intragovernmental funds:									
Advances and reimbursements	355				26	24			
Total, Agricultural Marketing Service		380,950	397,242	465,668	325,647	305,298	305,243	189,991	115,252

[1] Language to provide this appropriation is recommended in this document.

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate		
							Total	From new obligational authority	From prior authority
FOREIGN AGRICULTURAL SERVICE									
Current authorizations:									
Salaries and expenses	355	$4,234	$3,518	$4,637	$4,142	$6,324	$6,413	$5,975	$438
Salaries and expenses (special foreign currency program)	355			14,622			5,571	5,571	
Permanent authorizations:									
Salaries and expenses (indefinite)	355		2,493	2,539					
Proposed for later transmission:									
Under existing legislation: Salaries and expenses (special foreign currency program) [1]	355		9,309				5,000		5,000
Total, Foreign Agricultural Service		4,234	15,320	21,798	4,142	6,324	16,984	11,546	5,438
COMMODITY EXCHANGE AUTHORITY									
Current authorizations:									
Salaries and expenses	355	895	910	941	929	906	935	885	50
COMMODITY STABILIZATION SERVICE									
Current authorizations:									
Acreage allotments and marketing quotas	351	41,715	39,135	40,135	41,770	39,180	40,154	40,104	50
Sugar Act program	351	76,000	71,500	74,500	67,275	74,177	78,421	69,826	8,595
Conservation reserve program	354	171,332	335,000	361,783	170,732	335,049	361,800	361,000	800
Acreage reserve	351	609,450			608,821	218			
Intragovernmental funds:									
Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938	355				−449				
Local administration, sec. 388, Agricultural Adjustment Act of 1938	355				−2,176	3,379			
Proposed for later transmission:									
Under existing legislation: Acreage allotments and marketing quotas	351		1,667			1,667			
Under proposed legislation: Conservation reserve program	354			32,000			32,000	32,000	
Total, Commodity Stabilization Service		898,497	447,302	508,418	885,973	453,670	512,375	502,930	9,445
COMMODITY CREDIT CORPORATION (FUND)									
PRICE SUPPORT, SUPPLY, AND RELATED PROGRAMS AND SPECIAL MILK									
Public enterprise funds:									
Price support, supply, and related programs:									
Restoration of capital impairment (current appropriation)	351	1,703,355	1,368,693	1,250,332	2,774,910	1,827,677	1,604,248		
Limitation on administrative expenses		(38,960)	(41,342)	(47,770)					
Special milk program:									
Restoration of capital impairment (current appropriation)	217	57,045	66,731	74,668	74,668	79,858	83,658		
Limitation on administrative expenses		(640)	(658)	(658)					
Proposed for later transmission:									
Under existing legislation: Price support, supply, and related programs:									
Partial restoration of capital impairment as of June 30, 1959 (current appropriation)	351		675,000				675,000		
Limitation on administrative expenses			(1,933)						
Total, price support, supply, and related programs and special milk		1,760,400	2,110,424	1,325,000	2,849,578	1,907,535	2,362,906		
SPECIAL ACTIVITIES FINANCED BY COMMODITY CREDIT CORPORATION									
Public enterprise funds:									
Current appropriations unless otherwise indicated:									
Reimbursement to Commodity Credit Corporation for—								2,344,041	1,562,420
International Wheat Agreement	351	80,800	63,875	49,042	48,303	49,042	68,115		
Emergency famine relief to friendly peoples	152	119,270	104,508	115,000	97,928	115,000	120,000		
Sales of surplus agricultural commodities for foreign currencies	351	1,033,515	968,016	881,000	1,022,036	1,055,131	1,172,242		
Transfer of Commodity Credit Corporation grain to Interior for migratory waterfowl feed	351	19	35	35	17	35	35		
Transfer of bartered materials to supplemental stockpile	351	82,250	129,000	422,950	314,728	237,222	126,700		
Animal disease eradication activities	355	19,390	1,057		1,057	−18			
Grading and classing activities	355	1,511	1,607	715	525	715	715		
Acreage reserve	351				63,731	5,288			
Conservation reserve program	354				4,376	29,768			
National Wool Act (permanent indefinite appropriation)	351	24,453	50,050	51,000	20,026	93,511	70,348		
Loans to Secretary of Agriculture for conservation purposes	354				7,000	1,300	−11,600		
Military housing (Public Law 84-161, barter and exchange)	351				31,498	5,491	−3,000		
Transfer of long-staple cotton from national stockpile for sale by Commodity Credit Corporation	351				400	86			
Total, special activities financed by Commodity Credit Corpotion		1,361,208	1,318,148	1,519,742	1,611,625	1,592,571	1,543,555		
Total, Commodity Credit Corporation (fund)		3,121,608	3,428,572	2,844,742	4,461,203	3,500,106	3,906,461	2,344,041	1,562,420

[1] Language to provide this appropriation is recommended in this document.

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
							1961 estimate		
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	Total	From new obligational authority	From prior authority
FEDERAL CROP INSURANCE CORPORATION									
Current authorizations:									
Operating and administrative expenses	351	$6,377	$6,377	$6,377	$6,418	$7,372	$6,348	$5,879	$469
Public enterprise funds:									
Federal Crop Insurance Corporation fund	351				−14,548	−6,842	1,009		1,009
Limitation on administrative expenses		(2,297)	(2,330)	(2,830)					
Total, Federal Crop Insurance Corporation		6,377	6,377	6,377	−8,129	530	7,357	5,879	1,478
RURAL ELECTRIFICATION ADMINISTRATION									
Current authorizations:									
Loan authorizations (authorization to expend from debt receipts)	353	409,500	240,000	190,000	304,987	325,000	345,000	42,000	303,000
Salaries and expenses	353	9,601	9,632	9,632	9,853	9,421	9,595	8,941	654
Total, Rural Electrification Administration		419,101	249,632	199,632	314,840	334,421	354,595	50,941	303,654
FARMERS HOME ADMINISTRATION									
Current authorizations:									
Loan authorizations (authorization to expend from debt receipts):									
Farm ownership, farm operating, and soil and water conservation	352	221,500	206,000	177,000	218,492	208,585	177,649	174,800	2,849
Farm housing	517				60,552	42,900	25,700		25,700
Salaries and expenses	352	31,190	30,745	31,468	32,277	30,500	31,511	29,487	2,024
Public enterprise funds:									
Disaster loans, etc., revolving fund	352				−31,060	−6,725	4,622		4,622
Farm tenant-mortgage insurance fund (indefinite permanent authorization to expend from debt receipts)	352	26,735	2,700	7,630	26,233	3,147	7,696	7,630	66
Total, Farmers Home Administration		279,425	239,445	216,098	306,494	278,407	247,178	211,917	35,261
OFFICE OF THE GENERAL COUNSEL									
Current authorizations:									
Salaries and expenses	355	3,209	3,162	3,359	3,298	3,162	3,351	3,186	165
OFFICE OF THE SECRETARY									
Current authorizations:									
Salaries and expenses	355	2,856	2,881	2,900	2,920	2,875	2,905	2,739	166
Intragovernmental funds:									
Working capital fund, Department of Agriculture	355				32	−7	9		9
Total, Office of the Secretary		2,856	2,881	2,900	2,952	2,868	2,914	2,739	175
OFFICE OF INFORMATION									
Current authorizations:									
Salaries and expenses	355	1,433	1,432	1,479	1,473	1,473	1,514	1,245	269
LIBRARY									
Current authorizations:									
Salaries and expenses	355	832	900	896	834	890	893	840	53
FOREST SERVICE									
Current authorizations:									
Forest protection and utilization	402	117,166	108,670	116,826	116,776	110,200	116,740	103,740	13,000
Cooperative range improvements (special fund)	402	700	700	700					
Forest roads and trails (liquidation of contract authorization)	402	(26,000)	(28,000)	(30,000)	35,479	30,225	30,000		30,000
Access roads	402		1,000	1,000		1,000	1,000	1,000	
Acquisition of lands for national forests:									
Superior National Forest	402			1,000	603	132	720	690	30
Special acts (indefinite special fund)	402	10	10	10	1	10	10	* 10	
Cache National Forest	402	50	50		33	50	50		50
Weeks Act	402				31				
Assistance to States for tree planting	402				395	25	2		2
State and private forestry cooperation	402				−29				

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate		
							Total	From new obligational authority	From prior authority
FOREST SERVICE—Continued									
Permanent authorizations:									
Forest roads and trails: Contract authorization	402	$30,000	$30,000						
Expenses, brush disposal (indefinite special fund)	402	5,796	6,500	$6,500	$4,911	$5,000	$5,800	$2,000	$3,800
Roads and trails for States, national forests fund (indefinite special fund)	402	8,885	11,860	13,640	8,885	11,860	13,640	13,640	
Miscellaneous permanent appropriations:									
Forest fire prevention (indefinite special fund)	402	15	20	20	25	20	20	18	2
Restoration of forest lands and improvements (indefinite special fund)	402	13	100	100	5	70	95	65	30
Payments to Minnesota (Cook, Lake, and St. Louis Counties) from the national forests fund (indefinite special fund)	402	48	121	121	48	121	121	121	
Payments due counties, submarginal land program, Farm Tenant Act (indefinite special fund)	402	460	500	500	460	500	500	500	
Payments to school funds, Arizona and New Mexico, Act of June 20, 1910 (receipt limitation) (indefinite)	402	117	114	114	117	114	114	114	
Payments to States and Territories from the national forests fund (indefinite special fund)	402	22,205	29,669	34,105	22,205	29,669	34,105	34,105	
Construction of improvements, Salt Lake City, Utah (indefinite special fund)	402		25			19	6		6
Intragovernmental funds:									
Working capital fund	402				−439	91	−46		−46
Proposed for later transmission:									
Under existing legislation: Forest protection and utilization	402		21,500			18,500	3,000		3,000
Total, Forest Service		185,465	210,839	174,636	189,506	207,606	205,877	156,003	49,874
Total new obligational authority and budget expenditures		5,925,829	5,632,720	5,081,402	7,091,361	5,705,964	6,200,841	4,007,888	2,192,953
RECAPITULATION									
Enacted or recommended in this document:									
Current authorizations:									
Appropriations		$4,925,825	$4,081,794	$4,254,802					
Appropriations to liquidate contract authorizations		(26,000)	(28,000)	(30,000)					
Authorizations to expend from debt receipts		631,000	446,000	367,000					
Reappropriations		18,454	1,000		$7,091,361	$5,685,797	$5,480,841	$3,975,888	$1,504,953
Permanent authorizations:									
Appropriations		293,815	346,112	419,970					
Authorizations to expend from debt receipts		26,735	2,700	7,630					
Contract authorizations		30,000	30,000						
Proposed for later transmission:									
Appropriations			725,114	32,000		20,167	720,000	32,000	688,000
Total new obligational authority and budget expenditures		5,925,829	5,632,720	5,081,402	7,091,361	5,705,964	6,200,841	4,007,888	2,192,953

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EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

[In thousands]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1959	1960	1961	1959	1960	1961	1959	1960	1961
COMMODITY CREDIT CORPORATION (FUND)										
Price support, supply, and related programs	351	$4,465,505	$4,681,117	$4,273,219	$1,690,595	$2,853,440	$2,668,971	$2,774,910	$1,827,677	$1,604,248
Proposed for later transmission	351			675,000						675,000
Special milk program	217	75,933	81,000	85,000	1,265	1,142	1,342	74,668	79,858	83,658
Total, price support, supply, and related programs and special milk		4,541,438	4,762,117	5,033,219	1,691,860	2,854,582	2,670,313	2,849,578	1,907,535	2,362,906
Special activities financed by Commodity Credit Corporation:										
International affairs and finance: Economic and technical development	152	97,928	115,000	120,000				97,928	115,000	120,000
Agriculture and agricultural resources:										
Stabilization of farm prices and income	351	1,634,480	1,694,103	1,636,300	133,740	248,297	201,860	1,500,740	1,445,806	1,434,440
Conservation and development of agricultural land and water resources	354	44,376	67,968	19,200	33,000	36,900	30,800	11,376	31,068	−11,600
Research and other agricultural services	355	1,582	715	715		18		1,582	697	715
Total, special activities financed by Commodity Credit Corporation		1,778,365	1,877,786	1,776,215	166,740	285,215	232,660	1,611,625	1,592,571	1,543,555
Total, Commodity Credit Corporation (fund)		6,319,803	6,639,903	6,809,434	1,858,600	3,139,797	2,902,973	4,461,203	3,500,106	3,906,461
FEDERAL CROP INSURANCE CORPORATION										
Federal Crop Insurance Corporation fund	351	6,062	16,347	26,429	20,610	23,189	25,420	−14,548	−6,842	1,009
FARMERS HOME ADMINISTRATION										
Disaster loans, etc., revolving fund	352	43,716	36,367	33,649	74,776	43,092	29,027	−31,060	−6,725	4,622
Farm tenant-mortgage insurance fund	352	33,906	13,474	18,832	7,673	10,327	11,136	26,233	3,147	7,696
Total, public enterprise funds		6,403,487	6,706,091	6,888,344	1,961,659	3,216,405	2,968,556	4,441,829	3,489,686	3,919,788

ANALYSIS OF UNEXPENDED BALANCES

[In thousands]

Description	Balance, start of 1959		Balance, start of 1960		Balance, start of 1961		Balance, start of 1962	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document:								
Appropriations:								
Salaries and expenses, Agricultural Research Service		$21,995		$15,650		$23,708		$23,277
Animal disease laboratory facilities, Agricultural Research Service	$15,651	16,028	$1,066	12,431	$720	4,092		
Research facilities, Agricultural Research Service	148	191	16	130				
Conservation operations, Soil Conservation Service		8,527		3,218		5,200		6,782
Watershed protection, Soil Conservation Service	16,796	24,199	9,527	30,083	2,250	26,833		23,583
Flood prevention, Soil Conservation Service	1,376	7,196	2,846	9,625		10,125		9,625
Great Plains conservation program, Soil Conservation Service	4,364	8,437	629	13,042		16,542		17,042
Water conservation and utilization projects, Soil Conservation Service	17	45	110	120	110	119	$50	56
Agricultural conservation program, Agricultural Conservation Program Service	2	22,612	1	21,357		24,857		27,457
Emergency conservation measures, Agricultural Conservation Program Service		4,153	15,856	17,880	10,856	12,880	5,856	7,880
Marketing research and service, Agricultural Marketing Service		5,170		2,689		4,453		4,781
Perishable Agricultural Commodities Act fund, Agricultural Marketing Service	395	448	388	426	309	356	203	253
Removal of surplus agricultural commodities, Agricultural Marketing Service	300,000	325,263	300,000	307,626	300,000	307,626	300,000	307,626
Sugar Act program, Commodity Stabilization Service		2,666		11,380		8,703		4,782
Forest protection and utilization, Forest Service		14,532		14,661		13,831		14,617
Forest roads and trails (liquidation of contract authorization), Forest Service		11,715		2,236		11		
Acquisition of lands for national forests, Forest Service:								
Superior National forest	532	767	15	164		32		312
Cache National forest	53	83	88	100		100		50

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ANALYSIS OF UNEXPENDED BALANCES—Continued

[In thousands]

Description	Balance, start of 1959		Balance, start of 1960		Balance, start of 1961		Balance, start of 1962	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document—Continued								
Appropriations—Continued								
Assistance to States for tree planting, Forest Service	$9	$122	$2	$27		$2		
Expenses, brush disposal, Forest Service	1,775	2,613	1,828	3,498	$4,451	4,998	$4,951	$5,698
Forest fire prevention, Forest Service	11	13	1	3		3		3
Restoration of forest lands and improvements, Forest Service			7	8		38		43
Other		11,459		9,334		8,077		30,336
Total, appropriations	341,129	488,534	332,380	475,688	318,696	472,586	311,060	484,203
Authorizations to expend from debt receipts:								
Soil bank programs, Commodity Stabilization Service	233	310	42	22				
Commodity Credit Corporation (fund)	2,505,669	2,972,000	1,228,203	1,626,000	401,363	855,000	172,697	468,000
Rural electrification loans, Rural Electrification Administration	67,628	862,511	210,613	967,024	108,113	882,024	113	727,024
Farm ownership, farm operating, and soil and water conservation loans, Farmers Home Administration		3,529		5,548		2,963		2,314
Farm housing loans, Farmers Home Administration	397,459	403,126	337,462	342,574	297,462	299,674	272,462	273,974
Total, authorizations to expend from debt receipts	2,970,989	4,241,476	1,776,320	2,941,168	806,938	2,039,661	445,272	1,471,312
Contract authorizations: Forest roads and trails, Forest Service	26,916	34,664	30,499	38,664	30,000	40,664		10,675
Revolving and management funds:								
Local administration, sec. 388, Commodity Stabilization Service		5,419	1,714	5,479		2,100		2,100
Commodity Credit Corporation (fund)		26,961		33,366		32,420		32,701
Federal Crop Insurance Corporation fund	25,755	26,637	38,710	41,184	41,496	48,026	39,947	47,017
Disaster loans, etc., revolving fund, Farmers Home Administration	38,331	32,697	67,957	63,758	75,075	70,483	70,679	65,861
Farm tenant-mortgage insurance fund, Farmers Home Administration	2,837	1,114	2,919	1,616	3,794	1,169	4,190	1,103
Other	448	4,922	979	4,275	1,375	4,141	1,590	4,178
Total, revolving and management funds	67,371	97,750	112,279	149,678	121,740	158,339	116,406	152,960
Proposed for later transmission:								
Appropriations:								
Partial restoration of capital impairment, Commodity Credit Corporation					675,000	675,000		
Other						29,947		16,947
Total, proposed for later transmission					675,000	704,947		16,947
Total, Department of Agriculture	3,406,405	4,862,424	2,251,478	3,605,198	1,952,374	3,416,197	872,738	2,136,097

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

Description	1959 actual	1960 estimate	1961 estimate
Balances brought forward at start of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	$488,534	$475,688	$472,586
Authorizations to expend from debt receipts	4,241,476	2,941,168	2,039,661
Contract authorizations	34,664	38,664	40,664
Revolving and management funds	97,750	149,678	158,339
Proposed for later transmission: Appropriations			704,947
Total balances brought forward	4,862,424	3,605,198	3,416,197
New obligational authority:			
Enacted or recommended in this document:			
Current authorizations:			
Appropriations	4,925,825	4,081,794	4,254,802
Appropriations to liquidate contract authorizations	(26,000)	(28,000)	(30,000)
Authorizations to expend from debt receipts	631,000	446,000	367,000
Reappropriations	18,454	1,000	
Total new obligational authority under current authorizations	5,575,279	4,528,794	4,621,802
Permanent authorizations:			
Appropriations	293,815	346,112	419,970
Authorizations to expend from debt receipts	26,735	2,700	7,630
Contract authorizations	30,000	30,000	
Total new obligational authority under permanent authorizations	350,550	378,812	427,600
Total new obligational authority enacted or recommended	5,925,829	4,907,606	5,049,402
Proposed for later transmission: Appropriations		725,114	32,000
Total new obligational authority	5,925,829	5,632,720	5,081,402
Other amounts available: Appropriations available in prior year	−2,076		
Total budget authorizations available	10,786,177	9,237,918	8,497,599
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	7,091,361	5,685,797	3,975,888
Out of balances of prior obligational authority			1,504,953
Total expenditures from obligational authority enacted or recommended	7,091,361	5,685,797	5,480,841
From obligational authority proposed for later transmission:			
Out of new obligational authority		20,167	32,000
Out of balances of prior obligational authority			688,000
Total expenditures from obligational authority proposed for later transmission		20,167	720,000
Total budget expenditures	7,091,361	5,705,964	6,200,841
Amounts no longer available:			
Unobligated balances expiring and lapsing	83,648	115,757	160,661
Adjustment of balances downward in expired accounts, net	5,970		
Total amounts no longer available	89,618	115,757	160,661
Balances carried forward at close of year:			
Enacted or recommended in this document:			
Appropriations	475,688	472,586	484,203
Authorizations to expend from debt receipts	2,941,168	2,039,661	1,471,312
Contract authorizations	38,664	40,664	10,675
Revolving and management funds	149,678	158,339	152,960
Proposed for later transmission: Appropriations		704,947	16,947
Total balances carried forward at close of year	3,605,198	3,416,197	2,136,097
Obligations incurred, net	$6,995,032	$5,816,067	$6,000,377

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AGRICULTURAL RESEARCH SERVICE

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary to perform agricultural research relating to production, utilization, and home economics, to control and eradicate pests and plant and animal diseases, and to perform related inspection, quarantine and regulatory work, and meat inspection: *Provided*, That not to exceed $75,000 of the appropriations hereunder shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed two, *of which one shall be* for replacement only: *Provided further*, That appropriations hereunder shall be available pursuant to title 5, United States Code, section 565a, for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building (except headhouses connecting greenhouses) shall not exceed [$10,000] *$17,500*, except for five buildings to be constructed or improved at a cost not to exceed [$20,000] *$35,000* each, and the cost of altering any one building during the fiscal year shall not exceed [$3,750] *$7,500* or [4] *6* per centum of the cost of the building, whichever is greater:

Research: For research and demonstrations on the production and utilization of agricultural products, home economics, and related research and services, including administration of payments to State agricultural experiment stations; [$67,722,490] *$68,981,700*: *Provided*, That the [Secretary is authorized to acquire from the Department of the Army without reimbursement land and improvements at Orlando, Florida, to be transferred pursuant to the Federal Property and Administrative Services Act of 1949, as amended: *Provided further*, That the] limitations contained herein shall not apply to [(a)] replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113a)[, or (b) not to exceed $2,939,000 for the construction and alteration of buildings: *Provided further*, That the Secretary is authorized to acquire by donation lands necessary for the construction thereof];

Plant and animal disease and pest control: For operations and measures, not otherwise provided for, to control and eradicate pests and plant and animal diseases and for carrying out assigned inspection, quarantine, and regulatory activities, as authorized by law, including expenses pursuant to the Act of February 28, 1947 (21 U.S.C. 114b–d), [$49,800,600] *$48,775,600*, of which $1,500,000 shall be apportioned for use pursuant to section 3679 of the Revised Statutes, as amended, for the control of outbreaks of insects and plant diseases to the extent necessary to meet emergency conditions;

Meat inspection: For carrying out the provisions of laws relating to Federal inspection of meat, and meat-food products, and the applicable provisions of the laws relating to process or renovated butter, [$21,324,900;] *$21,562,700*.

[Special fund: To provide for additional labor to be employed under contracts and cooperative agreements to strengthen the work at research installations in the field, not more than $1,000,000 of the amount appropriated under this head for the fiscal year 1959 may be used by the Administrator of the Agricultural Research Service in departmental research programs in the fiscal year 1960, the amount so used to be transferred to and merged with the appropriation otherwise available under "Salaries and expenses, Research".] *(5 U.S.C. 511–512, 524, 541c–541e, 563–564, 565a, 576, 2131; 7 U.S.C. 135–135k, 145–164a, 166–167, 281–283, 361a–361i, 391, 394–396, 401–404, 421–422a, 424–425, 427, 427i, 428a, 429–431, 433–434, 436–437, 851–855, 1292, 1651–1656, 1901–1906; 15 U.S.C. 69e; 16 U.S.C. 581–581a, 581f, 590a–590b, 590f, 590k; 18 U.S.C. 287; 19 U.S.C. 1201, 1306; 20 U.S.C. 191–194; 21 U.S.C. 71–91, 94–96, 98, 101–105, 111–128, 130–131, 151–158, 342a, 346; 26 U.S.C. 4817, 7235c; 31 U.S.C. 725a; 42 U.S.C. 1891–1893; 45 U.S.C. 71–74; 46 U.S.C. 466a–466b; 48 U.S.C. 198, 1409m–1409o; 49 U.S.C. 177e, 181b; 46 Stat. 67; 73 Stat. 286; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)*

Appropriated 1960, **$138,847,990** Estimate 1961, [a] **$139,320,000**

[a] Includes $49,100 for activities previously carried under "Salaries and expenses," Library, and excludes $50,000 for activities transferred in the estimates to "Marketing research and service," Agricultural Marketing Service. The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Research:			
(a) Farm research	$45,123,417	$47,109,990	$49,677,700
(b) Utilization research and development	16,413,495	16,121,000	18,442,600
(c) Home economics research	2,013,154	2,155,800	2,189,200
(d) Administration of payments to States, and research in Alaska, Puerto Rico, and Virgin Islands	1,081,824	1,099,300	1,102,200
Total, research	64,631,890	66,486,090	71,411,700
2. Plant and animal disease and pest control:			
(a) Plant disease and pest control	21,586,514	24,199,700	24,916,800
(b) Animal disease and pest control	29,188,711	25,600,900	23,818,800
Total, plant and animal disease and pest control	50,775,225	49,800,600	48,735,600
3. Meat inspection	20,657,577	21,324,900	21,562,700
Total program costs [1]	136,064,692	137,611,590	141,710,000
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)	−2,783,857		−2,390,000
Obligations incurred for costs of other years, net		2,235,500	
Total program (obligations)	133,280,835	139,847,090	139,320,000
Financing:			
Comparative transfers from (−) or to other accounts	−48,225	900	
1959 appropriation available in 1958	527,557		
Unobligated balance no longer available	3,220,223		
New obligational authority	136,980,390	139,847,990	139,320,000
New obligational authority:			
Appropriation	$128,752,890	$138,847,990	$139,320,000
Transferred from "Conservation reserve program," Commodity Stabilization Service (73 Stat. 34)	7,881,500		
Appropriation (adjusted)	136,634,390	138,847,990	139,320,000
Reappropriation	346,000	1,000,000	

[1] Includes capital outlay as follows: June 30, 1959, $8,068,509; 1960, $5,200,000; 1961, $7,600,000.

The Service conducts fundamental and applied research relating to the production and utilization of agricultural products, and to home economics, and carries out those control and regulatory programs of the Department which involve enforcement of plant and animal quarantines, meat inspection, the control of diseases and insect pests of animals and plants, and related work.

1. *Research—(a) Farm research.*—Improved breeding, feeding, and management practices are developed for farm livestock, poultry, and domestic fur animals. Practical methods are sought for control of diseases and parasites affecting them.

Investigations are conducted to improve varieties of food, feed, fiber and other plants and to develop new crops; to improve crop-production practices, including methods to control plant diseases; to improve methods for control of harmful and utilization of beneficial insects affecting farm production; and to develop and test new chemical formulations and nonchemical methods for the control of crop pests.

Research is conducted to improve fertilizers, soil management, irrigation, and conservation practices; to study hydrologic problems of agricultural watersheds; to determine the relation of soils to plant, animal, and human nutrition; and to apply engineering principles to improve efficiency and reduce costs of agricultural production.

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AGRICULTURAL RESEARCH SERVICE—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Farm economics research is conducted on profitable adjustments in farming by type and size of farm; on efficiency in use of labor, equipment, land, and water; and on related economic problems.

Continuous review is maintained to emphasize work which will meet the problems of agricultural surpluses. The research is aimed at the profitable production of an adequate supply of food, feed, fiber, and other agricultural products of desired quality at minimum costs. Increased attention has been given to the production of agricultural products having industrial uses. Development of improved ginning processes and equipment is currently emphasized in order to enable ginners to avoid heat and other damage to cotton fiber during ginning. More than $1.5 million of farm research funds are now used for the introduction and development of new crops. Research in farm economics is concentrated on the problem of adjustments in farming which may increase farmers' income without increase in output of farm products currently surplus to need.

The proportion of farm research funds going into basic research has steadily increased, and is currently estimated at 31% of the total funds for farm research. This basic research undergirds the other research efforts.

The estimates for 1961 propose increases for research on safer chemicals for insect control, staffing, and operating the National Animal Disease Laboratory, Ames, Iowa, and economic research to determine alternate systems of farming to enable feed-grain and livestock farmers to adjust more readily to market demands. These increases are more than offset by decreases from the elimination of funds previously appropriated for nonrecurring construction and improvement items, and by redirection of some funds previously used for farm research to utilization and development research.

(*b*) *Utilization research and development.*—Chemical, physical, and biological studies are conducted to develop new and improved foods, feeds, drugs, fabrics, industrial chemicals, and other products from agricultural commodities; to improve commodity processing methods; and to increase the use of byproducts. The estimates for 1961 propose increases for new and improved uses for grains, cotton, wool, castor oil, and animal fats.

(*c*) *Home economics research.*—Studies are made of human nutrition, household economics, and clothing and housing.

(*d*) *Administration of payments to States, and research in Alaska, Puerto Rico, and Virgin Islands.*—Research under Federal grant funds at each State agricultural experiment station is coordinated with research conducted by other States and by agencies of the Department. The Secretary's responsibilities for the proper administration of these funds are financed by a direct appropriation ($342,500 estimated for 1960) and 3% of the grant funds. Research stations are operated in Alaska, Puerto Rico, and the Virgin Islands.

2. *Plant and animal disease and pest control*—(*a*) *Plant disease and pest control.*—Provision is made (1) through port-of-entry inspection to exclude from this country destructive insects, plant diseases, and nematodes that cause great damage to agricultural crops in other parts of the world; (2) to cooperate with States in eradicating or preventing spread of crop pests that become established in this country; and (3) to assist States in suppressing incipient and emergency outbreaks of crop pests when and where they occur. The Federal Insecticide, Fungicide, and Rodenticide Act, as amended, and related provisions of the Federal Food, Drug, and Cosmetic Act are administered. Increases are proposed for 1961 for plant quarantine protection due to increased travel and shipping, and for regulatory activities arising from the amendment to the Federal Insecticide, Fungicide, and Rodenticide Act, approved August 7, 1959 (Public Law 86-139). The volume of workload is indicated in the following table:

[In thousands]

	1957 actual	*1958 actual*	*1959 actual*
Inspections at ports of entry:			
Airplanes	111	121	134
Vessels	55	55	59
Interceptions of unauthorized plant material	291	311	320

(*b*) *Animal disease and pest control.*—Programs are devised to exclude communicable diseases of foreign origin from this country; to prevent the spread of diseases through interstate shipments of livestock or distribution of impure or impotent veterinary biologics; to control and eradicate livestock diseases; and to maintain, through a marketing agreement with manufacturers and handlers, adequate supplies of hog cholera virus and serum for protection of swine. The estimates for 1961 include a proposed decrease of $2.1 million primarily due to progress and accomplishments in the brucellosis and screwworm eradication programs.

The volume of protective activities is indicated by selected examples in the following table:

[In thousands]

	1957 actual	*1958 actual*	*1959 actual*
Animal import inspection:			
All animals	346	1,127	1,150
Import animal byproducts:			
Wool, bone, glands, etc.....pounds	672,000	590,600	664,611
Hides and skins.....do	(1)	303,000	364,489
Sheep inspected for scabies	11,944	9,501	10,849
Scabies-infected sheep found	57	57	69
Cattle inspected for scabies	2,090	2,139	5,855
Scabies-infected cattle found	5	1	9
Inspections and dippings for cattle fever ticks	1,932	2,832	2,097
Cattle tested for tuberculosis	8,976	8,884	8,187
Tuberculosis reactors found	14	15	19
Cattle tested for brucellosis:			
Blood tests	15,913	16,251	14,169
Ring tests	31,481	30,927	30,693
Brucellosis reactors found	280	260	214
Animals inspected at public stockyards	68,039	62,918	62,813
Diseased animals received or found	347	352	435
Supervision of production of veterinary biologics:			
Hog-cholera virus and anti-hog-cholera serum doses	46,164	40,669	44,232
Hog-cholera vaccine.....do	34,563	36,800	44,068
Other vaccines.....do	2,644,260	2,369,890	3,676,452
Total bacterins.....do	91,223	108,803	130,021
Diagnostic agents.....do	66,694	66,791	75,281
Other serums.....do	9,281	10,773	11,799

[1] Comparable data not available.

3. *Meat inspection.*—Federal meat inspection is required for all meat in interstate commerce and is conducted to assure a clean and wholesome meat supply for human consumption, free from adulteration, and truthfully labeled. The work includes inspection of animals, carcasses and meat, and meat-food products at various stages of handling and processing. Measures are enforced to insure informative labeling, and meats imported or exported are inspected.

The volume of inspections and examinations is indicated by examples given in the following table:

	1957 actual	*1958 actual*	*1959 actual*
Number of establishments covered	1,244	1,300	1,334
Cities in which plants are located	502	518	546
Inspections of live animals	104,352,000	97,604,000	99,419,000
Post mortem inspections	104,345,000	97,599,000	99,415,000
Animals and carcasses condemned	301,000	264,000	242,000
Inspection of processed meat and meat-food products (million pounds)	17,804	16,792	17,618

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4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects)	$404,387	$441,195	$441,195	$641,195
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	9,814,593	5,783,693	8,019,193	5,429,193
Advances (payments for goods and services on order not yet received)	827,435	941,774	941,774	941,774
Total selected resources at end of year	11,046,415	7,166,662	9,402,162	7,012,162
Selected resources at start of year		−11,046,415	−7,166,662	−9,402,162
Adjustment of prior year costs and selected resources reported at start of year		1,095,896		
Costs financed from obligations of other years, net (−)		−2,783,857		−2,390,000
Obligations incurred for costs of other years, net			2,235,500	

Object Classification

	1959 actual	1960 estimate	1961 estimate
AGRICULTURAL RESEARCH SERVICE			
Total number of permanent positions	16,321	16,459	16,486
Full-time equivalent of all other positions	1,310	1,127	1,015
Average number of all employees	15,627	15,778	15,833
Number of employees at end of year	17,501	17,819	17,937
Average GS grade and salary	7.5 $6,004	7.6 $6,045	7.6 $6,083
Average salary of ungraded positions	3,907	4,097	4,190
01 Personal services:			
Permanent positions	$82,486,145	$85,727,500	$87,451,600
Fees paid for services	1,902,205		
Positions other than permanent	3,344,844	3,974,700	3,629,600
Other personal services	1,347,237	1,731,500	1,382,400
Total personal services	89,080,431	91,433,700	92,463,600
02 Travel	4,104,188	4,243,000	4,247,800
03 Transportation of things	477,005	491,500	679,900
04 Communication services	1,284,579	1,280,000	1,324,900
05 Rents and utility services	984,284	1,143,000	1,192,700
06 Printing and reproduction	697,078	732,500	745,200
07 Other contractual services	9,340,803	11,889,000	12,191,600
Services performed by other agencies	4,641,291	4,479,500	4,583,300
08 Supplies and materials	9,107,009	8,835,690	8,940,600
09 Equipment	4,201,981	4,162,500	5,022,100
10 Lands and structures	703,899	522,000	278,000
11 Grants, subsidies, and contributions	5,056,838	5,351,500	5,471,000
13 Refunds, awards, and indemnities	23,763	21,500	21,500
Awards for employee suggestions	37,640	43,000	43,000
Anaplasmosis indemnities	500	1,000	1,000
Brucellosis indemnities	2,410,509	1,700,000	1,420,000
Scrapie indemnities	293,039	150,000	150,000
Tuberculosis indemnities	478,285	440,000	440,000
Payments to Mexican-United States Commission for the Prevention of Foot-and-Mouth Disease		20,000	20,000
Federal tort claims	532		
15 Taxes and assessments	199,376	209,800	185,900
Subtotal	133,123,030	137,149,190	139,422,100
Deduct quarters and subsistence charges	101,855	102,100	102,100
Total, Agricultural Research Service	133,021,175	137,047,090	139,320,000
ALLOCATION ACCOUNTS			
Total number of permanent positions	2		
Average number of all employees	2		
Number of employees at end of year	2		
Average GS grade and salary	8.1 $6,598		
01 Personal services:			
Permanent positions	$8,175		
Other personal services	1,819		
Total personal services	9,994		
02 Travel	181	$2,000	
05 Rents and utility services	693		
06 Printing and reproduction		5,000	
07 Other contractual services	25,675	243,000	
08 Supplies and materials	301		
10 Lands and structures	222,283	2,550,000	
11 Grants, subsidies, and contributions	533		
Total, allocation accounts	259,660	2,800,000	
Total obligations	133,280,835	139,847,090	$139,320,000
Obligations are distributed as follows:			
Agricultural Research Service	$133,021,175	$137,047,090	$139,320,000
General Services Administration	233,322	2,800,000	
Bureau of Public Roads, Department of Commerce	26,338		

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

For purchase of foreign currencies which accrue under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for market development research authorized by section 104(a), and for agricultural and forestry research authorized by section 104(k) of that Act, to remain available until expended, $15,131,500, of which not less than $7,662,500 shall be available to purchase currencies which the Treasury Department shall determine to be excess to normal requirements of the United States: Provided, That this appropriation shall not be used for the purchase of currencies available in the Treasury for the purposes of section 104(f) of such Act unless such currencies are excess to the normal requirements of the United States: Provided further, That the dollar value of the unexpended balances, as of June 30, 1960, of allocations of foreign currencies heretofore made available to the Agricultural Research Service for the foregoing purposes of section 104(a) is appropriated as of that date and shall be merged with this appropriation.

Appropriated (est.) 1960, **$17,637,743** Estimate 1961, **$15,131,500**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Market development research (sec. 104(a))	$218,195	$2,800,000	$4,600,000
2. Agricultural and forest research (sec. 104(k))	1,700	780,000	3,800,000
Total program costs	219,895	3,580,000	8,400,000
3. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net	1,433,633	18,337,831	6,731,500
Total program (obligations)	1,653,528	21,917,831	15,131,500
Financing:			
Unobligated balance brought forward	−28,516	−5,973,031	
Comparative transfer from (−) other accounts	−1,700	−3,888,300	
Adjustment due to changes in exchange rates to permit conversion to dollar equivalent	141		
Unobligated balance carried forward	5,973,031		
Authorization to expend foreign currency receipts (net of proposed appropriation to cover balances as of June 30, 1960)	−7,596,484	5,581,243	
New obligational authority		17,637,743	15,131,500
New obligational authority:			
Indefinite (proposed in appropriation language above)		$17,637,743	
Definite			$15,131,500
Appropriation		17,637,743	15,131,500

NOTE.—The gross foreign currency authorization in 1960 is $12,056,500. The schedule above covers foreign currency authorizations for 1959 and 1960. The appropriation recommended for 1960 is equal to the unexpended balance of previous foreign currency authorizations as of June 30, 1960. All transactions in 1961 relate to appropriations.

Foreign currencies, generated by the sale of surplus agricultural commodities under title I of the Agricultural Trade Development and Assistance Act of 1954, are used by the Department for market development research under section 104(a) and for agricultural and forest research under section 104(k). Work is carried on through contracts or grants, in both basic and applied fields, by research institutions and organizations in foreign countries. This research serves to develop new foreign markets and to expand existing markets for agricultural commodities, including cotton, dairy products, fats and oils, grain, feed, livestock and meat, poultry, fruits and vegetables, and tobacco. It also provides for supplementary research on farm, forest, marketing, utilization, and human nutrition problems. It is estimated that $15.1 million will be available in 1961 for such research. Total estimated cost in U.S. dollars (charged to regular appropriations) of the initiation and supervision of projects in 1961 is $250,000.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders (representing primarily work under contract not performed) are as follows: 1958, $371,484; 1959, $1,805,117; 1960, $20,142,948; 1961, $26,874,448.

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AGRICULTURAL RESEARCH SERVICE—Continued

Current authorizations—Continued

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)—Continued

Object Classification

	1959 actual	1960 estimate	1961 estimate
Full-time equivalent of all other positions	1	2	7
Average number of all employees	1	2	7
Number of employees at end of year	1	2	7
Average GS grade and salary	7.5 $6,004	7.6 $6,045	7.6 $6,083
01 Personal services:			
Positions other than permanent	$1,175	$4,200	$14,000
Other personal services	6,359	10,700	15,000
Total personal services	7,534	14,900	29,000
02 Travel	40,195	80,000	80,000
03 Transportation of things	8,149	12,000	4,000
04 Communication services	650	1,000	2,000
06 Printing and reproduction		1,000	1,000
07 Other contractual services	1,588,526	21,733,431	14,940,000
Services performed by other agencies	8,434	75,000	75,000
08 Supplies and materials	40	500	500
Total obligations	1,653,528	21,917,831	15,131,500

Analysis of Expenditures

Obligated balance start of year	$371,484	$1,828,212	
Obligations incurred during the year, net	1,651,828	18,029,531	
Obligated balance end of year	−1,828,212		
Obligated balance, end of year, transferred to appropriation		−17,637,743	
Expenditures	195,100	2,220,000	

Status of Unfunded Allocations

Unfunded balance, start of year	$400,000	$2,109,372	
Allocations	7,596,484	12,056,500	
Adjustment due to changes in exchange rates to permit conversion to dollar equivalent	−141		
Unfunded balance, end of year	−2,109,372		
Transfers into agency account	5,886,971	14,165,872	

CONSTRUCTION OF FACILITIES

For construction of facilities and acquisition of the necessary land therefor by donation, $900,000, to remain available until expended. (5 U.S.C. 565a.)

Estimate 1961, **$900,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Construction of facilities for entomology research (total program costs)			$60,000
2. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net			840,000
Total obligations			900,000
Financing:			
Appropriation (new obligational authority)			900,000

The proposed appropriation would provide facilities for entomology research to replace those currently in use at Orlando, Fla. When the replacement is completed, sale of the present property is anticipated, thus offsetting a part of the cost of the new facilities.

2. *Relation of costs to obligations.*—The year-end balance of unpaid undelivered orders for 1961 is estimated to be $840,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
07 Other contractual services			$60,000
10 Lands and structures			840,000
Total obligations			900,000

STATE EXPERIMENT STATIONS

Payments to States[, Hawaii,] and Puerto Rico: For payments to agricultural experiment stations to carry into effect the provisions of the Hatch Act, approved March 2, 1887, as amended by the Act approved August 11, 1955 (7 U.S.C. 361a–361i), including administration by the United States Department of Agriculture, [$31,053,708] *$32,053,708*; and payments authorized under section 204(b) of the Agricultural Marketing Act, the Act approved August 14, 1946 (7 U.S.C. 1623), $500,000; in all, [$31,553,708] *$32,553,708*.

Penalty mail: For penalty mail costs of agricultural experiment stations under section 6 of the Hatch Act of 1887, as amended, $250,000. *(39 U.S.C. 321q; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)*

Appropriated 1960, **$31,803,708** Estimate 1961, **$32,803,708**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Payments to States and Puerto Rico:			
(a) Payments to agricultural experiment stations	$30,804,158	$30,845,708	$31,815,708
(b) Federal administration	660,986	708,000	738,000
2. Penalty mail	250,000	250,000	250,000
Total program costs [1]	31,715,144	31,803,708	32,803,708
3. Relation of costs to obligations: Obligations incurred for costs of other years, net	29,351		
Total program (obligations)	31,744,495	31,803,708	32,803,708
Financing:			
Unobligated balance no longer available	59,213		
Appropriation (new obligational authority)	31,803,708	31,803,708	32,803,708

[1] Includes capital outlay as follows: June 30, 1959, $3,984; 1960, $9,000; 1961, $4,900.

Funds are allocated to agricultural experiment stations of the land-grant colleges in the States and Puerto Rico for agricultural research, including investigations and experiments to promote a permanent and efficient agricultural industry and improvements in the rural home and rural life. The States are contributing about $3 for every $1 paid by the Federal Government.

The proposed increase is to strengthen the cooperative research program at the agricultural experiment stations in the States and Puerto Rico.

The planned distribution of the grants for 1961 is:

Distributed according to statutory formula	$25,165,708
Regional research funds	6,150,000
Payments authorized for marketing projects	500,000
Total	31,815,708

3. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$1,676	$592	$592	$592
Selected resources at start of year (−)		−1,676	−592	−592
Adjustment of prior year costs and selected resources reported at start of year		30,435	-----	-----
Obligations incurred for costs of other years, net		29,351	-----	-----

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Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	75	73	76
Full-time equivalent of all other positions	1	1	1
Average number of all employees	67	65	68
Number of employees at end of year	71	72	75
Average GS grade and salary	7.5 $6,004	7.6 $6,045	7.6 $6,083
01 Personal services:			
Permanent positions	$490,040	$500,700	$524,300
Positions other than permanent	4,466	5,600	5,600
Other personal services	2,359	4,700	2,500
Total personal services	496,865	511,000	532,400
02 Travel	73,148	75,000	77,000
03 Transportation of things		100	300
04 Communication services	255,295	256,000	256,200
05 Rents and utility services	10		
06 Printing and reproduction	5,823	8,000	8,200
07 Other contractual services	3,177	3,000	7,000
Services performed by other agencies	49,820	57,000	60,700
08 Supplies and materials	3,455	6,700	7,600
09 Equipment	4,395	9,000	4,900
11 Grants, subsidies, and contributions	31,222	32,000	33,500
Payments to agricultural experiment stations	30,821,089	30,845,708	31,815,708
13 Refunds, awards, and indemnities	6		
15 Taxes and assessments	190	200	200
Total obligations	31,744,495	31,803,708	32,803,708

Diseases of Animals and Poultry

Eradication activities: For expenses necessary in the arrest and eradication of foot-and-mouth disease, rinderpest, contagious pleuropneumonia, or other contagious or infectious diseases of animals, or European fowl pest and similar diseases in poultry, and for foot-and-mouth disease and rinderpest programs undertaken pursuant to the provisions of the Act of February 28, 1947, and the Act of May 29, 1884, as amended (7 U.S.C. 391; 21 U.S.C. 111–122), including expenses in accordance with section 2 of said Act of February 28, 1947, the Secretary may transfer from other appropriations or funds available to the bureaus, corporations, or agencies of the Department such sums as he may deem necessary, to be available only in an emergency which threatens the livestock or poultry industry of the country, and any unexpended balances of funds transferred under this head in the next preceding fiscal year shall be merged with such transferred amounts: *Provided*, That this appropriation shall be subject to applicable provisions contained in the item "Salaries and expenses, Agricultural Research Service". (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.*)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Eradication of vesicular exanthema of swine (total program costs [1])	$1,012,565	$41,976	
2. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−41,976	
Obligations incurred for costs of other years, net	7,867		
Total program (obligations) (advanced from Commodity Credit Corporation)	1,020,432		
Financing:			
Advances (repayable to Commodity Credit Corporation)	−990,807		
Reappropriation (new obligational authority)	29,625		

[1] Includes capital outlay as follows: June 30, 1959, $13,482; 1960, $21,305.

1. *Eradication of vesicular exanthema of swine.*—Funds for carrying out the program for the eradication of vesicular exanthema of swine were transferred from the Commodity Credit Corporation through 1959. Corporate funds so used have been repaid from specific appropriations for that purpose. Beginning in 1960, funds for this activity were included in the appropriation Salaries and expenses, Agricultural Research Service, plant and animal disease and pest control.

2. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Unpaid undelivered orders (appropriation balances obligated for goods and services not yet received)	$46,863	$40,053		
Advances (payments for goods and services on order not yet received)		1,923		
Total selected resources at end of year	46,863	41,976		
Selected resources at start of year (−)		−46,863	−$41,976	
Adjustment of prior year costs and selected resources reported at start of year		12,754		
Costs financed from obligations of other years, net (−)			−41,976	
Obligations incurred for costs of other years, net		7,867		

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	105		
Full-time equivalent of all other positions	1		
Average number of all employees	90		
Number of employees at end of year	70		
Average GS grade and salary	7.5 $6,004		
Average salary of ungraded positions	$3,907		
01 Personal services:			
Permanent positions	$442,778		
Positions other than permanent	490		
Other personal services	2,110		
Total personal services	445,378		
02 Travel	62,441		
03 Transportation of things	796		
04 Communication services	5,939		
05 Rents and utility services	256		
06 Printing and reproduction	833		
07 Other contractual services	16,910		
Services performed by other agencies	389,545		
08 Supplies and materials	38,357		
09 Equipment	33,953		
11 Grants, subsidies, and contributions	23,241		
13 Refunds, awards, and indemnities	909		
15 Taxes and assessments	1,874		
Total obligations	1,020,432		

Animal Disease Laboratory Facilities

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Facility for animal disease research and control (total program costs—capital outlay)	$4,833,419	$8,576,210	$2,603,043
2. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)		−8,230,000	−1,883,043
Obligations incurred for costs of other years (unpaid undelivered orders), net	9,751,843		
Total program (obligations)	14,585,262	346,210	720,000
Financing:			
Unobligated balance brought forward	−15,651,472	−1,066,210	−720,000
Unobligated balance carried forward	1,066,210	720,000	
Appropriation (new obligational authority)			

In previous years, $16,500,000 had been provided for establishment of animal disease research and control laboratory facilities. Construction of the facilities at Ames, Iowa, was started in August 1958. Completion is expected early in 1961.

2. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1958, $361,200; 1959, $10,113,043; 1960, $1,883,043.

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AGRICULTURAL RESEARCH SERVICE—Continued

Current authorizations—Continued

ANIMAL DISEASE LABORATORY FACILITIES—Continued

Object Classification

	1959 actual	1960 estimate	1961 estimate
AGRICULTURAL RESEARCH SERVICE			
Total number of permanent positions	2		
Average number of all employees	2		
Number of employees at end of year	2		
Average GS grade and salary	7.5 $6,004		
01 Personal services:			
Permanent positions	$20,575		
Other personal services	539		
Total personal services	21,114		
02 Travel	1,686		
07 Other contractual services	43		
09 Equipment		$171,967	$698,000
11 Grants, subsidies, and contributions	1,662		
Total, Agricultural Research Service	24,505	171,967	698,000
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
02 Travel	504	1,000	
03 Transportation of things	60		
04 Communication services	512		
06 Printing and reproduction	19,699	1,000	
07 Other contractual services	160,337	64,000	22,000
08 Supplies and materials	95		
10 Lands and structures	14,379,550	108,243	
Total, General Services Administration	14,560,757	174,243	22,000
Total obligations	14,585,262	346,210	720,000

RESEARCH FACILITIES

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Facilities for research on foot-and-mouth and other diseases of animals (total program costs—capital outlay)	$103,544	$86,668	
2. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (—)		—70,923	
Obligations incurred for costs of other years (unpaid undelivered orders), net	28,838		
Total program (obligations)	132,382	15,745	
Financing:			
Unobligated balance brought forward	—148,127	—15,745	
Unobligated balance carried forward	15,745		
Appropriation (new obligational authority)			

The research laboratory and related facilities for investigation of foot-and-mouth and other animal diseases, for which $10 million was appropriated in 1952, is now in use. Construction of an animal holding facility in 1960 will complete this installation.

2. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1958, $42,085; 1959, $70,923.

Object Classification

	1959 actual	1960 estimate	1961 estimate
03 Transportation of things	$21		
08 Supplies and materials	13,868	$15,745	
10 Lands and structures	118,493		
Total obligations	132,382	15,745	

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations and allotments from other accounts are included in the schedules of the parent appropriations as follows:
"Watershed protection," Soil Conservation Service.
"Mutual security—economic," funds appropriated to the President.
"Translation of publications and scientific cooperation," funds appropriated to the President.
"United States dollars advanced from foreign governments, United States educational exchange program," Department of State.
"Salaries and expenses," Office of Civil and Defense Mobilization.
"Civil defense and defense mobilization functions of Federal agencies," funds appropriated to the President.

Permanent authorizations:

ALTERATIONS AND IMPROVEMENTS, ANIMAL QUARANTINE STATION, CLIFTON, NEW JERSEY

(Special fund)

Appropriated 1960, **$30,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Alterations and improvements (total costs—obligations)		$30,000	
Financing:			
Appropriation (new obligational authority)		30,000	

Under authority of the act of August 20, 1958 (72 Stat. 680), approximately 7 acres of land at the U.S. Animal Quarantine Station, Clifton, N.J., have been conveyed to the city of Clifton. The Federal Government received $83,400 for this land, of which $30,000 was deposited on August 19, 1959, to a special account for alterations of buildings, facilities, and improvements on the remaining land at the station.

Object Classification

	1959 actual	1960 estimate	1961 estimate
07 Other contractual services		$17,500	
08 Supplies and materials		12,500	
Total obligations		30,000	

Intragovernmental funds:

WORKING CAPITAL FUND, AGRICULTURAL RESEARCH CENTER

This fund finances, on a reimbursable basis, central facilities and services furnished to agencies at the Agricultural Research Center (64 Stat. 658). The capital consists of $300,000 appropriated in 1951 and donated assets of $230,250 as of June 30, 1959. Earnings are retained to furnish adequate working capital.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Acquisition of equipment	$81,011	$60,000	$60,000
Purchase of material and supplies	1,004,862	1,012,314	1,000,000
Other expenses	2,311,379	2,450,000	2,464,100
Increase in selected working capital		2,000	2,000
Total gross expenditures	3,397,252	3,524,314	3,526,100
Receipts from operations (funds provided):			
Sales of goods and services	3,343,032	3,487,700	3,511,800
Rental income from quarters	12,147	12,300	12,300
Proceeds from sale of equipment	19,105	2,000	2,000
Decrease in selected working capital	133,408		
Total receipts from operations	3,507,692	3,502,000	3,526,100
Budget expenditures	—110,440	22,314	

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Revenue, Expense, and Retained Earnings

	1959 actual	1960 estimate	1961 estimate
Revenue	$3,355,179	$3,500,000	$3,524,100
Expense	3,331,614	3,490,000	3,504,100
Net operating income	23,565	10,000	20,000
Nonoperating income:			
Proceeds from sale of equipment	19,105	2,000	2,000
Net book value of assets sold (−)	−19,105	−2,000	−2,000
Net nonoperating income			
Net income for the year	23,565	10,000	20,000
Retained earnings, beginning of year	15,801	39,366	49,366
Retained earnings, end of year	39,366	49,366	69,366

Financial Condition

Assets:			
Cash with Treasury	$414,499	$392,185	$392,185
Accounts receivable	228,211	228,000	228,000
Materials and supplies	123,454	135,768	135,768
Equipment, net	226,486	244,486	262,486
Total assets	992,650	1,000,439	1,018,439
Liabilities:			
Current	423,034	420,823	418,823
Government investment:			
Non-interest bearing capital:			
Start of year	508,077	530,250	530,250
Donated capital during year	22,173		
End of year	530,250	530,250	530,250
Retained earnings	39,366	49,366	69,366
Total Government investment	569,616	579,616	599,616

NOTE.—Unpaid undelivered orders are as follows: June 30, 1958, $118,029; 1959, $95,186; 1960, $100,000; and 1961, $100,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	341	342	342
Full-time equivalent of all other positions	54	55	55
Average number of all employees	390	387	387
Number of employees at end of year	405	410	410
Average GS grade and salary	7.5 $6,004	7.6 $6,045	7.6 $6,083
Average salary of ungraded positions	$3,907	$4,097	$4,190
01 Personal services:			
Permanent positions	$1,587,492	$1,640,500	$1,647,800
Positions other than permanent	212,215	215,000	215,000
Other personal services	47,931	55,000	47,700
Excess of annual leave earned over leave taken	14,081		
Total personal services	1,861,719	1,910,500	1,910,500
02 Travel	147	200	200
03 Transportation of things	2,926	2,800	2,800
04 Communication services	123,089	125,000	125,000
05 Rents and utility services	159,877	170,000	170,000
06 Printing and reproduction	2,394	2,300	2,300
07 Other contractual services	54,053	115,828	114,800
08 Supplies and materials	994,136	1,027,000	1,025,000
09 Equipment	50,061	60,000	60,000
10 Lands and structures	16,720		
11 Grants, subsidies, and contributions	101,737	107,000	107,000
13 Refunds, awards, and indemnities	1,184		
15 Taxes and assessments	6,339	6,500	6,500
Total obligations	3,374,382	3,527,128	3,524,100

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Research	$929,977	$991,700	$1,029,500
2. Plant and animal disease and pest control	879,614	461,000	461,000
3. Meat inspection	6,729,898	6,564,000	6,564,000
4. Miscellaneous services to other accounts	149,702	122,300	122,800
Total program (costs—obligations)	8,689,191	8,139,000	8,177,300
Financing:			
Advances and reimbursements from—			
Other accounts	$3,096,800	$2,528,826	$2,566,280
Non-Federal sources	5,592,391	5,610,174	5,611,020
Total financing	8,689,191	8,139,000	8,177,300

NOTE.—Reimbursements from non-Federal sources above are from proceeds of sales of charts (7 U.S.C. 1387) and personal property (40 U.S.C. 481(c)); from payments by non-Federal agencies for overtime work and travel performed at meat-packing establishments and veterinary biological establishments and for animal and plant quarantine inspection (5 U.S.C. 576; 7 U.S.C. 394, 396); from cooperating State, county, municipal, and private organizations for soil and water conservation work (16 U.S.C. 590a); and from refunds of terminal leave payments (5 U.S.C. 61(b)).

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	50	50	54
Full-time equivalent of all other positions	5	4	3
Average number of all employees	550	468	467
Number of employees at end of year	56	54	56
Average GS grade and salary	7.5 $6,004	7.6 $6,045	7.6 $6,083
01 Personal services:			
Permanent positions	$3,340,550	$2,860,434	$2,886,885
Positions other than permanent	24,584	18,720	13,920
Other personal services	4,547,712	4,535,346	4,500,895
Total personal services	7,912,846	7,414,500	7,401,700
02 Travel	42,037	35,000	38,800
03 Transportation of things	2,251	2,250	7,750
04 Communication services	13,160	9,225	10,425
05 Rents and utility services	36,894	33,050	33,050
06 Printing and reproduction	12,022	12,300	12,300
07 Other contractual services	79,717	60,145	92,745
Services performed by other agencies	61,394	52,100	52,000
08 Supplies and materials	169,054	217,440	219,940
09 Equipment	174,009	123,390	128,090
11 Grants, subsidies, and contributions	183,371	177,500	178,400
15 Taxes and assessments	2,436	2,100	2,100
Total obligations	8,689,191	8,139,000	8,177,300

EXTENSION SERVICE

Current authorizations:

COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

Payments to States[, Hawaii,] and Puerto Rico: For payments for cooperative agricultural extension work under the Smith-Lever Act, as amended by the Act of June 26, 1953 (7 U.S.C. 341–348), and the Act of August 11, 1955 (7 U.S.C. 347a), [$52,220,000] *$55,085,000*; and payments and contracts for such work under section 204(b)–205 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623–1624), $1,495,000; in all, [$53,715,000] *$56,580,000*: *Provided*, That funds hereby appropriated pursuant to section 3(c) of the Act of June 26, 1953, shall not be paid to any State[, Hawaii,] or Puerto Rico prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year.

Retirement costs for extension agents: For cost of employer's share of Federal retirement for cooperative extension employees, [$5,674,375] *$5,961,000*.

Penalty mail: For costs of penalty mail for cooperative extension agents and State extension directors, $2,491,307.

Federal Extension Service: For administration of the Smith-Lever Act, as amended by the Act of June 26, 1953 (7 U.S.C. 341–348), and the Act of August 11, 1955 (7 U.S.C. 347a), and extension aspects of the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627), and to coordinate and provide program leadership for the extension work of the Department and the several States[, Territories,] and insular possessions, [$2,242,540] *$2,392,660*. (*39 U.S.C. 321i, 321n, 321p–q; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.*)

Appropriated 1960, **$64,123,222** Estimate 1961, **$67,424,967**

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EXTENSION SERVICE—Continued

Current authorizations—Continued

COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES—Continued

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Payments to States and Puerto Rico:			
(a) Payments for cooperative agricultural extension work under Smith-Lever Act	$51,614,334	$52,220,000	$55,085,000
(b) Payments and contracts under the Agricultural Marketing Act	1,510,379	1,606,096	1,495,000
2. Retirement costs for extension agents	5,365,243	5,674,375	5,961,000
3. Penalty mail	2,491,307	2,491,307	2,491,307
4. Federal Extension Service	2,238,265	2,242,540	2,392,660
Total program costs [1]	63,219,528	64,234,318	67,424,967
5. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−111,096	
Obligations incurred for costs of other years, net	35,197		
Total program (obligations)	63,254,725	64,123,222	67,424,967
Financing:			
Unobligated balance no longer available	464,352		
New obligational authority	63,719,077	64,123,222	67,424,967
New obligational authority:			
Appropriation	$63,159,395	$64,123,222	$67,424,967
Transferred from "Conservation reserve program," Commodity Stabilization Service (73 Stat. 34)	559,682		
Appropriation (adjusted)	63,719,077	64,123,222	67,424,967

[1] Includes capital outlay as follows: June 30, 1959, $26,822; 1960, $16,000; 1961, $14,000.

The primary function of the nationwide system of cooperative extension work is out-of-school applied education in agriculture, home economics, and related subjects. This educational activity takes research results, technological advancements, and situation and program facts of the Department of Agriculture, the State agricultural colleges, and experiment stations, and incorporates them into a national educational program. Its objective is to help people develop their abilities to attain greater efficiency in farming, marketing, and homemaking.

1. *Payments to States and Puerto Rico.*—Funds appropriated under the Smith-Lever Act for payments to States and Puerto Rico are distributed primarily on the basis of farm and rural population and to a limited degree on the basis of special problems and needs. Funds appropriated under the Agricultural Marketing Act for educational work in marketing are distributed to the States and Puerto Rico on a matching basis under approved projects and on the basis of contracts. Funds are used primarily for the employment of county extension workers who work with rural families, marketing concerns, and others by providing counsel and assistance in the application of improved methods of production, marketing, and family living. They assist local leadership to determine extension programs of work. Work with youth is largely through 4–H Clubs.

The proposed increase is for payments for cooperative agricultural extension work under the Smith-Lever Act to strengthen and expand extension work with disadvantaged agricultural families in connection with the Administration's rural development program.

The scope of extension activities is reflected in the following selected statistics:

[In thousands]

	1956	*1957*	*1958*
Number of families assisted in adopting improved agricultural practices	6,406	6,819	7,947
Number of families assisted in adopting improved homemaking practices	6,539	6,873	7,475
Number of 4-H Club members	2,164	2,201	2,254
Number of voluntary local leaders	1,267	1,262	1,281
Number of bulletins distributed	29,200	30,894	32,873

2. *Retirement costs for extension agents.*—The amount proposed is required to meet retirement costs of cooperative extension agents as authorized under Public Law 854, approved July 31, 1956. Cooperative extension agents are joint employees of the U.S. Department of Agriculture and the cooperating land-grant institutions. The employer's contribution to the Federal retirement fund, to match contributions of these agents, is provided by Federal appropriation.

3. *Penalty mail.*—Funds to cover the cost of penalty mailings for State extension directors and cooperative extension agents in the States are provided under this appropriation.

4. *Federal Extension Service.*—The Federal Extension Service provides leadership, counsel, and assistance to the States and Puerto Rico in developing extension programs, improved teaching methods, efficient use of available resources, evaluation of programs, in-service training for extension personnel, and providing administrative services. The proposed increase will strengthen the Federal staff of the Extension Service to meet increased responsibilities resulting from requests from the States for increased program leadership and assistance.

5. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$212,894	$185,203	$89,679	$89,679
Advances (payments for goods and services on order not yet received)	41,494	46,572	31,000	31,000
Total selected resources at end of year	254,388	231,775	120,679	120,679
Selected resources at start of year (−)	−254,388	−231,775	−120,679	
Adjustment of prior year costs and selected resources reported at start of year		57,810		
Costs financed from obligations of other years, net (−)		−111,096		
Obligations incurred for costs of other years, net		35,197		

Object Classification

		1959 actual		1960 estimate		1961 estimate
	Total number of permanent positions	244		238		246
	Full-time equivalent of all other positions	1		1		
	Average number of all employees	233		232		241
	Number of employees at end of year	236		237		244
	Average GS grade and salary	8.7	$7,288	8.8	$7,386	8.9	$7,503
01	Personal services:						
	Permanent positions	$1,693,423		$1,701,127		$1,785,502	
	Positions other than permanent	3,996		2,506			
	Other personal services	13,729		19,342		13,271	
	Total personal services	1,711,148		1,722,975		1,798,773	
02	Travel	215,393		216,000		233,400	
03	Transportation of things	20,841		21,000		28,000	
04	Communication services	29,824		30,000		32,100	
	Penalty mail for cooperative extension agents and State extension directors	2,491,307		2,491,307		2,491,307	
05	Rents and utility services	1,626		1,680		1,680	
06	Printing and reproduction	68,424		71,200		89,700	
07	Other contractual services	230,374		109,885		124,505	
	Services performed by other agencies	29,388		30,000		31,372	
08	Supplies and materials	18,007		18,000		19,400	
09	Equipment	25,488		9,500		16,500	
11	Grants, subsidies, and contributions	5,474,141		5,785,375		6,076,930	
	Payments to States and Puerto Rico	52,937,892		53,615,000		56,480,000	
13	Refunds, awards, and indemnities	125		500		500	
15	Taxes and assessments	747		800		800	
	Total obligations	63,254,725		64,123,222		67,424,967	

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ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriation "Mutual security—economic," funds appropriated to the President.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Cooperation with the Bureau of Indian Affairs on extension program with Indians	$34,290	$34,290	$37,860
2. Technical assistance to agricultural stabilization and conservation committees in Alaska	13,292	14,710	14,710
3. Miscellaneous services to other accounts	7,072		
Total program (costs—obligations)	54,654	49,000	52,570
Financing:			
Advances and reimbursements from—			
Other accounts	54,549	49,000	52,570
Non-Federal sources (5 U.S.C. 61(b))	105		
Total financing	54,654	49,000	52,570

Object Classification

	1959 actual		1960 estimate		1961 estimate	
Total number of permanent positions	3		3		3	
Average number of all employees	4		3		3	
Number of employees at end of year	3		3		3	
Average GS grade and salary	10.7	$9,062	10.7	$9,312	10.7	$9,312
01 Personal services:						
Permanent positions		$33,345		$27,776		$28,179
Other personal services		106		213		110
Total personal services		33,451		27,989		28,289
02 Travel		5,346		4,422		7,000
04 Communication services						300
06 Printing and reproduction						100
07 Other contractual services		72		60		232
Services performed by other agencies		335				
08 Supplies and materials		22				100
09 Equipment		11				
11 Grants, subsidies, and contributions		15,417		16,529		16,549
Total obligations		54,654		49,000		52,570

FARMER COOPERATIVE SERVICE

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses to carry out the Act of July 2, 1926 (7 U.S.C. 451–457), [$615,800] *$644,650.* (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.*)

Appropriated 1960, **$615,800** Estimate 1961, **$644,650**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Research and technical assistance for farmer cooperatives (total program costs [1])	$613,829	$615,800	$644,650
2. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−1,976		
Total program (obligations)	611,853	615,800	644,650
Financing:			
1959 appropriation available in 1958	2,574		
Unobligated balance no longer available	3,473		
New obligational authority	617,900	615,800	644,650
New obligational authority:			
Appropriation	$578,000	$615,800	$644,650
Transferred from "Conservation reserve program," Commodity Stabilization Service (73 Stat. 51)	39,900		
Appropriation (adjusted)	617,900	615,800	644,650

[1] Includes capital outlay as follows: June 30, 1959, $4,736; 1960, $3,600; 1961, $5,100.

1. The Farmer Cooperative Service provides research, advisory, and educational assistance to farmers' marketing, purchasing, and service cooperatives. Problems of organization, financing, policies, management, merchandising, costs, efficiency, and membership are involved. Much of this work is carried on in cooperation with land-grant colleges, the Extension Service, and other Federal and State agencies.

2. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Equipment not placed in use	$2,470			
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	11,851	$11,853	$11,853	$11,853
Total selected resources at end of year	14,321	11,853	11,853	11,853
Selected resources at start of year (−)	−14,321	−11,853	−11,853	−11,853
Adjustment of prior year costs and selected resources reported at start of year		492		
Costs financed from obligations of other years, net (−)		−1,976		

Object Classification

	1959 actual		1960 estimate		1961 estimate	
Total number of permanent positions	75		73		75	
Average number of all employees	68		67		70	
Number of employees at end of year	65		67		70	
Average GS grade and salary	8.5	$6,806	8.7	$6,979	8.7	$7,052
01 Personal services:						
Permanent positions		$461,776		$473.132		$489,410
Other personal services		2,269		3,668		1,890
Total personal services		464,045		476,800		491,300
02 Travel		39,085		36,200		38,700
03 Transportation of things		674		100		100
04 Communication services		15,823		15,100		15,700
06 Printing and reproduction		46,308		38,000		41,500
07 Other contractual services		2,418		2,400		6,650
Services performed by other agencies		7,161		8,000		8,900
08 Supplies and materials		3,554		3,700		3,900
09 Equipment		4,823		3,800		5,300
11 Grants, subsidies, and contributions		29,959		31,000		31,900
13 Refunds, awards, and indemnities		536		600		600
15 Taxes and assessments		41		100		100
1959 program obligated in 1958		−2,574				
Total obligations		611,853		615,800		644,650

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriation, "Mutual security—economic," funds appropriated to the President.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Research and technical assistance for farmer cooperatives	$2,793		
2. Marketing research activities (Agricultural Marketing Service)	406,265	$407,800	$415,300
Total program costs	409,058	407,800	415,300
3. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−1,935		
Total program (obligations)	407,123	407,800	415,300
Financing:			
Advances and reimbursements from other accounts	410,593	407,800	415,300
Unobligated balance no longer available	−3,470		
Total financing	407,123	407,800	415,300

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FARMER COOPERATIVE SERVICE—Continued

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS—Continued

3. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$23,481	$20,845	$20,845	$20,845
Selected resources at start of year (−)		−23,481	−20,845	−20,845
Adjustment of prior year costs and selected resources reported at start of year		701		
Costs financed from obligations of other years, net (−)		−1,935		

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Total number of permanent positions	52	50	51
	Average number of all employees	45	45	46
	Number of employees at end of year	45	45	46
	Average GS grade and salary	8.3 $6,524	8.6 $6,672	8.5 $6,647
01	Personal services:			
	Permanent positions	$301,040	$305,630	$309,804
	Other personal services	1,655	2,370	1,196
	Total personal services	302,695	308,000	311,000
02	Travel	27,302	24,000	24,900
03	Transportation of things	439	100	100
04	Communication services	10,462	10,000	10,100
06	Printing and reproduction	13,533	12,000	13,000
07	Other contractual services	25,322	26,000	28,500
	Services performed by other agencies	5,059	4,400	4,400
08	Supplies and materials	2,419	2,500	2,500
09	Equipment	39	200	200
11	Grants, subsidies, and contributions	19,466	20,100	20,100
13	Refunds, awards, and indemnities	359	400	400
15	Taxes and assessments	28	100	100
	Total obligations	407,123	407,800	415,300

SOIL CONSERVATION SERVICE

The Service is responsible for various soil and water conservation activities to aid farmers and ranchers in making physical adjustments in land use to conserve soil, water, and plant resources, establish a permanent and balanced agriculture, and reduce the hazards of floods and sedimentation. These activities are carried out in cooperation with Federal and State agencies and local organizations. The Service also has responsibility for administering the Great Plains conservation program and provides technical services in connection with the agricultural conservation program, the conservation reserve program, and soil and water conservation loans made by the Farmers Home Administration.

Current authorizations:

CONSERVATION OPERATIONS

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a–590f), including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures as may be necessary to prevent floods and the siltation of reservoirs); operation of conservation nurseries; classification and mapping of soils; dissemination of information; purchase and erection or alteration of permanent buildings; and operation and maintenance of aircraft, [$82,322,000] *$82,882,000*: *Provided*, That the cost of any permanent building purchased, erected, or as improved, exclusive of the cost of constructing a water supply or sanitary system and connecting the same to any such building and with the exception of buildings acquired in conjunction with land being purchased for other purposes, shall not exceed $2,500, except for eight buildings to be constructed or improved at a cost not to exceed $15,000 per building and except that alterations or improvements to other existing permanent buildings costing $2,500 or more may be made in any fiscal year in an amount not to exceed $500 per building: *Provided further*, That no part of this appropriation shall be available for the construction of any such building on land not owned by the Government: *Provided further*, That in the State of Missouri, where the State has established a central State agency authorized to enter into agreements with the United States or any of its agencies on policies and general programs for the saving of its soil by the extension of Federal aid to any soil conservation district in such State, the agreements made by or on behalf of the United States with any such soil conservation district shall have the prior approval of such central State agency before they shall become effective as to such district: *Provided further*, That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 (16 U.S.C. 590a–590f), in demonstration projects: *Provided further*, That not to exceed $5,000 may be used for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the service. *(5 U.S.C. 133t, 511–512, 565a; 7 U.S.C. 1387, 1807; 16 U.S.C. 590q–1; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)*

Appropriated 1960, **$82,322,000** Estimate 1961, **$82,882,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct program costs:			
1. Assistance to soil conservation districts and other cooperators (total direct program costs) [1]	$80,315,620	$82,322,000	$82,882,000
2. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−1,182,152		
Total direct program (obligations)	79,133,468	82,322,000	82,882,000
Reimbursable costs—obligations:			
1. Assistance to soil conservation districts and other cooperators: Technical services to agricultural conservation program participants	3,991,707	7,547,742	7,500,000
Total program (obligations)	83,125,175	89,869,742	90,382,000
Financing:			
1959 program obligated in 1958	846,814		
Advances and reimbursements from other accounts	−3,991,707	−7,547,742	−7,500,000
Unobligated balance no longer available	902,518		
New obligational authority	80,882,800	82,322,000	82,882,000
New obligational authority:			
Appropriation	$74,780,000	$82,322,000	$82,882,000
Transferred from "Conservation reserve program," Commodity Stabilization Service (73 Stat. 51)	6,102,800		
Appropriation (adjusted)	80,882,800	82,322,000	82,882,000

[1] Includes capital outlay as follows: June 30, 1959, $2,587,330; 1960, $2,100,000; 1961, $2,100,000.

1. Assistance furnished soil conservation districts and other cooperators consists primarily of: (*a*) standard soil surveys and special soils investigations to provide physical land facts needed for farm and ranch conservation planning and application of practices and by other Federal, State, and local agencies and the public;

MAIN WORKLOAD FACTORS

[In millions of acres]

Type of survey	*Total as of June 30, 1958*	*1959 actual*	*1960 estimate*	*1961 estimate*
Soil surveys	575.1	48.0	52.0	55.0
Range surveys	78.9	14.0	15.0	15.0

(*b*) technical assistance to farmers and ranchers in planning individual conservation programs for orderly adjustment of the use and treatment of their land; (*c*) management consultation and other technical assistance in installing the conservation practices provided for in their farm and ranch conservation plans;

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MAIN WORKLOAD FACTORS

	1959 actual	*1960 estimate*	*1961 estimate*
Number of soil conservation districts	2,861	2,891	2,911
Number of soil conservation district cooperators	1,859,439	1,900,000	1,950,000
Soil conservation district cooperators having farm and ranch conservation plans	1,279,634	1,325,000	1,375,000
Number of cooperators applying conservation practices	647,107	662,000	687,000

(*d*) technical assistance to group enterprises on soil conservation and water control problems that can only be solved by group action; (*e*) granting to soil conservation districts of special equipment acquired from Federal Government surplus and needed in the application of conservation practices; (*f*) streamflow forecasts, developed from snow surveys in the Western States, which serve as a basis for planning for efficient seasonal use of water; (*g*) the selection and testing of promising plant materials to determine their suitability for erosion control purposes; (*h*) technical assistance to agricultural conservation program participants in establishing specified conservation practices; (*i*) technical assistance to conservation reserve program participants in planning and applying specified conservation practices; and (*j*) technical assistance in planning and applying the practices for which soil and water conservation loans are made by the Farmers Home Administration.

2. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Direct costs:				
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects)	$126,326	$139,464	$139,464	$139,464
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	2,270,646	1,039,169	1,039,169	1,039,169
Total selected resources at end of year	2,396,972	1,178,633	1,178,633	1,178,633
Selected resources at start of year (−)		−2,396,972	−1,178,633	−1,178,633
Adjustment of prior year costs and selected resources reported at start of year		36,187		
Costs financed from obligations of other years, net (−)		−1,182,152		

Object Classification

	1959 actual		1960 estimate		1961 estimate	
Total number of permanent positions	13,283		13,562		13,563	
Full-time equivalent of all other positions	804		1,067		1,124	
Average number of all employees	12,115		12,976		13,032	
Number of employees at end of year	14,670		14,936		15,070	
Average GS grade and salary	6.7	$5,491	6.9	$5,520	6.9	$5,556
Personal service obligations:						
Permanent positions	$63,571,539		$67,216,785		$67,801,700	
Positions other than permanent	2,825,899		3,765,143		3,991,500	
Other personal services	506,119		782,288		549,800	
Total personal service obligations	66,903,557		71,764,216		72,343,000	
Direct obligations:						
01 Personal services	64,210,431		66,001,000		66,585,000	
02 Travel	2,153,458		2,300,000		2,320,000	
03 Transportation of things	365,617		410,000		410,000	
04 Communication services	904,367		906,000		910,000	
05 Rents and utility services	1,852,100		1,900,000		1,860,000	
06 Printing and reproduction	444,080		470,000		475,000	
07 Other contractual services	503,151		510,000		1,027,000	
Services performed by other agencies	109,644		210,000		150,000	
08 Supplies and materials	3,059,913		3,190,000		3,100,000	
09 Equipment	2,162,648		2,200,000		1,700,000	
10 Lands and structures	14,630					
11 Grants, subsidies, and contributions	4,076,961		4,100,000		4,200,000	
13 Refunds, awards and indemnities	80,027		80,000		80,000	
15 Taxes and assessments	48,934		50,000		70,000	
1959 program obligated in 1958	−846,814					
Subtotal	79,139,147		82,327,000		82,887,000	
Deduct quarters and subsistence charges	5,679		5,000		5,000	
Total direct obligations	79,133,468		82,322,000		82,882,000	

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
Reimbursable obligations:			
01 Personal services	$2,693,126	$5,763,216	$5,758,000
02 Travel	9,297	23,681	24,000
04 Communication services	226		
06 Printing and reproduction	1,111	1,066	1,000
07 Other contractual services	812,342	1,169,260	1,143,300
08 Supplies and materials	322,343	276,270	259,500
11 Grants, subsidies, and contributions	143,440	290,141	290,000
15 Taxes and assessments	9,822	24,108	24,200
Total reimbursable obligations	3,991,707	7,547,742	7,500,000
Total obligations	83,125,175	89,869,742	90,382,000

Watershed Protection

For expenses necessary to conduct surveys, investigations, and research and to carry out preventive measures, including, but not limited to, engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act, approved August 4, 1954, as amended (16 U.S.C. 1001–[1007] *1008*), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a–[590]f), to remain available until expended, [$22,750,000] *$27,750,000*, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for watershed protection purposes: *Provided*, That not to exceed $100,000 may be used for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a)*: Provided further, That annual accrued expenditures under this appropriation account, covering amounts becoming payable as a result of obligations incurred both in the current fiscal year and in prior fiscal years, shall not exceed $37,400,000: Provided further, That this limitation shall not include annual accrued expenditures attributable to reimbursable work performed under this appropriation account. (5 U.S.C. 511–512; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)*

Appropriated 1960, **$22,750,000** Estimate 1961, **$27,750,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Investigations and planning	$4,664,033	$4,900,000	$3,500,000
2. Installation of works of improvement	14,200,505	22,815,581	28,260,000
3. Loans and related expense	59,954	900,000	1,140,000
4. Surveys and investigations of water resources programs	888,508	1,100,000	1,100,000
Total accrued expenditures [1]	19,813,000	29,715,581	34,000,000
Unpaid undelivered orders brought forward	−5,232,748	−18,188,617	−18,500,000
Unpaid undelivered orders carried forward	18,188,617	18,500,000	14,500,000
Total program (obligations)	32,768,869	30,026,964	30,000,000
Financing:			
Unobligated balance brought forward	−16,795,833	−9,526,964	−2,250,000
Unobligated balance carried forward	9,526,964	2,250,000	
Appropriation (new obligational authority)	25,500,000	22,750,000	27,750,000

[1] Includes capital outlay as follows: June 30, 1959, $752,933; 1960, $229,500; 1961, $230,000.

The Department cooperates with the States and other agencies in planning and installing works of improvement in small watersheds to reduce damage from floodwater, sediment, and erosion and for the conservation, development, utilization, and disposal of water. It provides loans to local organizations to help them finance their share of the cost of certain works of improvement. The Department also cooperates with other agencies in making surveys and investigations of watersheds of rivers and other waterways as the basis for the development of coordinated programs.

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SOIL CONSERVATION SERVICE—Continued

Current authorizations—Continued

WATERSHED PROTECTION—Continued

MAIN WORKLOAD FACTORS

Activity	1957 actual	1958 actual	1959 actual	1960 estimate	1961 estimate
Applications:					
Received, current year	165	175	261	275	300
Received, cumulative at end of year	712	887	1,148	1,423	1,723
Not suitable for planning, cumulative at end of year	280	300	315	330	345
Planning:					
Authorized, current year	96	96	82	100	70
Authorized, cumulative	268	364	446	546	616
Suspended or terminated, cumulative	(39)	(71)	(67)	(70)	(80)
Planning in process at end of year	187	193	199	196	140
Remaining to be planned at end of year	164	223	387	547	762
Operations:					
Authorized, current year	29	58	80	80	50
Authorized, cumulative	42	100	180	260	310
Completed, current year	---	2	3	5	15
Completed, cumulative	---	2	5	10	25
In process at end of year	---	98	175	250	285

1. *Investigations and planning.*—Surveys are made by the Department of proposed small watershed projects, and work plans are prepared in cooperation with the local sponsors. These plans outline the proposed works of improvement and include the estimated costs, a cost-benefit analysis, cost-sharing and maintenance arrangements, a proposed schedule of operations, and other facts necessary to determine whether Federal participation in project development should be approved.

2. *Installation of works of improvement.*—Assistance is provided to local organizations to install improvement measures for flood prevention and water management in accordance with approved watershed work plans.

Public Law 566 watersheds.—After local sponsoring organizations have developed watershed work plans with the Department's assistance and the projects have been approved as suitable for Federal participation (projects involving an estimated Federal contribution in excess of $250,000, or any single structure having a capacity in excess of 2,500 acre-feet require congressional approval), technical services and cost-sharing assistance are provided for specified works of improvement. Detailed construction plans and specifications are prepared. On non-Federal lands the local sponsoring organizations contract for the construction work; provide land easements and rights-of-way; operate and maintain the projects; and in the case of multiple-purpose structures, bear a share of the construction costs. The initiation of installation of works of improvement in new projects requires administrative approval in two stages: (*a*) approval for advance engineering and other technical assistance only, and (*b*) approval for construction of structural measures.

The advance engineering and technical assistance stage includes surveys, investigations, and preparation of detailed designs, specifications, and engineering cost estimates for construction of structural works. It also includes precise delineation of required easement areas. Technical and other assistance for planning and applying land treatment measures for watershed protection and flood prevention is provided in some cases.

The project-construction stage begins with execution of the first project agreement for construction of works of improvement, after required easements are obtained or are assured and the local organization has met all other requirements. Under a project agreement the local sponsoring organization agrees to construct a segment of the project which may consist of an individual or an interrelated group of structures. The agreement obligates the Government to furnish its share of the construction cost. Funds are advanced to the local organization as segments of work are completed. Engineering and other services are provided for the preparation of contracts and specifications, awarding of contracts, and supervision and inspection of construction. Technical assistance with land treatment measures is continued.

The following table shows the status of Public Law 83–566 projects with respect to approvals for advance engineering and technical assistance and for construction:

[Dollars in thousands]

Explanation	1959 actual Number	1959 actual Amount	1960 estimate Number	1960 estimate Amount	1961 estimate Number	1961 estimate Amount
Projects approved for advance engineering and technical assistance (number and estimated cost of completion, unless otherwise indicated):						
Projects underway at beginning of year	53	$29,925	73	$50,840	118	$92,940
Projects initiated during the year	80	71,572	80	78,000	50	50,000
Subtotal	133	101,497	153	128,840	168	142,940
Deduct projects approved for construction during the year	60	47,977	35	30,900	32	28,900
Net projects approved	73	53,520	118	97,940	136	114,040
Deduct amounts obligated during the year for advance engineering and technical assistance	---	2,680	---	5,000	---	5,635
Total, projects receiving only advance engineering and technical assistance at end of year	73	50,840	118	92,940	136	108,405
Projects approved for construction (number and estimated cost of completion, unless otherwise indicated):						
Projects underway at beginning of year	45	12,906	102	42,349	132	60,472
Projects initiated during the year	60	47,977	35	30,900	32	28,900
Total, projects under construction during the year	105	60.883	137	73,249	164	89,372
Deduct amounts obligated during the year for works of improvement on—						
(*a*) Projects approved for construction during the year	---	12,429	----	5,300	---	5,000
(*b*) Projects completed during the year	3	73	5	62	15	450
(*c*) Continuing prior year projects	---	6,032	---	7,415	---	10,815
Total, projects under construction at end of year	102	42,349	132	60,472	149	73,107
Grand total, projects in progress at end of year	175	93,189	250	153,412	285	181,512

The 1960 program contemplates starting 35 new watershed projects. The increase of $5,000,000 in the 1961 estimates will be used to initiate construction work on an estimated 32 additional watershed projects involving total Federal costs of approximately $28,900,000.

Uniform cost-sharing legislation is recommended which would provide that non-Federal interests receiving identifiable flood protection benefits from flood control or flood prevention projects should bear at least 30% of the costs. The value of lands, easements, and rights-of-way contributed locally would be included as part of the non-Federal share. Operation and maintenance would be a State or local responsibility. The legislation would apply to Public Law 566 projects and, if enacted prior to construction, would decrease by an estimated $4.6 million the total Federal costs of projects expected to be put under construction in 1961.

Pilot demonstration watersheds.—The following table shows the status of the pilot watershed projects which were initiated in 1954 to demonstrate and evaluate the effects of works of improvement installed in small watersheds for watershed protection and flood prevention. The budget estimate reflects reductions due to completion of some pilot projects.

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Explanation	1959 actual Number	1959 actual Amount	1960 estimate Number	1960 estimate Amount	1961 estimate Number	1961 estimate Amount
Active projects at beginning of year and estimated completion cost	39	$15,224	30	$9,646	15	$4,396
Deduct amounts obligated during the year for—						
(a) Projects completed during the year	9	96	15	1,665	11	1,387
(b) Other projects	--	5,482	--	3,585	--	1,113
Total, projects in progress at end of year and estimated completion cost	30	9,646	15	4,396	4	1,896

3. *Loans and related expenses.*—Loans are made to local organizations to finance the local share of the cost of works of improvement installed in the small watersheds. Repayment with interest is required within 50 years after the principal benefits of improvements first become available.

4. *Surveys and investigations of water resources programs.*—Current work includes participation with the Corps of Engineers in the Potomac River Basin, the upper Mississippi River area, the Delaware River area, and the Cape Fear watershed in North Carolina, and with the Department of the Interior in reappraising the agricultural benefits anticipated from the upper Colorado River storage project. Surveys are also being made of part of the Kansas River area in cooperation with the Kansas State water board, the Yazoo-Mississippi flood plain area with the Mississippi State board of water commissioners, and the Huron River Basin in Michigan with the Huron River watershed intergovernmental committee. Some cooperative assistance is being provided to the river basin study commissions for the Southeast and the Texas river areas.

Accrued expenditure limitation.—This appropriation contains, for the first time, a limitation on accrued expenditures in accordance with Public Law 85–759, approved August 25, 1958.

For construction activities financed from this appropriation, costs and accrued expenditures occur when work is in place. Since this estimate is being prepared so far in advance of the putting into place of works of improvement by contractors of the local sponsoring organizations, the amount of the limitation is 10% above the amount of accrued expenditures shown in the schedules. This will provide flexibility needed because of possible difficulties in scheduling the rate of contractors' work.

Object Classification

	1959 actual	1960 estimate	1961 estimate
SOIL CONSERVATION SERVICE			
Total number of permanent positions	1,440	1,725	2,014
Full-time equivalent of all other positions	195	239	244
Average number of all employees	1,586	1,853	2,094
Number of employees at end of year	1,659	2,020	2,239
Average GS grade and salary	6.7 $5,491	6.9 $5,520	6.9 $5,556
01 Personal services:			
Permanent positions	$8,091,147	$9,500,000	$10,920,000
Positions other than permanent	662,426	820,000	874,000
Other personal services	146,729	240,000	186,000
Total personal services	8,900,302	10,560,000	11,980,000
02 Travel	765,049	835,000	875,000
03 Transportation of things	61,928	70,000	75,000
04 Communication services	126,062	138,000	140,000
05 Rents and utility services	167,154	182,000	183,000
06 Printing and reproduction	149,515	171,000	170,000
07 Other contractual services	4,017,568	3,687,000	2,100,000
Services performed by other agencies	192,744	240,000	240,000
08 Supplies and materials	368,577	375,000	375,000
09 Equipment	589,733	600,000	600,000
11 Grants, subsidies, and contributions	15,909,322	10,591,471	10,739,760
13 Refunds, awards, and indemnities	6,488	9,000	10,000
15 Taxes and assessments	15,141	20,000	22,500
Total, Soil Conservation Service	31,269,583	27,478,471	27,510,260

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
ALLOTMENT ACCOUNTS			
Total number of permanent positions	76	79	79
Full-time equivalent of all other positions	25	34	29
Average number of all employees	106	121	118
Number of employees at end of year	90	100	104
Average GS grade and salary	7.2 $5,869	7.3 $5,891	7.3 $5,909
Average salary of ungraded positions	$4,553	$4,754	$4,754
01 Personal services:			
Permanent positions	$526,462	$583,429	$601,836
Positions other than permanent	96,835	130,284	110,967
Other personal services	3,241	5,239	2,983
Total personal services	626,538	718,952	715,786
02 Travel	75,493	111,359	111,610
03 Transportation of things	3,508	4,230	4,200
04 Communication services	5,921	10,210	10,200
05 Rents and utility services	4,267	5,592	5,500
06 Printing and reproduction	952	1,200	1,000
07 Other contractual services	133,429	212,795	214,900
Services performed by other agencies	39,528	60,396	60,000
08 Supplies and materials	27,354	55,076	55,505
09 Equipment	22,546	19,644	19,000
11 Grants, subsidies, and contributions	155,773	396,873	359,854
13 Refunds, awards, and indemnities	555	500	500
15 Taxes and assessments	1,419	1,816	1,835
16 Investments and loans	402,500	950,000	930,000
Subtotal	1,499,783	2,548,643	2,489,890
Deduct quarters and subsistence charges	497	150	150
Total, allotment accounts	1,499,286	2,548,493	2,489,740
Total obligations	32,768,869	30,026,964	30,000,000
Obligations are distributed as follows:			
Soil Conservation Service	$31,269,583	$27,478,471	$27,510,260
Forest Service	694,622	1,111,000	1,050,000
Agricultural Research Service	279,817	317,215	318,000
Farmers Home Administration	427,454	1,000,000	1,000,000
Department of the Interior	97,393	120,278	121,740

Flood Prevention

For expenses necessary, in accordance with the Flood Control Act, approved June 22, 1936 (33 U.S.C. 701–709), as amended and supplemented, and in accordance with the provisions of laws relating to the activities of the Department, to perform works of improvement, including not to exceed $100,000 for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), to remain available until expended, [$18,000,000] *$15,000,000,* with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for flood prevention purposes: *Provided,* That no part of such funds shall be used for the purchase of lands in the Yazoo and Little Tallahatchie watersheds without specific approval of the county board of supervisors of the county in which such lands are situated. (*5 U.S.C. 511–512; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.*)

Appropriated 1960, **$18,000,000** Estimate 1961, **$15,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Works of improvement (total program costs [1])	$15,415,385	$20,975,987	$15,800,000
2. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)	----------	−129,995	−800,000
Obligations incurred for costs of other years (unpaid undelivered orders), net	1,114,985	----------	----------
Total program (obligations)	16,530,370	20,845,992	15,000,000
Financing:			
Unobligated balances brought forward	−1,376,362	−2,845,992	----------
Unobligated balance carried forward	2,845,992	----------	----------
Appropriation (new obligational authority)	18,000,000	18,000,000	15,000,000

[1] Includes capital outlay as follows: June 30, 1959, $1,022,549; 1960, $850,000; 1961, $400,000.

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SOIL CONSERVATION SERVICE—Continued

Current authorizations—Continued

FLOOD PREVENTION—Continued

1. The Department cooperates with soil conservation districts and other local organizations in planning and installing works of improvement in the various subwatersheds of the 11 watersheds authorized by the Flood Control Act of 1944. Measures primarily for flood prevention such as floodwater retarding and sediment control structures, debris barriers and basins, deflectors, diversion ditches and dikes, streambank protection, and other improvements are being installed on a cost-sharing basis. On non-Federal lands, local organizations provide lands, easements, and rights-of-way; operate and maintain the completed projects; and, in some cases, bear a share of construction costs. Work is generally done by local contractors. Land treatment measures which contribute to flood prevention are installed by landowners with technical and other assistance furnished by the Department.

2. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders (representing primarily the uncompleted portion of contracts for the installation of flood prevention measures) are as follows: 1958, $4,715,010; 1959, $5,829,995; 1960, $5,700,000; 1961, $4,900,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
SOIL CONSERVATION SERVICE			
Total number of permanent positions	841	902	881
Full-time equivalent of all other positions	173	189	165
Average number of all employees	904	987	877
Number of employees at end of year	1,103	1,189	1,133
Average GS grade and salary	6.7 $5,491	6.9 $5,520	6.9 $5,556
01 Personal services:			
Permanent positions	$3,845,146	$4,233,460	$3,802,000
Positions other than permanent	573,975	648,540	551,000
Other personal services	86,417	140,000	80,000
Total personal services	4,505,538	5,022,000	4,433,000
02 Travel	190,159	235,000	185,000
03 Transportation of things	22,024	33,000	20,000
04 Communication services	59,773	68,000	60,000
05 Rents and utility services	99,793	105,000	100,000
06 Printing and reproduction	47,941	65,000	50,000
07 Other contractual services	8,036,397	11,493,069	7,064,500
Services performed by other agencies	47,453	165,000	95,000
08 Supplies and materials	511,484	510,000	505,000
09 Equipment	234,726	199,000	185,000
11 Grants, subsidies, and contributions	534,539	650,000	550,000
13 Refunds, awards, and indemnities	4,334	5,000	5,000
15 Taxes and assessments	12,468	15,000	12,500
Total, Soil Conservation Service	14,306,629	18,565,069	13,265,000
ALLOTMENT TO FOREST SERVICE			
Total number of permanent positions	144	144	144
Full-time equivalent of all other positions	184	191	125
Average number of all employees	314	314	248
Number of employees at end of year	201	219	219
Average GS grade and salary	6.8 $5,583	6.9 $5,617	6.9 $5,614
Average salary of ungraded positions	$4,553	$4,754	$4,754
01 Personal services:			
Permanent positions	$636,488	$615,431	$615,431
Positions other than permanent	522,748	543,996	361,800
Other personal services	25,599	25,949	16,569
Total personal services	1,184,835	1,185,376	993,800
02 Travel	27,909	32,785	22,000
03 Transportation of things	3,519	10,000	7,000
04 Communication services	13,322	12,000	8,000
05 Rents and utility services	20,666	19,970	13,000
06 Printing and reproduction	89	25	100
07 Other contractual services	144,105	205,207	136,000
Services performed by other agencies	377,408	386,631	255,000
08 Supplies and materials	252,042	264,545	174,100
09 Equipment	36,118	37,000	27,000
10 Lands and structures	86,519	75,500	50,000
11 Grants, subsidies, and contributions	94,974	73,081	73,000
13 Refunds, awards, and indemnities	4,058	3,200	2,000
15 Taxes and assessments	13,213	13,603	9,000
Subtotal	2,258,777	2,318,923	1,770,000
Deduct quarters and subsistence charges	35,036	38,000	35,000
Total, Forest Service	2,223,741	2,280,923	1,735,000
Total obligations	16,530,370	20,845,992	15,000,000

GREAT PLAINS CONSERVATION PROGRAM

For necessary expenses to carry into effect a program of conservation in the Great Plains area, pursuant to section 16(b) of the Soil Conservation and Domestic Allotment Act, as added by the Act of August 7, 1956 (16 U.S.C. 590p), $10,000,000, to remain available until expended. (*5 U.S.C. 511–512; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.*)

Appropriated 1960, **$10,000,000** Estimate 1961, **$10,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Great Plains conservation program (total program costs [1])	$5,862,955	$6,847,774	$8,000,000
2. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net	7,871,777	3,781,346	2,000,000
Total program (obligations)	13,734,732	10,629,120	10,000,000
Financing:			
Unobligated balance brought forward	−4,363,852	−629,120	
Unobligated balance carried forward	629,120		
Appropriation (new obligational authority)	10,000,000	10,000,000	10,000,000

[1] Includes capital outlay as follows: June 30, 1959, $18,850; 1960, $10,275; 1961, $10,000.

1. Cost-sharing contracts and technical assistance are offered by the Department to aid farmers and ranchers to develop and carry out long-range conservation plans designed to minimize climatic hazards and protect their lands from erosion and deterioration by natural causes. This is a voluntary program which supplements other conservation programs and activities in designated counties of the 10 Great Plains States. Cost-sharing contracts extend from 3 to 10 years and include a plan of operations for the farm or ranch and a time schedule for installing eligible conservation practices. All contracts must terminate by December 31, 1971. The maximum cost-share rate offered in any contract does not exceed 80% of the average cost of installing each eligible practice. A limitation of $2,500 for cost shares for improving dams or ponds or for other irrigation practices is imposed. Producers are also limited to a maximum cost share of $2,500 for each year the contract is in force, or $25,000 for the maximum 10-year contract. The law limits the total cost shares that may be paid to producers to $25 million for any one program year and $150 million for the total program.

The producer who signs a Great Plains program contract is responsible for accomplishing his plan of operations as scheduled, and is encouraged to use all available sources of assistance under other local, State, or Federal programs that contribute to achieving conservation land treatment and economic stability of the farm or ranch unit.

2. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders (representing primarily the uncompleted portion of contracts with farmers and ranchers for the installation of conservation practices) are as follows: 1958, $3,346,877; 1959, $11,218,654; 1960, $15,000,000; 1961, $17,000,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
SOIL CONSERVATION SERVICE			
Total number of permanent positions	150	181	181
Full-time equivalent of all other positions	28	29	31
Average number of all employees	319	310	311
Number of employees at end of year	230	264	265
Average GS grade and salary	6.7 $5,491	6.9 $5,520	6.9 $5,556
01 Personal services:			
Permanent positions	$1,659,469	$1,625,000	$1,632,000
Positions other than permanent	98,752	104,000	110,000
Other personal services	8,336	14,000	8,000
Total personal services	1,766,557	1,743,000	1,750,000

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Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
SOIL CONSERVATION SERVICE—continued			
02 Travel	$76,666	$75,000	$75,000
03 Transportation of things	10,006	10,000	10,000
04 Communication services	22,799	22,500	22,500
05 Rents and utility services	10,997	11,000	11,000
06 Printing and reproduction	53,620	50,000	50,000
07 Other contractual services	165,138	101,000	100,000
Services performed by other agencies		75,500	71,276
08 Supplies and materials	60,539	56,000	56,000
09 Equipment	16,022	15,000	15,000
11 Grants, subsidies, and contributions	11,388,921	8,238,120	7,607,000
13 Refunds, awards, and indemnities	1,091	1,400	1,500
15 Taxes and assessments	1,920	2,576	2,700
Total, Soil Conservation Service	13,574,276	10,401,096	9,771,976
ALLOTMENT ACCOUNTS			
Total number of permanent positions	9	10	10
Full-time equivalent of all other positions	1	1	1
Average number of all employees	6	8	8
Number of employees at end of year	7	9	9
Average GS grade and salary	7.3 $6,099	7.3 $6,113	7.4 $6,139
Average salary of ungraded positions	$4,553	$4,754	$4,754
01 Personal services:			
Permanent positions	$34,435	$54,979	$55,075
Positions other than permanent	1,729	1,759	1,759
Other personal services	157	389	211
Total personal services	36,321	57,127	57,045
02 Travel	3,912	6,918	6,728
03 Transportation of things	103	50	50
04 Communications services	411	890	890
06 Printing and reproduction	2,153	800	600
07 Other contractual services	95,183	154,338	154,953
Services performed by other agencies	17,714	1,350	1,350
08 Supplies and materials	733	1,993	1,850
09 Equipment	1,629	900	900
11 Grants, subsidies, and contributions	2,093	3,629	3,629
13 Refunds, awards, and indemnities	150		
15 Taxes and assessments	54	29	29
Total, allotment accounts	160,456	228,024	228,024
Total obligations	13,734,732	10,629,120	10,000,000
Obligations are distributed as follows:			
Soil Conservation Service	$13,574,276	$10,401,096	$9,771,976
Forest Service	29,922	32,000	32,000
Office of Information	27,762	20,600	20,600
Agricultural Conservation Program Service	9,072	21,424	21,424
Commodity Stabilization Service	93,700	154,000	154,000

[WATER CONSERVATION AND UTILIZATION PROJECTS]

[For expenses necessary to carry out the functions of the Department under the Acts of August 11, 1939, and October 14, 1940 (16 U.S.C. 590y–z–10), as amended and supplemented, June 28, 1949 (63 Stat. 277), and September 6, 1950 (7 U.S.C. 1033–39), relating to water conservation and utilization projects, to remain available until expended, $75,000, which sum shall be merged with the unexpended balances of funds heretofore appropriated to said Department for the purpose of said Acts.] *(5 U.S.C. 511–512; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)*

Appropriated 1960, **$75,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Development of land for irrigation (total program costs)	$242,270	$75,150	$60,000
2. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (—)		—150	
Obligations incurred for costs of other years (unpaid undelivered orders), net	112		
Total program (obligations)	242,382	75,000	60,000
Financing:			
Unobligated balance brought forward	—17,185	—109,803	—109,803
Unobligated balance carried forward	109,803	109,803	49,803
Appropriation (new obligational authority)	335,000	75,000	

The Service has been developing irrigation farming units for sale on the Eden Valley project in Wyoming, where the Bureau of Reclamation has constructed the water storage facility and the principal canals. All land leveling will have been completed by December 31, 1959, and all irrigation farming units are scheduled for sale by June 30, 1960. Technical assistance and guidance will be furnished to new settlers with respect to proper irrigation farming practices and soil and water conservation until the end of the 1961 crop season, unless the area of the project is earlier included within a soil conservation district. It is planned that the project office will be closed by December 31, 1961.

2. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1958, $38; 1959, $150.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	16	6	6
Full-time equivalent of all other positions	18	1	1
Average number of all employees	36	11	9
Number of employees at end of year	27	7	7
Average GS grade and salary	6.7 $5,491	6.9 $5,520	6.9 $5,556
01 Personal services:			
Permanent positions	$97,863	$55,500	$44,100
Positions other than permanent	78,430	4,600	3,500
Other personal services	23,635	500	400
Total personal services	199,928	60,600	48,000
02 Travel	1,388	1,100	1,000
03 Transportation of things	348	300	200
04 Communication services	2,034	1,500	1,000
05 Rents and utility services	3,489	2,500	2,300
06 Printing and reproduction	930		
07 Other contractual services	1,126	700	1,000
08 Supplies and materials	28,054	6,040	4,700
09 Equipment	13	50	50
11 Grants, subsidies, and contributions	5,967	3,600	2,900
13 Refunds, awards, and indemnities	3	10	
15 Taxes and assessments	2,254	100	100
Subtotal	245,534	76,500	61,250
Deduct quarters and subsistence charges	3,152	1,500	1,250
Total obligations	242,382	75,000	60,000

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations and allotments from other accounts are included in the schedules of the parent appropriation, as follows:
"Conservation reserve program," Commodity Stabilization Service.
"Mutual security—economic," funds appropriated to the President.
"Plant acquisition and construction," Atomic Energy Commission.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Sale of maps and mosaics	$531,395	$569,978	$585,000
2. Sale of personal property	361,300	480,388	485,000
3. Miscellaneous services to other accounts	1,355,017	1,230,595	1,258,000
4. Adjustment of prior year costs	—19,807		
Total program (costs—obligations)	2,227,905	2,280,961	2,328,000
Financing:			
Advances and reimbursements from—			
Other accounts	1,633,454	1,478,134	1,524,000
Non-Federal sources	594,451	802,827	804,000
Total financing	2,227,905	2,280,961	2,328,000

NOTE.—Reimbursements from non-Federal sources above are from State, county, municipal, and private organizations for soil and water conservation work rendered under cooperative agreements (16 U.S.C. 590a-590f); from Government agencies, farmers, or other persons for reproduction of aerial and other photographs, mosaics, and soil and land use and other maps (7 U.S.C. 1387); and from proceeds of sale of personal property (40 U.S.C. 481(c)).

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SOIL CONSERVATION SERVICE—Continued

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS—Continued

Object Classification

		1959 actual		1960 estimate		1961 estimate	
	Total number of permanent positions		66		70		71
	Full-time equivalent of all other positions		16		12		14
	Average number of all employees		184		188		190
	Number of employees at end of year		66		71		71
	Average GS grade and salary	6.7	$5,491	6.9	$5,520	6.9	$5,556
01	Personal services:						
	Permanent positions		$897,317		$917,858		$922,500
	Positions other than permanent		57,838		43,272		49,500
	Other personal services		39,458		33,820		33,000
	Total personal services		994,613		994,950		1,005,000
02	Travel		58,426		61,800		64,000
03	Transportation of things		10,068		10,194		9,500
04	Communication services		4,579		4,846		5,000
05	Rents and utility services		74,418		64,896		65,200
06	Printing and reproduction		21,213		60,000		60,000
07	Other contractual services		437,193		418,182		439,700
08	Supplies and materials		232,731		190,948		200,000
09	Equipment		342,873		420,321		423,000
11	Grants, subsidies, and contributions		50,046		53,150		55,000
13	Refunds, awards, and indemnities		492		624		600
15	Taxes and assessments		1,253		1,050		1,000
	Total obligations		2,227,905		2,280,961		2,328,000

AGRICULTURAL CONSERVATION PROGRAM SERVICE

Current authorizations:

AGRICULTURAL CONSERVATION PROGRAM

For necessary expenses to carry into effect the program authorized in sections 7 to [16] *15*, 16(a), and 17 of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936, as amended (16 U.S.C. 590g–590(o), 590p(a), and 590q), including not to exceed $6,000 for the preparation and display of exhibits, including such displays at State, interstate, and international fairs within the United States, [$241,500,000] *$242,600,000*, to remain available until December 31 of the next succeeding fiscal year for compliance with the program of soil-building and soil- and water-conserving practices authorized under this head in the Department of Agriculture and Farm Credit Administration Appropriation Act, [1959] *1960*, carried out during the period July 1, [1958] *1959*, to December 31, [1959] *1960*, inclusive: *Provided*, That not to exceed $26,832,950 of the total sum provided under this head shall be available during the current fiscal year for administrative expenses for carrying out such program, the cost of aerial photographs, however, not to be charged to such limitation; but not more than [$5,424,200] *$5,458,900* shall be transferred to the appropriation account "Administrative expenses, section 392, Agricultural Adjustment Act of 1938": *Provided further*, That none of the funds herein appropriated shall be used to pay the salaries or expenses of any regional information employees or any State information employees, but this shall not preclude the answering of inquiries or supplying of information at the county level to individual farmers: *Provided further*, That such amounts shall be available for administrative expenses in connection with the formulation and administration of the [1960] *1961* program of soil-building and soil- and water-conserving practices, under the Act of February 29, 1936, as amended (amounting to [$250,000,000] *$100,000,000*, including administration, and no participant shall receive more than $2,500, except where the participants from two or more farms or ranches join to carry out approved practices designed to conserve or improve the agricultural resources of the community): [*Provided further*, That no change shall be made in such 1960 program which will have the effect in any county, of restricting eligibility requirements or cost-sharing on practices included in either the 1957 or the 1958 programs, unless such change shall have been recommended by the county committee and approved by the State committee: *Provided further*, That the proportion of the State fund initially allocated to any county for the 1960 program shall not be reduced from the distribution of such fund for the 1958 program year:] *Provided further*, That not to exceed 5 per centum of the allocation for the [1960] *1961* agricultural conservation program for any county may, on the recommendation of such county committee and approval of the State committee, be withheld and allotted to the Soil Conservation Service for services of its technicians in formulating and carrying out the agricultural conservation program in the participating counties, and shall not be utilized by the Soil Conservation Service for any purpose other than technical and other assistance in such counties, and in addition, on the recommendation of such county committee and approval of the State committee, not to exceed 1 per centum may be made available to any other Federal, State, or local public agency for the same purpose and under the same conditions: *Provided further*, That for the [1960] *1961* program $2,500,000 shall be available for technical assistance in formulating and carrying out agricultural conservation practices and $1,000,000 shall be available for conservation practices related directly to flood prevention work in approved watersheds: *Provided further*, That such amounts shall be available for the purchase of seeds, fertilizers, lime, trees, or any other farming material, or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out farming practices approved by the Secretary under programs provided for herein: *Provided further*, That no part of any funds available to the Department, or any bureau, office, corporation, or other agency constituting a part of such Department, shall be used in the current fiscal year for the payment of salary or travel expenses of any person who has been convicted of violating the Act entitled "An Act to prevent pernicious political activities", approved August 2, 1939, as amended, or who has been found in accordance with the provisions of title 18, United States Code, section 1913, to have violated or attempted to violate such section which prohibits the use of Federal appropriations for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper official channels. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.*)

Appropriated 1960, **$241,500,000** Estimate 1961, **$242,600,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct costs:			
1. Cost-sharing assistance to farmers	$212,572,505	$212,000,000	$211,800,000
2. Repayment of loans from Commodity Credit Corporation	22,501,619	29,500,759	30,800,000
3. Adjustment of prior year costs	−164,233		
Total direct costs [1]	234,909,891	241,500,759	242,600,000
4. Relation of costs to obligations: Obligations incurred for costs of other years, net	90,969		
Total direct obligations	235,000,860	241,500,759	242,600,000
Costs and obligations from amounts advanced by Commodity Credit Corporation: Cost-sharing assistance to farmers	40,000,000	38,200,000	19,200,000
Reimbursable costs—obligations: Cost-sharing assistance to farmers	444,000	444,000	444,000
Total program (obligations)	275,444,860	280,144,759	262,244,000
Financing:			
Unobligated balance brought forward	−1,619	−759	
Advances and reimbursements from—			
Commodity Credit Corporation (loan)	−40,000,000	−38,200,000	−19,200,000
Other accounts	−100,000	−140,000	−140,000
Non-Federal sources	−344,000	−304,000	−304,000
Unobligated balance carried forward	759		
Appropriation (new obligational authority)	235,000,000	241,500,000	242,600,000

[1] Includes capital outlay as follows: June 30, 1959, $11,100; 1960, $10,000; 1961, $10,000.

NOTE.—Reimbursements from non-Federal sources above are from proceeds of sale of aerial photographs (7 U.S.C. 1387).

The program is designed to encourage conservation by sharing with farmers and ranchers the cost of carrying out approved soil-building and soil- and water-conserving practices which farmers generally would not perform to the needed extent with their own resources. The rate of cost-sharing, which may be given in the form of conservation materials and services or a payment after completion of the practice, averages approximately 50% of the cost.

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Conservation measures for which cost-sharing is offered include those which are primarily for (*a*) establishment of permanent protective cover, (*b*) improvement and protection of established vegetative cover, (*c*) conservation and disposal of water, (*d*) establishment of temporary vegetative cover, and (*e*) temporary protection of soil from wind and water erosion.

Under the 1958 program, new or additional practices were established on 1,083,706 farms and ranches, consisting of 33% of the cropland and 33% of all farmland in the United States. The following practices were installed under the 1958 program:

Dams and reservoirs	number	62,469
Drainage	acres	1,644,878
Leveling land to conserve irrigation water and control erosion	acres	345,532
Standard terraces	acres	855,861
Diversion and spreader terraces	miles	4,826
Stripcropping	acres	486,288
Control of competitive shrubs on range or pasture	acres	1,494,044
Tree planting	acres	323,892
Liming materials applied for soil-conserving grass and legume crops	tons	16,844,971
Permanent sod waterways	acres	48,866
Timber-stand improvement	acres	321,253
All vegetative cover	acres	12,661,735

Funds are distributed among the States on the basis of conservation needs. They are, in turn, distributed by the agricultural stabilization and conservation State committees to counties, and the agricultural stabilization and conservation county committees make commitments for conservation practice cost-sharing to eligible farmers and ranchers.

Loans from Commodity Credit Corporation are used to make advance payments to vendors for conservation materials and services furnished to farmers and ranchers prior to the time funds are appropriated each year. Repayment is made from balances of prior appropriations or from new funds appropriated.

The status of the loan account is:

AMOUNTS REPAID OR ESTIMATED TO BE REPAID ON COMMODITY CREDIT CORPORATION LOANS

	1959 actual	*1960 estimate*	*1961 estimate*	*Total*
Balance of 1958 loan	$22,500,000	----------	----------	$22,500,000
1959 loan	10,500,000	$29,500,000	----------	40,000,000
1960 loan	----------	7,400,000	$30,800,000	38,200,000
Total	33,000,000	36,900,000	30,800,000	100,700,000
Interest	86,073	236,824	200,000	522,897

A program level of $100 million for the 1961 crop year is proposed, a reduction of $150 million below the 1960 program. It is anticipated that Federal cost-sharing assistance under the 1961 program will be directed toward conservation measures in each county which will contribute to less intensive use of cropland, and that assistance will be curtailed or eliminated for those conservation measures which will contribute to an early increase in production. Payments for the 1961 program will be made from the 1962 appropriation.

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$64,607	$80,400	$80,400	$80,400
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	431,991	342,934	342,934	342,934
Total selected resources at end of year	496,598	423,334	423,334	423,334
Selected resources at start of year (−)		−496,598	−423,334	−423,334
Adjustment of prior year costs and selected resources reported at start of year		164,233	----------	----------
Obligations incurred for costs of other years, net		90,969	----------	----------

Object Classification

	1959 actual	1960 estimate	1961 estimate
AGRICULTURAL CONSERVATION PROGRAM SERVICE			
Total number of permanent positions	64	68	67
Full-time equivalent of all other positions	1	1	1
Average number of all employees	62	66	66
Number of employees at end of year	68	71	70
Average GS grade and salary	7.9 $6,806	7.9 $6,779	7.9 $6,812
Direct obligations:			
01 Personal services:			
Permanent positions	$427,384	$444,594	$443,718
Positions other than permanent	3,343	3,232	3,240
Other personal services	1,644	3,419	1,708
Total personal services	432,371	451,245	448,666
02 Travel	30,842	42,000	42,000
03 Transportation of things	2,774	2,000	2,000
04 Communication services	7,526	7,500	7,500
06 Printing and reproduction	15,987	10,000	10,000
07 Other contractual services	1,404	1,466	5,582
Advanced to "Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938" (7 U.S.C. 1392)	23,445	23,655	23,655
Services performed by other agencies	8,659	6,000	6,000
08 Supplies and materials	6,537	6,100	6,163
09 Equipment	6,476	2,000	2,000
11 Grants, subsidies, and contributions	27,283	29,331	29,163
Cost-sharing assistance	208,685,472	213,584,834	214,684,075
13 Refunds, awards, and indemnities	400	----------	----------
15 Taxes and assessments	313	328	328
Total direct obligations	209,249,489	214,166,459	215,267,132
Reimbursable obligations:			
11 Grants, subsidies, and contributions	40,444,000	38,644,000	19,644,000
Total, Agricultural Conservation Program Service	249,693,489	252,810,459	234,911,132
ALLOTMENT ACCOUNTS			
Total number of permanent positions	128	128	128
Full-time equivalent of all other positions	5	5	5
Average number of all employees	122	123	123
Number of employees at end of year	131	131	131
Average GS grade and salary	6.2 $5,365	6.0 $5,347	6.1 $5,400
01 Personal services:			
Permanent positions	$582,395	$586,981	$590,337
Positions other than permanent	16,477	13,414	13,289
Other personal services	3,987	5,718	3,536
Total personal services	602,859	606,113	607,162
02 Travel	12,453	15,300	15,300
03 Transportation of things	16,946	13,100	13,100
04 Communication services	4,983	5,540	5,480
05 Rents and utility services	15,990	27,102	27,102
06 Printing and reproduction	1,613	1,550	1,550
07 Other contractual services	308,778	327,382	329,690
Advanced to—			
"Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938" (7 U.S.C. 1392)	4,790,014	4,825,084	4,858,276
"Local administration, sec. 388, Agricultural Adjustment Act of 1938" (7 U.S.C. 1388)	19,753,361	21,295,131	21,259,777
Services performed by other agencies	10,954	11,700	11,700
08 Supplies and materials	167,230	159,217	158,400
09 Equipment	9,050	6,700	5,200
11 Grants, subsidies, and contributions	55,500	38,126	38,201
13 Refunds, awards, and indemnities	1,274	1,625	1,300
15 Taxes and assessments	366	630	630
Total, allotment accounts	25,751,371	27,334,300	27,332,868
Total obligations	275,444,860	280,144,759	262,244,000
Obligations are distributed as follows:			
Agricultural Conservation Program Service	$249,693,489	$252,810,459	$234,911,132
Commodity Stabilization Service	25,621,750	27,203,190	27,201,028
Forest Service	129,621	131,110	131,840

Emergency Conservation Measures

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Emergency cost-sharing assistance to farmers (total costs—obligations) (object class 11)	$2,221,495	$5,000,000	$5,000,000
Financing:			
Unobligated balance brought forward	----------	−15,856,254	−10,856,254
Unobligated balance carried forward	15,856,254	10,856,254	5,856,254
Reappropriation (new obligational authority)	18,077,749	----------	----------

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AGRICULTURAL CONSERVATION PROGRAM SERVICE—Continued

Current authorizations—Continued

EMERGENCY CONSERVATION MEASURES—Continued

Cost-sharing assistance (up to 80% of the cost of carrying out approved practices) is offered to assist and encourage farmers to rehabilitate farmlands damaged by natural disasters. Assistance is available only when, as a result of wind erosion, floods, hurricanes, or other natural disasters, new conservation problems have been created which (*a*) if not treated, will impair or endanger the land; (*b*) materially affect the productive capacity of the land; (*c*) represent damage which is unusual in character and, except for wind erosion, is not the type which would recur frequently in the same area; and (*d*) will be so costly to rehabilitate that Federal assistance is or will be required to return the land to productive agricultural use.

Funds for emergency cost-sharing assistance are distributed among States on the basis of needs for restoration of damaged lands.

ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allotments from other accounts are included in the schedules of the parent appropriations as follows:
"Conservation reserve program," Commodity Stabilization Service.
"Great Plains conservation program," Soil Conservation Service.

AGRICULTURAL MARKETING SERVICE

Current authorizations:

MARKETING RESEARCH AND SERVICE

For expenses necessary to carry on research and service to improve and develop marketing and distribution relating to agriculture as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627) and other laws, including the administration of marketing regulatory acts connected therewith: *Provided,* That appropriations hereunder shall be available pursuant to 5 U.S.C. 565a for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of erecting any one building shall not exceed [$10,000] *$17,500,* except for two buildings to be constructed or improved at a cost not to exceed [$20,000] *$35,000* each, and the cost of altering any one building during the fiscal year shall not exceed [$3,750] *$7,500* or [3] *6* per centum of the cost of the building, whichever is greater:

Marketing research and agricultural estimates: For research and development relating to agricultural marketing and distribution, for analyses relating to farm prices, income and population, and demand for farm products, and for crop and livestock estimates, [$15,344,500] *$16,571,500*: *Provided,* That not less than $350,000 of the funds contained in this appropriation shall be available to continue to gather statistics and conduct a special study on the price spread between the farmer and the consumer: *Provided further,* That no part of the funds herein appropriated shall be available for any expense incident to publishing estimates of apple production for other than the commercial crop;

Marketing services: For services relating to agricultural marketing and distribution, for carrying out regulatory acts connected therewith, [including the Packers and Stockyards Act, as amended September 2, 1958,] and for administration and coordination of payments to States, [$26,072,600, of which $15,000 shall be available for range and feedlot market reporting in Colorado and adjacent areas and] *$26,570,400,* including not to exceed $25,000 for employment at rates not to exceed $50 per diem, except for employment in rate cases at not to exceed $100 per diem pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), in carrying out section 201(a) to 201(d), inclusive, of title II of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1291) and section 203(j) of the Agricultural Marketing Act of 1946. (*5 U.S.C. 511–512, 541a, 556b, 563–564, 575; 7 U.S.C. 51–65, 71–87, 91–99, 181–229, 241–273, 411, 411a, 411b, 414a, 415b–415e, 423, 440, 471–476, 491–497, 499a–499s, 501–508, 511–511q, 516, 581–589, 951–957, 1551–1610; 15 U.S.C. 251–257i; 21 U.S.C. 94a, 451–469; 26 U.S.C. 4851–4854, 4861–4865, 4871–4877, 6001, 6804, 7233, 7263, 7492, 7493, 7701; 31 U.S.C. 725d; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.*)

Appropriated 1960, **$41,417,100** Estimate 1961, [a] **$43,141,900**

[a] Includes $50,000 for activities previously carried under "Salaries and expenses," Agricultural Research Service. The amount obligated in 1960 is shown in the schedule as a comparative transfer.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct costs:			
1. Marketing research and agricultural estimates:			
(*a*) Marketing research	$7,460,364	$7,343,500	$7,892,200
(*b*) Economic and statistical analysis	1,588,696	1,632,900	1,643,500
(*c*) Crop and livestock estimates	6,179,068	6,436,100	7,035,800
Total, marketing research and agricultural estimates	15,228,128	15,412,500	16,571,500
2. Marketing services:			
(*a*) Market news service	4,824,402	4,999,000	5,029,100
(*b*) Inspection, grading, classing, and standardization	13,996,591	18,195,000	18,393,800
(*c*) Freight rate services	180,311	190,000	191,200
(*d*) Regulatory activities	2,273,093	2,595,600	2,880,900
(*e*) Administration and coordination of State payments	68,867	75,000	75,400
Total, marketing services	21,343,264	26,054,600	26,570,400
Total direct costs [1]	36,571,392	41,467,100	43,141,900
3. Relation of costs to obligations: Obligations incurred for costs of other years, net	90,152		
Total direct obligations	36,661,544	41,467,100	43,141,900
Reimbursable costs—obligations:			
2. Marketing services: (*b*) Inspection, grading, classing, and standardization [2]	2,379,585	3,305,000	3,305,000
Total program (obligations)	39,041,129	44,772,100	46,446,900
Financing:			
Comparative transfers from (−) other accounts		−50,000	
Advances and reimbursements from other accounts	−2,379,585	−3,305,000	−3,305,000
Unobligated balance no longer available	1,305,156		
New obligational authority	37,966,700	41,417,100	43,141,900
New obligational authority:			
Appropriation	$34,854,000	$41,417,100	$43,141,900
Transferred from "Conservation reserve program," Commodity Stabilization Service (73 Stat. 34)	3,112,700		
Appropriation (adjusted)	37,966,700	41,417,100	43,141,900

[1] Includes capital outlay as follows: June 30, 1959, $596,919; 1960, $334,000; 1961, $379,700.
[2] Includes capital outlay as follows: June 30, 1959, $35,859; 1960, $26,400; 1961, $26,400.

The domestic agricultural marketing and distribution functions of the Department are concentrated primarily in the Agricultural Marketing Service. The marketing job has become more complex with growth and shift in population, technological developments in production and marketing, and as more functions have been transferred from the farm and home to various segments of the marketing system. The work under this appropriation is aimed at aiding in the orderly and efficient marketing and effective distribution of agricultural products from the Nation's farms to the consumers.

1. *Marketing research and agricultural estimates—(a) Marketing research.*—This work is aimed at developing practical answers to problems encountered in moving products from the farm to the consumer. In cooperation with public and private agencies and trade groups, efforts are made to expand markets, reduce losses from waste and spoilage, and reduce marketing costs through improved marketing efficiency and organization. The work includes research at each stage of marketing, such as at assembly points, terminal or central markets, and retail markets.

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In 1959, research was conducted on more than 500 projects each aimed at a specific marketing research problem. Work was completed or discontinued on 109 projects and started on 77 new projects in 1959. The findings of this research were made public primarily through about 115 marketing research reports and other printed documents in addition to about 350 periodic reports, addresses, and extracted reprints in farm and trade journals. Additional dissemination of these results was obtained through articles reviewing research findings in various general and trade journals and approximately 100 press releases. During the year 40 new contracts providing for marketing research work by private firms and other non-Federal agencies were negotiated. In total, 59 contracts were active at the close of 1959. The proposed increase for 1961 would be used to find solutions to urgent problems dealing with the marketing and distribution system for agricultural products.

(*b*) *Economic and statistical analysis.*—This work involves the collection, analysis and interpretation of data affecting agricultural prices, farm income, supply and consumption of farm products, trends in farm population, and changes in the level of living of farm people. The results of these studies are made available through situation, outlook and research reports which serve as the basis for much of the economic work done by the Extension Service, farm organizations, businessmen, and organizations handling farm products. Farmers and others rely on information from these reports in planning the most profitable adjustments in their operations and marketing programs. Approximately 80 of the 90 outlook and situation reports published by the Department were issued under this activity. Further technical reporting of economic and statistical analysis activities was contained in about 34 reports published during 1959.

(*c*) *Crop and livestock estimates.*—This service provides the official estimates on agriculture, including acreage, yield, and production of crops, stocks and value of farm commodities, numbers and inventory value of livestock items, and prices paid and received by farmers. These data also are basic to computation of parity prices. Data on approximately 150 crop and livestock products are covered in more than 500 reports issued each year. The activity is conducted through 42 State offices serving 49 States, most of which are operated as joint State and Federal services. Cooperative arrangements permit the States to obtain a great deal of data which would not be collected or made available from Federal funds. During 1959, cooperating States expended an estimated $1.34 million of their own funds on these associated State programs. A comparison of activity data for 1958 and 1959, including work performed under cooperative arrangements, is as follows:

	1958 actual	*1959 actual*
Separate mailings of inquiry forms, average per field office	340	344
Total questionnaires handled, all field and D.C. offices:		
Number distributed	9,300,000	9,500,000
Number of returns tabulated	2,850,000	2,900,000
Number of official reports issued, all offices	8,600	8,600
Copies of reports distributed	13,100,000	13,200,000
Publications distributed:		
Federal (mainly Agricultural Situation)	3,100,000	3,100,000
State: Statistical and other	360,000	360,000
Special requests for information answered	73,000	75,000

The increase for 1961 would be used to put into effect some initial steps in the long-range program to improve crop and livestock estimating service, to expand the agricultural reporting service in Hawaii, and to initiate full-time service in Alaska.

2. *Marketing services*—(*a*) *Market news service.*—This service provides current information on supply, movement, and prices at specific markets for practically all agricultural commodities. This day-to-day market information enables American farmers to determine where and when to sell and at what price. The information is collected and disseminated at year-round and seasonal offices maintained in more than 100 cities and towns, often with financial support and cooperation of the States. Every available means of dissemination is used—mail, press, radio, television, telephone, telegraph, bulletin boards, and trade and farm publications.

MARKET NEWS SERVICE

	1957 actual	*1958 actual*	*1959 actual*
States covered by cooperative agreement	38	39	40
Field offices:			
Year-round	173	176	181
Seasonal	39	51	52
Buyers and sellers interviewed	19,608	21,734	21,742
Daily newspapers carrying reports (approximate)	1,200	1,200	1,200
Stations broadcasting reports:			
Radio	1,461	1,460	1,470
Television	149	150	165
Mimeographed releases to growers, shippers, and others	32,244,428	28,844,077	25,733,345
Names on mailing list	303,651	302,646	295,139

(*b*) *Inspection, grading, classing, and standardization.*—Uniform standards of quality for agricultural products are established and applied to specific lots of produce to promote confidence between buyers and sellers; reduce hazards in marketing due to misunderstandings and disputes arising from the use of nonstandard descriptions; encourage better preparation of products for market; and furnish consumers with more definite information on the quality of products they buy. The standards are applied directly by or under the supervision of Federal employees at the request of any interested party, and generally for a fee. Approximately 70% of the total cost of this work was offset by fees and other revenue in 1959, which are shown principally under "Agricultural Marketing Service trust funds" in part III of the budget.

The proposed increase for 1961 would be used to provide more effective supervision of the greatly expanded volume of inspections by licensees under the U.S. Grain Standards Act, as amended.

STANDARDIZATION ACTIVITIES

	1957 actual	*1958 actual*	*1959 actual*
Grade standards in effect	3,151	[1] 1,379	1,385
Number of commodities covered	268	276	277

[1] Reduction due to revised method of tabulating tobacco grades and types.

INSPECTION, GRADING, AND CLASSING ACTIVITIES UNDER APPROPRIATED FUNDS

	1959 actual	*1960 estimate*	*1961 estimate*
Cotton classings by Federal employees—number	16,520,319	17,500,000	17,500,000
Poultry products inspection:			
Volume inspected—1,000 lbs	3,298,271	7,496,874	7,991,643
Grain inspections by licensees—number	3,511,548	3,600,000	3,700,000
Volume inspected—1,000 bu	6,419,624	6,600,000	6,700,000
Tobacco auction markets—number	177	177	177
Volume inspected at markets—million lbs	1,765	1,850	1,850
Sets of buyers—number	240	240	240

(*c*) *Freight rate services.*—Assistance is provided to farmers and others in obtaining and maintaining equitable and reasonable transportation rates and services on farm products and supplies. The Department in 1959 participated in 79 formal litigation actions before the Interstate Commerce Commission and other regulatory bodies and carried on 60 informal negotiations with carriers and groups of carriers.

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AGRICULTURAL MARKETING SERVICE—Continued

Current authorizations—Continued

MARKETING RESEARCH AND SERVICE—Continued

(*d*) *Regulatory activities.*—These include the administration of regulatory laws such as packers and stockyards, standard container, U.S. warehouse, and Federal seed, to assure fair play in the market place and protect producers and handlers of agricultural commodities from financial loss due to deceptive, careless, or fraudulent marketing practices. The continued growth of facilities and means for storing, buying, and selling results in more demand and need for protection and benefits of regulatory laws. The increase for 1961 would be used to provide for more adequate enforcement of the Packers and Stockyards Act, as amended; to initiate work on one aspect of the amendment to the Federal Seed Act approved August 1, 1958, relating primarily to labeling requirements; and to relieve the increasingly heavy workload on mandatory testing of seed offered for importation through north central U.S. ports of entry.

	1959 actual	*1960 estimate*	*1961 estimate*
Packers and Stockyards Act:			
Yards eligible for posting and supervision (estimated)	2,300	2,300	2,300
Yards posted and supervised	1,528	2,200	2,300
Warehouse Act:			
Number of licensed warehouses	1,716	1,750	1,775
Capacity of licensed warehouses:			
Grain (million bushels)	1,030.3	1,175.0	1,200.0
Cotton (million bales)	13.3	13.6	13.6
Average number of supervisory inspections per warehouse	1.74	1.70	1.65
Seed Act:			
Import actions	16,472	17,000	18,500
Interstate investigations:			
Completed	769	850	850
Pending	736	900	1,050
Seed samples tested	20,018	20,800	23,800

(*e*) *Administration and coordination of State payments.*—This covers the activity required in administering and coordinating the marketing service work performed by the States and financed jointly by State funds and Federal funds provided by the appropriation "Payments to States and possessions." In 1959, this work was carried on in 42 States.

3. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$1,277,691	$1,251,123	$1,251,123	$1,251,123
Advances (payment for goods and services on order not yet received)	7,500	5,000	5,000	5,000
Total selected resources at end of year	1,285,191	1,256,123	1,256,123	1,256,123
Selected resources at start of year (−)		−1,285,191	−1,256,123	−1,256,123
Adjustment of prior year costs and selected resources reported at start of year		119,220		
Obligations incurred for costs of other years, net		90,152		

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	7,020	7,183	7,350
Full-time equivalent of all other positions	286	383	419
Average number of all employees	4,847	5,723	5,907
Number of employees at end of year	5,402	5,903	6,072
Average GS grade and salary	7.2 $5,732	7.3 $5,753	7.3 $5,748
Average salary of ungraded positions	$4,260	$4,367	$4,392
Personal service obligations:			
Permanent positions	$27,093,268	$31,425,100	$32,242,500
Positions other than permanent	1,087,520	1,406,200	1,540,600
Other personal services	186,715	494,300	393,500
Total personal service obligations	28,367,503	33,325,600	34,176,600

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
Direct obligations:			
01 Personal services	$26,615,946	$30,773,100	$31,624,100
02 Travel	1,977,554	2,275,300	2,505,000
03 Transportation of things	287,257	205,400	212,100
04 Communication services	1,904,677	2,300,000	2,320,600
05 Rents and utility services	253,422	249,600	208,900
06 Printing and reproduction	571,087	595,800	609,300
07 Other contractual services	1,407,356	1,515,900	1,877,600
Services performed by other agencies	859,785	676,000	696,900
08 Supplies and materials	546,874	507,700	541,700
09 Equipment	540,591	328,800	410,900
10 Lands and structures		20,000	55,000
11 Grants, subsidies, and contributions	1,612,667	1,936,000	1,992,700
13 Refunds, awards, and indemnities	23,541	26,000	26,100
15 Taxes and assessments	60,787	57,500	61,000
Total direct obligations	36,661,544	41,467,100	43,141,900
Reimbursable obligations:			
01 Personal services	1,751,557	2,552,500	2,552,500
02 Travel	220,240	219,900	219,900
03 Transportation of things	66,849	29,300	29,300
04 Communication services	81,050	218,600	218,600
05 Rents and utility services	22,212	28,300	28,300
06 Printing and reproduction	16,652	16,200	16,200
07 Other contractual services	11,594	8,400	8,400
Services performed by other agencies	23,537	20,800	20,800
08 Supplies and materials	49,579	52,800	52,800
09 Equipment	38,593	21,700	21,700
11 Grants, subsidies, and contributions	88,458	117,700	117,700
13 Refunds, awards, and indemnities	952	2,100	2,100
15 Taxes and assessments	8,312	16,700	16,700
Total reimbursable obligations	2,379,585	3,305,000	3,305,000
Total obligations	39,041,129	44,772,100	46,446,900

PAYMENTS TO STATES[, TERRITORIES,] AND POSSESSIONS

For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for marketing activities under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)), $1,195,000. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.*)

Appropriated 1960, **$1,195,000** Estimate 1961, **$1,195,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Payments for marketing service work (sec. 204(b) of the Agricultural Marketing Act of 1946) (total costs—obligations) (object class 11)	$1,160,000	$1,195,000	$1,195,000
Financing:			
Appropriation (new obligational authority)	1,160,000	1,195,000	1,195,000

Payments are made on a matching fund basis to State marketing agencies for carrying out specifically approved programs designed to bring about improved marketing. Under this activity, marketing specialists work with farmers, marketing firms, and agencies in solving marketing problems and in putting to use marketing research results.

This program covers such projects as methods of maintaining and improving the quality of products; ways of reducing marketing costs; expanding outlets for surplus products; and the collection and dissemination of special State and local market information and statistics. Through this cooperative approach, the Federal Government's leadership and funds are coupled with State resources and experience to aid in the solution of the most urgent local and area marketing problems.

In 1960, with 42 States conducting about 115 projects, the program is being carried on generally at the same level as in 1959, except for an appropriation increase provided for potato marketing. For 1961, the program level will be the same as in 1960.

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School Lunch Program

For necessary expenses to carry out the provisions of the National School Lunch Act (42 U.S.C. 1751–1760), $110,000,000: *Provided*, That no part of this appropriation shall be used for nonfood assistance under section 5 of said Act: *Provided further*, That [$43,657,248] *$40,000,000* shall be transferred to this appropriation from funds available under section 32 of the Act of August 24, 1935, for purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.*)

Appropriated 1960, **$110,000,000** Estimate 1961, **$110,000,000**
Appropriated (adjusted) 1960, **$153,657,248**
Estimate (adjusted) 1961, **$150,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Food assistance:			
(a) Cash payments to States	$93,774,611	$93,600,000	$93,600,000
(b) Commodity procurement	49,062,538	58,397,248	54,740,000
2. Operating expense	1,508,625	1,660,000	1,660,000
Total program costs [1]	144,345,774	153,657,248	150,000,000
3. Relation of costs to obligations: Obligations incurred for costs of other years, net	79,236		
Total program (obligations)	144,425,010	153,657,248	150,000,000
Financing:			
Unobligated balance no longer available	574,990		
New obligational authority	145,000,000	153,657,248	150,000,000
New obligational authority:			
Appropriation	$110,000,000	$110,000,000	$110,000,000
Transferred from "Removal of surplus agricultural commodities" (72 Stat. 194, 73 Stat. 173)	35,000,000	43,657,248	40,000,000
Appropriation (adjusted):			
Current	110,000,000	110,000,000	110,000,000
Permanent	35,000,000	43,657,248	40,000,000

[1] Includes capital outlay as follows: June 30, 1959, $16,724; 1960, $10,650; 1961, $10,600.

1. *Food assistance*, in the form of both funds and food, is provided to States and possessions in serving lunches to schoolchildren. Each State's portion of the funds available is determined by a statutory formula which takes into account the number of school-age children in the State and the relationship between the per capita income of the State and the average U.S. per capita income.

The program is operated under an agreement entered into by the State educational agency (which administers the program within the State) and the Department of Agriculture. Schools make application to the State agency and if accepted are reimbursed for a part of the food cost of each meal served.

In 1959 the States contributed to this program $690 million, most of which came from payments by children. This was far in excess of the $237 million necessary to meet the statutory matching requirement of $3 for each Federal dollar of cash payment.

In addition to providing cash assistance, this appropriation is used to purchase food for distribution to the schools according to their need under section 6 of the School Lunch Act. Transfers are made to this appropriation from the fund authorized under section 32 of the act of August 24, 1935, as amended, for the purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act. Further, commodities acquired under price support programs and assistance through the special milk program are available to the schools. The volume of surplus commodities distributed to schools, however, is dependent upon market conditions and the need for the Federal Government to remove surpluses.

The program in 1959 during the peak month provided lunches to over 30% of the approximately 39.5 million schoolchildren in the country. The number of types A and B lunches served, which must meet established nutritional requirements, increased approximately 7% over 1958. Participation in the program in December 1958 reached 12.1 million children in 61,033 schools and an appreciable increase in number of participating children is expected in 1960 and 1961.

During 1959 about $620 million worth of agricultural commodities were used in the program. About 18% of this amount represented commodities contributed under section 6 of the School Lunch Act and the Federal surplus removal and price support programs.

Participation in the program from 1958 through 1961 is as follows:

	1958 actual	*1959 preliminary*	*1960 estimate*	*1961 estimate*
Number of schools (month of peak participation)	59,929	61,033	62,000	63,000
Number of schoolchildren (peak-thousands)	11,493	12,124	12,800	13,500
Number of meals served (millions)	1,883	2,008	2,130	2,260

Financing of the program in the last 3 years was as follows:

[In millions]

	1957	*1958*	*1959*
State and local contributions (total, including payments by children)	$573.5	$634.9	[1] $709.4
Federal appropriation:			
(a) Cash payments	83.8	83.7	93.9
(b) Commodity distribution (sec. 6)	14.7	14.8	42.7
Surplus commodity distribution	132.0	76.0	66.8
Special milk program	60.0	65.2	72.6
Federal contributions	290.5	239.7	276.0
Total, all contributions	864.0	874.6	985.4

[1] Preliminary.

2. *Operating expenses* consist of furnishing administrative and technical assistance to State agencies and participating schools; apportioning cash to States, Guam, Puerto Rico, and the Virgin Islands; administering directly the program for over 2,500 private schools where the State educational agency is prohibited by law from disbursing funds to such schools; procuring and distributing section 6 commodities; and formulating and administering overall policies and procedures, including audits and administrative reviews.

3. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$31,929	$28,377	$12,519	$12,519
Selected resources at start of year		−31,929	−28,377	−12,519
Adjustment of prior year costs and selected resources reported at start of year		82,788	15,858	
Obligations incurred for cost of other years, net		79,236		

Object Classification

	1959 actual	1960 estimate	1961 estimate
AGRICULTURAL MARKETING SERVICE			
Total number of permanent positions	163	175	175
Full-time equivalent of all other positions		1	1
Average number of all employees	146	167	167
Number of employees at end of year	123	161	161
Average GS grade and salary	7.2 $5,732	7.3 $5,753	7.3 $5,748
Average salary of ungraded positions	$4,260	$4,367	$4,392
01 Personal services:			
Permanent positions	$951,426	$1,090,700	$1,090,700
Positions other than permanent	1,127	2,900	2,900
Other personal services	7,923	12,600	9,400
Total personal services	960,476	1,106,200	1,103,000

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AGRICULTURAL MARKETING SERVICE—Continued

Current authorizations—Continued

SCHOOL LUNCH PROGRAM—Continued

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
AGRICULTURAL MARKETING SERVICE—con.			
02 Travel	$113,396	$127,800	$125,000
03 Transportation of things	1,446	1,600	1,500
04 Communication services	39,701	26,100	26,000
05 Rents and utility services	14,394	22,200	22,000
06 Printing and reproduction	14,955	24,600	18,000
07 Other contractual services	14,343	15,000	25,500
Services performed by other agencies	43,274	37,400	37,400
08 Supplies and materials	11,821	9,100	10,000
Grants of commodities to States		58,397,248	54,740,000
09 Equipment	9,384	8,400	9,000
11 Grants, subsidies, and contributions	57,450	65,100	66,000
Cash payments	93,853,219	93,600,000	93,600,000
13 Refunds, awards, and indemnities	760	600	600
15 Taxes and assessments	873	900	1,000
Total, Agricultural Marketing Service	95,135,492	153,442,248	149,785,000
ALLOCATION TO COMMODITY STABILIZATION SERVICE			
Total number of permanent positions	40	45	45
Average number of all employees	33	40	40
Number of employees at end of year	14	15	15
Average GS grade and salary	6.1 $5,338	5.9 $5,315	6.0 $5,374
01 Personal services:			
Permanent positions	$173,810	$177,025	$178,800
Other personal services	668	1,475	1,200
Total personal services	174,478	178,500	180,000
02 Travel	732	750	1,000
03 Transportation of things	2,927	3,100	2,000
04 Communication services	5,485	5,600	4,600
05 Rents and utility services	9,045	9,200	7,600
06 Printing and reproduction	1,082	1,200	1,500
07 Other contractual services	1,777	2,000	3,500
08 Supplies and materials	2,104	2,400	2,500
Grants of commodities to States	49,080,046		
09 Equipment	573	710	300
11 Grants, subsidies, and contributions	10,798	11,050	11,500
13 Refunds, awards, and indemnities	338	350	400
15 Taxes and assessments	133	140	100
Total, Commodity Stabilization Service	49,289,518	215,000	215,000
Total obligations	144,425,010	153,657,248	150,000,000

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations and allotments from other accounts are included in the schedules of the parent appropriations as follows:
"Commodity Credit Corporation fund."
"Mutual security—economic," funds appropriated to the President.
"Salaries and expenses," Office of Civil and Defense Mobilization.

Permanent authorizations:

PERISHABLE AGRICULTURAL COMMODITIES ACT FUND

(Indefinite special fund)

Appropriated (est.) 1960, **$670,000** Estimate 1961, **$670,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Licensing dealers and handling complaints:			
Direct costs	$679,340	$749,300	$775,300
Reimbursable costs	25,400	25,400	25,400
Total program costs [1]	704,740	774,700	800,700
2. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net	532		
Total program (obligations)	705,272	774,700	800,700
Financing:			
Unobligated balance brought forward	−$394,627	−$388,033	−$308,733
Advanced from "Marketing research and service" (7 U.S.C. 499s)	−25,400	−25,400	−25,400
Unobligated balance carried forward	388,033	308,733	203,433
Appropriation (new obligational authority)	673,278	670,000	670,000

[1] Includes capital outlay as follows: June 30, 1959, $1,594; 1960, $1,900; 1961, $2,200.

1. License fees are deposited in this special fund and are used to meet costs of administering the Perishable Agricultural Commodities, Produce Agency, and Export Apple and Pear Acts (7 U.S.C. 491–497, 499a–499s, 581–589).

These acts are aimed at assuring equitable treatment to farmers and others in the marketing of fresh and frozen fruits and vegetables. Commission merchants, dealers, and brokers handling these products in interstate and foreign commerce are licensed. Complaints of violations are investigated and violations dealt with by (*a*) informal settlements agreeable to both parties, (*b*) formal decisions involving payments of reparation awards between parties, and (*c*) suspension or revocation of license and/or publication of the facts. Approximately 25,000 licenses were in effect on June 30, 1959, and it is expected that licenses will remain at that level through 1961. Formal complaints have continued to increase and more than 2,500 are expected during the next fiscal year. Emphasis being directed to assist growers and shippers to correct or prevent misbranding of produce will tend to hold down the number of potential complaints. The increase in level of work in 1961 is primarily to strengthen the enforcement program including training of technical employees to replace employees now eligible for retirement.

2. *Relation of costs to obligations.*—The year-end balances of unpaid, undelivered orders are as follows: 1958, $550; 1959, $1,082; 1960, $1,082; 1961, $1,082.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	122	121	127
Full-time equivalent of all other positions	3	3	3
Average number of all employees	98	110	114
Number of employees at end of year	105	117	123
Average GS grade and salary	7.2 $5,732	7.3 $5,753	7.3 $5,748
Average salary of ungraded positions	$4,260	$4,367	$4,392
Direct obligations:			
01 Personal services:			
Permanent positions	$557,617	$613,482	$636,362
Positions other than permanent	11,499	10,276	10,276
Other personal services	2,433	4,412	2,532
Total personal services	571,549	628,170	649,170
02 Travel	44,126	48,900	48,900
03 Transportation of things	75	1,000	500
04 Communication services	19,714	21,900	21,500
05 Rents and utility services	3,797	3,800	3,800
06 Printing and reproduction	9,986	11,300	11,200
07 Other contractual services	10,402	10,800	17,535
08 Supplies and materials	7,316	6,900	6,000
09 Equipment	1,829	2,200	1,000
11 Grants, subsidies, and contributions	10,771	13,950	15,315
15 Taxes and assessments	307	380	380
Total direct obligations	679,872	749,300	775,300
Reimbursable obligations:			
11 Grants, subsidies, and contributions	25,400	25,400	25,400
Total obligations	705,272	774,700	800,700

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Removal of Surplus Agricultural Commodities

(Indefinite)

Appropriated (est.) 1960, **$251,446,365**
Estimate 1961, **$318,000,000**
Appropriated (adjusted) 1960, **$200,302,475**
Estimate (adjusted) 1961, **$270,661,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Commodity program payments:			
(*a*) Direct purchases	$125,568,387	$105,503,400	$105,503,400
(*b*) Diversion payments	7,860,384		
2. Surplus removal operating expenses	2,372,871	2,646,600	2,646,600
3 Marketing agreements and orders	1,762,470	1,850,000	1,850,000
Total program costs [1]	137,564,112	110,000,000	110,000,000
4. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−16,139,858		
Total program (obligations)	121,424,254	110,000,000	110,000,000
Financing:			
Comparative transfers to other accounts	2,420,534		
Unobligated balance brought forward	−300,000,000	−300,000,000	−300,000,000
Recovery of prior year obligations	−531,594		
Unobligated balance carried forward	300,000,000	300,000,000	300,000,000
Unobligated balance no longer available	72,837,054	90,302,475	160,661,000
New obligational authority	196,150,248	200,302,475	270,661,000
New obligational authority:			
Appropriation	$235,936,663	$251,446,365	$318,000,000
Transferred to—			
"Promote and develop fishery products and research pertaining to American fisheries," Bureau of Commercial Fisheries, Department of the Interior (15 U.S.C. 713–c, as amended by act of Aug. 8, 1956)	−4,786,415	−4,993,642	−4,800,000
"School lunch program," Agricultural Marketing Service (72 Stat. 194; 73 Stat. 173)	−35,000,000	−43,657,248	−40,000,000
"Salaries and expenses," Foreign Agricultural Service (73 Stat. 173)		−2,493,000	−2,539,000
Appropriation (adjusted)	196,150,248	200,302,475	270,661,000

[1] Includes capital outlay as follows: June 30, 1959, $38,073; 1960, $30,000; 1961, $50,000.

Under section 32 of the act of August 24, 1935, as amended (7 U.S.C. 612c), an amount equal to 30% of customs receipts during each calendar year (except for an amount equal to 30% of such receipts collected on fishery products transferred to the Department of the Interior to encourage the distribution of fishery products), and unused balances up to $300 million are available for expanding domestic and foreign market outlets for farm commodities. Transfers are made from this fund to the school lunch program for the purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act. These funds are also authorized for the administration of marketing agreements and orders, and the section 22 import-control programs. The basic legislation provides that funds devoted to any one commodity or product thereof must not exceed 25% of funds available. It also provides that the funds must be devoted principally to perishable agricultural commodities other than those receiving price support under title II of the Agricultural Act of 1949, as amended. It has been determined that this provision can be legally satisfied by setting aside or reserving the principal portion of section 32 funds for the use of perishable nonbasic agricultural commodities when the occasion arises warranting their use for such purpose.

1. *Commodity program payments* include direct purchases which are donated to the school lunch program, charitable institutions serving needy persons, and persons certified by welfare agencies as eligible for relief; diversion payments which enable processors to purchase surplus commodities on the domestic market, divert them to by-products and new uses, and sell them at prices comparable to competing products, thus creating new markets for surplus commodities; and export payments which enable exporters to purchase surplus commodities on the domestic market and sell them on the world market at competitive world prices (no funds were obligated for export programs in 1959). During the past 2 years assistance under these programs was given to the following commodity groups:

[In millions]

	1958	*1959*
Dairy products	$121.7	$101.2
Eggs and poultry	.1	6.4
Fruits	1.1	.1
Peanut butter	.9	1.1
Vegetables	2.4	7.6
Miscellaneous	−.1	.9
Total	126.1	117.3

The use of section 32 program funds is contingent upon economic conditions. The estimates for both 1960 and 1961 reflect in total the requirements based on the situation as now foreseen. Distribution of this total in advance would be highly tentative since the type of program to be used is dependent upon a determination at the time of the kind of action which will best meet the particular need which had developed. If troublesome surpluses not now foreseen should develop, steps would be taken to use additional available funds for their removal or diversion as conditions might warrant.

2. *Surplus removal operating expenses.*—These expenses are mainly in connection with purchasing, exporting, and diverting surplus commodities and in distributing section 32 and Commodity Credit Corporation commodities to eligible outlets. Distribution in 1959, including that under section 6 of the National School Lunch Act, is summarized below:

Distribution	*Number of recipients (peak month) (millions)*	*Value of commodities distributed (millions)*	*Pounds of commodities distributed (millions)*
By recipients:			
School children	14.1	$109.5	453.5
Needy persons	5.7	107.0	706.8
Persons in charitable institutions	1.4	29.8	156.0
Foreign countries: 91		209.8	1,867.2
Total		456.1	3,183.5
By program:			
Sec. 32		118.1	317.1
Donation by Commodity Credit Corporation under sec. 416		295.3	2,662.6
Sec. 6, National School Lunch Act		42.7	203.8
Total		456.1	3,183.5

Supervisory assistance is furnished local and State groups to encourage the preservation of surpluses for year-round use. In cooperation with the food trade, press and radio, greater consumption of abundant foods is encouraged. In 1959, the monthly plentiful foods list contained an average of 10 foods, and 10 national and 18 area, State, and local drives were conducted.

3. *Marketing agreements and orders.*—These are put into effect upon request of producers or handlers after hearings and investigations, and approval by producers (and handlers in case of marketing agreements). They help to stabilize prices and benefit producers and consumers by establishing and maintaining orderly marketing conditions. Administration at the local level is financed by assessments upon handlers. On June 30, 1959, there were 78 orders in effect for milk and 37 covering tree fruits, tree nuts, and vegetables.

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AGRICULTURAL MARKETING SERVICE—Continued

Permanent authorizations—Continued

REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES—Continued

(Indefinite)—Continued

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects)	----------	$1,535,699	----------	----------
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$23,738,918	5,550,525	$7,086,224	$7,086,224
Total selected resources at end of year	23,738,918	7,086,224	7,086,224	7,086,224
Selected resources at start of year (−)	----------	−23,738,918	−7,086,224	−7,086,224
Adjustment of prior year costs and selected resources reported at start of year	----------	512,836	----------	----------
Costs financed from obligations of other years, net (−)	----------	−16,139,858	----------	----------

Object Classification

		1959 actual		1960 estimate		1961 estimate
	AGRICULTURAL MARKETING SERVICE					
	Total number of permanent positions	522		495		495
	Full-time equivalent of all other positions	3		3		3
	Average number of all employees	435		454		454
	Number of employees at end of year	466		464		464
	Average GS grade and salary	7.2	$5,732	7.3	$5,753	7.3 $5,748
	Average salary of ungraded positions		$4,260		$4,367	$4,392
01	Personal services:					
	Permanent positions		$2,918,222		$3,061,400	$3,061,400
	Positions other than permanent		6,316		10,400	10,400
	Other personal services		16,499		28,200	16,200
	Total personal services		2,941,037		3,100,000	3,088,000
02	Travel		247,872		270,000	280,000
03	Transportation of things		3,769		8,500	8,500
04	Communication services		82,626		88,500	88,500
05	Rents and utility services		32,631		36,800	36,800
06	Printing and reproduction		45,559		66,600	73,600
07	Other contractual services		49,857		68,000	88,000
	Services performed by other agencies		9,610		7,000	7,000
08	Supplies and materials		31,793		41,000	46,000
	Grants of commodities to States		----------		51,703,400	99,003,400
09	Equipment		31,101		26,000	36,000
11	Grants, subsidies, and contributions		186,025		196,000	196,000
	Commodity program payments		889,126		1,500,000	1,500,000
13	Refunds, awards, and indemnities		2,483		3,600	3,600
15	Taxes and assessments		1,559		1,600	1,600
	Total, Agricultural Marketing Service		4,555,048		57,117,000	104,457,000
	ALLOCATION TO COMMODITY STABILIZATION SERVICE					
	Total number of permanent positions	76		93		86
	Average number of all employees	59		75		68
	Number of employees at end of year	45		55		54
	Average GS grade and salary	6.1	$5,338	5.9	$5,315	6.0 $5,374
01	Personal services:					
	Permanent positions		$322,058		$391,500	$358,500
	Other personal services		1,411		3,000	1,400
	Total personal services		323,469		394,500	359,900
02	Travel		6,270		7,650	7,150
03	Transportation of things		5,607		5,850	5,750
04	Communication services		10,273		17,150	12,150
05	Rents and utility services		37,270		38,350	36,150
06	Printing and reproduction		4,977		5,200	4,900
07	Other contractual services		3,018		4,700	8,400
	Advanced to—					
	"Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938" (7 U.S.C. 1392)		35,450		35,450	35,450
	"Local administration, sec. 388, Agricultural Adjustment Act of 1938" (7 U.S.C. 1388)		20,000		43,000	43,000
08	Supplies and materials		3,336		4,200	3,800
	Grants of commodities to States		108,927,240		35,300,000	----------
09	Equipment		1,068		1,650	1,600
11	Grants, subsidies, and contributions		20,361		23,150	22,750
	Commodity program payments		7,470,001		17,000,000	5,000,000
13	Refunds, awards, and indemnities		784		2,000	1,900
15	Taxes and assessments		82		150	100
	Total, Commodity Stabilization Service		116,869,206		52,883,000	5,543,000
	Total obligations		121,424,254		110,000,000	110,000,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Statistical and tabulating services:			
Department of Agriculture	$80,671	$85,100	$81,000
Other Federal agencies	3,739	35,800	25,800
2. Market news service:			
Department of Agriculture	665	846	854
State agencies under cooperative agreement	197,804	195,546	196,768
3. Inspection, grading, classing, and standardization:			
Department of Agriculture	277,296	64,998	65,433
Other Federal agencies	23,309	23,875	26,225
Non-Federal sources	1,427,329	1,496,560	1,598,835
4. Administration of special milk program	614,607	658,100	658,100
5. Wool marketing agreements	6,380	9,300	9,300
6. Storage research on Commodity Credit Corporation owned grains	126,141	110,100	110,100
7. Other services relating to programs administered by Commodity Stabilization Service	113,709	115,700	115,700
8. Miscellaneous services to other accounts	32,871	33,385	21,200
9. Prior year advances returned	32,994	----------	----------
Total program costs [1]	2,937,515	2,829,310	2,909,315
10. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−25,457	----------	----------
Total program (obligations)	2,912,058	2,829,310	2,909,315
Financing:			
Unobligated balance brought forward	22,045	17,355	----------
Advances and reimbursements from—			
Other accounts	1,284,841	1,110,049	1,103,912
Non-Federal sources	1,622,527	1,701,906	1,805,403
Unobligated balance carried forward	−17,355	----------	----------
Total financing	2,912,058	2,829,310	2,909,315

[1] Includes capital outlay as follows: June 30, 1959, $13,313; 1960, $13,173; 1961, $15,300.

NOTE.—Reimbursements from non-Federal sources above include amounts from cooperating universities and State, county, local, and private agricultural agencies (5 U.S.C. 563, 564); from States, municipalities, persons, or licensed tobacco inspectors for services rendered (7 U.S.C. 511e); from sale of photographic slides (7 U.S.C. 1387) and personal property (40 U.S.C. 481(c)); for overtime and holiday work performed at poultry processing plants and in connection with appeals inspections on grain (21 U.S.C. 468; 7 U.S.C. 78); from refund of terminal leave payments (5 U.S.C. 61b); from jury fees (5 U.S.C. 30p); and from importers in connection with reconditioning seed (7 U.S.C. 1582(a)). 1959 amounts exclude $130,390 of unfilled orders from other accounts at end of year which will become reimbursements of a subsequent year.

10. *Relation of costs to obligations.*—The relationship is derived from year-end balances and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$7,025	$4,826	$4,826	$4,826
Selected resources at start of year (−)	----------	−7,025	−4,826	−4,826
Adjustment of prior year costs and selected resources reported at start of year	----------	−23,258	----------	----------
Costs financed from obligations of other years, net (−)	----------	−25,457	----------	----------

Object Classification

		1959 actual		1960 estimate		1961 estimate
	Total number of permanent positions	287		251		251
	Full-time equivalent of all other positions	25		5		5
	Average number of all employees	278		233		230
	Number of employees at end of year	373		183		183
	Average GS grade and salary	7.2	$5,732	7.3	$5,753	7.3 $5,748
	Average salary of ungraded positions		$4,260		$4,367	$4,392
01	Personal services:					
	Permanent positions		$1,556,065		$1,380,425	$1,361,845
	Positions other than permanent		84,779		34,692	34,907
	Other personal services		796,386		1,024,112	1,121,490
	Total personal services		2,437,230		2,439,229	2,518,242
02	Travel		130,894		111,970	105,070
03	Transportation of things		12,453		3,165	2,665
04	Communication services		92,406		83,534	83,034
05	Rents and utility services		31,280		24,264	24,264
06	Printing and reproduction		8,438		11,185	11,025
07	Other contractual services		19,902		25,707	39,482
	Services performed by other agencies		14,882		762	762
08	Supplies and materials		30,373		35,383	33,883
09	Equipment		16,530		16,518	15,645
11	Grants, subsidies, and contributions		81,849		75,745	73,395
13	Refunds, awards, and indemnities		33,530		609	609
15	Taxes and assessments		2,291		1,239	1,239
	Total obligations		2,912,058		2,829,310	2,909,315

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FOREIGN AGRICULTURAL SERVICE

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses for the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954 (7 U.S.C. 1761–1768), and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed $25,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), [$3,518,300] *$4,637,300*: *Provided*, That not less than $400,000 of the funds contained in this appropriation shall be available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis: *Provided further*, That, in addition, not to exceed [$2,493,000] *$2,539,000* of the funds appropriated by section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c), shall be merged with this appropriation and shall be available for all expenses of the Foreign Agricultural Service in carrying out the purposes of said section 32 [: *Provided further*, That, in addition, not to exceed the equivalent of $1,310,000 in foreign currencies derived from sales under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, and made available to the Department of Agriculture, shall be available for expenses of the agricultural attaché service and for general operating expenses of the Foreign Agricultural Service in carrying out the purposes of section 104(a) of that Act]. (*5 U.S.C. 511–512; 73 Stat. 606–607; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.*)

Appropriated 1960:	Estimate 1961:
Current, **$3,518,300**	Current, **$4,637,300**
Permanent (adj.), **$2,493,000**	Permanent (adj.), **$2,539,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Analysis of foreign agriculture and trade	$1,201,504	$1,266,200	$1,315,000
2. Agricultural attachés	2,831,686	2,252,100	3,322,300
3. Foreign market promotion	2,139,369	2,248,000	2,293,000
4. Import controls	237,708	245,000	246,000
Total program costs [1]	6,410,267	6,011,300	7,176,300
5. Relation of costs to obligations: Obligations incurred for costs of other years, net	91,281		
Total program (obligations)	6,501,548	6,011,300	7,176,300
Financing:			
Comparative transfer from "Removal of surplus agricultural commodities"	−2,420,534		
Unobligated balance no longer available	153,306		
New obligational authority	4,234,320	6,011,300	7,176,300
New obligational authority:			
Appropriation	$4,002,300	$3,518,300	$4,637,300
Transferred from—			
"Removal of surplus agricultural commodities" (73 Stat. 606–607 and 1961 appropriation act)		2,493,000	2,539,000
"Conservation reserve program," Commodity Stabilization Service (73 Stat. 34)	232,020		
Appropriation (adjusted):			
Current	4,234,320	3,518,300	4,637,300
Permanent		2,493,000	2,539,000

[1] Includes capital outlay as follows: June 30, 1959, $102,689; 1960, $91,000; 1961, $85,000.

The Foreign Agricultural Service administers programs and policies relating to foreign agriculture. It provides information and assistance as guides in the planning of production and marketing of U. S. agricultural commodities and helps smooth the channels through which exports move.

Direct appropriation—1. *Analysis of foreign agriculture and trade.*—Analyses are made of world trends in foreign agricultural production, trade, price, finance, marketing, consumption, competition, commercial, and trade policies, and economic policies of foreign governments, as such trends affect U.S. foreign agricultural trade and the domestic economy. The Service directs and coordinates Department participation in the formulation of trade programs and agreements to stabilize and expand world trade in American agricultural products, and to reduce restrictive tariff and trade practices against import of American agricultural commodities. Recommendations for the departmental positions on trade agreements and international commodity agreements are formulated. Continuous review is made of the trade regulations and financial conditions of signatories to the General Agreement on Tariffs and Trade in American farm products. Policies, programs, positions, and standards of participation in public and private international organizations are developed.

2. *Agricultural attachés.*—A worldwide agricultural attaché program is conducted by the Department. Assistance is provided in development of markets abroad for U.S. agricultural commodities. A comprehensive schedule of foreign agricultural market and trade reporting to meet the needs of the American agricultural industry is maintained.

Transfer from Removal of surplus agricultural commodities—3. *Foreign market promotion.*—Maintenance and expansion of foreign markets for surplus agricultural products are promoted by (*a*) obtaining and analyzing information on foreign-market requirements and making such information available to farm and trade groups; (*b*) developing market programs for use by producers, exporters, and Government officials to maintain and expand the market abroad of U.S. farm products; (*c*) assisting domestic trade representatives in negotiations with foreign government officials, importers, and consumers, and bringing together American exporters and foreign importers under conditions favorable to trade; (*d*) developing agreements with foreign countries for sales of U.S. agricultural commodities under title I of Public Law 480, and followup on the shipments of those commodities; and (*e*) directing the operation of market development projects to further expand foreign markets for agricultural products with foreign currencies generated under title I of Public Law 480.

4. *Import controls.*—Importation of articles which interfere with programs carried out by the Department of Agriculture is investigated and the information is developed in accordance with section 22 of the Agricultural Adjustment Act, as amended. During 1959, investigations were conducted on 14 commodities and 3 recommendations were submitted to the President or the Tariff Commission. Under import controls for dairy products, a total of 1,792 licenses for imports of cheese were issued and 188 for manufactured dairy products other than cheese.

5. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$50,338	$69,289	$69,289	$69,289
Selected resources at start of year (−)		−50,338	−69,289	−69,289
Adjustment of selected resources reported at start of year		72,330		
Obligations incurred for costs of other years, net		91,281		

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FOREIGN AGRICULTURAL SERVICE—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	652	651	708
Full-time equivalent of all other positions	12	12	15
Average number of all employees	609	636	691
Number of employees at end of year	665	641	699
Average GS grade and salary	9.2 $7,642	9.2 $7,658	9.2 $7,663
Average salary of ungraded positions	$2,746	$2,764	$2,681
01 Personal services:			
Permanent positions	$4,368,485	$4,563,900	$4,787,800
Positions other than permanent	48,999	49,000	51,400
Other personal services	164,585	177,100	270,800
Total personal services	4,582,069	4,790,000	5,110,000
02 Travel	383,587	296,000	446,000
03 Transportation of things	149,968	141,100	170,000
04 Communication services	72,086	71,400	72,000
05 Rents and utility services	45,783	49,000	80,000
06 Printing and reproduction	114,305	114,000	117,000
07 Other contractual services	51,505	62,700	103,000
Services performed by other agencies	667,959	71,000	632,000
08 Supplies and materials	38,362	29,800	36,000
09 Equipment	106,222	78,000	91,000
11 Grants, subsidies, and contributions	278,187	299,000	310,000
13 Refunds, awards, and indemnities	10,034	8,000	8,000
15 Taxes and assessments	1,481	1,300	1,300
Total obligations	6,501,548	6,011,300	7,176,300

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

For purchase of foreign currencies which accrue under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for the purposes of market development activities under section 104(a) of that Act, $13,621,800, and for the purposes of section 104(m) of that Act, relating to agricultural and horticultural fair participation and related activities, $1,000,000, to remain available until expended, of which amounts not less than $4,400,000 shall be available to purchase currencies which the Treasury Department shall determine to be excess to normal requirements of the United States: Provided, That this appropriation shall not be used for the purchase of currencies available in the Treasury for the purposes of section 104(f) of such Act unless such currencies are excess to the normal requirements of the United States: Provided further, That the dollar value of the unexpended balances, as of June 30, 1960, of allocations of foreign currencies heretofore made available to the Foreign Agricultural Service for the foregoing purposes of such sections 104 (a) and (m) is appropriated as of that date and shall be merged with this appropriation.

Appropriated (est.) 1960, **$9,309,093** Estimate 1961, **$14,621,800**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Market development projects	$5,445,700	$6,263,609	$10,830,800
2. Agricultural attachés	192,839	950,000	
3. Agricultural and horticultural exhibitions		1,275,000	1,000,000
4. Travel of U.S. agricultural specialists abroad	54,236	65,764	
Total program costs	5,692,775	8,554,373	11,830,800
5. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)	−790,809		
Obligations incurred for costs of other years, net		4,109,406	2,791,000
Total program (obligations)	4,901,966	12,663,779	14,621,800
Financing:			
Unobligated balance brought forward	−6,441,148	−6,905,245	
Recovery of prior year obligations	−25,307		
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents	313,073		
Unobligated balance carried forward	6,905,245		
Unobligated balance no longer available		84,844	
Authorization to expend foreign currency receipts (net of proposed appropriation to cover balances as of June 30, 1960)	−5,653,829	3,465,715	
New obligational authority		9,309,093	14,621,800

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
New obligational authority:			
Indefinite (proposed in appropriation language above)		$9,309,093	
Definite			$14,621,800
Appropriation		9,309,093	14,621,800

NOTE.—The gross foreign currency authorization in 1960 is $5,843,378. The schedule above covers foreign currency authorizations for 1959 and 1960. The appropriation recommended for 1960 is equal to the unexpended balance of previous foreign currency authorizations as of June 30, 1960. All transactions in 1961 relate to appropriations.

1. *Market development projects.*—Foreign currencies, generated by the sale of surplus agricultural commodities under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, are used by the Department under the provisions of section 104(a) by the Foreign Agricultural Service to develop new foreign markets and expand existing markets for U.S. agricultural commodities, including cotton, dairy products, fats and oils, grain, feed, livestock and meat, poultry, fruits and vegetables, and tobacco. The type of market development projects being carried out include sales promotion campaigns, trade fairs and exhibits, nutrition demonstrations, and market analyses. At June 30, 1959, there were 336 market development projects operating in 37 countries with the assistance of both United States and foreign cooperators. Total estimated cost in U.S. dollars (charged to regular appropriation) of the initiation and supervision of market development projects in 1961, $254,000.

2. *Agricultural attachés.*—Foreign currencies were used in 1959 and are being used in 1960 where practicable to pay certain costs of the agricultural attachés.

3. *Agricultural and horticultural exhibitions.*—Foreign currencies are used to finance U.S. participation in foreign agricultural and horticultural fairs and related activities pursuant to section 104(m) of the Agricultural Trade Development and Assistance Act of 1954, as amended.

4. *Travel of U.S. agricultural specialists abroad.*—Foreign currencies are being used in 1959 and 1960, pursuant to section 104(f) of the Agricultural Trade Development and Assistance Act of 1954, as amended, to finance the travel of U.S. agricultural specialists to the U.S.S.R. under the cultural, technical, and educational exchange agreement between the two countries.

5. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$3,585,976	$2,778,518	$6,480,000	$8,992,000
Advances (payment for goods and services on order not yet received)	320,734	312,076	720,000	999,000
Total selected resources at end of year	3,906,710	3,090,594	7,200,000	9,991,000
Selected resources at start of year (−)		−3,906,710	−3,090,594	−7,200,000
Adjustment of selected resources reported at start of year		25,307		
Costs financed from obligations of other years, net (−)		−790,809		
Obligations incurred for costs of other years, net			4,109,406	2,791,000

Object Classification

	1959 actual	1960 estimate	1961 estimate
FOREIGN AGRICULTURAL SERVICE			
Total number of permanent positions	76	75	33
Full-time equivalent of all other positions	3	3	0
Average number of employees	69	74	31
Number of employees at end of year	76	76	33
Average salary of ungraded positions	$2,266	$2,370	$2,115

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Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
FOREIGN AGRICULTURAL SERVICE—con.			
01 Personal services:			
Permanent positions	$128,727	$177,400	$74,000
Positions other than permanent	2,440	3,000	
Other personal services	52,164	98,600	4,000
Total personal services	183,331	279,000	78,000
02 Travel	305,988	702,064	600,000
03 Transportation of things	12,036	49,000	35,000
04 Communication services	7,117	7,700	8,000
05 Rents and utility services	30,437	55,000	27,000
06 Printing and reproduction	9,096	33,100	35,000
07 Other contractual services	3,312,521	8,767,434	12,477,800
Services performed by other agencies	147,528	720,000	175,000
08 Supplies and materials	10,473	13,200	12,000
09 Equipment	3,690	15,000	15,000
11 Grants, subsidies, and contributions	2,746	7,000	3,000
13 Refunds, awards, and indemnities	12	81	
15 Taxes and assessments	105	200	
Total, Foreign Agricultural Service	4,025,080	10,648,779	13,465,800
ALLOCATION TO DEPARTMENT OF COMMERCE			
02 Travel	25,553	60,000	34,000
03 Transportation of things	66,209	140,000	87,000
04 Communication services	7,711	20,000	10,000
05 Rents and utility services	180,434	423,000	239,000
06 Printing and reproduction	11,694	20,000	15,000
07 Other contractual services	558,391	1,290,000	735,500
08 Supplies and materials	25,806	60,000	34,000
09 Equipment	913	1,500	1,000
13 Refunds, awards, and indemnities	175	500	500
Total, Department of Commerce	876,886	2,015,000	1,156,000
Total obligations	4,901,966	12,663,779	14,621,800

Analysis of Expenditures

Obligated balance, start of year	$6,409,622	$6,645,314	
Obligations incurred during year	4,901,966	12,663,779	
Recovery of prior year obligations	−25,307		
Obligated balance, end of year	−6,645,314		
Obligated balance, end of year, transferred to appropriation		−9,309,093	
Expenditures	4,640,967	10,000,000	

Status of Unfunded Allocations

Unfunded balance, start of year	$7,543,180	$3,284,608	
Allocations	5,653,829	5,843,378	
Unfunded balance expiring or lapsing		−84,844	
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents	−313,073		
Unfunded balance, end of year	−3,284,608		
Transfers into agency account	9,599,328	9,043,142	

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations and allotments from other accounts are included in the schedules of the parent appropriations as follows:
"Mutual security—economic," funds appropriated to the President.
"President's special international program," funds appropriated to the President.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Commodity Credit Corporation representatives for sales, barter, and stockpiling	$74,524	$47,700	$48,000
2. Miscellaneous services to other accounts	181,602	158,300	161,550
Total program (costs—obligations)	256,126	206,000	209,550
Financing:			
Advances and reimbursements from other accounts	256,126	206,000	209,550

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	26	24	24
Full-time equivalent of all other positions	1	1	1
Average number of all employees	27	24	24
Number of employees at end of year	26	24	24
Average GS grade and salary	9.7 $7,771	9.3 $7,361	9.3 $7,360
Average salary of ungraded positions	$2,325	$2,325	$2,325
01 Personal services:			
Permanent positions	$189,513	$160,100	$160,800
Positions other than permanent	1,994	2,000	2,000
Other personal services	8,830	4,700	4,000
Total personal services	200,337	166,800	166,800
02 Travel	15,363	11,500	11,500
03 Transportation of things	6,659	50	50
04 Communication services	2,813	1,800	1,800
06 Printing and reproduction	3,525	3,200	4,950
07 Other contractual services	2,272	1,700	3,000
Services performed by other agencies	11,600	10,000	10,250
08 Supplies and materials	695	450	700
09 Equipment	304		
11 Grants, subsidies, and contributions	12,358	10,500	10,500
13 Refunds, awards, and indemnities	200		
Total obligations	256,126	206,000	209,550

COMMODITY EXCHANGE AUTHORITY

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses to carry into effect the provisions of the Commodity Exchange Act, as amended (7 U.S.C. 1–17a), [$909,500] *$941,325*. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.*)

Appropriated 1960, **$909,500** Estimate 1961, **$941,325**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Licensing	$57,898	$60,600	$61,000
2. Supervision of futures trading	465,057	481,000	484,500
3. Audits	206,303	199,300	200,800
4. Investigations	167,772	168,600	195,025
Total program costs [1]	897,030	909,500	941,325
5. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−2,045		
Total program (obligations)	894,985	909,500	941,325
Financing:			
Unobligated balance no longer available	515		
New obligational authority	895,500	909,500	941,325
New obligational authority:			
Appropriation	$832,000	$909,500	$941,325
Transferred from "Conservation reserve program," Commodity Stabilization Service (73 Stat. 51)	63,500		
Appropriation (adjusted)	895,500	909,500	941,325

[1] Includes capital outlay as follows: June 30, 1959, $2,418; 1960, $2,500; 1961, $2,500.

The major objectives of the Commodity Exchange Authority are to maintain fair and competitive pricing in the commodity futures markets by preventing manipulation and other abusive trading practices. Enforcement of the Commodity Exchange Act requires supervision over futures trading in 21 commodities on 16 exchanges currently designated as contract markets. Transactions on contract markets were estimated at 7,100,000 in 1959, and the value of trading approximately $27 billion.

1. *Licensing.*—Commission merchants and floor brokers are registered annually. In 1959 there were 503 commission merchants and 778 floor brokers so registered, and it

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COMMODITY EXCHANGE AUTHORITY—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

is estimated that the same number will be registered in 1961. Exchange rules and regulations are reviewed to insure that legal requirements are met.

2. *Supervision of futures trading.*—This embraces (*a*) examination and analysis of reports and other market data, the making of market position surveys, and publication of summary data; (*b*) establishment, review, and enforcement of speculative limits; and (*c*) cooperative activities with control committees of contract markets. In 1959, position surveys covered 4,303 traders.

REPORTS TABULATED AND ANALYZED

	1959 actual	*1960 estimate*	*1961 estimate*
Daily trading volume and open contracts	221,793	225,000	225,000
Daily and weekly reports on large traders	268,520	275,000	275,000
Delivery notices	37,703	40,000	40,000

3. *Audits.*—Misuse of customers' funds is prevented by (*a*) audit and examination of books of futures commission merchants and (*b*) analysis of brokers' and traders' books and financial statements. The 1959 audits revealed that customers had to their credit $95,884,543 required to be segregated from the funds of the carrying brokers, compared with $81,672,368 in 1958.

AUDITS

	1959 actual	*1960 estimate*	*1961 estimate*
Audits of customers' segregated funds	698	650	650
Accounts examined	34,237	31,000	31,000
Financial statements examined	503	500	500

4. *Investigations.*—Apparent or alleged violations of the law and regulations are investigated, and trade practice surveys are made to discover violations and compile legal evidence. The Authority also prepares and presents evidence of violations in administrative hearings and judicial proceedings.

INVESTIGATIONS, TRANSACTIONS, AND PROCEEDINGS

	1959 actual	*1960 estimate*	*1961 estimate*
Compliance investigations completed	26	35	35
Trade practice investigations completed	1	2	4
Number of transactions examined	16,200	25,000	60,000
Administrative proceedings instituted	5	7	7

5. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1958, $3,746; 1959, $1,701; 1960, $1,701; 1961, $1,701.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	134	128	132
Full-time equivalent of all other positions	1	1	1
Average number of all employees	123	122	125
Number of employees at end of year	120	120	124
Average GS grade and salary	7.1 $6,081	7.3 $6,259	7.3 $6,315
01 Personal services:			
Permanent positions	$765,206	$773,000	$798,200
Positions other than permanent	3,153	3,225	3,275
Other personal services	3,202	6,275	3,425
Total personal services	771,561	782,500	804,900
02 Travel	9,922	10,400	11,300
03 Transportation of things	1,134	600	600
04 Communication services	19,514	20,200	20,200
05 Rents and utility services	14,285	12,000	12,000
06 Printing and reproduction	10,799	11,500	11,500
07 Other contractual services	7,167	9,200	16,125
Services performed by other agencies	2,150	2,200	2,200
08 Supplies and materials	5,723	5,900	5,900
09 Equipment	2,467	3,500	3,500
11 Grants, subsidies, and contributions	49,684	50,800	52,400
13 Refunds, awards, and indemnities	475	600	600
15 Taxes and assessments	104	100	100
Total obligations	894,985	909,500	941,325

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Supervision of futures trading (total costs—obligations)	$413		
Financing:			
Advances and reimbursements from non-Federal sources (5 U.S.C. 61(b); 40 U.S.C. 481(c))	413		

Object Classification

01	Personal services: Permanent positions	$184		
09	Equipment	229		
	Total obligations	413		

[SOIL BANK PROGRAM]

NOTE.—The appropriations under this head are shown under Commodity Stabilization Service.

COMMODITY STABILIZATION SERVICE

Current authorizations:

ACREAGE ALLOTMENTS AND MARKETING QUOTAS

For necessary expenses to formulate and carry out acreage allotment and marketing quota programs pursuant to provisions of title III of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1301–1393), [$39,135,000] *$40,135,000,* of which not more than [$6,886,300] *$6,934,400* shall be transferred to the appropriation account "Administrative expenses, section 392, Agricultural Adjustment Act of 1938". *(73 Stat. 393–394, 642; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)*

Appropriated 1960, **$39,135,000** Estimate 1961, **$40,135,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Acreage allotments and marketing quotas (total program costs)	$41,753,172	$39,135,000	$40,135,000
2. Relation of costs to obligations: Costs financed from obligations of other years, net (—)	−44,192		
Total program (obligations)	41,708,980	39,135,000	40,135,000
Financing:			
Unobligated balance no longer available	6,020		
New obligational authority	41,715,000	39,135,000	40,135,000
New obligational authority:			
Appropriation	$39,715,000	$39,135,000	$40,135,000
Transferred from "Conservation reserve program," Commodity Stabilization Service (73 Stat. 35)	2,000,000		
Appropriation (adjusted)	41,715,000	39,135,000	40,135,000

Acreage allotment and marketing quota programs are designed to keep the production and marketing of cotton, wheat, rice, tobacco, and peanuts, in line with demand in order to give each farmer a fair share of the available market and the total production required.

Acreage allotments, when necessary, are established at national, State, and county levels (only at State level in the case of tobacco). In general, the acreage allotted to any county is apportioned by farmer-elected county committeemen. National marketing quotas must be proclaimed whenever the total supply for the above basic

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commodities reaches a level specified in the Agricultural Adjustment Act of 1938, as amended. However, quotas do not become effective unless approved by two-thirds of those voting in a farmer referendum.

Acreage allotments and marketing quotas have been proclaimed for the 1960 crops of wheat, peanuts, flue-cured tobacco, rice, and upland and extra long staple cotton and are indicated for the other kinds of quota tobaccos. For the 1961 crops the estimates provide for continuation of acreage allotments and marketing quotas on all these basic commodities. The choice B plan authorized by the Agricultural Act of 1958 under which cotton producers may elect to take an increase of not to exceed 40% (as determined by the Secretary) in their acreage allotments, coupled with a 15% parity reduction in price support, will not apply to the 1961 or subsequent crops of upland cotton and farmers will receive only their regular cotton acreage allotments.

Work in the fiscal years 1960 and 1961 will consist primarily of the following:

Job	*Tobacco*	*Peanuts*	*Wheat*	*Cotton*	*Rice*
Collecting, reviewing, and compiling basic data, and reconstituting farms; reviewing, processing, and recording basic farm data; determining, computing, compiling, and reviewing farm allotments, preparing and issuing allotment notices and marketing cards (estimated number of allotment farms)	579,964	118,053	1,824,075	960,250	16,689
Handling appeals	15,000	1,200	45,000	19,500	450
Performance checking (percent of crop farms measured):					
Fiscal year 1960:					
1959 crop	41.7	39.6	1.2	25.0	26.1
1960 crop	58.3	60.4	98.8	[1] 53.2	73.9
Fiscal year 1961:					
1960 crop	41.7	39.6	1.2	[1] 46.8	26.1
1961 crop	58.3	60.4	98.8	[1] 48.8	73.9
Conducting referendums, tabulating votes, and certifying results (number):					
Fiscal year 1960	86	496	2,658	1,092	157
Fiscal year 1961	115	[2]	2,658	1,092	157

[1] Represents estimate of work to be performed with appropriation for 1960 and estimate for 1961. A supplemental appropriation for 1960 is anticipated under Proposed for later transmission to permit measurement of 75% of the 1960 crop of cotton in 1960 and the same percent of the 1961 crop in 1961.

[2] Marketing quotas were approved for 3 years beginning witb the 1960 marketing year in the referendum held in fiscal year 1960.

2. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$207,443	$30,606	$30,606	$30,606
Selected resources at start of year (−)		−207,443	−30,606	−30,606
Adjustment of prior year costs and selected resources reported at start of year		132,645		
Costs financed from obligations of other years, net (−)		−44,192		

Object Classification

		1959 actual	1960 estimate	1961 estimate
06	Printing and reproduction	$197,330	$247,000	$247,000
07	Other contractual services: Advanced to—			
	"Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938" (7 U.S.C. 1392)	6,861,700	6,886,300	6,934,400
	"Local administration, sec. 388, Agricultural Adjustment Act of 1938" (7 U.S.C. 1388)	34,649,950	32,001,700	32,953,600
	Total obligations	41,708,980	39,135,000	40,135,000

Sugar Act Program

For necessary expenses to carry into effect the provisions of the Sugar Act of 1948 (7 U.S.C. 1101–1161), [$71,500,000] *$74,500,000,* to remain available until June 30 of the next succeeding fiscal year: *Provided,* That expenditures (including transfers) from this appropriation for other than payments to sugar producers shall not exceed [$2,297,426] *$2,307,000.* (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.*)

Appropriated 1960, **$71,500,000** Estimate 1961, **$74,500,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Payments to sugar producers:			
(*a*) Continental beet area	$37,441,750	$38,465,000	$39,283,000
(*b*) Continental cane area	7,398,000	9,381,400	10,051,500
(*c*) Offshore cane area	28,922,224	21,356,174	22,858,500
2. Operating expense	2,236,426	2,297,426	2,307,000
3. Adjustment of prior year costs	−11,379		
Total program costs	75,987,021	71,500,000	74,500,000
4. Relation of costs to obligations: Obligations incurred for costs of other years, net	12,979		
Total program (obligations)	76,000,000	71,500,000	74,500,000
Financing:			
Appropriation (new obligational authority)	76,000,000	71,500,000	74,500,000

The Service determines total U.S. requirements and quotas to provide consumers with adequate supplies of sugar at reasonable prices, to protect the domestic sugar industry and to promote export trade for the five domestic sugar producing areas, the Philippines, Cuba, and other foreign countries. The quota for each domestic area is allotted to individual sellers when necessary to achieve orderly marketing, and restrictive farm acreage allotments are established for producers when necessary to avoid surpluses.

1. *Payments to sugar producers.*—Payments are made (*a*) to domestic producers of cane and beets who meet specified conditions of employment, production, and price; and (*b*) for abandonment of planted acreage and crop deficiencies on harvested acreage due to natural calamities.

An increase of $3 million is proposed for 1961 due to increased conditional payments to sugar producers.

Estimated production by areas is shown in the following table.

SHORT TONS, RAW VALUE

Area	*1958 crop year*	*1959 crop year*	*1960 crop year*
Continental beet area	2,212,000	2,350,000	2,400,000
Continental cane area	579,000	700,000	750,000
Hawaii	765,000	975,000	1,065,000
Puerto Rico	1,087,000	1,250,000	1,350,000
Virgin Islands	6,200	12,500	10,000
Total	4,649,200	5,287,500	5,575,000

2. *Operating expense.*—This consists of the expense of (*a*) the agricultural stabilization and conservation State and county offices in establishing farm production controls, determining compliance, and making payments to producers, and (*b*) the Service's departmental work in determining sugar consumption requirements, establishing quotas and allotments, making fair wage and price determinations, establishing area production controls, and formulating overall policies and procedures.

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$100	$1,700	$1,700	$1,700
Selected resources at start of year (−)		−100	−1,700	−1,700
Adjustment of prior year costs and selected resources reported at start of year		11,379		
Obligations incurred for costs of other years, net		12,979		

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COMMODITY STABILIZATION SERVICE—Continued

Current authorizations—Continued

SUGAR ACT PROGRAM—Continued

Object Classification

	1959 actual	1960 estimate	1961 estimate
07 Other contractual services: Advanced to—			
"Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938" (7 U.S.C. 1392)	$1,487,028	$1,487,028	$1,496,602
"Local administration, sec. 388, Agricultural Adjustment Act of 1938" (7 U.S.C. 1388)	749,398	810,398	810,398
11 Grants, subsidies, and contributions	73,763,574	69,202,574	72,193,000
Total obligations	76,000,000	71,500,000	74,500,000

CONSERVATION RESERVE *PROGRAM*

For necessary expenses to carry out a conservation reserve program as authorized by subtitles B and C of the Soil Bank Act (7 U.S.C. 1831–1837 and 1802–1814), and to carry out liquidation activities for the acreage reserve program, [$335,000,000] *$361,783,000*: *Provided*, That not to exceed [$18,600,000] *$13,783,800* shall be available for administrative expenses, of which not less than [$14,400,000] *$10,500,000* may be transferred to the appropriation account "Local administration, section 388, Agricultural Adjustment Act of 1938": [*Provided further*, That no part of this appropriation shall be used to enter into contracts with producers which, together with contracts already entered into, would require payments to producers (including the cost of materials and services) in excess of $375,000,000 in any calendar year, and for purposes of applying this limitation, practice payments shall be chargeable to the first year of the contract period: *Provided further*, That no part of these funds shall be used to enter into contracts to pay rental compensation to any individual or corporation in excess of $5,000 per annum:] *Provided further*, That no part of these funds shall be paid on any contract which is illegal under the law due to the division of lands for the purpose of evading limits on annual payments to participants[: *Provided further*, That clause (2) of the fourth proviso relating to annual rental payments under this head in Public Law 85–459 shall not be applicable to contracts hereafter entered into: *Provided further*, That (1) no part of the funds authorized for 1960 may be used to enter into annual rental contracts for a period of time or at rates or in amounts which are in excess of limitations imposed by present regulations or announcements, (2) in establishing annual rental rates for new contracts, no such rental rate shall be established in excess of the local fair rental value of the acreage offered, such fair rental value to be based upon the average annual crop production harvested from such acreage during the past five crop years including the current year, (3) in handling funds within any State, first consideration shall be given to those applicants who were not offered contracts during the 1959 sign-up due to limitation of funds, and (4) in the allocation of funds and administration thereof, the Department shall not allocate funds on any basis not in accord with the purposes as set forth in the basic law]. (*73 Stat. 552, 611; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.*)

Appropriated 1960, **$335,000,000** Estimate 1961, **$361,783,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Conservation reserve program (total program costs) [1]	$170,824,552	$335,542,981	$362,186,000
2. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−542,981	−403,000
Obligations incurred for costs of other years, net	326,054		
Total program (obligations)	171,150,606	335,000,000	361,783,000
Financing:			
Unobligated balance no longer available	181,787		
New obligational authority	171,332,393	335,000,000	361,783,000

[1] Includes capital outlay as follows: June 30, 1959, $1,088,461; 1960, $1,700,000; 1961, $450,000.

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
New obligational authority:			
Appropriation	$200,000,000	$335,000,000	$361,783,000
Transferred (73 Stat. 34-36) to—			
"Salaries and expenses," Agricultural Research Service	−7,881,500		
"Cooperative extension work, payments and expenses," Extension Service	−559,682		
"Salaries and expenses," Farmer Cooperative Service	−39,900		
"Conservation operations," Soil Conservation Service	−6,102,800		
"Marketing research and service," Agricultural Marketing Service	−3,112,700		
"Salaries and expenses," Foreign Agricultural Service	−232,020		
"Salaries and expenses," Commodity Exchange Authority	−63,500		
"Acreage allotments and marketing quotas"	−2,000,000		
"Salaries and expenses," Rural Electrification Administration	−582,300		
"Salaries and expenses," Farmers Home Administration	−2,100,000		
"Salaries and expenses," Office of the General Counsel	−240,750		
"Salaries and expenses," Office of the Secretary	−186,755		
"Salaries and expenses," Office of Information	−74,000		
"Salaries and expenses," Library	−59,500		
"Forest protection and utilization," Forest Service	−5,432,200		
Appropriation (adjusted)	171,332,393	335,000,000	361,783,000

The objective of this program is to help adjust total crop acreage more nearly in line with demand by withdrawing cropland from production and to establish and maintain sound conservation practices on the land withdrawn. The Secretary is authorized, through calendar year 1960, to enter into 3- to 15-year contracts with producers. In return for removing designated cropland from production and for establishing necessary conservation practices, the producer receives an annual rental payment each year of the contract period, and cost-sharing assistance for the establishment of the required practices. The Secretary may not enter into contracts with producers which would require payments to producers in excess of $375 million for the 1960 calendar year. Total annual rental payments to a producer are limited to $5,000.

Participation in the program is summarized below:

Number of agreements 1956–59 programs	246,220
Number of acres	22,422,159
Payments made in calendar year 1958, estimated	$116,961,757
Estimated payments made in calendar year 1959	$332,105,000

Under the 1960 program it is contemplated that at least an additional 5.1 million acres on 55,000 farms will be placed in the conservation reserve. This will make a total of about 28 million acres on 301,200 farms in the program.

2. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

Selected resources at end of year: Inventories and items on order:	*1958 actual*	*1959 actual*	*1960 estimate*	*1961 estimate*
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$11,832	$348,059	$185,000	$60,000
Advances (payments for goods and services on order not yet received)	1,593,601	807,922	428,000	150,000
Total selected resources at end of year	1,605,433	1,155,981	613,000	210,000
Selected resources at start of year (−)		−1,605,433	−1,155,981	−613,000
Adjustment of prior year costs and selected resources reported at start of year		775,506		
Costs financed from obligations of other years, net (−)			−542,981	−403,000
Obligations incurred for costs of other years, net	326,054			

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Object Classification

	1959 actual	1960 estimate	1961 estimate
COMMODITY STABILIZATION SERVICE			
03 Transportation of things	$1,846		
06 Printing and reproduction	32,963	$125,000	$125,000
07 Other contractual services: Advanced to—			
"Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938" (7 U.S.C. 1392)	1,960,107	2,546,000	2,564,600
"Local administration, sec. 388, Agricultural Adjustment Act of 1938" (7 U.S.C. 1388)	12,996,948	14,920,100	10,500,000
11 Grants, subsidies, and contributions: Conservation reserve payments	153,046,536	315,275,000	347,525,600
Total, Commodity Stabilization Service	168,038,400	332,866,100	360,715,200
ALLOTMENT ACCOUNTS			
Total number of permanent positions	46	64	53
Full-time equivalent of all other positions	11	7	3
Average number of all employees	104	94	66
Number of employees at end of year	61	78	63
Average GS grade and salary	7.7 $5,859	7.5 $6,176	7.5 $6,223
01 Personal services:			
Permanent positions	$637,473	$574,301	$423,002
Positions other than permanent	38,065	24,703	8,503
Other personal services	1,875	3,497	1,757
Total personal services	677,413	602,501	433,262
02 Travel	30,624	28,400	27,580
03 Transportation of things	1,454	1,300	1,300
04 Communication services	5,742	5,300	5,800
05 Rents and utility services	2,352	1,600	1,300
06 Printing and reproduction	2,882	3,550	3,700
07 Other contractual services	74,807	31,550	16,865
Services performed by other agencies	130,974	3,600	1,594
08 Supplies and materials	17,151	13,000	8,800
09 Equipment	2,067	1,500	1,200
11 Grants, subsidies, and contributions	2,165,404	1,441,099	566,199
13 Refunds, awards, and indemnities	616		
15 Taxes and assessments	720	500	200
Total, allotment accounts	3,112,206	2,133,900	1,067,800
Total obligations	171,150,606	335,000,000	361,783,000
Obligations are distributed as follows:			
Commodity Stabilization Service	$168,038,400	$332,866,100	$360,715,200
Agricultural Conservation Program Service	20,558	30,000	30,000
Forest Service	2,506,852	1,635,000	771,000
Soil Conservation Service	541,652	300,000	125,800
Office of the General Counsel	34,488	160,000	141,000
Office of Information	8,656	8,900	

Acreage Reserve

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Acreage reserve program (total program costs)	$609,003,002		
2. Relation of costs to obligations: Obligations incurred for costs of other years, net	7,641		
Total program (obligations)	609,010,643		
Financing:			
Unobligated balance no longer available	439,357		
Appropriation (new obligational authority)	609,450,000		

1. The acreage reserve program was in effect for 3 crop years from 1956 through 1958. Producers were compensated for reducing their acreages for the six basic commodities: wheat, cotton, corn produced in the commercial corn-producing area, peanuts, rice, and most types of tobacco.

The appropriation act for 1959 provided for the termination of the program after the 1958 crop year. No funds are available in 1960 and none are requested for 1961. Liquidation costs are charged to the appropriation for the conservation reserve program.

2. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$3,143	$125		
Selected resources at start of year (−)		−3,143	−$125	
Adjustment of prior year costs and selected resources reported at start of year		10,659	125	
Obligations incurred for costs of other years, net		7,641		

Object Classification

	1959 actual	1960 estimate	1961 estimate
COMMODITY STABILIZATION SERVICE			
03 Transportation of things	$804		
06 Printing and reproduction	9,426		
07 Other contractual services: Advanced to—			
"Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938" (7 U.S.C. 1392)	4,302,058		
"Local administration, sec. 388, Agricultural Adjustment Act of 1938" (7 U.S.C. 1388)	14,469,000		
11 Grants, subsidies, and contributions: Acreage reserve payments	590,160,950		
Total, Commodity Stabilization Service	608,942,238		
ALLOTMENT ACCOUNTS			
Total number of permanent positions	10		
Average number of all employees	9		
Number of employees at end of year	6		
Average GS grade and salary	8.1 $6,836		
01 Personal services: Permanent positions	$62,721		
02 Travel	468		
04 Communication services	122		
06 Printing and reproduction	41		
07 Other contractual services	214		
Services performed by other agencies	150		
08 Supplies and materials	576		
09 Equipment	112		
11 Grants, subsidies, and contributions	3,995		
15 Taxes and assessments	6		
Total, allotment accounts	68,405		
Total obligations	609,010,643		
Obligations are distributed as follows:			
Commodity Stabilization Service	$608,942,238		
Office of the General Counsel	55,062		
Office of Information	13,343		

Soil Bank Programs

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Financing:			
Authorization to expend from public debt receipts:			
Unobligated balance brought forward	−$233,101	−$41,752	
Recovery of prior year obligations	−226,940		
Unobligated balance carried forward	41,752		
Unobligated balance no longer available	418,289	41,752	
Appropriation (new obligational authority)			

Allocations and Allotments Received From Other Accounts

Note.—Obligations incurred under allocations and allotments from other accounts are included in the schedules of the parent appropriations as follows:
"Agricultural conservation program," Agricultural Conservation Program Service.
"School lunch program," Agricultural Marketing Service.
"Great Plains conservation program," Soil Conservation Service.
"Removal of surplus agricultural commodities," Agricultural Marketing Service.
"Disaster loans, etc., revolving fund," Farmers Home Administration.
"Mutual security—economic," funds appropriated to the President.
"Revolving fund, Defense Production Act," funds appropriated to the President.
"Salaries and expenses," Office of Civil and Defense Mobilization.
"Civil defense and defense mobilization functions of Federal agencies," Office of Civil and Defense Mobilization.

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COMMODITY STABILIZATION SERVICE—Continued

Intragovernmental funds:

ADMINISTRATIVE EXPENSES, SEC. 392, AGRICULTURAL ADJUSTMENT ACT OF 1938

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. National and State operating expense (costs) [1]	$23,492,579	$23,036,609	$23,166,215
2. Relation of costs to obligations: Obligations incurred for costs of other years, net	149,425		
Total program (obligations)	23,642,004	23,036,609	23,166,215
Financing:			
Advances and reimbursements from—			
"Agricultural conservation program," Agricultural Conservation Program Service	4,813,459	4,848,739	4,881,931
"Acreage allotments and marketing quotas"	6,861,700	6,886,300	6,934,400
"Sugar Act program"	1,487,028	1,487,028	1,496,602
"Acreage reserve"	4,302,058		
"Conservation reserve program"	1,960,107	2,546,000	2,564,600
"Great Plains conservation program," Soil Conservation Service	17,000	28,000	28,000
"Disaster loans, etc., revolving fund," Farmers Home Administration	5,000	29,000	6,000
"Removal of surplus agricultural commodities," Agricultural Marketing Service	35,450	35,450	35,450
Other accounts	5,438,316	7,176,092	7,219,232
Unobligated balance no longer available	−1,278,114		
Total financing	23,642,004	23,036,609	23,166,215

[1] Includes capital outlay as follows: June 30, 1959, $169,703; 1960, $74,000; 1961, $74,000.

Under the Agricultural Adjustment Act of 1938, amounts estimated to be required for administrative expenses of the national and State offices are advanced to this account from several appropriations related to agricultural stabilization and conservation activities.

2. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$8,076	$9,114	$9,114	$9,114
Unpaid undelivered orders (appropriation balances obligated for goods and services not yet received)	236,136	86,784	86,784	86,784
Total selected resources at end of year	244,212	95,898	95,898	95,898
Selected resources at start of year (−)		−244,212	−95,898	−95,898
Adjustment of prior year costs and selected resources reported at start of year		297,739		
Obligations incurred for costs of other years, net		149,425		

Object Classification

		1959 actual		1960 estimate		1961 estimate
	Total number of permanent positions	2,782		2,656		2,656
	Full-time equivalent of all other positions	160		123		123
	Average number of all employees	2,833		2,732		2,728
	Number of employees at end of year	2,901		3,020		3,020
	Average GS grade and salary	6.1	$5,338	5.9	$5,315	6.0	$5,374
01	Personal services:						
	Permanent positions	$15,875,585		$15,995,009		$16,041,792
	Positions other than permanent	952,898		808,879		807,964
	Other personal services	153,576		209,450		142,335
	Total personal services	16,982,059		17,013,338		16,992,091
02	Travel	3,221,365		3,124,957		3,119,485
03	Transportation of things	108,441		71,936		71,934
04	Communication services	574,596		456,918		456,898
05	Rents and utility services	519,774		613,077		613,077
06	Printing and reproduction	73,266		79,581		79,581
07	Other contractual services	591,863		173,439		331,129
	Services performed by other agencies	39,723		55,196		55,196
08	Supplies and materials	228,697		242,398		242,384
09	Equipment	223,863		96,383		96,372
11	Grants, subsidies, and contributions	1,029,287		1,052,918		1,051,603
13	Refunds, awards, and indemnities	24,465		33,821		33,821
15	Taxes and assessments	24,605		22,647		22,644
	Total obligations	23,642,004		23,036,609		23,166,215

LOCAL ADMINISTRATION, SEC. 388, AGRICULTURAL ADJUSTMENT ACT OF 1938

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Local operating expense	$130,438,894	$125,775,553	$121,198,775
2. Prior year advances returned		1,714,101	
Total program costs [1]	130,438,894	127,489,654	121,198,775
3. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−1,317,120	−2,062,224	
Total program (obligations)	129,121,774	125,427,430	121,198,775
Financing:			
Unobligated balance brought forward		1,714,101	
Advances and reimbursements from—			
"Agricultural conservation program," Agricultural Conservation Program Service	19,753,361	21,295,131	21,259,777
"Acreage allotments and marketing quotas"	34,649,950	32,001,700	32,953,600
"Sugar Act program"	749,398	810,398	810,398
"Commodity Credit Corporation fund" (storage and price support programs)	40,366,000	44,482,000	45,500,000
"Acreage reserve"	14,469,000		
"Conservation reserve program"	12,996,948	14,920,100	10,500,000
"Great Plains conservation program," Soil Conservation Service	76,700	126,000	126,000
"Disaster loans, etc., revolving fund," Farmers Home Administration		35,000	6,000
"Removal of surplus agricultural commodities," Agricultural Marketing Service	20,000	43,000	43,000
Other accounts	8,594,413	10,000,000	10,000,000
Unobligated balance carried forward	−1,714,101		
Unobligated balance no longer available	−839,895		
Total financing	129,121,774	125,427,430	121,198,775

[1] Includes capital outlay as follows: June 30, 1959, $6,326; 1960, $5,000; 1961, $5,000.

Under the Agricultural Adjustment Act of 1938, amounts estimated to be required by the county agricultural stabilization and conservation committees for carrying out the programs assigned to them are advanced to this account from the several appropriations available. Payments to county committees for their estimated expenses are deposited in the bank accounts of the committees. Expense paid from this account is as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Salaries	$93,967,240	$90,663,120	$88,418,097
Travel	7,330,840	6,603,895	6,445,790
All other expense	26,724,813	25,333,380	25,215,808
Total advances to committees	128,022,893	122,600,395	120,079,695
Aerial photography for performance checking	1,098,881	1,112,934	1,119,080
Prior year advances returned		1,714,101	
Total obligations	129,121,774	125,427,430	121,198,775

3. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$76,871	$73,239	$73,239	$73,239
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	3,888,663	2,088,985	26,761	26,761
Total selected resources at end of year	3,965,534	2,162,224	100,000	100,000
Selected resources at start of year (−)		−3,965,534	−2,162,224	−100,000
Adjustment of prior year costs and selected resources reported at start of year		486,190		
Costs financed from obligations of others years, net (−)		−1,317,120	−2,062,224	

Object Classification

	1959 actual		1960 estimate		1961 estimate	
Total number of permanent positions	105		107		107	
Average number of all employees	99		103		103	
Number of employees at end of year	97		104		104	
Average GS grade and salary	6.1	$5,338	5.9	$5,315	6.0	$5,374

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Object Classification—Continued

		1959 actual	1960 estimate	1961 estimate
01	Personal services:			
	Permanent positions	$464,350	$489,064	$489,100
	Positions other than permanent	753	1,110	1,100
	Other personal services	3,439	4,503	4,500
	Total personal services	468,542	494,677	494,700
02	Travel	9,666	10,300	10,300
03	Transportation of things	18,490	15,750	15,750
04	Communication services	3,586	3,375	3,350
05	Rents and utility services	68	68	100
06	Printing and reproduction	90,367	75,550	75,550
07	Other contractual services	303,939	324,588	330,680
08	Supplies and materials	164,782	145,577	145,600
09	Equipment	7,647	6,500	6,500
11	Grants, subsidies, and contributions	128,053,165	122,634,964	120,114,295
13	Refunds, awards, and indemnities	1,166	1,715,426	1,300
15	Taxes and assessments	356	655	650
	Total obligations	129,121,774	125,427,430	121,198,775

Advances and Reimbursements

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Advanced from Commodity Credit Corporation:			
(*a*) Supply and foreign purchase program	$95,186	$95,000	$94,700
(*b*) International Wheat Agreement	159,156	200,000	215,000
(*c*) National Wool Act	200,386	260,000	260,000
(*d*) Sale of stockpile cotton	2,525	3,500	3,500
2. Operation and maintenance, Air Force	58,320	65,000	
3. Miscellaneous services to other accounts	77,349	170,000	170,000
4. Adjustment of prior year costs	−13,627		
Total program costs	579,295	793,500	743,200
5. Relation of costs to obligations: Obligations incurred for costs of other years, net	13,823		
Total program (obligations)	593,118	793,500	743,200
Financing:			
Advances and reimbursements from other accounts	593,118	793,500	743,200

5. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Unpaid undelivered orders (balances obligated for goods and services on order not yet received)	$4,407	$4,603	$4,603	$4,603
Selected resources at start of year (−)		−4,407	−4,603	−4,603
Adjustment of prior year costs and selected resources reported at start of year		13,627		
Obligations incurred for costs of other years, net		13,823		

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Total number of permanent positions	37	43	34
	Average number of all employees	66	79	70
	Number of employees at end of year	54	71	62
	Average GS grade and salary	6.1 $5,338	5.9 $5,315	6.0 $5,374
01	Personal services:			
	Permanent positions	$393,470	$481,589	$443,216
	Positions other than permanent	2,778	2,545	3,145
	Other personal services	3,673	5,740	3,468
	Total personal services	399,921	489,874	449,829
02	Travel	22,933	31,000	31,000
03	Transportation of things	2,228	2,515	2,415
04	Communication services	10,636	12,220	11,520
05	Rents and utility services	74,283	124,200	124,200
06	Printing and reproduction	24,137	48,240	42,240
07	Other contractual services	7,736	6,465	12,215
	Services preformed by other agencies	4,635	4,150	4,150
08	Supplies and materials	21,726	40,379	32,125
09	Equipment	380	4,050	2,550
11	Grants, subsidies, and contributions	23,334	28,364	28,918
13	Refunds, awards, and indemnities	920	1,750	1,750
15	Taxes and assessments	249	293	288
	Total obligations	593,118	793,500	743,200

Proposed for later transmission:

Acreage Allotments and Marketing Quotas

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Acreage allotments and marketing quotas (total costs—obligations)		$1,666,800	
Financing:			
Proposed supplemental appropriation		1,666,800	

Under existing legislation, 1960.—A proposed supplemental appropriation in the amount of $1,666,800 is anticipated, to permit measurement of 75% of the 1960 crop upland cotton acreage. Measurement of the other 25% of this crop will be completed before the marketing year begins on August 1, 1960.

Conservation Reserve Program

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Conservation reserve program (total costs—obligations)			$32,000,000
Financing:			
Proposed supplemental appropriation			32,000,000

Under proposed legislation, 1961.—Legislation is being proposed to extend through the 1963 crop-year the Secretary's authority to enter into contracts for removing additional cropland from production, and to increase the statutory ceiling on amounts that may be paid to farmers in a calendar year from $450 to $600 million. The proposed legislation would provide specific authority for the Secretary of Agriculture to give special consideration, in formulating the 1961–63 programs, to areas where it is desirable to discourage the production of wheat and other surplus crops.

A program of $500 million is contemplated for the 1961 crop-year, consisting of $330 million for annual rental payments on 1960 and prior contracts and $170 million for new 1961 contracts. This would provide for removing about 9 million additional acres from production, making a total of about 37 million acres in the program through the crop-year 1961. A supplemental appropriation of $32 million will be required in the fiscal year 1961 for practice payments to farmers and ranchers and for operating expenses.

COMMODITY CREDIT CORPORATION

Current authorizations:

Restoration of Capital Impairment

To *partially* restore the capital impairment of the Commodity Credit Corporation determined by the [appraisal] *appraisals* of June 30, [1958] *1959, and June 30, 1960,* pursuant to section 1 of the Act of March 8, 1938, as amended (15 U.S.C. 713a–1), [$1,435,424,413] *$1,325,000,000.* (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.*)

Appropriated 1960, **$1,435,424,413** Estimate 1961, **$1,325,000,000**

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COMMODITY CREDIT CORPORATION—Continued

Current authorizations—Continued

REIMBURSEMENT TO COMMODITY CREDIT CORPORATION FOR COSTS OF SPECIAL ACTIVITIES

To reimburse the Commodity Credit Corporation for authorized unrecovered costs through June 30, [1959] *1960* (including interest through date of recovery), as follows: (1) [$63,875,000] *$49,042,000* under the International Wheat Agreement Act of 1949, as amended (7 U.S.C. 1641–1642); (2) [$104,508,000] *$115,000,000* for commodities disposed of for emergency famine relief to friendly peoples pursuant to title II of the Act of July 10, 1954, as amended (7 U.S.C. 1703, 1721–1724); (3) [$968,016,000] *$881,000,000* for the sale of surplus agricultural commodities for foreign currencies pursuant to title I of the Act of July 10, 1954, as amended (7 U.S.C. 1701–1709); (4) $35,000 for grain made available to the Secretary of the Interior to prevent crop damage by migratory waterfowl pursuant to the Act of July 3, 1956 (7 U.S.C. 442–446); (5) [$129,000,000] *$422,950,000* for strategic and other materials acquired by the Commodity Credit Corporation as a result of barter or exchange of agricultural commodities or products and transferred to the supplemental stockpile pursuant to Public Law 540, Eighty-fourth Congress (7 U.S.C. 1856); *and* (6) [$1,056,500 for transfers to the appropriation "Diseases of animals and poultry" pursuant to authority contained under such head in the Department of Agriculture and Farm Credit Administration Appropriation Act, 1959; and (7) $1,607,000] *$715,000* for transfers to the appropriation "Marketing research and service" pursuant to the Act of August 31, 1951 (7 U.S.C. 414a), for grading tobacco and classing cotton without charge to producers, as authorized by law (7 U.S.C. 473a, 511d): *Provided, That the amounts provided herein may remain available until expended for the purposes for which appropriated but without regard to the year in which the unrecovered costs were incurred. (73 Stat. 279, 600, 606; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)*

Appropriated 1960, **$1,268,097,500** Estimate 1961, **$1,468,742,000**

Permanent authorizations:

REIMBURSEMENT TO COMMODITY CREDIT CORPORATION, NATIONAL WOOL ACT

Appropriation 1960, **$50,050,313** Estimate 1961, **$51,000,000**

NOTE.—Expenditures from the following fund for 1960 are subject to the first paragraph of title II of the Department of Agriculture and Farm Credit Administration Appropriation Act, 1960. For 1961 this paragraph is shown in the Department of Agriculture chapter, p. 357, preceding Federal Crop Insurance Corporation fund.

Public enterprise funds:

COMMODITY CREDIT CORPORATION FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
PRICE SUPPORT, SUPPLY, AND RELATED PROGRAMS AND SPECIAL MILK:			
1. Price support program (Commodity Credit Corporation nonrecourse loan, purchase, and payment programs):			
Direct loan commitments	$521,831,730	$230,000,000	$265,000,000
Guaranteed loan commitments	3,002,682,349	1,824,848,116	1,560,939,500
Purchases of commodities and other obligations	1,378,399,396	3,007,352,983	3,055,652,178
Other obligations	6,645,686	2,612,000	2,500,000
Total price support program	4,909,559,161	5,064,813,099	4,884,091,678
2. Commodity export program: [1]			
Equalization payments	151,095,380	284,500,142	240,772,000
Purchases and other costs	9,991,737	12,610,000	12,274,000
3. Storage facilities program:			
Direct loan commitments	20,865,273	12,125,081	13,600,000
Guaranteed loan commitments	43,722		
Purchases of storage facilities and equipment	689,466	30,000,000	30,000,000
Other expense	86,380	65,000	65,000
4. Supply and foreign purchase program	1,186,445	1,116,152	1,045,298
5. Special milk program (including administrative expense)	$75,932,962	$81,000,000	$85,000,000
6. Undistributed expense:			
Administrative expenses, subject to limitation (excluding special milk)	37,615,883	42,739,900	43,844,900
Interest:			
Treasury	181,409,322	482,875,000	503,000,000
Other	11,129,085	20,863,000	27,163,000
Other expense	33,425,522	30,972,974	15,038,446
Purchase of administrative equipment	916,980	600,000	600,000
Total, price support, supply, and related programs and special milk	5,433,947,318	6,064,280,348	5,856,494,322
SPECIAL ACTIVITIES FINANCED BY COMMODITY CREDIT CORPORATION (see schedule):			
7. Operating costs:			
Commodities transferred from price support program	757,268,843	663,653,824	582,919,000
Other operating costs:			
Interest on balance recoverable	29,543,251	36,844,541	50,259,000
Other program and administrative costs	895,275,862	900,212,619	1,038,247,000
Total other operating costs	924,819,113	937,057,160	1,088,506,000
Total operating costs, funded	1,682,087,956	1,600,710,984	1,671,425,000
8. Capital outlay: Loans made for agricultural conservation purposes (funded)	40,000,000	38,200,000	19,200,000
Total, special activities financed by Commodity Credit Corporation	1,722,087,956	1,638,910,984	1,690,625,000
Total program (obligations)	7,156,035,274	7,703,191,332	7,547,119,322
Financing:			
Amounts becoming available:			
PRICE SUPPORT, SUPPLY, AND RELATED PROGRAMS AND SPECIAL MILK:			
Appropriation for restoration of capital impairment:			
Enacted or recommended in this document	1,760,399,886	1,435,424,413	1,325,000,000
Proposed for later transmission under existing legislation		675,000,000	
Receipts and recoveries from operations:			
1. Price support program:			
Repayment of loans: Direct: To Commodity Credit Corporation	673,490,769	818,482,660	816,069,400
Loans transferred to accounts receivable	848,876		
Sales of commodities [2]	1,656,673,460	2,815,348,817	2,486,963,650
Other revenue and receipts	15,428,189	1,050,000	865,000
Recovery of prior year obligations	182,261,712	152,644,000	178,409,000
Total, price support program	2,528,703,006	3,787,525,477	3,482,307,050
2. Commodity export program:			
Other program revenue	2,345		
3. Storage facilities program:			
Repayment of loans:			
Direct: To Commodity Credit Corporation	10,270,910	10,700,000	10,700,000
Guaranteed: To lending agencies	1,143,828		
Loans transferred to accounts receivable	269,868	310,000	310,000
Other revenue	47,224		
4. Supply and foreign purchase program: Revenue	1,311,232	1,450,615	1,170,298
5. Special milk program: Revenue (recoveries)	1,265,068	1,141,900	1,341,900
6. Undistributed:			
Interest	45,593,253	60,550,541	68,909,000
Other	1,134,049	1,298,500	1,313,200
Recovery of prior year obligations	480,132		
Total, receipts and recoveries from operations	2,590,220,915	3,862,977,033	3,566,051,448
Total, price support, supply, and related programs and special milk	4,350,620,801	5,973,401,446	4,891,051,448

[1] Includes costs represented by the value of commodities transferred from price support program.

[2] Sales under the price support program include the value of (*a*) transfers of commodities to special activities financed by Commodity Credit Corporation, (*b*) transfers of commodities to commodity export program for resale or for delivery against payment-in-kind certificates, (*c*) transfers of strategic and critical materials acquired under barter contracts to the supplemental stockpile and (*d*) sales to processors under contracts providing that the Corporation will repurchase the commodities in another form.

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Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Financing—Continued			
Amounts becoming available—Con.			
SPECIAL ACTIVITIES FINANCED BY COMMODITY CREDIT CORPORATION (see schedule):			
Appropriations:			
Reimbursement to Commodity Credit Corporation for costs of special activities	$1,336,754,811	$1,268,097,500	$1,468,742,000
Reimbursement to Commodity Credit Corporation, National Wool Act (permanent indefinite authorization)	24,453,099	50,050,313	51,000,000
Total appropriations	1,361,207,910	1,318,147,813	1,519,742,000
Unobligated balance no longer available: Reimbursement to Commodity Credit Corporation for costs of special activities		−25,412,562	
Total appropriations, net	1,361,207,910	1,292,735,251	1,519,742,000
Revenue and receipts:			
Recoverable from other than special appropriations to reimburse Commodity Credit Corporation	133,740,411	248,314,986	201,860,000
Repayment of loans for agricultural conservation purposes	33,000,000	36,900,000	30,800,000
Total revenue and receipts	166,740,411	285,214,986	232,660,000
Total, special activities financed by Commodity Credit Corporation	1,527,948,321	1,577,950,237	1,752,402,000
Total amounts becoming available	5,878,569,122	7,551,351,683	6,643,453,448
Unobligated balance brought forward (authorization to expend from public debt receipts)	2,505,668,997	1,228,202,845	1,076,363,196
Total amounts available	8,384,238,119	8,779,554,528	7,719,816,644
Unobligated balance carried forward (authorization to expend from public debt receipts)	−1,228,202,845	−1,076,363,196	−172,697,322
Financing applied to program	7,156,035,274	7,703,191,332	7,547,119,322

The Commodity Credit Corporation engages in buying, selling, lending, and other activities with respect to agricultural commodities, their products, food, feeds, and fibers, for the purpose of stabilizing, supporting, and protecting farm income and prices; assisting in the maintenance of balanced and adequate supplies of such commodities; and facilitating their orderly distribution. The Corporation also makes available materials and facilities required in connection with the production and marketing of such commodities.

The Corporation has an authorized capital stock of $100 million held by the United States, and authority to borrow up to $14.5 billion.

Programs.—The budget is based on the following types of programs: (*a*) price support, (*b*) commodity export, (*c*) storage facilities, (*d*) supply and foreign purchase (*e*) special milk program, and (*f*) special activities.

Obligations and expenditures for these programs include primarily loans, purchases, purchase agreements, carrying charges, incentive and other payments, operating and interest expenses, and advances and current obligations incident to special activities as authorized by specific legislation.

Budget assumptions.—The Corporation's budget estimates for 1960 and 1961 are based on the general assumptions (*a*) that employment, production, and national income will rise moderately both in 1960 and 1961 from the present level; (*b*) that prices will change little, on the average, from the present level; (*c*) that developments in international relations will not be such as to affect Government civilian programs generally; (*d*) that exports of agricultural products generally will be slightly higher than the 1959 level; (*e*) that acreage allotments and marketing quotas will be in effect for the 1960 crops of peanuts, rice, wheat, cotton and certain kinds of tobacco; (*f*) that acreage under the 1960 crop choice B cotton program will be about the same as that for the 1959 crop; and (*g*) that yields will be in line with recent averages.

In considering these estimates, it should be recognized that it is difficult to estimate requirements for the year ending June 30, 1961. They are dependent upon weather conditions and all other factors affecting volume of production of crops not yet planted in this country and abroad, economic conditions generally, food needs in occupied areas and other foreign countries, availability of dollar exchange, and other complex and unpredictable factors.

PRICE SUPPORT, SUPPLY, AND RELATED PROGRAMS AND SPECIAL MILK

1. *Price-support program.*—Price-support operations are carried out under the Corporation's charter powers (15 U.S.C. 714), in conformity with the Agricultural Act of 1949 (7 U.S.C. 1421), the Agricultural Act of 1954 (7 U.S.C. 1741), which includes the National Wool Act of 1954, the Agricultural Act of 1956 (7 U.S.C. 1442), the Agricultural Act of 1958 and with respect to certain types of tobacco, in conformity with the act of July 28, 1945, as amended (7 U.S.C. 1312). Under the Agricultural Act of 1949, price support is mandatory for the basic commodities—corn, cotton, wheat, rice, peanuts, and tobacco—and specific nonbasic commodities, namely, tung nuts, honey, milk, butterfat, and the products of milk and butterfat. Under the Agricultural Act of 1958, as producers of corn voted in favor of the new price-support program for corn authorized by that act, price support is mandatory for barley, oats, rye, and grain sorghums. Price support for wool and mohair is mandatory under the National Wool Act of 1954, through the marketing year ending March 31, 1962. Price support for other nonbasic agricultural commodities is discretionary except that whenever the price of either cottonseed or soybeans is supported, the price of the other must be supported at such level as the Secretary determines will cause them to compete on equal terms on the market. This program may also include operations to remove and dispose of or aid in the removal or disposition of surplus agricultural commodities for the purpose of stabilizing prices at levels not in excess of permissible price-support levels. Legislation will be proposed to the Congress to make the necessary changes in the price-support program, especially for wheat, to reduce the heavy demands of the program on the Federal Treasury.

Price support is made available through loans, purchase agreements, purchases, and other operations, and, in the case of wool and mohair, through incentive payments based on marketings. The producers' commodities serve as collateral for price-support loans. With limited exceptions, price-support loans are nonrecourse and the Corporation looks only to the pledged or mortgaged collateral for satisfaction of the loan. Under a provision of the 1960 Appropriation Act (Public Law 86–80) nonrecourse price support to any person on the 1960 production of any agricultural commodity declared by the Secretary of Agriculture to be in surplus supply is limited to $50,000. Exceptions are made if (*a*) such person reduces his production from the preceding year by a maximum of 20% or (*b*) if the borrower agrees to repay all amounts advanced in excess of $50,000 within a specified period. This limitation will expire June 30, 1960, unless continued by other legislation. Purchase agreements generally are available during the same period that loans are available. By sign-

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COMMODITY CREDIT CORPORATION—Continued

Public enterprise funds—Continued

COMMODITY CREDIT CORPORATION FUND—Continued

ing a purchase agreement, a producer receives an option to sell to the Corporation any quantity of the commodity which he may elect within the maximum specified in the agreement.

In all its price-support operations the Corporation utilizes normal trade facilities to the maximum extent practicable. In its lending activities the Corporation uses local banks, cooperatives, and other financial institutions. Commercial storage facilities are used to a great extent in the storage of loan collateral and in the storage of stocks acquired by the Corporation.

Disposition of commodities acquired by the Corporation in its price-support operations is made in compliance with sections 202, 407, and 416 of the Agricultural Act of 1949, and other applicable legislation, particularly the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691) as amended (Public Law 480), title I of the Agricultural Act of 1954 as amended, title II of the Agricultural Act of 1956 as amended, the Agricultural Act of 1958, the act of August 19, 1958, in the case of cornmeal and wheat flour and the act of September 21, 1959 (73 Stat. 574), with respect to sale of livestock feed in emergency areas. Public Law 480, as amended, authorizes the establishment by the Secretary, beginning February 1, 1960, and ending January 31, 1962, of a food stamp system of surplus food distribution to the needy to assist in disposing of food commodities acquired by the Corporation. The cost of such program may not exceed $250 million for any 12-month period.

To the extent that price-support commodities are disposed of through the commodity export program and special activities, such as sales for foreign currencies, the furnishing of commodities for various purposes, and similar operations, these disposals are for accounting purposes treated as price-support program disposals.

DATA ON PRICE-SUPPORT PROGRAM

[In millions]

	1959 actual	*1960 estimate*	*1961 estimate*
Loans made	$3,525	$2,055	$1,826
Loans repaid	674	819	816
Loan collateral forfeited	1,973	2,059	1,364
Loans outstanding June 30	2,448	1,625	1,271
Acquisitions	3,355	5,090	4,400
Cost of goods sold	2,308	3,718	3,275
Donations	302	249	229
Inventory as of June 30	6,200	7,323	8,219
Investment in price support as of June 30	8,648	8,948	9,490
Net expenditures	2,608	1,080	1,569
Realized losses	805	980	899

2. *Commodity export program.*—The Corporation promotes the export of agricultural commodities and products through sales, barters, payments, and other operations. Such commodities and products may be those held in private trade channels as well as those in Commodity Credit Corporation's inventory. This program is carried out under the authority contained in the Corporation's charter, particularly sections 5(d) and 5(f), and in accordance with specific statutes where applicable, such as sections 407 and 416 of the Agricultural Act of 1949, the International Wheat Agreement Act of 1949 (7 U.S.C. 1641), the Agricultural Trade Development and Assistance Act of 1954, title I of the Agricultural Act of 1954 and title II of the Agricultural Act of 1956. In general, transactions involving foreign currencies are conducted pursuant to the Agricultural Trade Development and Assistance Act of 1954, as amended. However, other such transactions may be conducted under the charter authority.

Obligations under the International Wheat Agreement and titles I, II, and IV of the Agricultural Trade Development and Assistance Act of 1954, as amended, are paid by the Corporation subject to reimbursement from appropriations authorized for such purpose.

Currently, in addition to the exports under the International Wheat Agreement, Commodity Credit Corporation wheat is available for export trade under barter programs of Commodity Credit Corporation at competitive world prices and is also made available to exporters in payment of the price differential between the prevailing world export sales price and the domestic market price which is earned on exports of free-market wheat outside the International Wheat Agreement and under this agreement. Cash payments are made on all exports of wheat flour either under the International Wheat Agreement or outside the agreement. Wheat and flour payments outside the Agreement are made on exports to countries not participating in the Agreement.

In order to encourage movement of cotton, corn, barley, grain sorghums, oats, rye, and rice from free-market supplies into export channels, export payments are made in the form of these commodities from the Corporation's stocks.

Cotton held in the Corporation's inventory is also sold for unrestricted use on a competitive price basis. The Corporation also conducts a cotton products export program designed to protect the competitive position of the domestic cotton industry in relation to sales of cotton products manufactured abroad from American cotton purchased at export prices. Equalization payments, based on the raw cotton content in the products exported, are made to exporters on cotton products of upland cotton grown and wholly processed in the United States.

The Corporation also furnishes agricultural commodities and products for distribution or exhibition at international trade fairs to aid in the development of foreign markets for such commodities.

3. *Storage facilities program.*—This program is carried out under the authority contained in the Corporation's charter, particularly sections 4(h), 4(m), and 5 (a) and (b). The Corporation (*a*) purchases and maintains (in storage deficient areas) granaries and equipment for care and storage of grain owned or controlled by the Corporation; (*b*) makes loans for the construction or expansion of farm-storage facilities; (*c*) provides storage-use guarantees to encourage the construction of commercial storage facilities; and (*d*) undertakes other operations necessary to provide storage adequate to carry out the Corporation's programs.

4. *Supply and foreign purchase program.*—This program is carried out under the authority contained in the Corporation's charter, particularly sections 5 (b) and (c) thereof. The Corporation procures foods, agricultural commodities, their products, and related materials to supply the requirements of Government agencies, foreign governments, and relief and rehabilitation agencies, and to meet domestic requirements. Foods, agricultural commodities and their products are procured or aid is given in their procurement to facilitate distribution or to meet anticipated requirements during periods of short supply. The Corporation may also, through purchases, loans, sales or other means, make available materials and facilities required in connection with the production and marketing of agricultural commodities.

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Operations involving procurement for other Government agencies are conducted in accordance with section 4 of the act of July 16, 1943 (15 U.S.C. 713a–9), which requires that the Corporation be fully reimbursed for services performed, losses sustained, operating costs incurred, or commodities purchased or delivered to or on behalf of any other Government agency from the appropriate funds of such agency. Operations not subject to section 4 of the act may involve losses if such are necessary to the accomplishment of the objectives of the particular operation.

The main activities now carried on are procurement of commodities for the International Cooperation Administration, and initial financing of certain programs authorized under the Defense Production Act to assure adequate supplies of strategic and critical materials. The latter programs are currently in liquidation.

Loan operations.—The following table reflects the loan operations of the Corporation applicable to the preceding programs.

	1959 actual	*1960 estimate*	*1961 estimate*
Loans outstanding, gross, beginning of year:			
Commodity Credit Corporation	$1,171,908,623	$2,250,754,663	$1,244,998,107
Lending agencies	183,547,886	916,490	
Certificates of interest	244,499,383	228,631,115	414,000,000
Total, loans outstanding, gross, beginning of year	1,599,955,892	2,480,302,268	1,658,998,107
Add loans made	3,542,788,688	2,068,448,116	1,839,539,500
Deduct—			
Loans repaid	684,905,507	829,182,660	826,769,400
Acquisition of loan collateral	1,973,291,072	2,059,314,617	1,363,389,600
Transfers to accounts receivable	1,118,744	310,000	310,000
Writeoffs	3,126,989	945,000	550,000
Total, loans outstanding, gross, end of year	2,480,302,268	1,658,998,107	1,307,518,607
Loans outstanding end of year:			
Commodity Credit Corporation	2,250,754,663	1,244,998,107	1,036,518,607
Lending agencies	916,490		
Certificates of interest	228,631,115	414,000,000	271,000,000
Total, loans outstanding, gross, end of year	2,480,302,268	1,658,998,107	1,307,518,607
Deduct allowance for losses	407,183,000	240,188,000	198,473,000
Loans receivable, net (price support and storage facilities)	2,073,119,268	1,418,810,107	1,109,045,607

Inventory operations.—The following table reflects the inventory operations applicable to the preceding programs.

	1959 actual	*1960 estimate*	*1961 estimate*
AGRICULTURAL COMMODITIES			
On hand, start of year	$5,233,987,750	$6,131,144,569	$7,308,386,916
Acquisitions:			
Forfeiture of loan collateral	1,973,290,685	2,059,314,617	1,363,389,600
Excess of collateral acquired over loans canceled	87,076,550	66,832,266	72,494,400
Purchases	498,382,760	2,003,486,401	1,950,810,298
Transfers and exchanges, net	−13,223,751		
Carrying charges	653,223,805	781,558,468	888,513,778
Total, acquisitions	3,198,750,049	4,911,191,752	4,275,208,076
Dispositions:			
Donations to—			
Veterans Administration and Armed Forces	41,264,324	29,365,000	24,055,000
Emergency feed program	509,599	4,699,000	4,764,000
Needy persons, domestic	80,169,875	93,907,483	75,047,000
Needy persons, foreign (excluding title II, Public Law 480)	178,669,760	120,905,000	125,145,000
Research, experimentation, education, etc.	1,127,831	373,000	255,000
Total, donations	301,741,389	249,249,483	229,266,000
Sales and transfers:			
Bartered for strategic materials	127,203,767	130,726,400	96,329,000
Special programs:			
International Wheat Agreement	28,356,964	35,680,000	50,370,000
Title I, Public Law 480	355,380,927	321,875,881	334,094,000
Title II, Public Law 480	58,786,032	68,840,500	71,720,000
Migratory waterfowl feed	17,363	35,000	35,000
Total special programs	442,541,286	426,431,381	456,219,000
Commodity export program, payment-in-kind deliveries and other transfers	88,921,755	235,852,000	201,203,000
Other sales	826,287,778	1,948,254,389	1,715,418,948
Net loss on sales and transfers	514,897,255	743,435,752	680,841,754
Total, sales and transfers	1,999,851,841	3,484,699,922	3,150,011,702
Total, dispositions	2,301,593,230	3,733,949,405	3,379,277,702
AGRICULTURAL COMMODITIES—continued			
On hand, end of year	$6,131,144,569	$7,308,386,916	$8,204,317,290
Less allowance for losses	2,587,027,000	3,044,763,000	3,308,267,000
On hand, end of year, net	3,544,117,569	4,263,623,916	4,896,050,290
STRATEGIC AND CRITICAL MATERIALS			
On hand, start of year	221,597,154	69,951,145	15,000,000
Acquisitions:			
Delivered by barter contractors	152,086,635	174,521,298	120,000,000
Carrying charges	5,271,098	5,500,000	5,500,000
Total, acquisitions	157,357,733	180,021,298	125,500,000
Dispositions:			
National stockpile and other agencies	61,245		
Special program: Supplemental stockpile	314,727,557	237,222,443	126,700,000
Difference between cost and transfer value	−5,785,060	−2,250,000	−1,200,000
Total, dispositions	309,003,742	234,972,443	125,500,000
On hand, end of year	69,951,145	15,000,000	15,000,000
Less allowance for losses	46,000		
On hand, end of year, net	69,905,145	15,000,000	15,000,000

5. *Special milk program.*—Public Law 85–478 (7 U.S.C. 1446 note), as amended, authorized the use of not to exceed $81 million for 1960 and $84 million for 1961, of Commodity Credit Corporation funds to increase the consumption of fluid milk by children in nonprofit schools of high-school grade and under and in nonprofit nursery schools, child-care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children. The act further provides that amounts spent shall not be considered expended for the purpose of carrying out the price-support program.

6. *Undistributed expenses.*—There are a number of expenses which are not allocated to a specific program. These include interest on the capital stock of the Corporation, on borrowings from Treasury, and on other obligations evidencing loans made by lending agencies, administrative expenses, and other miscellaneous costs, including expenses of the agricultural stabilization and conservation county committees, and Federal Reserve banks in connection with the Corporation's programs.

Administrative expenses are for the operating staff, including the services of employees of the Commodity Stabilization Service engaged in Commodity Credit Corporation activities, services performed by other agencies of the Department, costs of audit, and payments to the General Services Administration for space in the District of Columbia and rent of field office space. Also included, for the first time, are funds for the International Cooperation Administration for services including program screening and end-use audit of the foreign donation program under section 416 of the Agricultural Act of 1949. Estimates for 1961 include a limitation of $48,428,000 for costs of administration including a reserve of not less than 7% for contingencies. The requested authorization excludes administrative expenses in connection with the supply and foreign purchase program, the wool and mohair program under the National Wool Act of 1954, the International Wheat Agreement, and the sale of long staple cotton transferred from the national stockpile, since it is contemplated that full reimbursement will be received for these expenses. Such reimbursement will be obtained and used in 1961 in the same manner as in previous years.

Expenses in connection with the acquisition, operation, maintenance, improvement, or disposition (including inspection, classing, and grading work performed on a fee basis by Federal employees or Federal- or State-licensed inspectors and work performed on a contract basis by agricultural stabilization and conservation county committees) of property which the Corporation owns or in

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COMMODITY CREDIT CORPORATION—Continued

Public enterprise funds—Continued

COMMODITY CREDIT CORPORATION FUND—Continued

which it has an interest have been treated as program rather than administrative expenses. Similarly, expenses of other Federal agencies whose services are utilized in the handling of Commodity Credit Corporation property are treated as program expenses. Such expenses would include the fleet storage operation of the Maritime Administration conducted intermittently since 1949 and the services rendered by the General Services Administration in connection with the strategic, critical, and other materials acquired by the Corporation.

SPECIAL ACTIVITIES FINANCED BY COMMODITY CREDIT CORPORATION

7. *Special activities.*—These activities are carried out under authority of section 5(g) of the Corporation's charter and specific statutory authorizations or directives with respect thereto which are currently in effect or which may subsequently be enacted.

Except with respect to the activities set forth in items (11) and (12) where losses, if any, would be recovered through the general restoration of capital impairment, the Corporation receives reimbursement for costs of these activities through regular appropriations. Appropriations to reimburse the Corporation for 1956 and prior years' costs of such activities have been included in the regular appropriations to the Department for the second year following the year in which the costs were incurred. The 1957 and 1958 costs were recovered through supplemental appropriations in 1958 and 1959, respectively. The 1961 estimate for 1960 costs continues the acceleration of the time of recovery by the Commodity Credit Corporation to minimize the possibility that the Corporation will not have sufficient borrowing authority to conduct its mandatory price-support operations. Reimbursement for 1961 costs will be requested in a later budget.

Activities currently being carried out are as follows:

(1) *International Wheat Agreement—(7 U.S.C. 1641–1642).*—This agreement, which was renewed for a period of 3 years effective August 1, 1959, operates to provide an assured market for wheat to exporting countries and assured supplies of wheat to importing countries at stable and equitable prices. The maximum and minimum prices in the 1959 agreement are $1.90 and $1.50 per bushel, respectively, for the basic grade of wheat, No. 1 Manitoba Northern, at Fort William/Port Arthur, Canada, in terms of Canadian currency at the parity for the Canadian dollar determined for the purposes of the International Monetary Fund as at March 1949. The agreement total quantity represents about 36% of world trade in wheat, yet the nine exporting member countries export inside and outside the agreement about 90% of all wheat moving in world trade.

Funds of Commodity Credit Corporation and its stocks of wheat are used to pay (*a*) the difference between the selling prices prevailing under the agreement and the domestic market price of wheat, and (*b*) administrative and interest costs. The payment of the differential between the prevailing sales price of wheat under the agreement and the market price is paid to the exporter in Commodity Credit Corporation stocks of wheat rather than in cash. A cash payment for this differential is made for flour. The estimate for 1961 of $49,042,000 provides for reimbursing the Corporation for costs incurred in 1960 when an estimated 82.5 million bushels of wheat and wheat flour will be exported under the agreement.

(2) *Emergency famine relief to friendly peoples.*—The Commodity Credit Corporation, through December 31, 1961, is directed, under title II of Public Law 480 (7 U.S.C. 1703, 1721–1724), to make its stocks of agricultural commodities available for emergency assistance to friendly peoples in meeting famine or other urgent relief requirements and to pay ocean freight charges for the shipment of donated commodities. Through June 30, 1959, commitments undertaken under this authority totaled $546 million. Of this amount the value of commodities authorized for shipment totaled $449 million of which more than three quarters, or $340 million, was for grain, including rice. Actual commodity and freight costs incurred through June 30, 1959, were $510 million. During 1960 and 1961, additional commodity and freight costs of $113 million and $117 million, respectively, are expected to be incurred under the program.

Appropriations are authorized to reimburse the Corporation for its costs in carrying out the program. Through December 31, 1959, a total of $800 million was authorized. From January 1, 1960, $300 million per calendar year is authorized through December 31, 1961, plus unused balances of the previous authorization. The estimate for 1961 of $115 million provides such reimbursement for estimated operations during 1960.

It is estimated that total costs under this program will approximate $760 million by June 30, 1961, and the following reflects the costs incurred in carrying out this program:

Fiscal year	*Program expenditures*	*Interest*	*Total*
1955	$86,623,135	$273,329	$86,896,464
1956	91,277,033	2,307,966	93,584,999
1957	120,429,754	4,460,886	124,890,640
1958	116,001,011	5,444,617	121,445,628
1959	95,510,719	2,417,061	97,927,780
1960 (estimate)	112,745,000	2,255,000	115,000,000
1961 (estimate)	117,360,000	2,640,000	120,000,000
Cumulative totals	739,946,652	19,798,859	759,745,511

(3) *Sales of surplus agricultural commodities for foreign currencies.*—Under the Agricultural Trade Development and Assistance Act (7 U.S.C. 1701–1709), surplus agricultural commodities are sold for foreign currencies. These currencies may then be used within certain limitations by the United States Government for agricultural market development, purchase of strategic materials, military equipment facilities and services for the common defense, payment of U.S. obligations, military family housing, international education exchange, acquisition of quarters abroad, participation in fairs and related activities, medical and scientific activities, American-sponsored schools abroad, translation, publication and distribution of books and audio-visual educational materials abroad, analysis and estimation of foreign books, supporting workshops in American studies and educational techniques, emergency relief requirements other than surplus food commodities, acquisition of buildings and grounds abroad for U.S. Government use, and loans for multilateral trade and economic development. If appropriations are available for a purpose for which foreign currencies are used, the agency must buy the currency for dollars which are used to reimburse the Commodity Credit Corporation. Through June 30, 1959, 158 agreements had been signed with 38 countries for commodities representing an export market value of $3,701.2 million, including ocean transportation of $393.7 million. The major commodities

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included were wheat, cotton, and fats and oils which together amounted to 77% of the total value of the agreements. Through that date commodities with an export market value of about $2,810.1 million had been shipped. The total dollar equivalent of foreign currencies deposited in the Treasury through June 30, 1959, amounted to $2,934,526,588.

Appropriations are authorized to reimburse the Corporation for its net costs in carrying out this program. Through December 31, 1959, a total of $6.25 billion was so authorized. From January 1, 1960, $1.5 billion per calendar year is authorized through December 31, 1961, plus unused balances of the previous authorization. The estimate in 1961 of $881,000,000 covers estimated unreimbursed costs of operations through 1960 amounting to $1,235,620,260 less $354,620,260 representing the dollar equivalent of various foreign currencies received for agricultural commodities exported as of June 30, 1960, for which the Corporation may eventually be reimbursed in dollars or which may be used for military housing with subsequent reimbursement from net rental receipts.

The following table reflects the net costs incurred by Commodity Credit Corporation by years:

Fiscal year	*Program expenditures*	*Interest*	*Total*
1955	$129,164,632	$355,528	$129,520,160
1956	616,963,458	7,263,254	624,226,712
1957	1,361,973,711	34,399,783	1,396,373,494
1958	1,089,007,675	55,710,312	1,144,717,987
1959	1,089,071,676	24,182,660	1,113,254,336
1960 (estimate)	1,100,000,000	29,296,541	1,129,296,541
1961 (estimate)	1,250,000,000	40,860,000	1,290,860,000
Cumulative totals	6,636,181,152	192,068,078	6,828,249,230
Deduct sales of currencies and rental collections	423,537,385	----------	423,537,385
Net Commodity Credit Corporation costs	6,212,643,767	192,068,078	6,404,711,845
Appropriations through June 30, 1961			4,877,849,228
Unreimbursed costs, June 30, 1961			1,526,862,617

The following reflects the computation of the appropriations:

	Program year		
	1959	*1960*	*1961*
Due at end of program year	$1,148,505,355	$1,235,620,260	$1,526,862,617
Less—			
Due from Department of Defense	44,757,462	67,914,854	86,397,211
Estimated to be recovered through sale of foreign currencies and net rental income from military housing	135,731,893	286,705,406	351,465,406
Subtotal	180,489,355	354,620,260	437,862,617
Appropriation: 1960, 1961, and 1962	968,016,000	881,000,000	1,089,000,000

The following reflects the utilization of the foreign currencies acquired under this program:

	[*In millions*]		
	1959	*1960*	*1961*
Foreign currency, start of year:			
Balance with Treasury	$1,412.4	$1,661.4	$1,738.5
Collections in transit to Commodity Credit Corporation	6.4	----------	----------
Receivable from foreign governments	128.4	70.1	70.1
Total	1,547.2	1,731.5	1,808.6
Commodities shipped: Commodity Credit Corporation cost:			
Commodity Credit Corporation-owned commodities	355.4	321.9	334.1
Private stocks financed by Commodity Credit Corporation including ocean transportation	696.6	743.1	880.9
Ocean freight differential	37.1	35.0	35.0
Interest expense	24.2	29.3	40.9
Total, Commodity Credit Corporation cost	1,113.3	1,129.3	1,290.9
Deduct—			
Ocean freight differential	37.1	35.0	35.0
Adjustment to export market value, including ocean transportation where applicable	297.6	253.8	343.4
Foreign currencies becoming due	778.6	840.5	912.5
Deduct foreign currency dispositions:			
Received from Treasury sales	$89.7	$69.2	$114.1
Expended by Defense for military family housing	14.8	28.5	23.0
Expended by other agencies without reimbursement to Commodity Credit Corporation	450.6	625.7	751.9
Adjustment due to difference in exchange rates	39.2	40.0	40.0
Total, dispositions	594.3	763.4	929.0
Foreign currency, end of year:			
Balance with Treasury	1,661.4	1,738.5	1,722.0
Receivable from foreign governments	70.1	70.1	70.1
Total	1,731.5	1,808.6	1,792.1
Less allowance for loss and future expenditures with reimbursement by special appropriations to Commodity Credit Corporation	1,551.0	1,454.0	1,354.2
Recoverable from future sales of currencies and net receipts from military family housing	180.5	354.6	437.9

(4) *Long-term supply contracts.*—Under title IV of the Agricultural Trade Development and Assistance Act (73 Stat. 610), the President is authorized to make agreements with friendly nations under which the United States would deliver surplus commodities over periods of up to 10 years and accept payment in dollars with interest over periods of up to 20 years. The funds and assets of the Corporation are authorized to be used to carry out the provisions of title IV and appropriations are authorized to reimburse the Corporation therefor. Operating policies and plans have not yet been developed on which to base an estimate of possible activity under this title.

(5) *Transfer of Commodity Credit Corporation grain to Interior for migratory waterfowl feed.*—The Commodity Credit Corporation is directed to make available to the Secretary of the Interior (7 U.S.C. 442–446), such grain acquired through price-support operations and certified by the Commodity Credit Corporation to be available for such purposes or in such condition as to be undesirable for human consumption, as the Secretary of the Interior shall requisition.

During 1959, a total of 275 tons of Commodity Credit Corporation grain, with an investment value of $17,363, were transferred under this program. It is estimated that 400 tons of grain will be transferred in each of 1960 and 1961 at a cost to Commodity Credit Corporation of $35,000. The estimate for 1961 provides for reimbursement for operations during 1960.

(6) *Transfer of bartered materials to supplemental stockpile.*—The Commodity Credit Corporation is directed under title II of the Agricultural Act of 1956 (7 U.S.C. 1856) to transfer strategic and other materials acquired as a result of barter and exchange of agricultural commodities, other than those acquired for the national stockpile or for other purposes, to the supplemental stockpile. The act authorizes appropriations to reimburse the Corporation for amounts equal to the market value of materials transferred.

During 1959, materials valued at $314,727,557 were transferred under this program. An estimated $237,222,443 worth of materials will be transferred in 1960 and $126,700,000 in 1961. The estimate for 1961 provides for reimbursement of $422,950,000. Of this amount $185,727,557 represents unrecovered 1959 transfers and $237,222,443 are the estimated transfers to be made in 1960.

(7) *Grading and classing activities.*—The Commodity Credit Corporation makes advances to the Agricultural Marketing Service for classing and grading of agricultural commodities without charge to producers (7 U.S.C. 414a). Such advances used for classing cotton and grading tobacco not placed under price-support loan must be repaid from subsequent appropriations. An appropriation for 1961

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COMMODITY CREDIT CORPORATION—Continued

Public enterprise funds—Continued

COMMODITY CREDIT CORPORATION FUND—Continued

of $715,000 is proposed for repaying advances to be received in 1960.

(8) *Soil bank program.*—Pursuant to section 120 of the Agricultural Act of 1956 (7 U.S.C. 1808) the Secretary of Agriculture utilizes the facilities of the Corporation for making payments to farmers under this program.

(9) *National Wool Act.*—Under the provisions of the National Wool Act of 1954, as amended, incentive payments are being used to encourage the annual domestic production of approximately 300 million pounds of shorn wool. Support of prices of wool and mohair is mandatory. Incentive payments are made to eligible producers on a percentage basis, reflecting the amount required to bring the national average received by all producers up to the announced incentive level. The incentive level shall not exceed 110% of parity. In a referendum conducted in September 1959, wool and lamb producers voted to continue the deduction from their incentive payment of an amount not to exceed 1 cent per pound of wool and 5 cents per hundredweight of unshorn lambs marketed. These funds financed promotional, advertising, and related market-development activities by the American Sheep Producers' Council, Inc., under an agreement with the Secretary of Agriculture.

COSTS OF THE NATIONAL WOOL ACT

	Fiscal year 1959 1957 marketing year (actual)	*Fiscal year 1960 1958 marketing year (estimate)*	*Fiscal year 1961 1959 marketing year (estimate)*
Volume of marketings:			
Shorn wool, pounds	152,213,400	295,000,000	251,900,000
Unshorn lambs, cwt	10,515,600	10,500,000	11,000,000
Incentive payments:			
Per pound, shorn wool, cents	8.3	25.6	21.0
Per hundredweight, unshorn lambs, cents	33.0	102.0	84.0
Incentive payments:			
Shorn wool	$12,633,712	$75,520,000	$52,899,000
Unshorn lambs	3,470,164	10,710,000	9,240,000
Promotional and advertising programs [1]	(2,028,301)	(3,400,000)	(3,000,000)
Total payments	16,103,876	86,230,000	62,139,000
Administrative expenses	2,749,559	2,950,000	2,950,000
Interest expense	1,220,941	4,331,000	5,259,000
	20,074,376	93,511,000	70,348,000
Prior year adjustments (recoveries)	−48,549		
Total	20,025,827	93,511,000	70,348,000

[1] Deductions from producer payments.

Total payments made under the National Wool Act cannot at any time exceed an amount equal to 70% of the accumulated totals, as of the same date, of the gross receipts from import duties collected on and after January 1, 1953, on wool and wool manufactures. Actual and estimated payments compared with this limitation are as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
70% of customs receipts on wool and wool manufactures cumulative from Jan. 1, 1953 (calendar years) (estimate)	$291,034,432	$342,034,000	$393,034,000
Cumulative incentive payments (fiscal years)	125,640,083	211,870,083	274,009,083
Balance of limitation available	165,394,349	130,163,917	119,024,917

Funds of the Commodity Credit Corporation are used to carry on the wool incentive program. A permanent appropriation is provided to reimburse the Corporation, but the yearly amount is limited to 70% of all duties collected on wool and wool manufactures during the preceding calendar year. Estimated costs and reimbursements to Commodity Credit Corporation during 1959, 1960, and 1961 are indicated in the following table:

	1959 actual	*1960 estimate*	*1961 estimate*
Due at beginning of year	$88,803,121	$84,375,849	$127,836,536
Costs for year:			
Program	18,804,886	89,180,000	65,089,000
Interest	1,220,941	4,331,000	5,259,000
Total	20,025,827	93,511,000	70,348,000
Total due	108,828,948	177,886,849	198,184,536
Reimbursement to Commodity Credit Corporation	24,453,099	50,050,313	51,000,000
Due Commodity Credit Corporation at end of year	84,375,849	127,836,536	147,184,536
Less—			
Amount recovered from permanent appropriation (70% of customs receipts)	24,453,099	50,050,313	51,000,000
Balance due Commodity Credit Corporation recoverable from subsequent years' customs receipts	9,872,437	26,786,223	45,184,536
Appropriation: 1960, 1961, and 1962	50,050,313	51,000,000	51,000,000

(10) *Loans to Secretary of Agriculture for conservation program.*—Under section 391(c) of the Agricultural Act of 1938, as amended (7 U.S.C. 1391), the Corporation advances funds to the Secretary in amounts not to exceed $50 million annually to purchase conservation materials and services. Repayments of the loans plus interest are made as soon as practicable in the succeeding fiscal year from appropriated funds.

(11) *Military housing (Public Law 84–161 (5 U.S.C. 171z–1)).*—During 1957 a contract was completed for the disposition of Commodity Credit Corporation-owned commodities valued at $50 million for the construction of military housing in France with foreign currencies obtained from this transaction. Proceeds from rental and quarters allowances will be paid by the Department of Defense over a long period of years to reimburse the Corporation pursuant to Public Law 84–161.

(12) *Transfer of long-staple cotton from national stockpile for sale by Commodity Credit Corporation.*—Public Law 85–96, approved July 10, 1957 (71 Stat. 290), authorizes the transfer of 50,000 bales of domestically grown extra long-staple cotton from the national stockpile to the Corporation for sale. Proceeds less costs incurred, including administrative expenses, are covered into the Treasury as miscellaneous receipts.

FINANCING THE PROGRAMS

Financing.—The programs of the Commodity Credit Corporation are financed by capital stock, borrowings, guarantees to purchase notes or other obligations evidencing loans made by leading agencies, issuance of certificates of interest in loans held by the Corporation, restoration of capital impairment, appropriations to reimburse the Corporation for costs of special activities, and receipts from operations.

Borrowing authority.—The Corporation has an authorized capital stock of $100,000,000 held by the United States, and authority to borrow up to $14,500,000,000.

Funds are borrowed from Treasury and may also be borrowed from private lending agencies. During the fiscal year 1960, the Corporation extended its certificate of interest method of financing cotton and grain loans to all commodity loans held by the Corporation. It is contemplated that this plan will continue in effect in the fiscal year 1961. All bonds, notes, debentures, and similar obligations issued by the Corporation are subject to approval by the Secretary of the Treasury as required by the act of March 8, 1938 (15 U.S.C. 713a–4). Interest

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on borrowings from the Treasury (and on capital stock) is paid in accordance with a policy of the Treasury that the rate shall be based upon the average interest rate on all outstanding marketable obligations (of comparable maturity date) of the United States as of the preceding month. In connection with loan guarantees and certificates of interest, the Corporation reserves a sufficient amount of its borrowing authority to purchase at any time all notes and other obligations evidencing loans made or certificates held by lending agencies. Interest is also paid on these obligations for the period the agencies have their funds invested. Currently, the interest rate paid is below that paid on Treasury borrowings. An appropriation in 1961 to reimburse the Corporation for funds used for 1960 costs of special programs and certain advances to other agencies is included in the estimates.

On the basis of the budgetary assumptions heretofore described, the consequent estimated program requirements currently indicate a need for additional borrowing authority late in 1960 to provide a desirable margin of safety for operations of the Corporation. By May and June 1961, however, the available balance of borrowing authority will be at a low level. There are so many uncontrollable factors affecting the programs of the Corporation involving crops which have not even been planted, that estimates of the use of borrowing authority are highly tentative.

POSITION WITH RESPECT TO BORROWING AUTHORITY AS OF JUNE 30

[In millions]

	1959 actual	*1960 estimate*	*1961 estimate*
Statutory borrowing authority	$14,500	$14,500	$14,500
Deduct borrowings from Treasury	12,874	12,970	14,032
Obligations to purchase loans or certificates held by lending agencies (guaranteed by Commodity Credit Corporation)	230	414	271
Total statutory borrowing authority outstanding	13,104	13,384	14,303
Net statutory borrowing authority available	1,396	1,116	197

NOTE.—This table does not reflect the following charges: Accounts payable, accrued liabilities, and obligations outstanding other than obligations to purchase loans and certificates held by banks. These do not become charges against the statutory borrowing authority until they result in borrowings from Treasury or loans or certificates held by banks.

Restoration of capital impairment.—Pursuant to the act of March 8, 1938, as amended (15 U.S.C. 713a–1), an appraisal of the assets and liabilities of the Corporation is made each year by the Secretary of the Treasury to determine the net worth. If the net worth is less than $100 million, the Secretary of the Treasury restores the amount of capital impairment; if net worth is more than $100 million the Corporation pays the surplus to the Treasury (15 U.S.C. 713a–2). The appraisal of assets is on the basis of cost to the Corporation. The capital impairment, therefore, represents realized losses. The unrestored realized losses reflected on the books of the Corporation for 1959 were $1,307,000,994, including $100 million of 1958 losses. A supplemental appropriation of $675 million is proposed for later transmission in 1960 to restore $575 million of the Corporation's capital impairment as of June 30, 1959, and $100 million to restore the unrecovered balance of the 1958 realized losses. In addition, included in the estimates for 1961 is an appropriation of $1,325,000,000 to restore the 1959 unrecovered realized losses of $632,000,994 and an advance restoration of $692,999,006 of the estimated 1960 realized losses of $1,867,750,000. Ordinarily, this would be included in the 1962 budget. However, it is anticipated that the Corporation's borrowing authority will be exhausted by January 1961, and an earlier restoration of capital would minimize the possibility for the need for an increase in borrowing authority.

Receipts from operations.—These include proceeds from sales of commodities, loan repayments, interest income, advances, reimbursements for special activities financed by the Corporation other than from special appropriations, and miscellaneous income, refunds, and collections.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
PRICE SUPPORT, SUPPLY, AND RELATED PROGRAMS AND SPECIAL MILK			
Gross expenditures (funds applied):			
Price support program	$4,953,902,284	$4,715,110,214	$4,873,032,678
Less commodity transfers to—Special activities financed by Commodity Credit Corporation	757,268,843	663,653,824	582,919,000
Commodity export program	127,124,362	285,802,000	248,945,000
Price support program, net of transferred charges	4,069,509,079	3,765,654,390	4,041,168,678
Commodity export program: Expense	132,436,160	295,410,000	260,441,000
Storage facilities program: Acquisition of assets	19,935,076	44,516,490	43,600,000
Expense	86,380	65,000	65,000
Supply and foreign purchase program: Expense	1,186,445	1,116,152	1,045,298
Special milk program: Expense (including administrative)	75,932,962	81,000,000	85,000,000
Undistributed expenses: Administrative expense subject to limitation (excluding special milk)	37,615,883	42,739,900	43,844,900
Interest expense: Treasury	181,409,322	482,875,000	503,000,000
Other	11,129,085	20,863,000	27,163,000
Other expense	12,197,368	27,876,923	27,891,446
Total gross expenditures	4,541,437,760	4,762,116,855	5,033,219,322
Receipts from operations (funds provided):			
Price support program, net	1,462,048,089	2,685,425,653	2,472,034,050
Commodity export program: Revenue	2,345		
Storage facilities program: Receipts from loans	10,540,778	11,010,000	11,010,000
Other program revenue	47,224		
Supply and foreign purchase program: Revenue	1,311,232	1,450,615	1,170,298
Special milk program: Revenue (recoveries)	1,265,068	1,141,900	1,341,900
Undistributed: Interest and other revenue	47,207,434	61,849,041	70,222,200
Decrease in selected working capital	169,437,898	93,704,404	114,535,000
Total receipts from operations	1,691,860,068	2,854,581,613	2,670,313,448
Budget expenditures, price support, supply, and related programs and special milk	2,849,577,692	1,907,535,242	2,362,905,874
SPECIAL ACTIVITIES FINANCED BY COMMODITY CREDIT CORPORATION (see schedule)			
Gross expenditures (funds applied):			
Commodities transferred from price support program	757,268,843	663,653,824	582,919,000
Other program expenses	895,275,862	900,212,619	1,038,247,000
Interest on balance recoverable	29,543,251	36,844,541	50,259,000
Increase in selected working capital (soil bank and other)	56,277,886	238,874,494	85,590,357
Loans for agricultural conservation purposes	40,000,000	38,200,000	19,200,000
Total gross expenditures	1,778,365,842	1,877,785,478	1,776,215,357
Receipts from operations (funds provided):			
Recovered from other than special appropriations to reimburse Commodity Credit Corporation	133,740,411	248,314,986	201,860,000
Repayment of loans for agricultural conservation purposes	33,000,000	36,900,000	30,800,000
Total receipts from operations	166,740,411	285,214,986	232,660,000
Budget expenditures, special activities financed by Commodity Credit Corporation	1,611,625,431	1,592,570,492	1,543,555,357
Total net budget expenditures	4,461,203,123	3,500,105,734	3,906,461,231

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COMMODITY CREDIT CORPORATION—Continued

Public enterprise funds—Continued

COMMODITY CREDIT CORPORATION FUND—Continued

Revenue, Expense, and Retained Earnings

	1959 actual	1960 estimate	1961 estimate
PRICE SUPPORT, SUPPLY, AND RELATED PROGRAMS AND SPECIAL MILK			
Price support program:			
Revenue	$1,810,964,533	$2,990,920,115	$2,607,828,650
Expense	2,615,989,843	3,970,895,233	3,506,727,404
Net loss (−) (realized)	−805,025,310	−979,975,118	−898,898,754
Increase (−) or decrease in allowance for losses (unrealized)	−604,903,902	−290,882,000	−221,789,000
Net operating loss (−), price support program	−1,409,929,212	−1,270,857,118	−1,120,687,754
Commodity export program:			
Net operating loss (−) (realized), commodity export program	−132,433,815	−295,410,000	−260,441,000
Storage facilities program: Expense: [1] Net operating loss (−) (realized), storage facilities program	−39,156	−65,000	−65,000
Supply and foreign purchase program:			
Revenue	1,311,232	1,450,615	1,170,298
Expense	1,001,827	1,386,615	1,090,298
Net operating income (realized), supply and foreign purchase program	309,405	64,000	80,000
Special milk program:			
Revenue	1,265,068	1,141,900	1,341,900
Expense (including administrative)	75,932,962	81,000,000	85,000,000
Net operating loss (−) (realized), special milk program	−74,667,894	−79,858,100	−83,658,100
Undistributed:			
Revenue	47,207,434	61,849,041	70,222,200
Expense	242,351,658	574,354,823	601,899,346
Net loss (−) (realized)	−195,144,224	−512,505,782	−531,677,146
Increase (−) or decrease in allowance for losses (unrealized)	−311,609	356,928	53,000
Net operating loss (−), undistributed	−195,455,833	−512,148,854	−531,624,146
Net loss (−) for the year:			
Realized	−1,207,000,994	−1,867,750,000	−1,774,660,000
Unrealized	−605,215,511	−290,525,072	−221,736,000
Net loss (−) for the year, price support, supply, and related programs and special milk	−1,812,216,505	−2,158,275,072	−1,996,396,000
Analysis of deficit (−):			
Deficit (−), beginning of year	−5,711,270,716	−5,763,087,335	−5,810,937,994
Appropriation for restoration of capital impairment:			
Enacted or recommended in this document	1,760,399,886	1,435,424,413	1,325,000,000
Proposed for later transmission under existing legislation		675,000,000	
Deficit (−), end of year, price support, supply, and related programs and special milk	−5,763,087,335	−5,810,937,994	−6,482,333,994
SPECIAL ACTIVITIES FINANCED BY COMMODITY CREDIT CORPORATION			
Revenue: Reimbursements received	133,740,411	248,314,986	201,860,000
Expense	1,682,087,956	1,600,710,984	1,671,425,000
Net loss (−), for the year, special activities financed by Commodity Credit Corporation	−1,548,347,545	−1,352,395,998	−1,469,565,000
Deficit (−), beginning of year	−1,411,917,154	−1,599,056,789	−1,658,717,536
Reimbursement from special appropriations, net (see schedule)	1,361,207,910	1,292,735,251	1,519,742,000
Deficit (−), end of year, special activities financed by Commodity Credit Corporation	−1,599,056,789	−1,658,717,536	−1,608,540,536
Total deficit (−), end of year, all transactions of Commodity Credit Corporation	−7,362,144,124	−7,469,655,530	−8,090,874,530

[1] Operation and maintenance costs applicable to owned structures are reflected as carrying charges on the commodities stored.

Financial Condition

	1959 actual	1960 estimate	1961 estimate
Assets:			
Cash with Treasury and in banks	$33,366,006	$32,419,936	$32,700,705
Accounts receivable, net (price support, supply, and related programs and special milk)	262,852,870	178,288,000	119,541,000
Commodities under contract to purchase, net	15,520,000	10,422,000	10,422,000
Deferred and undistributed charges, net	26,317,090	29,900,000	17,700,000
Commodities for sale, net:			
Agricultural commodities	3,544,117,569	4,263,623,916	4,896,050,290
Strategic and critical materials	69,905,145	15,000,000	15,000,000
Total commodities for sale, net	3,614,022,714	4,278,623,916	4,911,050,290
Loans receivable, net:			
Price support and storage facilities loans	2,073,119,268	1,418,810,107	1,109,045,607
Loans for agricultural conservation purposes (special activities financed by Commodity Credit Corporation)	29,500,000	30,800,000	19,200,000
Total loans receivable, net	2,102,619,268	1,449,610,107	1,128,245,607
Amounts recoverable from other than special appropriations (special activities financed by Commodity Credit Corporation):			
Sales of surplus agricultural commodities for foreign currencies:			
Due from foreign currencies to be sold and net rental income from military housing	135,731,893	286,705,406	351,465,406
Due from Department of Defense for foreign currencies used in military housing construction (Public Law 480)	44,757,462	67,914,854	86,397,211
Subtotal	180,489,355	354,620,260	437,862,617
Due from Department of Defense from receipts from military housing rentals (Public Law 161, barter and exchange)	43,009,496	48,500,000	45,500,000
Total amounts recoverable from other than special appropriations	223,498,851	403,120,260	483,362,617
Land, structures, and equipment, net	139,855,251	156,810,251	172,140,251
Total assets	6,418,052,050	6,539,194,470	6,875,162,470
Liabilities:			
Loans and certificates held by lending agencies	229,547,605	414,000,000	271,000,000
Price support, supply, and related programs and special milk	455,256,484	462,711,000	506,246,000
Special activities financed by Commodity Credit Corporation:			
National Wool Act payments due producers	86,250,000	62,139,000	56,791,000
Unused soil bank advances	34,720,145		
Other	421,940		
Total, special activities financed by Commodity Credit Corporation	121,392,085	62,139,000	56,791,000
Total liabilities	806,196,174	938,850,000	834,037,000
Government investment:			
Interest-bearing capital:			
Start of year	11,628,000,000	12,974,000,000	13,070,000,000
Borrowings from Treasury during year, net	1,346,000,000	96,000,000	1,062,000,000
End of year	12,974,000,000	13,070,000,000	14,132,000,000
Deficit (−):			
Price support, supply, and related programs and special milk:			
Net realized deficit (−)	−2,742,425,407	−2,499,750,994	−2,949,410,994
Net unrealized deficit (−)	−3,020,661,928	−3,311,187,000	−3,532,923,000
Total deficit (−), price support, supply, and related programs and special milk	−5,763,087,335	−5,810,937,994	−6,482,333,994
Total deficit (−), special activities financed by Commodity Credit Corporation	−1,599,056,789	−1,658,717,536	−1,608,540,536
Total deficit (−)	−7,362,144,124	−7,469,655,530	−8,090,874,530
Total Government investment	5,611,855,876	5,600,344,470	6,041,125,470

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Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash with Treasury	$26,961,333	$33,366,006	$32,419,936	$32,700,705
Budget authorization:				
Enacted or recommended in this document	2,972,000,000	1,626,000,000	855,000,000	468,000,000
Proposed for later transmission under existing legislation			675,000,000	
Total unexpended balance	2,998,961,333	1,659,366,006	1,562,419,936	500,700,705
Obligated balance, net:				
Liabilities	864,530,414	806,196,174	938,850,000	834,037,000
Obligations other than liabilities:				
Price support, supply, and related programs and special milk:				
Purchase agreements outstanding	69,484,000	49,459,000	66,060,000	41,710,000
Unrecorded claims	1,913,324	3,529,931	4,000,000	4,000,000
Approved declarations of sales for export	24,218,901	52,869,858	54,570,000	47,175,000
Farm storage facility and equipment loan commitments	2,825,533	5,459,919	3,985,000	3,985,000
Special activities financed by Commodity Credit Corporation: Commitments which are recoverable:				
Letters of commitment	189,998,243	252,842,090	255,000,000	290,000,000

Status of Certain Fund Balances—Continued

	1958 actual	1959 actual	1960 estimate	1961 estimate
Obligated balance—Con.				
Obligations other—Con.				
Special activities—Con.				
Approved declaration of sales for export	$1,873,575	$2,855,980	$3,275,000	$4,290,000
Wool payment agreements	17,000,000			
Subtotal	208,871,818	255,698,070	258,275,000	294,290,000
Accounts receivable, net (—):				
Price support, supply, and related programs and special milk	—320,113,771	—262,852,870	—178,288,000	—119,541,000
Amounts recoverable from other than special appropriations, net (—)	—149,566,065	—223,498,851	—403,120,260	—483,362,617
Commitments which are recoverable, included above	—208,871,818	—255,698,070	—258,275,000	—294,290,000
Total obligated balance	493,292,336	431,163,161	486,056,740	328,003,383
Unobligated balance [1]	2,505,668,997	1,228,202,845	1,076,363,196	172,697,322

[1] Statutory obligations against borrowing authority include only borrowings from Treasury and obligations to purchase notes or other obligations evidencing loans made by lending agencies. Other obligations, contingent liabilities, and commitments do not become charges against the statutory borrowing authority until they result in borrowings from Treasury or in notes or other obligations evidencing loans made by lending agencies.

NOTE.—In addition to obligations other than liabilities reflected in the status of certain fund balances the Corporation does not reflect in its accounts claims by the Corporation on which adequate proof has not been established and the outstanding guarantee and occupancy agreements for storage space.

SCHEDULE OF SPECIAL ACTIVITIES FINANCED BY COMMODITY CREDIT CORPORATION

RECOVERABLE COSTS	*Balance recoverable, and liabilities (—) as of July 1*	*Special appropriations to reimburse Commodity Credit Corporation (net)*	*Program expenditures: Commodity costs transferred from price-support program*	*Program expenditures: Other costs and capital outlay*	*Recovered or recoverable from other than special appropriations*	*Net operating loss*	*Changes in selected working capital*	*Net budget expenditures*	*Balance as of June 30: Recoverable from special appropriations (deficit)*	*Balance as of June 30: Recoverable from other appropriations and current liabilities (—)* [1]
"Reimbursement to Commodity Credit Corporation for costs of special activities":										
International Wheat Agreement:										
1959	$79,901,610	$80,800,000	$28,356,964	$19,946,205		$48,303,169		$48,303,169	$47,404,779	
1960	47,404,779	47,404,779	35,680,000	13,362,000		49,042,000		49,042,000	49,042,000	
1961	49,042,000	49,042,000	50,370,000	17,745,000		68,115,000		68,115,000	68,115,000	
Emergency famine relief to friendly peoples:										
1959	117,943,898	119,270,000	58,786,032	39,141,748		97,927,780		97,927,780	96,601,678	
1960	96,601,678	96,601,678	68,840,500	46,159,500		115,000,000		115,000,000	115,000,000	
1961	115,000,000	115,000,000	71,720,000	48,280,000		120,000,000		120,000,000	120,000,000	
Sales of surplus agricultural commodities for foreign currencies:										
1959	1,159,984,121	1,033,515,000	355,380,927	757,873,409	$133,740,411	979,513,925	$42,522,309	1,022,036,234	968,016,000	$180,489,355
1960	1,148,505,355	968,016,000	321,875,881	807,420,660	248,296,541	881,000,000	174,130,905	1,055,130,905	881,000,000	354,620,260
1961	1,235,620,260	881,000,000	334,094,000	956,766,000	201,860,000	1,089,000,000	83,242,357	1,172,242,357	1,089,000,000	437,862,617
Transfer of Commodity Credit Corporation grain to Interior for migratory waterfowl feed:										
1959	18,506	18,506	17,363			17,363		17,363	17,363	
1960	17,363	17,363	35,000			35,000		35,000	35,000	
1961	35,000	35,000	35,000			35,000		35,000	35,000	
Trausfer of bartered materials to supplemental stockpile:										
1959	82,250,335	82,250,335	314,727,557			314,727,557		314,727,557	314,727,557	
1960	314,727,557	129,000,000	237,222,443			237,222,443		237,222,443	422,950,000	
1961	422,950,000	422,950,000	126,700,000			126,700,000		126,700,000	126,700,000	
Animal disease eradication activities:										
1959	19,387,681	[2] 19,390,100		1,057,056		1,057,056		1,057,056	1,054,637	
1960	1,054,637	1,036,192			18,445	—18,445		—18,445		
Grading and classing activities:										
1959	1,594,928	1,510,870		524,868		524,868		524,868	608,926	
1960	608,926	608,926		715,000		715,000		715,000	715,000	
1961	715,000	715,000		715,000		715,000		715,000	715,000	
Subtotal:										
1959	1,461,081,079	1,336,754,811	757,268,843	818,543,286	133,740,411	1,442,071,718	42,522,309	1,484,594,027	1,428,430,940	180,489,355
1960	1,608,920,295	1,242,684,938	663,653,824	867,657,160	248,314,986	1,282,995,998	174,130,905	1,457,126,903	1,468,742,000	354,620,260
1961	1,823,362,260	1,468,742,000	582,919,000	1,023,506,000	201,860,000	1,404,565,000	83,242,357	1,487,807,357	1,404,565,000	437,862,617
"Reimbursement to Commodity Credit Corporation, National Wool Act":										
1959	88,803,121	24,453,099		106,275,827		106,275,827	—86,250,000	20,025,827	170,625,849	—86,250,000
1960	84,375,849	50,050,313		69,400,000		69,400,000	24,111,000	93,511,000	189,975,536	—62,139,000
1961	127,836,536	51,000,000		65,000,000		65,000,000	5,348,000	70,348,000	203,975,536	—56,791,000

See footnotes at end of table, p. 356.

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COMMODITY CREDIT CORPORATION—Continued

Public enterprise funds—Continued

COMMODITY CREDIT CORPORATION FUND—Continued

SCHEDULE OF SPECIAL ACTIVITIES FINANCED BY COMMODITY CREDIT CORPORATION—Continued

			Program expenditures						Balance as of June 30	
	Balance recoverable, and liabilities (—) as of July 1	*Special appropriations to reimburse Commodity Credit Corporation (net)*	*Commodity costs transferred from price-support program*	*Other costs and capital outlay*	*Recovered or recoverable from other than special appropriations*	*Net operating loss*	*Changes in selected working capital*	*Net budget expenditures*	*Recoverable from special appropriations (deficit)*	*Recoverable from other appropriations and current liabilities (—)*[1]
RECOVERABLE COSTS—continued										
Other programs:										
Military housing (Public Law 84-161, barter and exchange):										
1959	$11,511,418						$31,498,078	$31,498,078		$43,009,496
1960	43,009,496						5,490,504	5,490,504		48,500,000
1961	48,500,000						−3,000,000	−3,000,000		45,500,000
Transfer of long-staple cotton from national stockpile for sale by Commodity Credit Corporation:										
1959	−486,507						400,416	400,416		−86,091
1960	−86,091						86,091	86,091		
Soil bank:										
1959	−103,163,077						68,107,083	68,107,083		−35,055,994
1960	−35,055,994						35,055,994	35,055,994		
Total recoverable costs:										
1959	1,457,746,034	$1,361,207,910	$757,268,843	$924,819,113	$133,740,411	$1,548,347,545	56,277,886	1,604,625,431	$1,599,056,789	102,106,766
1960	1,701,163,555	1,292,735,251	663,653,824	937,057,160	248,314,986	1,352,395,998	238,874,494	1,591,270,492	1,658,717,536	340,981,260
1961	1,999,698,796	1,519,742,000	582,919,000	1,083,506,000	201,860,000	1,469,565,000	85,590,357	1,555,155,357	1,608,540,536	426,571,617
CAPITAL OUTLAY										
Loans for agricultural conservation purposes:										
1959	22,500,000			40,000,000	33,000,000			7,000,000		29,500,000
1960	29,500,000			38,200,000	36,900,000			1,300,000		30,800,000
1961	30,800,000			19,200,000	30,800,000			−11,600,000		19,200,000
Net budget expenditures:										
1959								1,611,625,431		
1960								1,592,570,492		
1961								1,543,555,357		

[1] Consists of the following items: Sales of surplus agricultural commodities for foreign currencies—amounts to be recovered from other agencies for future sales of foreign currencies for dollars and from Department of Defense for use of foreign currencies for construction of military housing abroad. Reimbursement to Commodity Credit Corporation, National Wool Act—amounts of liability for accrued payments due producers which will be paid in the succeeding fiscal year. Military housing (Public Law 84-161, barter and exchange)—amount to be recovered from Department of Defense for value of agricultural commodities exchanged for construction of military housing abroad. Transfer of long-staple cotton from national stockpile for sale by Commodity Credit Corporation—amount available for payment of additional costs or for deposit in the Treasury as miscellaneous receipts. Soil bank—Unused advance received from funds appropriated for soil bank programs and small residual balance of unpaid acreage reserve certificates. Loans for agricultural conservation purposes—amount due from Secretary of Agriculture for advance purchase of conservation materials.

[2] During fiscal year 1960 $9,666, representing refund of prior year advances, was returned to the Treasury.

LIMITATION ON ADMINISTRATIVE EXPENSES

Nothing in this Act shall be so construed as to prevent the Commodity Credit Corporation from carrying out any activity or any program authorized by law: *Provided*, That not to exceed [$42,000,000] *$48,428,000* shall be available for administrative expenses of the Corporation: *Provided further*, That $1,000,000 of this authorization shall be available only to expand and strengthen the sales program of the Corporation pursuant to authority contained in the Corporation's charter: *Provided further*, That not less than 7 per centum of this authorization shall be placed in reserve to be apportioned pursuant to section 3679 of the Revised Statutes, as amended, for use only in such amounts and at such time as may become necessary to carry out program operations: *Provided further*, That all necessary expenses (including legal and special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Corporation or in which it has an interest, including expenses of collections of pledged collateral, shall be considered as nonadministrative expenses for the purposes hereof: *Provided further*, (1) That no part of this authorization shall be used to formulate or carry out a price support program for 1960 under which a total amount of price support in excess of $50,000 would be extended through loans, purchases, or purchase agreements made or made available by Commodity Credit Corporation to any person on the 1960 production of any agricultural commodity declared by the Secretary to be in surplus supply, unless (a) such person shall reduce his production of such commodity from that which such person produced the preceding year, in such percentage, not to exceed 20 per centum, as the Secretary may determine to be essential to bring production in line within a reasonable period of time with that necessary to provide an adequate supply to meet domestic and foreign demands, plus adequate reserves, or (b) such person shall agree to repay all amounts advanced in excess of $50,000 for any agricultural commodity within twelve months from the date of the advance of such funds or at such later date as the Secretary may determine, (2) that the term "person" shall mean an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity, or a State, political subdivision of a State, or any agency thereof, (3) that in the case of any loan to, or purchase from, a cooperative marketing organization, or with regard to price support on an agricultural commodity extended by purchases of a product of such commodity from, or by loans on such product to, persons other than the producers of such commodity, such limitation shall not apply to the amount of price support received by the cooperative marketing organization, or other persons, but the amount of price support made available to any person through such cooperative marketing organization or other persons shall be included in determining the amount of price support received by such person for purposes of such limitation, and (4) that the Secretary of Agriculture shall issue regulations prescribing such rules as he determines necessary to carry out this provision. (*7 U.S.C. 442–446, 624, 1282, 1301, 1385, 1391c, 1421–1432, 1441–1449, 1691–1694, 1701–1709, 1721–1724, 1741–1747, 1808, 1813, 1851–1854, 1856–1857, 1859–1860; 12 U.S.C. 1148a–2; 15 U.S.C. 712a, 713a–10, 714–714p; 31 U.S.C. 841, 846–852, 866–868c, 869; 50 U.S.C. App. 1917; 71 Stat. 290; 73 Stat. 15, 279, 363, 574, 606–609; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.*)

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Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Price support program	$34,462,890	$39,294,100	$39,372,500
2. Commodity export program	1,333,551	1,695,600	1,708,700
3. Storage facilities program	1,643,056	1,750,200	1,763,700
4. International Cooperation Administration services			1,000,000
5. Special milk program	640,500	658,100	658,100
6. Adjustment to prior year costs	−480,952		
Total program costs	37,599,045	43,398,000	44,503,000
7. Relation of costs to obligations: Obligations incurred for costs of other years, net	657,338		
Total program (obligations)	38,256,383	43,398,000	44,503,000
Financing:			
Unobligated balance no longer available	1,343,617	535,000	3,925,000
Limitation	39,600,000	42,000,000	48,428,000
Proposed increase in limitation due to increased program volume		1,933,000	

7. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$434,599	$610,985	$610,985	$610,985
Selected resources at start of year (−)		−434,599	−610,985	−610,985
Adjustment of prior year costs and selected resources reported at start of year		480,952		
Obligations incurred for costs of other years, net		657,338		

Object Classification

	1959 actual	1960 estimate	1961 estimate
COMMODITY CREDIT CORPORATION			
Total number of permanent positions	5,067	5,535	5,229
Full-time equivalent of all other positions	14	341	341
Average number of all employees	4,435	5,386	5,312
Number of employees at end of year	4,522	4,702	4,629
Average GS grade and salary	6.1 $5,338	5.9 $5,315	6.0 $5,374
01 Personal services:			
Permanent positions	$22,587,574	$25,320,032	$25,089,123
Positions other than permanent	40,620	1,129,835	1,129,835
Other personal services	769,941	773,221	689,442
Total personal services	23,398,135	27,223,088	26,908,400
02 Travel	871,730	1,071,000	1,128,000
03 Transportation of things	163,526	175,000	175,000
04 Communication services	991,001	919,000	921,000
05 Rents and utility services	4,297,392	5,375,000	5,375,000
06 Printing and reproduction	1,062,104	1,104,000	1,104,000
07 Other contractual services	571,184	434,700	760,700
Services performed by other agencies	4,560,200	4,878,300	4,944,300
08 Supplies and materials	901,420	513,000	510,000
11 Grants, subsidies, and contributions	1,371,168	1,553,000	1,532,000
13 Refunds, awards, and indemnities	33,360	74,000	74,000
15 Taxes and assessments	35,163	77,912	70,600
Total, Commodity Credit Corporation	38,256,383	43,398,000	43,503,000
ALLOCATION TO INTERNATIONAL COOPERATION ADMINISTRATION			
Total number of permanent positions			149
Average number of all employees			83
Number of employees at end of year			83
Average GS grade and salary			8.5 $6,318
Average grade and salary established by the Foreign Service Act of 1946, as amended (22 U.S.C. 801–1158): Foreign Service Reserve			4.2 $9,524
Average salary of ungraded positions			$2,580
01 Personal services:			
Permanent positions			$427,000
Other personal services			63,700
Total personal services			490,700
02 Travel			205,900
03 Transportation of things			87,300
04 Communication services			5,800
05 Rents and utility services			63,400
06 Printing and reproduction			2,500
07 Other contractual services			42,300
State support			67,900
08 Supplies and materials			13,700
11 Grants, subsidies, and contributions			20,500
Total, International Cooperation Administration			1,000,000
Total obligations	38,256,383	43,398,000	44,503,000

INFORMATIONAL FOREIGN CURRENCY SCHEDULE

Foreign currency, Agricultural Trade Development and Assistance Act of 1954

[All amounts stated in U.S. dollar equivalents]

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Audit and end-use checks on food commodities donated abroad (total obligations)		$100,000	
Financing:			
Authorization to expend foreign currency receipts (7 U.S.C. 1704)		100,000	

Under section 416 of the Agricultural Act of 1949, as amended (title III of the Agricultural Trade Development and Assistance Act of 1954) food commodities are donated abroad through voluntary charitable agencies. End use checks and audits are being made to determine how effectively and appropriately donated commodities are distributed and utilized.

Object Classification

	1959 actual	1960 estimate	1961 estimate
ALLOCATION TO INTERNATIONAL COOPERATION ADMINISTRATION			
Total number of permanent positions		167	
Average number of all employees		48	
Number of employees at end of year		65	
Average salary of ungraded positions		$1,113	
01 Personal Services: Permanent positions		$54,000	
02 Travel		15,000	
05 Rents and utility services		18,000	
07 Other contractual services		8,000	
08 Supplies and materials		5,000	
Total obligations		100,000	

Analysis of Expenditures

Obligated balance start of year			$5,000
Obligations incurred during the year		$100,000	
Obligated balance end of year		−5,000	
Expenditures		95,000	5,000

Status of Unfunded Allocations

Allocations		$100,000	
Transfer into agency account		100,000	

Proposed for later transmission:

Under existing legislation, 1960.—On the basis of the budgetary assumptions heretofore described, the consequent estimated program requirements currently indicate a need for additional borrowing authority late in 1960. In the event the program and financing develop as estimated, a supplemental appropriation is anticipated in the amount of $675 million, of which $575 million is to partially restore the Corporation's capital impairment as of June 30, 1959, and $100 million is to restore the unrecovered realized losses of June 30, 1958. These amounts are reflected in the Commodity Credit Corporation fund schedules.

CORPORATIONS

The following corporations and agencies are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the fiscal year [1960] *1961* for such corporation or agency, except as hereinafter provided: (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.*)

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FEDERAL CROP INSURANCE CORPORATION

Operating and Administrative Expenses

For operating and administrative expenses, $6,376,700. *(7 U.S.C. 1501–1519; 31 U.S.C. 841, 846–852, 866–868c, 869; 73 Stat. 278; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)*

Appropriated 1960, **$6,376,700** Estimate 1961, **$6,376,700**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Underwriting and actuarial analysis	$845,083	$1,018,000	$1,053,000
2. Contract sales and servicing	4,982,073	4,606,700	4,438,700
3. Crop inspections and loss adjustments	550,661	752,000	885,000
Total program costs [1]	6,377,817	6,376,700	6,376,700
4. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−1,117		
Total program (obligations)	6,376,700	6,376,700	6,376,700
Financing:			
Appropriation (new obligational authority)	6,376,700	6,376,700	6,376,700

[1] Includes capital outlay as follows: June 30, 1959, $26,638; 1960, $59,000; 1961, $59,000.

This appropriation relates to a portion of the administrative and operating expenses of the Corporation. The budget for insurance operations and other costs financed from capital funds appears below.

4. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1958, $11,883; 1959, $10,766; 1960, $10,766; 1961, $10,766.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	549	582	625
Full-time equivalent of all other positions	213	216	198
Average number of all employees	697	760	803
Number of employees at end of year	960	1,072	1,134
Average GS grade and salary	6.0 $5,359	6.2 $5,419	6.2 $5,415
01 Personal services:			
Permanent positions	$2,653,580	$2,994,559	$3,298,886
Positions other than permanent	859,775	859,641	789,414
Other personal services	10,123	21,500	12,400
Total personal services	3,523,478	3,875,700	4,100,700
02 Travel	903,621	1,095,000	1,177,000
03 Transportation of things	10,335	12,000	14,000
04 Communication services	228,763	242,000	245,000
05 Rents and utility services	116,451	125,000	125,000
06 Printing and reproduction	58,824	82,000	87,000
07 Other contractual services	33,472	39,500	74,500
Agents' commissions	1,155,021	487,000	116,000
Services performed by other agencies	72,444	70,500	70,500
08 Supplies and materials	51,607	60,000	62,000
09 Equipment	24,955	60,000	60,000
11 Grants, subsidies, and contributions	170,637	196,000	215,000
13 Refunds, awards, and indemnities	6,015	10,000	10,000
15 Taxes and assessments	21,077	22,000	20,000
Total obligations	6,376,700	6,376,700	6,376,700

Public enterprise funds:

Federal Crop Insurance Corporation Fund

Not to exceed [$2,330,000] *$2,830,000* of administrative and operating expenses may be paid from premium income. *(7 U.S.C. 1516(a); Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)*

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Indemnities, by crop:			
Barley	$120,623	$585,000	$1,080,000
Beans	41,870	129,000	189,000
Citrus	39,322	270,000	374,000
Corn	1,163,860	1,525,000	3,526,000
Cotton	186,804	648,000	1,012,000
Flax	184,861	665,000	450,000
Grain sorghum		1,000	14,000
Combined crop	$747,770	$1,841,000	$432,000
Oats		82,000	337,000
Peaches	37,514	54,000	46,000
Rice			13,000
Rye			6,000
Soybeans	180,360	537,000	1,102,000
Tobacco	310,825	546,000	1,800,000
Wheat	1,491,025	6,134,000	12,118,000
Total indemnities	4,504,834	13,017,000	22,499,000
Inspection and adjustment costs	485,660	900,000	1,000,000
Administrative expenses	462,451	2,330,000	2,830,000
Other expense	249,107	262,000	320,000
Adjustment of prior year expense	−962,232		
Total program (costs—obligations)	4,739,820	16,509,000	26,649,000
Financing:			
Amounts becoming available:			
Insurance premiums, by crop:			
Barley	311,347	643,000	1,200,000
Beans	130,451	131,000	210,000
Citrus	264,522	302,000	416,000
Corn	2,069,253	3,330,000	3,918,000
Cotton	755,891	1,278,000	1,125,000
Flax	409,908	493,000	500,000
Grain sorghum		7,000	15,000
Combined crop	2,055,016	1,323,000	480,000
Oats		83,000	375,000
Peaches	48,415	49,000	51,000
Rice			14,000
Rye			7,000
Soybeans	500,264	941,000	1,225,000
Tobacco	1,649,942	1,734,000	2,000,000
Wheat	9,432,132	8,881,000	13,464,000
Total premiums	17,627,141	19,195,000	25,000,000
Interest and other income	80,279	100,000	100,000
Prior year adjustment	−12,268		
Total amounts becoming available	17,695,152	19,295,000	25,100,000
Unobligated balance brought forward	25,755,020	38,710,352	41,496,352
Total amounts available	43,450,172	58,005,352	66,596,352
Unobligated balance carried forward	−38,710,352	−41,496,352	−39,947,352
Financing applied to program	4,739,820	16,509,000	26,649,000

Purpose and financial organization.—The Federal Crop Insurance Corporation, a wholly owned Government corporation, was created on February 16, 1938 (7 U.S.C. 1501–1519), to carry out the provisions of the Federal Crop Insurance Act. The purpose of this act is to promote the national welfare by improving the economic stability of agriculture through a sound system of crop insurance and providing the means for the research and experience helpful in devising and establishing such insurance. The Corporation provides all-risk insurance protection to farmers against loss from unavoidable causes. Insurance programs, since 1948, have been conducted on a limited basis in selected counties and on selected crops to obtain adequate actuarial data for the gradual expansion of the program to a national basis.

Capital stock of $100 million is authorized to be subscribed by the United States. As of June 30, 1959, the Secretary of the Treasury held receipts for $40 million of the authorized stock, leaving $60 million unissued.

Funds from the issuance of capital stock provide working capital for the Corporation. Receipts which are for deposit to this fund come mainly from premiums for insurance protection afforded farmers on their investment in the production of insured crops. The principal payments from this fund are for indemnities to insured farmers who suffer crop losses arising from causes against which crop insurance provides protection, the direct cost of adjusting losses, and part of the administrative and operating expenses. The annual appropriation for the major portion of the administrative and operating expenses of the Corporation is presented earlier in the budget.

Budget program.—The Corporation plans to continue its policy of gradually expanding the program to additional crops and counties. For the 1960 crop year (fiscal year 1961) insurance will be added in 18 new counties and on

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54 insurable crops. The following table indicates the scope of the insurance program planned for 1959, 1960, and 1961. Amounts in the 1959 column are actual and pertain to the 1958 crop year. The 1960 column pertains to the 1959 crop year and reflects the current favorable condition of the 1959 insured crops. Indemnities shown in the 1961 column, covering the 1960 crop year, are estimated at 90% of the premium.

	1959 fiscal year (1958 crop year) actual	*1960 fiscal year (1959 crop year) estimate*	*1961 fiscal year (1960 crop year) estimate*
Number of States	38	38	38
Number of counties	830	847	865
Estimated insurance outstanding, beginning of fiscal year—thousands	$241,617	$278,000	$350,000
Number of crops insured	324,435	339,403	390,000
Premiums—thousands	$17,627	$19,195	$25,000
Indemnities—do	$4,505	$13,017	$22,499
Loss ratio	.26	.68	.90

Financing.—The deficit at June 30, 1959, will be more than offset by the income from operations estimated for 1960 (1959 crop year). Income from operations for the past several years will provide adequate operating funds for 1961, and therefore, no additional capital funds are requested. The increase in the authority to pay operating and administrative expenses from premium income, proposed for 1961, will cover the increased cost of servicing the additional crops insured, new counties, and insurable crops budgeted for the 1961 crop year. Legislation was proposed to the 1st session of the 86th Congress to permit the inclusion of administrative expenses in the determination of appropriate premium rates for crop insurance.

Operating results and financial condition.—Preliminary estimates for the 1959 crop year (1960 fiscal year) show premiums of $19.2 million exceeding indemnities of $13 million by $6.2 million. The favorable experience anticipated for crop year 1959 will make the third successive year in which premiums have exceeded indemnities, and the sixth such year during the 12-year period from 1948 to 1959. For this 12-year period premiums of $227.3 million exceed indemnities of $219.1 million by $8.2 million.

The following table summarizes the insurance operations by commodities for 1959, 1960, and 1961.

NET INCOME OR LOSS (—) ON INSURANCE OPERATIONS, BY COMMODITIES

[Fiscal years ending June 30, 1959, 1960, and 1961]

	1959 actual (1958 crop year)	*1960 estimate (1959 crop year)*	*1961 estimate (1960 crop year)*
Barley	$190,724	$58,000	$120,000
Beans	88,581	2,000	21,000
Citrus	225,200	32,000	42,000
Combined crop	1,307,246	−518,000	48,000
Corn	905,393	1,805,000	392,000
Cotton	569,087	630,000	113,000
Flax	225,047	−172,000	50,000
Grain sorghum		6,000	1,000
Oats		1,000	38,000
Peaches	10,901	−5,000	5,000
Rice			1,000
Rye			1,000
Soybeans	319,904	404,000	123,000
Tobacco	1,339,117	1,188,000	200,000
Wheat	7,941,107	2,747,000	1,346,000
Premium surplus	13,122,307	6,178,000	2,501,000
Inspection and adjustment costs (—)	−485,660	−900,000	−1,000,000
Administrative expenses chargeable to premium income (—)	−462,451	−2,330,000	−2,830,000
Other income or expense, net (—)	781,136	−162,000	−220,000
Net income or loss (—)	12,955,332	2,786,000	−1,549,000

SUMMARY OF INSURANCE OPERATIONS AND ADMINISTRATIVE EXPENSES

Net income or loss (—)	$12,955,332	$2,786,000	−$1,549,000
Funds appropriated for administrative expenses	6,376,700	6,376,700	6,376,700
Total net income or loss (—)	6,578,632	−3,590,700	−7,925,700

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Indemnities	$4,504,834	$13,017,000	$22,499,000
Inspection and adjustment costs	485,660	900,000	1,000,000
Administrative expense charged to program operations	462,451	2,330,000	2,830,000
Adjustment of prior year transactions	12,268		
Chargeoff of premiums and other receivables	597,103	100,000	100,000
Total gross expenditures	6,062,316	16,347,000	26,429,000
Receipts from operations (funds provided):			
Insurance premiums	17,627,141	19,195,000	25,000,000
Interest on premium notes	79,714	100,000	100,000
Other income	565		
Adjustment of prior year transactions	131,882		
Decrease in selected working capital	2,770,714	3,893,811	320,000
Total receipts from operations	20,610,016	23,188,811	25,420,000
Budget expenditures	−14,547,700	−6,841,811	1,009,000

Revenue, Expense, and Retained Earnings

Income	$17,707,420	$19,295,000	$25,100,000
Expense	4,752,088	16,509,000	26,649,000
Net income or loss (—) for the year	12,955,332	2,786,000	−1,549,000
Retained earnings or deficit (—), beginning of year	−14,244,980	−1,289,648	1,496,352
Retained earnings or deficit (—), end of year	−1,289,648	1,496,352	−52,648

Financial Condition

Assets:			
Cash with Treasury	$41,184,589	$48,026,400	$47,017,400
Accounts receivable, net	4,399,907	5,446,411	5,406,411
Total assets	45,584,496	53,472,811	52,423,811
Liabilities:			
Current	6,874,144	11,976,459	12,476,459
Government investment:			
Non-interest-bearing capital	40,000,000	40,000,000	40,000,000
Retained earnings or deficit (—)	−1,289,648	1,496,352	−52,648
Total Government investment	38,710,352	41,496,352	39,947,352

NOTE.—Excludes contingent liabilities representing estimated insurance coverage on 1959, 1960, and 1961 crops in the following amounts: June 30, 1959, $278,000,000; 1960, $350,000,000; and 1961, $370,000,000.

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash with Treasury	$26,636,889	$41,184,589	$48,026,400	$47,017,400
Obligated balance, net:				
Current liabilities	5,977,562	6,874,144	11,976,459	12,476,459
Accounts receivable, net (—)	−5,095,693	−4,399,907	−5,446,411	−5,406,411
Total obligated balance	881,869	2,474,237	6,530,048	7,070,048
Unobligated balance	25,755,020	38,710,352	41,496,352	39,947,352

Object Classification

	1959 actual	1960 estimate	1961 estimate
Average number of all employees	72	128	142
Number of employees at end of year	182	200	200
01 Personal services: Positions other than permanent	$293,623	$524,000	$583,000
02 Travel	185,287	363,000	402,000
07 Other contractual services: Agents' commissions	462,451	2,330,000	2,830,000
13 Refunds, awards, and indemnities	4,504,834	13,017,000	22,499,000
15 Taxes and assessments	6,750	13,000	15,000
Undistributed	−713,125	262,000	320,000
Total obligations	4,739,820	16,509,000	26,649,000

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FEDERAL CROP INSURANCE CORPORATION—Con.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Underwriting and actuarial analysis	$90	$200	
2. Contract sales and servicing	3,179	1,800	
3. Crop inspections and loss adjustments	82	500	
Total program (costs—obligations)	3,351	2,500	
Financing:			
Advances and reimbursements from—			
Other accounts	2,870	1,000	
Non-Federal sources (40 U.S.C. 481(c))	481	1,500	
Total financing	3,351	2,500	

Object Classification

Total number of permanent positions	1		
Number of employees at end of year	0		
01 Personal services:			
Permanent positions	$2,623		
Positions other than permanent	78		
Total personal services	2,701		
06 Printing and reproduction	127	$1,000	
09 Equipment	357	1,500	
11 Grants, subsidies, and contributions	164		
15 Taxes and assessments	2		
Total obligations	3,351	2,500	

RURAL ELECTRIFICATION ADMINISTRATION

Current authorizations:

To carry into effect the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901–924), as follows:

LOAN AUTHORIZATIONS

For loans in accordance with said Act, and for carrying out the provisions of section 7 thereof, to be borrowed from the Secretary of the Treasury in accordance with the provisions of section 3(a) of said Act, as follows: Rural electrification program, [$136,000,000] *$110,000,000*; and rural telephone program, [$79,000,000; and additional amounts, not to exceed $25,000,000 for each program, may be borrowed under the same terms and conditions to the extent that such amount is required during the fiscal year 1960 under the then existing conditions for the expeditious and orderly development of the rural electrification program and rural telephone program] *$80,000,000*. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.*)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Rural electrification	$211,717,336	$225,000,000	$240,000,000
2. Rural telephone	93,269,473	100,000,000	105,000,000
Total program costs	304,986,809	325,000,000	345,000,000
3. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—)	−28,771,709		−44,000,000
Obligations incurred for costs of other years, net		25,000,000	
Total program (obligations) (object class 16)	276,215,100	350,000,000	301,000,000
Financing:			
Unobligated balance brought forward (authorization to expend from public debt receipts)	−67,628,340	−210,613,053	−108,113,053
Recovery of prior obligations	−9,699,813	−7,500,000	−3,000,000
Unobligated balance carried forward (authorization to expend from public debt receipts)	210,613,053	108,113,053	113,053
Authorization to expend from public debt receipts (new obligational authority)	409,500,000	240,000,000	190,000,000

The Administration conducts two major programs: (*a*) the rural electrification program to provide electric service to farms and other rural establishments; and (*b*) the rural telephone program to furnish and improve telephone service in rural areas. Funds for making loans are borrowed from the Secretary of the Treasury.

1. *Rural electrification.*—This program is financed through loans which bear 2% interest and must be repaid within a period not to exceed 35 years. Loans are also made for shorter periods at 2% interest to electrification borrowers to be reloaned to their consumers for wiring and for the installation of electrical and plumbing appliances and equipment.

When the rural electrification program was initiated in 1935, less than 11% of all farms had electric service. On June 30, 1959, about 96% of the farms were electrified. The major need for loan funds continues to be for system improvements and the generation of power to satisfy the steadily increasing requirements of consumers.

STATUS OF THE ELECTRIFICATION PROGRAM

Program Financing

	1959 actual	*1960 estimate*	*1961 estimate*
Loan funds available:			
New loan authorization (including reserves of $25,000,000 for each of the years 1959 and 1960)	$342,000,000	$161,000,000	$110,000,000
Carryover from prior year	63,350,636	210,589,749	108,089,749
Rescissions of prior loans	7,531,213	6,500,000	2,000,000
Total loan funds available	412,881,849	378,089,749	220,089,749
Less—			
Loans approved	177,292,100	245,000,000	220,000,000
Reserves not used	25,000,000	25,000,000	
Balance to next year	210,589,749	108,089,749	89,749

Program Statistics

Cumulative net loans	$3,942,338,539	$4,180,838,539	$4,398,838,539
Cumulative funds advanced	$3,358,263,066	$3,583,263,066	$3,823,263,066
Unadvanced funds, end of year	$584,075,473	$597,575,473	$575,575,473
Cumulative principal repaid	$774,494,054	$878,844,054	$988,419,054
Cumulative interest paid	$372,997,314	$425,937,314	$486,137,314
Cumulative miles energized	1,437,073	1,457,073	1,477,073
Cumulative consumers served	4,653,502	4,783,502	4,913,502
Number of borrowers	1,083	1,084	1,084

2. *Rural telephone.*—Loans are made for the purpose of financing the improvement, expansion, construction, acquisition, and operation of the telephone lines and facilities or systems to furnish and improve telephone service in rural areas. The loans bear 2% interest and must be repaid within a period not to exceed 35 years.

In 1950, when the telephone program started, the Census of Agriculture showed 38.2% of all farms with telephone service, fewer in both number and percentage than in 1920. Approximately 65% of the farms now have telephone service. Cumulative Rural Electrification Administration loans through June 30, 1959, will eventually provide initial or improved service to an estimated 1,191,324 rural subscribers.

STATUS OF THE TELEPHONE PROGRAM

Program Financing

	1959 actual	*1960 estimate*	*1961 estimate*
Loan funds available:			
New loan authorization (including reserves of $25,000,000 for each of the years 1959 and 1960)	$92,500,000	$104,000,000	$80,000,000
Carryover from prior year	4,277,704	23,304	23,304
Rescissions of prior loans	2,168,600	1,000,000	1,000,000
Total loan funds available	98,946,304	105,023,304	81,023,304
Less loans approved	98,923,000	105,000,000	81,000,000
Balance to next year	23,304	23,304	23,304

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Program Statistics

	1959 actual	*1960 estimate*	*1961 estimate*
Cumulative net loans	$575,213,415	$679,213,415	$759,213,415
Cumulative funds advanced	$402,878,138	$502,878,138	$607,878,138
Unadvanced funds, end of year	$172,335,277	$176,335,277	$151,335,277
Cumulative principal repaid	$13,132,383	$19,367,383	$27,312,383
Cumulative interest paid	$9,145,846	$15,135,846	$23,860,846
Route miles of line constructed or improved, cumulative	182,893	230,893	278,893
Subscribers, new and improved service, cumulative (estimated)	630,000	838,000	1,046,000
Number of borrowers	665	735	805

3. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Undisbursed loan obligations	$794,882,271	$756,410,749	$773,910,749	$726,910,749
Selected resources at start of year (−)		−794,882,271	−756,410,749	−773,910,749
Adjustment due to recovery of prior obligations		9,699,813	7,500,000	3,000,000
Costs financed from obligations of other years, net (−)		−28,771,709		−44,000,000
Obligations incurred for costs of other years, net			25,000,000	

Revenue, Expense, and Retained Earnings

	1959 actual	1960 estimate	1961 estimate
For the fiscal year:			
Lending operations:			
Interest income	$57,466,498	$61,613,700	$66,232,600
Expense:			
Interest expense (statutory rates)[1]	56,068,034	60,061,500	64,493,500
Provision for possible losses on loans	926,652	988,000	1,044,000
Total expense	56,994,686	61,049,500	65,537,500
Net difference[1]	471,812	564,200	695,100
Administrative expenses (provided by annual appropriations): Salaries and expenses	9,539,060	9,632,000	9,632,000
Cumulative to end of fiscal year:			
Lending operations:			
Interest income	528,407,520	590,021,220	656,253,820
Expense:			
Interest expense (statutory rates)[1]	469,803,131	529,864,631	594,358,131
Provision for possible losses on loans	9,090,784	10,078,784	11,122,784
Losses on foreclosed loans	44,478	44,478	44,478
Total expense	478,938,393	539,987,893	605,525,393
Net difference[1]	49,469,127	50,033,327	50,728,427
Administrative expenses (provided by annual appropriations): Salaries and expenses	125,333,910	134,965,910	144,597,910

[1] Does not take into consideration the interest costs incurred by Treasury in excess of the amount received from Rural Electrification Administration for funds made available to finance Rural Electrification Administration lending programs.

Financial Condition

	1959 actual	1960 estimate	1961 estimate
Assets:			
Loans and interest receivable, net	$3,110,643,867	$3,326,754,500	$3,550,498,100
Cash on hand	244,884	250,000	250,000
Cash on deposit with Treasury	5,280,198	5,387,377	4,344,577
Travel advances to employees and miscellaneous receivables	90,478	100,000	100,000
Total assets	3,116,259,427	3,332,491,877	3,555,192,677
Liabilities:			
Current	833,106	890,000	629,000
Government investment:			
Borrowings from Treasury	2,923,323,444	3,138,934,800	3,361,201,500
Appropriated administrative funds, net	125,347,794	134,979,794	144,611,794
Appropriated loan funds, net	142,619,866	142,619,866	142,619,866
Net difference between income and expense	49,469,127	50,033,327	50,728,427
Administrative expenses (−)	−125,333,910	−134,965,910	−144,597,910
Total Government investment	3,115,426,321	3,331,601,877	3,554,563,677

NOTE.—Undisbursed loan commitments outstanding are as follows: June 30, 1958, $794,882,271; 1959, $756,410,749; 1960, $773,910,749; 1961, $726,910,749.

SALARIES AND EXPENSES

For administrative expenses, including not to exceed $500 for financial and credit reports, and not to exceed $150,000 for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), $9,632,000. (*5 U.S.C. 511–512; 7 U.S.C. 901–924; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.*)

Appropriated 1960, **$9,632,000** Estimate 1961, **$9,632,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Administration of rural electrification program	$4,743,190	$4,770,700	$4,770,700
2. Administration of rural telephone program	4,795,978	4,861,300	4,861,300
Total costs[1]	9,539,168	9,632,000	9,632,000
3. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−13,050		
Total program (obligations)	9,526,118	9,632,000	9,632,000
Financing:			
1959 appropriation available in 1958	30,352		
Unobligated balance no longer available	44,830		
New obligational authority	9,601,300	9,632,000	9,632,000
New obligational authority:			
Appropriation	$9,019,000	$9,632,000	$9,632,000
Transferred from "Conservation reserve program," Commodity Stabilization Service (73 Stat. 52)	582,300		
Appropriation (adjusted)	9,601,300	9,632,000	9,632,000

[1] Includes capital outlay as follows: June 30, 1959, $62,516; 1960, $86,675; 1961, $86,700.

The Administration makes loans for the extension and improvement of electric and telephone services in rural areas. Business management and technical help is furnished borrowers where needed to protect the Government's loan security and to assure that construction and operation of their systems conform to approved standards and are adequate to provide continuous and reliable service.

3. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$25,598	$13,884	$13,884	$13,884
Selected resources at start of year (−)		−25,598	−13,884	−13,884
Adjustment of prior year costs and selected resources reported at start of year		−1,336		
Costs financed from obligations of other years, net (−)		−13,050		

Object Classification

		1959 actual		1960 estimate		1961 estimate
	Total number of permanent positions	1,067		1,062		1,062
	Full-time equivalent of all other positions	3		3		3
	Average number of all employees	1,018		1,001		994
	Number of employees at end of year	1,000		981		974
	Average GS grade and salary	9.2	$7,395	9.2	$7,420	9.2 $7,474
01	Personal services:					
	Permanent positions	$7,523,765		$7,452,520		$7,466,530
	Positions other than permanent	40,718		45,000		45,000
	Other personal services	32,174		62,980		34,490
	Total personal services	7,596,657		7,560,500		7,546,020
02	Travel	1,018,609		1,056,000		1,056,000
03	Transportation of things	19,200		27,000		27,000
04	Communication services	111,507		120,000		120,000
05	Rents and utility services	12,603		12,500		12,500
06	Printing and reproduction	95,013		98,000		98,000
07	Other contractual services	41,442		44,000		98,480
	Services performed by other agencies	42,040		88,300		48,300
08	Supplies and materials	35,928		43,000		43,000
09	Equipment	87,088		86,700		86,700
11	Grants, subsidies, and contributions	481,150		480,000		480,000
13	Refunds, awards, and indemnities	11,670		13,000		13,000
15	Taxes and assessments	3,563		3,000		3,000
	1959 program obligated in 1958	−30,352				
	Total obligations	9,526,118		9,632,000		9,632,000

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RURAL ELECTRIFICATION ADMINISTRATION—Continued

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Administration of rural electrification program	$1,358	$1,965	
2. Administration of rural telephone program	1,400	2,035	
Total (costs—obligations)	2,758	4,000	
Financing:			
Advances and reimbursements from other accounts	2,758	4,000	

Object Classification

Total number of permanent positions		1		1	
Average number of employees		1		1	
Number of employees at end of year		0		0	
Average GS grade and salary	4.8	$4,252	4.4	$4,535	
01 Personal services: Permanent positions		$2,583		$3,740	
11 Grants, subsidies, and contributions		175		260	
Total obligations		2,758		4,000	

FARMERS HOME ADMINISTRATION

Current authorizations:

To carry into effect the provisions of titles I, II, and the related provisions of title IV of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1000–1031); the Farmers Home Administration Act of 1946 (7 U.S.C. 1001, note; 31 U.S.C. 82h; 12 U.S.C. 371; 35 D.C. Code 535; 60 Stat. 1062–1080); the Act of July 30, 1946 (40 U.S.C. 436–439); the Act of August 28, 1937, as amended (16 U.S.C. 590r–590x—3), for the development of facilities for water storage and utilization in the arid and semiarid areas of the United States; the provisions of title V of the Housing Act of 1949, as amended (42 U.S.C. 1471–1483), relating to financial assistance for farm housing; the Rural Rehabilitation Corporation Trust Liquidation Act, approved May 3, 1950 (40 U.S.C. 440–444); the items "Loans to farmers, 1948 flood damage" in the Act of June 25, 1948 (62 Stat. 1038), and "Loans to farmers, propertv damage" in the Act of May 24, 1949 (63 Stat. 82); the collecting and servicing of credit sales and development accounts in water conservation and utilization projects (53 Stat. 685, 719), as amended and supplemented (16 U.S.C. 590y, z—1 and z—10); and the Act to direct the Secretary of Agriculture to convey certain mineral interests, approved September 6, 1950 (7 U.S.C. 1033–1039), as follows:

LOAN AUTHORIZATIONS

For loans (including payments in lieu of taxes and taxes under section 50 of the Bankhead-Jones Farm Tenant Act, as amended, and advances incident to the acquisition and preservation of security of obligations under the foregoing several authorities, except that such advances under title V of the Housing Act of 1949, as amended, shall be made from funds obtained under section 511 of that Act, as amended): Title I and section 43 of title IV of the Bankhead-Jones Farm Tenant Act, as amended, [$24,000,000] *$20,000,000*, of which not to exceed $2,500,000 may be distributed to States and Territories without regard to farm population and prevalence of tenancy, in addition to the amount otherwise distributed thereto, for loans in reclamation projects and to entrymen on unpatented public lands; title II of the Bankhead-Jones Farm Tenant Act, as amended, [$180,000,000] *$154,000,000*; the Act of August 28, 1937, as amended, [$2,000,000] *$3,000,000*: *Provided*, That not to exceed the foregoing several amounts shall be borrowed in one account from the Secretary of the Treasury in accordance with the provisions set forth under this head in the Department of Agriculture Appropriation Act, 1952[: *Provided further*, That an additional amount, not to exceed $20,000,000, may be borrowed under the same terms and conditions to the extent that such amount is required during fiscal year 1960 under the then existing conditions for the expeditious and orderly conduct of the loan programs under the Bankhead-Jones Farm Tenant Act, as amended, not to exceed $5,000,000 of which shall be available for loans under title I and section 43 of title IV of such Act, as amended]. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.*)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Farm ownership loans	$28,079,340	$24,300,000	$20,249,000
2. Farm operating loans	187,072,571	180,800,000	154,400,000
3. Soil and water conservation loans	3,340,447	3,485,000	3,000,000
4. Farm housing loans	60,552,257	42,900,000	25,700,000
Total program costs	279,044,615	251,485,000	203,349,000
5. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—)		−5,485,000	−1,349,000
Obligations incurred for costs of other years, net	2,606,416		
Total program (obligations) (object class 16)	281,651,031	246,000,000	202,000,000
Financing:			
Unobligated balance brought forward (authorization to expend from public debt receipts)	−397,459,316	−337,462,128	−297,462,128
Recovery of prior year obligations	−677,278		
Unobligated balance carried forward (authorization to expend from public debt receipts)	337,462,128	297,462,128	272,462,128
Unobligated balance no longer available	523,435		
Authorization to expend from public debt receipts (new obligational authority)	221,500,000	206,000,000	177,000,000

The Administration makes and insures loans to farmers unable to obtain credit from other sources at reasonable rates.

The total borrowing authorization requested for loans amounts to $177 million, a reduction of $29 million below the regular authorization for 1960. It is proposed to borrow $25 million in 1961 under existing authority for farm housing loans.

In addition to the direct loans, farm ownership and soil and water conservation loans advanced by private lenders will be insured within the annual statutory insurance authority of $125 million for farm ownership and $25 million for soil and water conservation loans. Contingent liabilities for these insured loans are reflected in the farm tenant-mortgage insurance fund schedules.

Repayments of loans and interest are now paid into miscellaneous receipts of the Treasury. Legislation has been introduced in the Congress to authorize the use of loan repayments for new loans.

1. *Farm ownership loans.*—Direct farm ownership loans are made to tenants, sharecroppers, farm laborers, owners of inadequate farms, and eligible veterans for the purchase or improvement of family-type or less than family-type farms. Loans may be made to farmowners for the refinancing of secured or unsecured indebtedness. These loans may be made up to the fair value of the farm (normal market value on less than family-type farms to owner-operators with off-farm income) at not to exceed 5% interest up to 40 years. Farm ownership loans made with funds advanced by private lenders are insured by the Government up to 90% of the value of the farm for 40 years at not more than 4% interest, plus 0.5% as an insurance premium, and 0.5% as an administrative expense charge. The Administration services these insured loans, makes collections, and pays the lender.

FARM OWNERSHIP LOANS

	1959 actual		*1960 estimate*		*1961 estimate*	
	Number	*Amount*	*Number*	*Amount*	*Number*	*Amount*
Number of applications	22,504		18,565		17,460	
Direct loans	2,004	$28,999,938	1,715	$24,000,000	1,410	$20,000,000
Insured loans	2,448	35,733,594	935	12,000,000	935	12,000,000

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2. *Farm operating loans.*—Direct loans are made for periods up to 7 years at 5% interest in amounts up to $10,000, with a limitation of $20,000 on the total principal indebtedness, to provide reasonable farm and home credit for the purchase of livestock, feed, seed, farm equipment and other farm necessities, including the refinancing of indebtedness to operators of not larger than family-type farms. In justifiable cases, loans may be made beyond 7 years but not beyond 10 years.

FARM OPERATING LOANS

	1959 actual	*1960 estimate*	*1961 estimate*
Number of applications	115,621	108,400	97,340
Number of loans	73,575	69,475	60,860
Amount	$186,999,940	$180,000,000	$154,000,000

3. *Soil and water conservation loans.*—Direct and insured loans are made to farmers and associations for the effective development and utilization of water supplies and for the improvement of farm land by soil and water conserving facilities and practices. Interest rates on these loans usually are set administratively at the same rates as farm ownership loans (5%) except that currently direct loans to associations are carrying a rate of one-half of 1% below loans to individuals. On each insured loan, at least 0.5% as an insurance premium and 0.5% as an administrative expense charge is retained by the Government. Loans are made for periods up to 20 years for individuals and 40 years for associations.

SOIL AND WATER CONSERVATION LOANS

	1959 actual		*1960 estimate*		*1961 estimate*	
	Number	*Amount*	*Number*	*Amount*	*Number*	*Amount*
Number of applications	1,950	----------	2,040	----------	2,000	----------
Direct loans:						
To individuals	647	$2,730,037	215	$900,000	380	$1,600,000
To groups	36	2,246,650	20	1,100,000	30	1,400,000
Insured loans:						
To individuals	207	1,092,005	100	520,000	100	520,000
To groups	17	1,399,660	8	480,000	8	480,000

4. *Farm housing loans.*—Direct farm housing loans are made to farm owners for periods up to 33 years at 4% interest to construct, improve, alter, repair, or replace dwellings and other farm buildings. It is proposed to borrow $25 million under continuing authority of $450 million of which a balance of $297,462,128 is estimated to be available at June 30, 1960.

FARM HOUSING LOANS

	1959 actual	*1960 estimate*	*1961 estimate*
Number of applications	17,111	14,000	12,000
Number of loans	8,186	5,670	3,570
Amount	$60,674,466	$40,000,000	$25,000,000

COLLECTIONS OF PRINCIPAL AND INTEREST

	1959 actual	*1960 estimate*	*1961 estimate*
Direct farm ownership loans	$28,693,146	$30,220,000	$31,370,000
Farm operating loans	193,001,669	191,332,400	202,346,000
Direct soil and water conservation loans	4,361,907	4,600,000	4,600,000
Farm housing loans	15,630,085	21,200,000	24,600,000
Total	241,686,807	247,352,400	262,916,000

5. *Relation of costs to obligations.*—The relationship of program costs to loan obligations is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year (undisbursed loan obligations)	$9,195,601	$10,659,838	$5,174,838	$3,825,838
Selected resources at start of year(−)		−9,195,601	−10,659,838	−5,174,838
Adjustment of selected resources reported at start of year		1,142,179	----------	----------
Costs financed from obligations of other years, net (−)		----------	−5,485,000	−1,349,000
Obligations incurred for costs of other years, net		2,606,416	----------	----------

Revenue Expense and Retained Earnings

	1959 actual	1960 estimate	1961 estimate
For the fiscal year:			
Lending operations:			
Income:			
Interest on loans	$34,529,242	$35,952,000	$36,545,000
Other income	61,253	45,000	40,000
Total income	34,590,495	35,997,000	36,585,000
Expense:			
Interest on borrowings	6,888,050	8,093,000	9,185,000
Losses and writeoffs	13,755,133	14,282,000	11,262,000
Other expense	10,030	----------	----------
Increase or decrease (−) in allowance for losses:			
Loans	1,183,995	519,542	−359,000
Interest and other	−4,334,137	−3,960,052	−2,747,510
Adjustment of prior year expense	−7,779	----------	----------
Total expense	17,495,292	18,934,490	17,340,490
Net income from lending operations [1]	17,095,203	17,062,510	19,244,510
Administrative expenses (provided by annual appropriations)	31,026,384	30,794,750	31,537,650
Cumulative to end of fiscal year:			
Lending operations: Income:			
Net results of prior year operations [1]	149,651,320	166,746,523	183,809,033
Net income for year [1]	17,095,203	17,062,510	19,244,510
Total lending operations [1]	166,746,523	183,809,033	203,053,543
Administrative expenses (provided by annual appropriations):			
Prior year expense	319,638,403	350,664,787	381,459,537
For the year	31,026,384	30,794,750	31,537,650
Total administrative expenses	350,664,787	381,459,537	412,997,187

[1] Does not take into consideration the interest costs incurred by Treasury on loan funds appropriated to Farmers Home Administration.

Financial Condition

	1959 actual	1960 estimate	1961 estimate
Assets:			
Cash	$21,532,070	$15,229,820	$13,938,181
Interest on loans and accounts receivable, net	24,127,411	23,987,535	23,533,295
Other current assets	190,720	190,720	190,720
Total current assets	45,850,201	39,408,075	37,662,196
Loans receivable	829,377,285	861,166,285	831,128,285
Allowance for losses on loans receivable (−)	−83,466,633	−83,986,175	−83,627,175
Fixed property and equipment, net	2,511,729	2,511,729	2,511,729
Judgments and acquired security, net	1,065,475	1,295,403	1,529,153
Total assets	795,338,057	820,395,317	789,204,188
Liabilities:			
Current	3,021,257	3,266,007	3,222,907
Government investment:			
Borrowings from Treasury	292,889,155	300,689,155	249,439,155
Appropriations	496,736,346	527,481,096	559,876,207
Assets taken over from prior agencies, net	438,214,767	438,214,767	438,214,767
Results from lending operations, net	166,746,523	183,809,033	203,053,543
Administrative expenses (−)	−350,664,787	−381,459,537	−412,997,187
Depreciation on automotive equipment (−)	−13,411	−13,411	−13,411
Deposit of general and special fund revenue (−)	−251,591,793	−251,591,793	−251,591,793
Total Government investment	792,316,800	817,129,310	785,981,281

NOTE.—Undisbursed loan commitments outstanding are as follows: June 30, 1958, $9,195,601; 1959, $11,027,338; 1960, $5,642,338; 1961, $4,153,338.

SALARIES AND EXPENSES

For making, servicing, and collecting loans and insured mortgages, the servicing and collecting of loans made under prior authority, the liquidation of assets transferred to Farmers Home Administration, and other administrative expenses, [$30,744,750] *$31,467,650,* together with a transfer of not to exceed [$1,000,000] *$1,100,000* of the fees and administrative expense charges made available by subsections (d) and (e) of section 12 of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1005(b)), and section 10(c) of the Act of August 28, 1937, as amended. *(7 U.S.C. 1040; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)*

Appropriated 1960, **$30,744,750** Estimate 1961, **$31,467,650**

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FARMERS HOME ADMINISTRATION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Administration of direct and insured loan programs (total program costs)[1]	$32,104,019	$31,744,750	$32,532,650
2. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−68,015		
Total program (obligations)	32,036,004	31,744,750	32,532,650
Financing:			
1959 appropriation available in 1958	41,747		
Advanced from the "Farm tenant-mortgage insurance fund"	−975,000	−1,000,000	−1,065,000
Unobligated balance no longer available	86,749		
New obligational authority	31,189,500	30,744,750	31,467,650
New obligational authority:			
Appropriation	$29,089,500	$30,744,750	$31,467,650
Transferred from "Conservation reserve program," Commodity Stabilization Service (73 Stat. 52)	2,100,000		
Appropriation (adjusted)	31,189,500	30,744,750	31,467,650

[1] Includes capital outlay as follows: 1959, $193,572; 1960, $70,000; 1961, $48,000.

1. These moneys are used to administer the loan programs of the Farmers Home Administration including reviewing applications, making and collecting loans, and providing technical assistance and guidance to borrowers, as described under Loan authorizations.

2. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources as reflected in the following table:

Selected resources at end of year: Inventories and items on order:	*1958 actual*	*1959 actual*	*1960 estimate*	*1961 estimate*
Equipment not placed in use	$24,575			
Stores	185,392	$175,966	$175,966	$175,966
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	158,145	124,131	124,131	124,131
Total selected resources at end of year	368,112	300,097	300,097	300,097
Selected resources at start of year (−)		−368,112	−300,097	−300,097
Costs financed from obligations of other years, net (−)		−68,015		

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Total number of permanent positions	4,686	4,696	4,519
	Full-time equivalent of all other positions	425	439	475
	Average number of all employees	4,991	4,863	4,901
	Number of employees at end of year	9,807	9,930	9,765
	Average GS grade and salary	6.2 $5,386	6.3 $5,470	6.6 $5,581
01	Personal services:			
	Permanent positions	$24,621,964	$24,469,235	$24,816,684
	Positions other than permanent	637,476	666,620	802,916
	Other personal services	189,243	279,145	186,900
	Total personal services	25,448,683	25,415,000	25,806,500
02	Travel	2,833,376	2,708,000	2,757,000
03	Transportation of things	109,638	92,000	105,000
04	Communication services	534,876	555,000	562,000
05	Rents and utility services	890,736	875,000	880,900
06	Printing and reproduction	151,189	140,000	165,000
07	Other contractual services	217,313	254,000	488,000
	Services performed by other agencies	23,277	22,000	22,000
08	Supplies and materials	175,296	65,000	75,000
09	Equipment	87,581	25,000	50,000
11	Grants, subsidies, and contributions	1,578,068	1,570,050	1,594,550
13	Refunds, awards, and indemnities		200	200
	Awards for employee suggestions	20,355	17,500	20,000
15	Taxes and assessments	7,363	6,000	6,500
	1959 program obligated in 1958	−41,747		
	Total obligations	32,036,004	31,744,750	32,532,650

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations and allotments from other accounts are included in the schedules of the parent appropriations as follows:
"Mutual security—economic," funds appropriated to the President.
"Watershed protection," Soil Conservation Service.

Public enterprise funds:

DISASTER LOANS, ETC., REVOLVING FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Capital outlay (obligations):			
1. Loan commitments:			
(*a*) Production emergency loans	$33,232,546	$30,200,000	$29,000,000
(*b*) Economic emergency loans	1,389,400	600,000	400,000
(*c*) Special livestock loans	2,672,980	1,200,000	750,000
(*d*) Special emergency loans	2,418,040		
(*e*) Other loans	55,027	50,000	50,000
2. Judgments and collateral acquired	30,859	25,125	35,000
Total, capital outlay	39,798,852	32,075,125	30,235,000
Operations (obligations):			
3. Administrative expenses	4,146,997	3,394,200	2,939,200
4. Other expense	54,844	220,295	249,313
Total, operations	4,201,841	3,614,495	3,188,513
Total program (obligations)	44,000,693	35,689,620	33,423,513
Financing:			
Amounts becoming available: Revenue and receipts:			
Repayments on loans	70,882,808	41,000,000	27,460,000
Proceeds from sale of acquired chattels	22,417		
Payments on judgments	59,317	44,000	66,000
Interest revenue	2,557,008	1,761,842	1,499,200
Other revenue	681	1,800	1,800
Adjustment of prior year expense	105,045		
Total amounts becoming available	73,627,276	42,807,642	29,027,000
Unobligated balance brought forward	38,330,563	67,957,146	75,075,168
Total amounts available	111,957,839	110,764,788	104,102,168
Unobligated balance carried forward	−67,957,146	−75,075,168	−70,678,655
Financing applied to program	44,000,693	35,689,620	33,423,513

Purpose and financial organization.—This fund finances loans to farmers and stockmen in the event of disasters and other emergencies, in areas where agricultural credit is not readily available. The fund is also available within statutory limits for emergency assistance in furnishing feed and seed in areas suffering major disasters. The fund was created by the transfer of the assets of the Regional Agricultural Credit Corporation of Washington which was abolished.

Budget program—1. *Loan commitments*—(*a*) *Production emergency loans.*—Loans are made at 3% interest to farmers and stockmen suffering production disasters.

(*b*) *Economic emergency loans.*—Loans may be made at 3% interest in any economic disaster area declared by the President.

(*c*) *Special livestock loans.*—For 4 years after July 14, 1953, loans were authorized to be made at 5% interest to established livestock producers who had a reasonable chance of working out their difficulties with supplementary financing. Supplemental loans may be made for an additional 4 years after July 14, 1957, to individuals already indebted.

(*d*) *Special emergency loans.*—The authority to make special emergency loans up to a total of $65 million expired on June 30, 1959.

(*e*) *Other loans.*—Where necessary to protect the Government's investment, obligations are incurred in connection with outstanding loans to provide for payment of such costs as taxes and insurance. When this is done, such advances are charged to the borrowers' accounts.

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3. *Administrative expenses.*—The principal administrative expenses in each of the 3 years are related to the loan programs of the Farmers Home Administration. These expenses are estimated at $3,200,000 in 1960 and $2,800,000 in 1961. Administrative expenses of the Commodity Stabilization Service are estimated at $165,000 in 1960 and $110,000 in 1961, in connection with the final audit of the emergency feed program. Administrative expenses for the Office of the General Counsel for 1960 are estimated at $29,200 in each of the years 1960 and 1961.

Financing the budget program.—No new budgetary authorization is required for 1961. A net loss of $3 million is estimated on an accrual basis. Net expenditures of $4.6 million are anticipated on a cash basis due primarily to estimated excess loan advances over loan repayments during the year.

During 1961, the program will be wholly financed by receipts from operations.

Operating results and financial condition.—Revenue for 1961, consisting principally of interest on loans, is estimated at $1.5 million, compared to expense of $4.5 million, resulting in an estimated loss of $3 million. A net loss of $3.1 million is estimated for 1960, and a net loss of $1.4 million resulted in 1959. A change in the formula for determining valuation reserves on loans effective during 1959 reduced the loss for the year.

Loans receivable, after allowance for losses, are expected to amount to $45.7 million on June 30, 1961, as compared with $44.3 million at June 30, 1960, and $53.8 million on June 30, 1959.

The Government investment at June 30, 1961, is expected to be $117.1 million, consisting of $205.9 million appropriated and donated, less a deficit of $88.8 million.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Loan program:			
Acquisition of loans	$39,471,450	$32,809,470	$30,200,000
Acquisitions in lieu of interest receivable:			
Collateral	2,245	4,000	5,000
Judgments taken	28,614	21,125	30,000
Expense	4,213,699	3,532,100	3,140,700
Increase in selected working capital			273,450
Total gross expenditures	43,716,008	36,366,695	33,649,150
Receipts from operations (funds provided):			
Loan program:			
Repayments on loans	70,882,808	41,000,000	27,460,000
Acquired security or collateral	22,417		
Payments on judgments	59,317	44,000	66,000
Revenue	2,557,689	1,763,642	1,501,000
Decrease in selected working capital	1,253,847	283,880	
Total receipts from operations	74,776,078	43,091,522	29,027,000
Budget expenditures	−31,060,070	−6,724,827	4,622,150

Revenue, Expense, and Retained Earnings

Operating program:			
Revenue	$2,557,689	$1,763,642	$1,501,000
Expense	4,000,639	4,889,984	4,503,888
Net operating loss (−)	−1,442,950	−3,126,342	−3,002,888
Nonoperating income:			
Proceeds from disposition of collateral:			
Cash sales	22,417		
Exchanged for loans receivable	32,515	60,000	40,000
Total proceeds from disposition of collateral	54,932	60,000	40,000
Net book value of assets sold (−)	−54,154	−60,000	−40,000
Net gain from disposition of collateral	778		
Miscellaneous nonoperating income	192		
Net nonoperating income	970		
Net loss (−) for the year	−1,441,980	−3,126,342	−3,002,888
Deficit (−), beginning of year	−81,237,746	−82,679,726	−85,806,068
Deficit (−), end of year	−82,679,726	−85,806,068	−88,808,956

Financial Condition

	1959 actual	1960 estimate	1961 estimate
Assets:			
Cash with Treasury	$63,757,734	$70,482,561	$65,860,411
Accounts receivable, net	5,584,505	5,350,677	5,522,514
Loans receivable, net	53,831,283	44,343,356	45,699,856
Acquired security or collateral	48,141	22,141	17,141
Judgments, net	196,794	225,827	267,952
Total assets	123,418,457	120,424,562	117,367,874
Liabilities:			
Current	240,038	372,485	318,685
Government investment:			
Non-interest-bearing capital	205,858,145	205,858,145	205,858,145
Deficit (−)	−82,679,726	−85,806,068	−88,808,956
Total Government investment	123,178,419	120,052,077	117,049,189

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash with Treasury	$32,697,664	$63,757,734	$70,482,561	$65,860,411
Obligated balance, net:				
Current liabilities	477,205	240,038	372,485	318,685
Undisbursed loan commitments	848,511	1,145,055	385,585	385,585
Accounts receivable, net, and cash in transit (−)	−6,958,615	−5,584,505	−5,350,677	−5,522,514
Total obligated balance	−5,632,899	−4,199,412	−4,592,607	−4,818,244
Unobligated balance	38,330,563	67,957,146	75,075,168	70,678,655

Object Classification

	1959 actual	1960 estimate	1961 estimate
FARMERS HOME ADMINISTRATION			
Total number of permanent positions	604	422	423
Full-time equivalent of all other positions	119	181	94
Average number of all employees	715	592	502
Number of employees at end of year	647	570	505
Average GS grade and salary	5.3 $4,973	5.4 $4,952	5.8 $4,966
01 Personal services:			
Permanent positions	$2,965,060	$2,032,550	$2,015,400
Positions other than permanent	498,941	759,000	380,090
Other personal services	17,457	22,450	14,510
Total personal services	3,481,458	2,814,000	2,410,000
02 Travel	277,197	227,500	229,000
06 Printing and reproduction	5,730	5,000	5,000
07 Other contractual services	10,187	9,500	28,500
Services performed by other agencies	54		
11 Grants, subsidies, and contributions	191,847	132,000	117,500
15 Taxes and assessments	10,856	12,000	10,000
16 Investments and loans	39,798,852	32,075,125	30,235,000
Undistributed charges	54,844	220,295	249,313
Total, Farmers Home Administration	43,831,025	35,495,420	33,284,313
ALLOTMENT ACCOUNTS			
Total number of permanent positions	18	13	12
Full-time equivalent of all other positions	1	1	1
Average number of all employees	18	13	12
Number of employees at end of year	8	6	5
Average GS grade and salary	6.2 $5,408	6.1 $5,422	6.1 $5,439
01 Personal services:			
Permanent positions	$129,738	$101,830	$99,515
Positions other than permanent	5,071	2,500	2,400
Other personal services	443	400	300
Total personal services	135,252	104,730	102,215
02 Travel	19,619	12,300	12,100
03 Transportation of things		100	100
04 Communication services	1,010	1,200	1,200
06 Printing and reproduction	314	1,900	1,900
07 Other contractual services	1,040	2,500	2,615
Advanced to—			
"Local administration, sec. 388, Agricultural Adjustment Act of 1938, Agriculture" (7 U.S.C. 1388)		35,000	6,000
"Administrative expense, sec. 392, Agricultural Adjustment Act of 1938" (7 U.S.C. 1392)	5,000	29,000	6,000
08 Supplies and materials	504	600	500
09 Equipment		100	
11 Grants, subsidies, and contributions	6,765	6,570	6,470
13 Refunds, awards, and indemnities	12	100	
15 Taxes and assessments	152	100	100
Total, allotment accounts	169,668	194,200	139,200
Total obligations	44,000,693	35,689,620	33,423,513

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FARMERS HOME ADMINISTRATION—Continued

Public enterprise funds—Continued

DISASTER LOANS, ETC., REVOLVING FUND—Continued

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
Obligations are distributed as follows:			
Farmers Home Administration	$43,831,025	$35,495,420	$33,284,313
Commodity Stabilization Service	143,444	165,000	110,000
Office of the General Counsel	26,224	29,200	29,200

FARM TENANT-MORTGAGE INSURANCE FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Capital outlay (obligations):			
Loans made:			
For payment of delinquent installments	$1,342,688	$1,600,000	$1,600,000
For other advances	61,704	148,000	100,000
From fund for later sale	3,282,680	1,000,000	1,000,000
Purchase of loans from lenders	28,372,962	7,200,000	13,000,000
Collateral acquired by default	15,816		
Total, capital outlay	33,075,850	9,948,000	15,700,000
Operations (obligations):			
Administrative expenses	975,000	1,000,000	1,065,000
Costs incident to acquired real estate	2,700	4,000	4,000
Writeoffs, interest on loans receivable	235	200	200
Interest on borrowings from Treasury	401,400	1,200,000	1,600,000
Total, operations	1,379,335	2,204,200	2,669,200
Total program (obligations)	34,455,185	12,152,200	18,369,200
Financing:			
Amounts becoming available:			
Authorization to expend from public debt receipts	26,735,000	2,700,000	7,630,000
Revenue and receipts:			
Repayments on advances and loans held	3,340,276	4,155,000	4,700,000
Sale of loans	1,639,587	2,800,000	2,800,000
Proceeds from sale of acquired real estate	114,084	120,000	143,000
Insurance premiums	2,039,146	2,200,000	2,200,000
Interest income	483,894	1,000,000	1,250,000
Fees and other income	55,849	52,000	43,000
Recovery of prior year obligations	129,482		
Total amounts becoming available	34,537,318	13,027,000	18,766,000
Unobligated balance brought forward	2,836,777	2,918,910	3,793,710
Total amounts available	37,374,095	15,945,910	22,559,710
Unobligated balance carried forward	−2,918,910	−3,793,710	−4,190,510
Financing applied to program	34,455,185	12,152,200	18,369,200

Purpose and financial organization.—This fund, authorized in the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1005(a)), relates to insured farm ownership loans and soil and water conservation loans. The insurance endorsement on each loan includes an agreement by the Government to purchase the loan after a specified period at the holder's option. The initial fund of $1 million is supplemented by charges collected from insured farm ownership and soil and water conservation loan borrowers, inspection and appraisal fees, and other charges. Receipts are available for administrative expenses and to cover losses. Public Law 85-748, approved August 25, 1958 (72 Stat. 840), authorized for the first time the making of loans from the fund to be sold individually or in blocks and insured. Not in excess of $5 million may be borrowed from the Secretary of the Treasury to facilitate the blocking of such loans. Public Law 85-748 also changed the method of determining the interest paid the Secretary of the Treasury on borrowings to relate the charges to the current average market yields of outstanding marketable obligations of the United States.

Budget program.—Advances and purchases of loans are estimated at $15.7 million in 1961, an increase of $5.8 over 1960 and a decrease of $17.3 below 1959. Included is $1 million in 1960 and $1 million in 1961 for making loans under the new statutory authority which will later be sold on an insured basis.

Financing.—In order to finance the various operations, it is estimated that it will be necessary to utilize the statutory authorization (7 U.S.C. 1005c) to borrow from the Treasury in the net amount of $2,700,000 in 1960. Net borrowings from the Treasury of $7,630,000 are anticipated in 1961.

Operating results and retained earnings.—Total income, consisting principally of insurance premiums, is estimated at $3.5 million in 1961, an increase of about $0.3 million from 1960.

The necessity to purchase loans is expected to result in outstanding loans receivable of $45.4 million at June 30, 1961. Retained earnings, which are for absorption of any future losses, are estimated to be $9.3 million at the end of 1961. These earnings, when added to the $1 million appropriation and estimated borrowings of $39.5 million from the Treasury, represent a $49.8 million Government investment.

POSITION WITH RESPECT TO INSURANCE AUTHORITY

	1959 actual	*1960 estimate*	*1961 estimate*
Annual mortgage insurance authority	$150,000,000	$150,000,000	$150,000,000
Charges against mortgage insurance authority during the year:			
Mortgages insured	32,286,178	9,525,000	9,500,000
Commitments to insure pending advances by lenders	7,320,845	3,475,000	3,500,000
Mortgages accepted for the account of the fund, net	415,927	350,000	300,000
Total charges against authority	40,022,950	13,350,000	13,300,000
Unused insurance authority	109,977,050	136,650,000	136,700,000

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Loans made:			
Payment of delinquent installments	$1,342,693	$1,600,000	$1,600,000
Advances on behalf of borrowers	609	150,000	100,000
From fund for later sale	2,418,840	1,850,000	1,000,000
Purchase of loans from lenders	28,615,743	7,400,000	13,000,000
Acquired property	15,816		
Expense	1,379,349	2,204,200	2,669,200
Increase in selected working capital	132,712	269,800	462,800
Total gross expenditures	33,905,762	13,474,000	18,832,000
Receipts from operations (funds provided):			
Loan repayments:			
On advances and loans held	3,340,276	4,155,000	4,700,000
Sale of loans	1,639,587	2,800,000	2,800,000
Sale of acquired property	114,084	120,000	143,000
Revenue	2,578,889	3,252,000	3,493,000
Total receipts from operations	7,672,836	10,327,000	11,136,000
Budget expenditures	26,232,926	3,147,000	7,696,000

Revenue, Expense, and Retained Earnings

Operating program:			
Revenue	$2,578,889	$3,252,000	$3,493,000
Expense	1,413,967	2,244,200	2,709,200
Net income	1,164,922	1,007,800	783,800
Nonoperating income or loss (−):			
Proceeds from disposition of acquired property:			
Cash sales	114,084	120,000	143,000
Exchanged for loans receivable	72,858	140,000	150,000
Total proceeds from disposition of acquired property	186,942	260,000	293,000
Net book value of assets sold (−)	−188,532	−258,000	−291,000
Net gain or loss (−) from disposition of acquired property	−1,590	2,000	2,000
Miscellaneous nonoperating income	253		
Net nonoperating income or loss (−)	−1,337	2,000	2,000
Net income for the year	1,163,585	1,009,800	785,800
Retained earnings, beginning of year	6,297,000	7,460,585	8,470,385
Retained earnings, end of year	7,460,585	8,470,385	9,256,185

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Financial Condition

	1959 actual	1960 estimate	1961 estimate
Assets:			
Cash with Treasury	$1,615,876	$1,168,876	$1,102,876
Accounts receivable, net	2,515,311	2,785,111	3,247,911
Loans receivable, net	33,413,814	37,328,814	45,388,814
Judgments	684	684	684
Property acquired through foreclosure	140,534	112,534	71,534
Total assets	37,686,219	41,396,019	49,811,819
Liabilities:			
Current	5,634	5,634	5,634
Government investment:			
Interest-bearing capital:			
Start of year	2,485,000	29,220,000	31,920,000
Borrowings from Treasury during year, net	26,735,000	2,700,000	7,630,000
End of year	29,220,000	31,920,000	39,550,000
Non-interest-bearing capital	1,000,000	1,000,000	1,000,000
Retained earnings	7,460,585	8,470,385	9,256,185
Total Government investment	37,680,585	41,390,385	49,806,185

NOTE.—This statement excludes contingent liabilities for insured loans in principal amounts of $168,716,410 at June 30, 1959; $160,536,410 at June 30, 1960; and $144,126,410 at June 30, 1961.

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash with Treasury	$1,113,802	$1,615,876	$1,168,876	$1,102,876
Obligated balance, net:				
Current liabilities	5,719	5,634	5,634	5,634
Undisbursed commitments to purchase loans	650,194	339,519	139,519	139,519
Undisbursed commitments to make loans from fund		863,840	13,840	13,840
Undisbursed commitments to pay recoverable loan costs	3,796	3,284	1,284	1,284
Accounts receivable, net, and cash in transit (−)	−2,382,684	−2,515,311	−2,785,111	−3,247,911
Total obligated balance	−1,722,975	−1,303,034	−2,624,834	−3,087,634
Unobligated balance	2,836,777	2,918,910	3,793,710	4,190,510

Object Classification

	1959 actual	1960 estimate	1961 estimate
07 Other contractual services	$977,935	$1,004,200	$1,069,200
14 Interest	401,400	1,200,000	1,600,000
16 Investments and loans	33,075,850	9,948,000	15,700,000
Total obligations	34,455,185	12,152,200	18,369,200

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Administration of direct and insured loan programs (total costs—obligations)	$100,123	$115,000	$115,900
Financing:			
Advances and reimbursements from—			
Other accounts	89,290	105,000	105,900
Non-Federal sources (40 U.S.C. 481(c))	10,833	10,000	10,000
Total financing	100,123	115,000	115,900

Object Classification

	1959 actual		1960 estimate		1961 estimate	
Total number of permanent positions	15		15		14	
Average number of all employees	15		17		16	
Number of employees at end of year	15		15		14	
Average GS grade and salary	4.8	$4,774	4.9	$4,870	5.0	$4,982

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
01 Personal services:			
Permanent positions	$71,549	$80,490	$78,515
Other personal services	439	3,510	3,485
Total personal services	71,988	84,000	82,000
03 Transportation of things	1,630	2,000	2,000
04 Communication services	179	200	200
05 Rents and utility services	11,721	15,000	16,000
07 Other contractual services	762	800	1,800
09 Equipment	9,203	7,500	8,500
11 Grants, subsidies, and contributions	4,640	5,500	5,400
Total obligations	100,123	115,000	115,900

OFFICE OF THE GENERAL COUNSEL

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses, including payment of fees or dues for the use of law libraries by attorneys in the field service, [$3,162,025] *$3,358,845. (5 U.S.C. 511–512, 518; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)*

Appropriated 1960, **$3,162,025** Estimate 1961, **$3,358,845**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Agricultural credit and conservation	$1,567,441	$1,555,000	$1,565,000
2. Commodity credit and production adjustment programs	826,373	808,000	813,500
3. Marketing and regulatory laws	543,751	535,025	714,645
4. Agricultural research and staff legal services	270,111	264,000	265,700
Total program costs [1]	3,207,676	3,162,025	3,358,845
5. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−15,844		
Total program (obligations)	3,191,832	3,162,025	3,358,845
Financing:			
Unobligated balance no longer available	16,918		
New obligational authority	3,208,750	3,162,025	3,358,845
New obligational authority:			
Appropriation	$2,968,000	$3,162,025	$3,358,845
Transferred from "Conservation reserve program," Commodity Stabilization Service (73 Stat. 52)	240,750		
Appropriation (adjusted)	3,208,750	3,162,025	3,358,845

[1] Includes capital outlay as follows: June 30, 1959, $23,468; 1960, $21,000; 1961, $24,000.

The Office serves as legal counsel for the Secretary of Agriculture and performs all legal work for the Department. It represents the Department in administrative proceedings for the promulgation of rules and regulations having the force and effect of law and in quasi-judicial hearings held in connection with the administration of Department programs. The Office also represents the Secretary in proceedings before the Interstate Commerce Commission dealing with rates and practices relating to the transportation of agricultural commodities and in appeals to the courts from the decisions of the Commission. It examines titles to lands to be acquired by the Department or accepted as security for loans, and disposes of claims arising out of the Department's activities.

Increases in 1961 are to meet increased legal workload connected with the administration of the Packers and Stockyards Act, marketing agreement and order programs, and other marketing and regulatory activities.

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OFFICE OF THE GENERAL COUNSEL—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

5. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$29,074	$7,105	$7,105	$7,105
Selected resources at start of year (−)		−29,074	−7,105	−7,105
Adjustment of prior year costs and selected resources at start of year		6,125		
Costs financed from obligations of other years, net (−)		−15,844		

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Total number of permanent positions	408	389	414
	Full-time equivalent of all other positions	4	4	4
	Average number of all employees	394	385	403
	Number of employees at end of year	395	396	407
	Average GS grade and salary	8.2 $6,920	8.3 $7,017	8.3 $7,114
01	Personal services:			
	Permanent positions	$2,744,100	$2,700,375	$2,855,545
	Positions other than permanent	13,726	14,000	14,000
	Other personal services	14,111	24,000	14,500
	Total personal services	2,771,937	2,738,375	2,884,045
02	Travel	83,506	88,000	97,500
03	Transportation of things	5,510	5,500	5,500
04	Communication services	35,110	35,500	37,750
05	Rents and utility services	8,724	8,750	8,750
06	Printing and reproduction	19,149	19,000	21,550
07	Other contractual services	23,592	23,400	45,970
	Services performed by other agencies	6,168	6,000	6,100
08	Supplies and materials	25,705	25,000	26,550
09	Equipment	35,396	34,500	37,500
11	Grants, subsidies, and contributions	175,676	175,700	185,330
13	Refunds, awards, and indemnities	580	1,500	1,500
15	Taxes and assessments	779	800	800
	Total obligations	3,191,832	3,162,025	3,358,845

ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allotments from other accounts are included in the schedule of the parent appropriations as follows:
"Conservation reserve program," Commodity Stabilization Service.
"Disaster loans, etc., revolving fund," Farmers Home Administration.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Miscellaneous services to other accounts (total costs—obligations) (object class 09)	$293	$500	$500
Financing:			
Advances and reimbursements from non-Federal sources (5 U.S.C. 61(b) and 40 U.S.C. 481(c))	293	500	500

OFFICE OF THE SECRETARY

Current authorizations:

SALARIES AND EXPENSES

For expenses of the Office of the Secretary of Agriculture; expenses of the National Agricultural Advisory Commission; stationery, supplies, materials, and equipment; freight, express, and drayage charges; advertising of bids, communication service, postage, washing towels, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture, [$2,881,000] *$2,899,500*: *Provided*, That this appropriation shall be reimbursed from applicable appropriations for travel expenses incident to the holding of hearings as required by the Administrative Procedure Act (5 U.S.C. 1001). *(5 U.S.C. 511–517; secs. 511–512—establishing the Department of Agriculture, which was implemented by the Act of July 24, 1919 (5 U.S.C. 563–564), apply to all appropriation items of the Department which are not based upon specific legislative authority either incorporated in the language of the item or cited immediately thereunder; 5 U.S.C. 520a, 542–1, 543b, 1001, 2131; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)*

Appropriated 1960, **$2,881,000** Estimate 1961, **$2,899,500**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. General administration	$617,294	$621,215	$624,200
2. Personnel administration and service	696,655	703,114	707,800
3. Budgetary and financial administration and service	660,728	677,025	681,400
4. General operations	593,946	606,686	611,600
5. Administrative management	92,740	95,545	96,200
6. Regulatory hearings and decisions	162,486	165,915	166,800
7. National Agricultural Advisory Commission	11,369	11,500	11,500
Total program costs [1]	2,835,218	2,881,000	2,899,500
8. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−4,776		
Total program (obligations)	2,830,442	2,881,000	2,899,500
Financing:			
Comparative transfers from (−) other accounts	−4,600		
Unobligated balance no longer available	29,808		
New obligational authority	2,855,650	2,881,000	2,899,500
New obligational authority:			
Appropriation	$2,668,895	$2,881,000	$2,899,500
Transferred from "Conservation reserve program," Commodity Stabilization Service (73 Stat. 52)	186,755		
Appropriation (adjusted)	2,855,650	2,881,000	2,899,500

[1] Includes capital outlay as follows: June 30, 1959, $14,408; 1960, $7,300; 1961, $7,300.

The Office provides overall planning, coordination, and administration of the Department's programs, and supplies certain services on a departmentwide basis.

2. *Personnel administration and service.*—Departmental policies and procedures are promulgated for the personnel management program. The operational phases of this program have been substantially delegated to the agencies. A systematic review is conducted to insure unification thereof and to measure its effectiveness in serving the agencies' personnel management requirements.

3. *Budgetary and financial administration and service.*—This covers the fields of departmental budgetary and financial management, internal audit and related activities; policies and procedures are promulgated, and programs and legislative proposals are evaluated for budgetary, financial, and related implications.

4. *General operations.*—These embrace departmental policies and procedures for real and personal property, and supply management. Administrative services are provided for the Office of the Secretary, and departmental service operations are furnished, including the Department's post office, telephone switchboard, telegraph office, and reproduction and supply services.

5. *Administrative management.*—This covers the areas of organization, paperwork activities (forms, reports, correspondence, and records maintenance and disposition), administrative issuances, and management improvement. Departmental policies and procedures are promulgated, improvement studies are undertaken, and agency ad-

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ministrative management programs are evaluated to insure economical and effective administration.

6. *Regulatory hearings and decisions.*—The hearing examiners hold hearings in connection with the prescribing of new regulations and orders and on disciplinary complaints filed by the Department or on petitions filed by private parties asking relief from some action of the Department. Final administrative decisions in regulatory proceedings are rendered by the judicial officer. Agriculture Decisions is published monthly.

7. *National Agricultural Advisory Commission.*—Provision is made for the payment of necessary expenses incident to periodic meetings of the National Agricultural Advisory Commission.

8. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$10,051	$5,504	$5,504	$5,504
Selected resources at start of year (−)		−10,051	−5,504	−5,504
Adjustment of prior year costs and selected resources reported at start of year		−229		
Costs financed from obligations of other years, net (−)		−4,776		

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Total number of permanent positions	328	332	332
	Full-time equivalent of all other positions	2	1	1
	Average number of all employees	318	322	322
	Number of employees at end of year	317	323	323
	Average GS grade and salary	8.6 $7,284	8.7 $7,306	8.7 $7,327
01	Personal services:			
	Permanent positions	$2,367,095	$2,400,006	$2,410,737
	Positions other than permanent	11,845	9,813	8,526
	Other personal services	21,027	30,181	20,737
	Total personal services	2,399,967	2,440,000	2,440,000
02	Travel	102,024	117,632	117,632
03	Transportation of things	796	600	600
04	Communication services	38,434	38,700	38,700
05	Rents and utility services	871	800	800
06	Printing and reproduction	71,316	69,800	69,800
07	Other contractual services	14,060	14,000	32,500
	Services performed by other agencies	22,079	20,900	20,900
08	Supplies and materials	21,280	20,500	20,500
09	Equipment	8,994	7,300	7,300
11	Grants, subsidies, and contributions	148,322	149,000	149,000
13	Refunds, awards, and indemnities	985	600	600
15	Taxes and assessments	1,314	1,168	1,168
	Total obligations	2,830,442	2,881,000	2,899,500

Intragovernmental funds:

WORKING CAPITAL FUND, DEPARTMENT OF AGRICULTURE

This fund finances on a reimbursable basis certain central services in the Department of Agriculture, including duplicating, photographic, art and graphics, motion picture, tabulating, supply, and library photocopying services. The capital consists of $400,000 appropriated (5 U.S.C. 542–1) and $522,958 donated assets, as of June 30, 1959. Earnings are retained to furnish adequate working capital.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Supply and other central services program:			
Acquisition of equipment	$22,708	$4,000	$4,000
Expense:			
Purchase of materials	482,653	482,880	483,500
Other expense	359,502	361,200	361,400
Reproduction services program:			
Acquisition of equipment	$4,070	$12,000	$12,000
Expense:			
Purchase of materials	355,016	355,000	355,000
Other expense	674,991	680,000	680,000
Motion picture, photographic, and other visual information services program:			
Acquisition of equipment	36,407	40,000	20,000
Expense:			
Purchase of materials	166,665	190,000	190,000
Other expense	934,130	954,600	953,600
Increase in selected working capital	25,190		4,400
Total gross expenditures	3,061,332	3,079,680	3,063,900
Receipts from operations (funds provided):			
Supply and other central services program:			
Revenue	837,380	832,000	832,000
Proceeds from sale of equipment	825		
Reproduction services program:			
Revenue	1,066,498	1,050,000	1,050,000
Proceeds from sale of equipment	490		
Motion picture, photographic and other visual information services program: Revenue	1,123,752	1,173,000	1,173,000
Decrease in selected working capital		31,600	
Total receipts from operations	3,028,945	3,086,600	3,055,000
Budget expenditures	32,387	−6,920	8,900

Revenue, Expense, and Retained Earnings

	1959 actual	1960 estimate	1961 estimate
Supply and other central services program:			
Revenue	$837,380	$832,000	$832,000
Expense	841,869	830,800	831,000
Net operating income or loss (−), supply and other central services program	−4,489	1,200	1,000
Reproduction services program:			
Revenue	1,066,498	1,050,000	1,050,000
Expense	1,026,524	1,050,000	1,050,000
Net operating income, reproduction services program	39,974		
Motion picture, photographic, and other visual information services program:			
Revenue	1,123,752	1,173,000	1,173,000
Expense	1,129,582	1,171,600	1,172,600
Net operating income or loss (−), motion picture, photographic, and other visual information services program	−5,830	1,400	400
Nonoperating income:			
Proceeds from sale of equipment	1,315		
Net book value of assets sold (−)	−509		
Net nonoperating income	806		
Net income for the year	30,461	2,600	1,400
Retained earnings, beginning of year	38,942	69,403	72,003
Retained earnings, end of year	69,403	72,003	73,403

Financial Condition

	1959 actual	1960 estimate	1961 estimate
Assets:			
Cash with Treasury	$278,658	$285,578	$276,678
Accounts receivable, net	466,607	447,087	437,087
Advances	5,972	5,500	5,500
Inventories, deferred charges, etc	266,910	283,690	301,090
Equipment, net	390,365	400,265	388,165
Total assets	1,408,512	1,422,120	1,408,520
Liabilities:			
Current	416,151	427,159	412,159
Government investment:			
Non-interest-bearing capital:			
Start of year	919,848	922,958	922,958
Donated assets, net, during year	3,110		
End of year	922,958	922,958	922,958
Retained earnings	69,403	72,003	73,403
Total Government investment	992,361	994,961	996,361

NOTE.—Unpaid undelivered orders are as follows: June 30, 1958, $111,376; 1959, $105,005; 1960 $88,969; and 1961, $71,969.

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OFFICE OF THE SECRETARY—Continued

Intragovernmental funds—Continued

WORKING CAPITAL FUND, DEPARTMENT OF AGRICULTURE—Con.

Object Classification

	1959 actual	1960 estimate	1961 estimate
OFFICE OF THE SECRETARY			
Total number of permanent positions	164	160	160
Average number of all employees	156	158	158
Number of employees at end of year	151	158	158
Average GS grade and salary	4.2 $4,623	4.3 $4,657	4.3 $4,680
Average salary of ungraded positions	$4,454	$4,437	$4,458
01 Personal services:			
Permanent positions	$716,479	$711,453	$714,178
Positions other than permanent	980		
Other personal services	29,102	28,547	25,822
Excess of annual leave earned over leave taken	2,375		
Total personal services	748,936	740,000	740,000
02 Travel	299	200	200
03 Transportation of things	164	200	200
04 Communication services	119,121	119,000	119,000
05 Rents and utility services	3,591	3,500	3,500
06 Printing and reproduction	49,459	49,000	49,000
07 Other contractual services	15,061	15,000	23,820
08 Supplies and materials	825,638	825,000	816,180
09 Equipment	23,907	12,000	12,000
11 Grants, subsidies, and contributions	46,099	46,000	46,000
13 Refunds, awards, and indemnities	10		
15 Taxes and assessments	115	100	100
Total, Office of the Secretary	1,832,400	1,810,000	1,810,000
ALLOTMENT ACCOUNTS			
Total number of permanent positions	108	107	107
Full-time equivalent of all other positions	1	1	1
Average number of all employees	110	109	109
Number of employees at end of year	110	111	111
Average GS grade and salary	7.7 $6,084	7.7 $6,113	7.7 $6,131
01 Personal services:			
Permanent positions	$675,403	$693,851	$698,393
Positions other than permanent	3,935	3,000	3,000
Other personal services	21,751	16,949	12,107
Excess of annual leave earned over leave taken	11,069		
Total personal services	712,158	713,800	714,000
02 Travel	23,504	24,000	24,000
03 Transportation of things	5,176	5,500	5,500
04 Communication services	4,568	5,800	5,800
06 Printing and reproduction	16,360	17,200	17,200
07 Other contractual services	166,021	199,600	206,500
Services performed by other agencies	9,677	12,100	12,100
08 Supplies and materials	176,649	183,572	175,800
09 Equipment	41,745	44,000	24,000
11 Grants, subsidies, and contributions	41,867	46,000	46,000
15 Taxes and assessments	685	1,000	1,000
Total, allotment accounts	1,198,410	1,252,572	1,231,900
Total obligations	3,030,810	3,062,572	3,041,900
Obligations are distributed as follows:			
Office of the Secretary	$1,832,400	$1,810,000	$1,810,000
Office of Information	1,156,008	1,211,492	1,190,000
Library	42,402	41,080	41,900

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Miscellaneous services to other accounts:			
Department of Agriculture	$29,564	$29,935	$29,935
Other agencies	10,100	3,720	3,720
Total program (costs—obligations)	39,664	33,655	33,655
Financing:			
Advances and reimbursements from—			
Other accounts	39,465	33,655	33,655
Non-Federal sources (40 U.S.C. 481 (c))	199		
Total financing	39,664	33,655	33,655

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	2	2	2
Average number of all employees	2	2	2
Number of employees at end of year	0	0	0
Average GS grade and salary	10.9 $8,590	11.2 $9,472	11.2 $9,501
01 Personal services: Permanent positions	$22,168	$14,660	$14,660
02 Travel	14,936	18,000	17,890
04 Communication services	69		
05 Rents and utility services	82		
06 Printing and reproduction	1,254		
07 Other contractual services	65	8	118
09 Equipment	82		
11 Grants, subsidies, and contributions	1,008	987	987
Total obligations	39,664	33,655	33,655

OFFICE OF INFORMATION

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Office of Information for the dissemination of agricultural information and the coordination of informational work and programs authorized by Congress in the Department, [$1,431,665] *$1,478,685*, of which total appropriation not to exceed $537,000 may be used for farmers' bulletins, which shall be adapted to the interests of the people of the different sections of the country, an equal proportion of four-fifths of which shall be delivered to or sent out under the addressed franks furnished by the Senators, Representatives, and Delegates in Congress, as they shall direct (7 U.S.C. 417) and not less than two hundred and thirty-three thousand and fifty copies for the use of the Senate and House of Representatives of part 2 of the annual report of the Secretary (known as the Yearbook of Agriculture) as authorized by section 73 of the Act of January 12, 1895 (44 U.S.C. 241): *Provided*, That in the preparation of motion pictures or exhibits by the Department, not exceeding a total of $10,000 may be used for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a). *(5 U.S.C. 511–512; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)*

Appropriated 1960, **$1,431,665** Estimate 1961, **$1,478,685**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Publications review and distribution	$652,281	$685,192	$696,872
2. Review and distribution of current agricultural information	517,363	517,490	528,750
3. Review, preparation, and distribution of visual agricultural information	223,954	228,983	253,063
Total program costs [1]	1,393,598	1,431,665	1,478,685
4. Relation of costs to obligations: Obligations incurred for costs of other years, net	34,387		
Total program (obligations)	1,427,985	1,431,665	1,478,685
Financing:			
Comparative transfers to other accounts	4,600		
Unobligated balance no longer available	680		
New obligational authority	1,433,265	1,431,665	1,478,685
New obligational authority:			
Appropriation	$1,359,265	$1,431,665	$1,478,685
Transferred from "Conservation reserve program," Commodity Stabilization Service (73 Stat. 36)	74,000		
Appropriation (adjusted)	1,433,265	1,431,665	1,478,685

[1] Includes capital outlay as follows: June 30, 1959, $7,132; 1960, $6,500; 1961, $6,500.

The Office has responsibility for the information work of the entire Department. Its major objective is to report to farmers, specially affected groups, and to the public the Department's research, action, regulatory, and

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other programs, using any or all information media. This work is carried on in close cooperation with the land-grant colleges and with private industries which serve agriculture. Workload depends upon Department program demands, direct requests, and legislative requirements.

1. *Publications review and distribution.*—The Department publications, both printed and processed, are reviewed for policy clearance and control. Publications include farmers' bulletins, leaflets, periodicals, scientific, research, and marketing publications, and agricultural statistics.

2. *Review and distribution of current agricultural information.*—The Department's activities require the issuance of about 3,600 periodic crop, price, and market reports and press releases annually. Special information is furnished to national magazines, encyclopedic annuals, and trade publications. Digests, newsletters, and other services are made available to press associations, daily newspapers, and farm publications. Part 2 of the Secretary's annual report, known as the Yearbook of Agriculture, is published by the Office and distributed by Members of Congress. Radio is used to reach farmers locally and to broadcast regular weekly programs on major networks. Television package programs are prepared for use of land-grant colleges and television farm broadcasters. Essential information on Department policies and programs is provided to Washington and field employees by the biweekly issuance of USDA, an employee news bulletin.

3. *Review, preparation, and distribution of visual agricultural information.*—Motion pictures for the Department and private industries which serve agriculture are produced on a reimbursable basis and distributed through nearly 75 cooperating State film libraries. Still photographs, illustrations, and graphics are similarly produced. News and general-type photographs of Department programs and activities are available from a centralized library. Exhibits are produced and supplied to State extension workers for their use in State exhibit showings.

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Publications consigned to Government Printing Office	$157,000	$177,700	$180,000	$180,000
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	275,652	279,099	276,799	276,799
Total selected resources at end of year	432,652	456,799	456,799	456,799
Selected resources at start of year (−)		−432,652	−456,799	−456,799
Adjustment of prior year costs and selected resources reported at start of year		10,240		
Obligations incurred for costs of other years, net		34,387		

Object Classification

	1959 actual		1960 estimate		1961 estimate	
Total number of permanent positions	133		133		138	
Full-time equivalent of all other positions	1		1		1	
Average number of all employees	119		119		122	
Number of employees at end of year	124		123		128	
Average GS grade and salary	7.3	$6,092	7.3	$6,119	7.4	$6,192
01 Personal services:						
Permanent positions	$702,971		$705,602		$739,065	
Positions other than permanent	9,198		6,025		3,200	
Other personal services	4,643		6,238		3,500	
Total personal services	716,812		717,865		745,765	
02 Travel	9,427		9,500		9,500	
03 Transportation of things	3,863		4,000		4,000	
04 Communication services	89,148		89,000		92,500	
06 Printing and reproduction	517,155		520,000		523,500	
07 Other contractual services	$8,460		$8,500		$15,520	
Services performed by other agencies	17,579		18,000		18,000	
08 Supplies and materials	11,435		11,000		14,500	
09 Equipment	7,622		7,000		7,000	
11 Grants, subsidies, and contributions	46,227		46,500		48,100	
15 Taxes and assessments	257		300		300	
Total obligations	1,427,985		1,431,665		1,478,685	

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Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
07 Other contractual services	$8,460	$8,500	$15,520
Services performed by other agencies	17,579	18,000	18,000
08 Supplies and materials	11,435	11,000	14,500
09 Equipment	7,622	7,000	7,000
11 Grants, subsidies, and contributions	46,227	46,500	48,100
15 Taxes and assessments	257	300	300
Total obligations	1,427,985	1,431,665	1,478,685

Allotments and Allocations Received From Other Accounts

Note.—Obligations incurred under allotments and allocations from other accounts are included in the schedules of the parent appropriations as follows:
"Acreage reserve," Commodity Stabilization Service.
"Conservation reserve program," Commodity Stabilization Service.
"Great Plains conservation program," Soil Conservation Service.
"Working capital fund, Department of Agriculture."
"Mutual security—economic," funds appropriated to the President.

Intragovernmental funds:

Advances and Reimbursements

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Review, preparation, and distribution of visual agricultural information	$91,800	$91,000	$91,000
2. Miscellaneous services to other accounts	2,033		
Total program (costs—obligations)	93,833	91,000	91,000
Financing:			
Advances and reimbursements from—			
Other accounts	87,986	85,000	85,000
Non-Federal sources (40 U.S.C. 481(c); 7 U.S.C. 1387)	5,847	6,000	6,000
Total financing	93,833	91,000	91,000

Object Classification

	1959 actual		1960 estimate		1961 estimate	
Total number of permanent positions	7		7		7	
Average number of all employees	6		6		6	
Number of employees at end of year	7		7		7	
Average GS grade and salary	7.3	$6,092	7.3	$6,119	7.4	$6,192
01 Personal services:						
Permanent positions	$35,174		$34,700		$35,000	
Other personal services	3,949		4,300		4,000	
Total personal services	39,123		39,000		39,000	
02 Travel	478		500		500	
03 Transportation of things	738		700		700	
06 Printing and reproduction	8,877		8,500		8,500	
07 Other contractual services	29,709		26,800		26,800	
Services performed by other agencies	6,889		7,000		7,000	
08 Supplies and materials	5,429		6,000		6,000	
11 Grants, subsidies, and contributions	2,590		2,500		2,500	
Total obligations	93,833		91,000		91,000	

LIBRARY

Current authorizations:

Salaries and Expenses

For necessary expenses, including dues for library membership in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members, [$900,000] *$895,660. (5 U.S.C. 83, 511–512, 514, 516, 552a; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)*

Appropriated 1960, **$900,000** Estimate 1961, [a] **$895,660**

[a] Excludes $68,100 for activities transferred in the estimates to "Forest protection and utilization," Forest Service, and "Salaries and expenses," Agricultural Research Service. The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

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LIBRARY—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Agricultural library services (total program costs [1])	$772,807	$831,900	$895,660
2. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−12,255		
Total program (obligations)	760,552	831,900	895,660
Financing:			
Comparative transfers to other accounts	66,978	68,100	
1959 appropriation available in 1958	2,213		
Unobligated balance no longer available	1,757		
New obligational authority	831,500	900,000	895,660
New obligational authority:			
Appropriation	$772,000	$900,000	$895,660
Transferred from "Conservation reserve program," Commodity Stabilization Service (73 Stat. 52)	59,500		
Appropriation (adjusted)	831,500	900,000	895,660

[1] Includes capital outlay as follows: June 30, 1959, $7,198; 1960, $2,000; 1961, $2,000.

1. *Agricultural library services.*—The library, a basic unit serving the research, extension, regulatory, and other programs of the Department and the State agricultural agencies, acquires records, and makes available through its catalogs, indexes and bibliographies, books, periodicals, and other publications containing information on agricultural and allied fields. It contains approximately 1,165,000 volumes, probably one of the most extensive agricultural collections existing in any country. Its services are used by agricultural colleges and universities, other research and educational institutions throughout the world, Government departments, agricultural associations, industry, individual farmers, and the general public. It serves as the national agricultural library, one of the three national libraries.

The responsibility for administering field branch library services needed by and available to the Agricultural Research Service and the Forest Service was transferred to these Services in 1960 in order to strengthen field library services and more effectively support research undertakings which have been augmented substantially in recent years.

During 1959, a total of 17,563 volumes and 214,641 separate issues of periodicals were added to the collection by purchase, gift, and exchange. During the same period 425,925 loans of books and periodicals were made and 85,408 reference questions were answered by the Department library.

2. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Equipment not placed in use	$211			
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	32,547	$17,498	$17,498	$17,498
Total selected resources at end of year	32,758	17,498	17,498	17,498
Selected resources at start of year (−)		−32,758	−17,498	−17,498
Adjustment of prior year costs and selected resources reported at start of year		3,005		
Costs financed from obligations of other years, net (−)		−12,255		

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	136	137	142
Full-time equivalent of all other positions	1	1	1
Average number of all employees	116	127	134
Number of employees at end of year	118	128	136
Average GS grade and salary	5.3 $4,961	6.1 $5,234	6.3 $5,320
01 Personal services:			
Permanent positions	$591,366	$669,156	$723,600
Positions other than permanent	1,794	744	800
Other personal services	4,112	5,100	2,900
Total personal services	597,272	675,000	727,300
02 Travel	3,045	2,600	2,600
03 Transportation of things	141	500	500
04 Communication services	11,199	10,000	10,000
06 Printing and reproduction	2,621	3,800	3,800
Binding	21,560	27,400	27,000
07 Other contractual services	21,713	6,100	10,660
Services performed by other agencies	9,126	12,800	12,500
08 Supplies and materials	7,717	7,700	7,700
09 Equipment	49,350	40,600	44,500
11 Grants, subsidies, and contributions	38,159	43,800	47,500
13 Refunds, awards, and indemnities	711	1,500	1,500
15 Taxes and assessments	151	100	100
1959 program obligated in 1958	−2,213		
Total obligations	760,552	831,900	895,660

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations and allotments from other accounts are included in the schedules of the parent appropriations, as follows:
"Mutual security—economic," funds appropriated to the President.
"Working capital fund, Department of Agriculture."

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Agricultural library services (includes Departments of Agriculture, Health, Education, and Welfare, and Farm Credit Administration) (total program costs)	$81,426	$80,849	$15,665
2. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−849	−2,200
Obligations incurred for costs of other years, net	4,369		
Total program (obligations)	85,795	80,000	13,465
Financing:			
Advances and reimbursements from—			
Other accounts	84,496	78,550	13,465
Non-Federal sources (5 U.S.C. 511, 563-564)	1,299	1,450	
Total financing	85,795	80,000	13,465

2. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$1,538	$3,349	$2,500	$300
Selected resources at start of year (−)		−1,538	−3,349	−2,500
Adjustment of prior year costs and selected resources reported at start of year		2,558		
Costs financed from obligations of other years, net (−)			−849	−2,200
Obligations incurred for costs of other years, net		4,369		

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	16	15	3
Average number of all employees	15	14	3
Number of employees at end of year	14	13	3
Average GS grade and salary	5.3 $4,784	5.2 $4,803	3.7 $4,146

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Object Classification—Continued

		1959 actual	1960 estimate	1961 estimate
01	Personal services:			
	Permanent positions	$70,989	$65,187	$12,411
	Other personal services	386	494	48
	Total personal services	71,375	65,681	12,459
02	Travel	303		
06	Printing and reproduction	105	150	
07	Other contractual services	194	250	211
	Services performed by other agencies	1,206	1,400	
08	Supplies and materials	393	400	
09	Equipment	7,795	7,882	
11	Grants, subsidies, and contributions	4,330	4,237	795
15	Taxes and assessments	94		
	Total obligations	85,795	80,000	13,465

FOREST SERVICE

The Service carries on three primary functions: (*a*) Protection, development, and use of about 185 million acres of land in national forests and land utilization projects in the United States and Puerto Rico; (*b*) cooperation with States and private forest landowners to obtain better fire protection on approximately 435 million acres of forest lands and better forest practices on about 345 million acres of privately owned commercial timberlands, to encourage reforestation and stimulate development and management of State, county, and community forests; and (*c*) research for all public and private forest lands and related ranges to improve protection from fire, insects, and diseases; to increase production of timber, forage, water, and other products; to develop better utilization and marketing of forest products; and to maintain a current inventory of forest resources through a nationwide forest survey. These primary functions include construction and maintenance of roads and trails, control of forest pests, protection against floods, land acquisition and exchange, and a number of cooperative projects.

Current authorizations:

FOREST PROTECTION AND UTILIZATION

For expenses necessary for forest protection and utilization, as follows:

Forest land management: For necessary expenses of the Forest Service, not otherwise provided for, including the administration, improvement, development, and management of lands under Forest Service administration, fighting and preventing forest fires on or threatening such lands and for liquidation of obligations incurred in the preceding fiscal year for such purposes, control of white pine blister rust and other forest diseases and insects on Federal and non-Federal lands; [$77,815,800] *$88,159,700*, of which $5,000,000 for fighting and preventing forest fires and $1,910,000 for insect and disease control shall be apportioned for use, pursuant to section 3679 of the Revised Statutes, as amended, to the extent necessary under the then existing conditions: *Provided*, That not more than $100,000 may be used for acquisition of land under the Act of March 1, 1911, as amended (16 U.S.C. 513–519): *Provided further*, That funds appropriated for "Cooperative range improvements", pursuant to section 12 of the Act of April 24, 1950 (16 U.S.C. 580h), may be advanced to this appropriation.

Forest research: For forest research at forest and range experiment stations, the Forest Products Laboratory, or elsewhere, as authorized by law; [$14,026,400] *$16,332,000*.

State and private forestry cooperation: For cooperation with States in forest-fire prevention and suppression, in forest tree planting on non-Federal public and private lands, and in forest management and processing, and for advising timberland owners, associations, wood-using industries, and others in the application of forest management principles and processing of forest products, as authorized by law; [$12,327,800] *$12,334,800*.

During the current fiscal year not to exceed $100,000 of the funds appropriated under this heading shall be available for the acquisition of sites authorized by the Act of March 3, 1925, as amended (16 U.S.C. 555), without regard to any other limitation on the amount available for this purpose. (*5 U.S.C. 511–512, 524, 565a; 7 U.S.C. 428a, 1010–1012, 1621–1627; 16 U.S.C. 471–583i, 594–1—594–5, 594a; 30 U.S.C. 601–604, 611–615; 31 U.S.C. 534; 43 U.S.C. 1181h–1181j; 36 Stat. 557; Department of the Interior and Related Agencies Appropriation Act, 1960.*)

Appropriated 1960, [a] **$108,670,000** Estimate 1961, [b] **$116,826,500**

[a] Includes $4,500,000 appropriated in Supplemental Appropriation Act, 1960.

[b] Includes $19,000 for activities transferred in the estimates from "Salaries and expenses", Library. The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Forest land management:			
(*a*) National forest protection and management	$67,402,143	$70,534,000	$76,859,900
(*b*) Fighting forest fires	13,960,518	5,000,000	5,000,000
(*c*) Insect and disease control	6,266,324	6,881,800	6,899,800
(*d*) Acquisition of lands	70,605	100,000	100,000
Total, forest land management	87,699,590	82,515,800	88,859,700
2. Forest research:			
(*a*) Forest and range management	6,643,024	7,104,000	7,354,600
(*b*) Forest protection	2,434,164	2,650,000	2,834,000
(*c*) Forest products utilization	2,617,876	2,854,400	3,103,400
(*d*) Forest resources	1,883,820	1,937,000	2,040,000
(*e*) Forest research construction	595,629	2,000,000	250,000
Total, forest research	14,174,513	16,545,400	15,582,000
3. State and private forestry cooperation:			
(*a*) Forest fire control	9,312,292	10,085,000	10,087,500
(*b*) Forest tree planting	562,170	290,000	291,000
(*c*) Forest management and processing	1,377,478	1,542,000	1,543,000
(*d*) General forestry assistance	886,627	410,800	413,300
Total, State and private forestry cooperation	12,138,567	12,327,800	12,334,800
Total program costs [1]	114,012,670	111,389,000	116,776,500
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−2,000,000	
Obligations incurred for costs of other years, net	2,990,824		750,000
Total program (obligations)	117,003,494	109,389,000	117,526,500
Financing:			
Comparative transfers from (−) other accounts	−18,753	−19,000	
1959 appropriation available in 1958	625,348		
Advances and reimbursements from other accounts	−700,000	−700,000	−700,000
Unobligated balance no longer available	255,511		
New obligational authority	117,165,600	108,670,000	116,826,500
New obligational authority:			
Appropriation	$111,733,400	$108,670,000	$116,826,500
Transferred from "Conservation reserve program," Commodity Stabilization Service (73 Stat. 36)	5,432,200		
Appropriation (adjusted)	117,165,600	108,670,000	116,826,500

[1] Includes capital outlay as follows: June 30, 1959, $15,883,837; 1960, $13,000,000; 1961, $14,500,000.

1. *Forest land management—(a) National forest protection and management.*—The 151 national forests are protected from fire and their resources are managed in such ways as to bring about full utilization and maximum sustained production. This item also provides for management of land utilization projects, including revegetation and other development work. Funds appropriated under Cooperative range improvements are merged with this appropriation for obligational purposes.

Increases are provided in the budget to carry out portions of the recommendations in the program for the national forests.

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FOREST SERVICE—Continued

Current authorizations—Continued

FOREST PROTECTION AND UTILIZATION—Continued

MAIN WORKLOAD FACTORS

Description	1959 actual	1960 estimate	1961 estimate
Area administered and protected:			
(a) National forest land (acres)	181,166,838	181,400,000	181,400,000
(b) Land utilization projects (acres)	4,638,540	4,400,000	4,400,000
Timber managed and protected (billion board-feet)	765	765	765
Timber sales (number)	38,925	41,000	42,000
Timber harvested (billion board-feet)	8.34	9.65	10.07
Forest fires controlled (number)	11,577	10,000	10,000
Area burned (acres)	139,326	300,000	200,000
Grazing use permits (calendar year)	30,411	30,400	30,400
Estimated number of livestock on national forest ranges (including calves and lambs)	6,000,000	6,000,000	6,000,000
Special use permits, excluding recreation (number)	36,724	36,900	37,000
Recreation special use permits (number)	21,709	22,300	23,000
Estimated number of visitors to national forests (calendar year)	75,000,000	80,000,000	86,000,000
Tree planting and seeding (annual) (acres)	37,824	40,000	40,000
Range reseeding and removal of competing vegetation (annual) (acres)	149,115	150,000	150,000
Receipts:			
Timber sales	$115,807,988	$134,000,000	$137,750,000
Grazing	3,750,916	3,750,000	3,750,000
Land uses	2,588,652	2,800,000	3,000,000
Land utilization projects	1,919,236	2,000,000	2,000,000
Total receipts	124,066,792	142,550,000	146,500,000

(*b*) *Fighting forest fires.*—This provides for employment of additional manpower and other facilities for forest fire emergencies which cannot be met by the fire control organization provided under national forest protection and management. A supplemental appropriation for this purpose is anticipated for 1960 under Proposed for later transmission.

(*c*) *Insect and disease control.*—Activities to suppress and control destructive insects and diseases that threaten timber areas include two types of work carried on jointly by Federal, State, and private agencies: (1) Surveys on forest lands to detect and appraise infestations of forest insects and infections of tree diseases and determination of protective measures to be taken, and (2) control operations to suppress or eradicate forest insects and diseases, including white pine blister rust.

(*d*) *Acquisition of lands.*—Lands are acquired to protect the watersheds of navigable streams and to increase the production of timber with the approval of the National Forest Reservation Commission. The present acquisition program is only for purchase of small tracts within the 55 approved purchase areas.

2. *Forest research.*—Research is conducted at nine regional forest experiment stations, the Forest Products Laboratory, and elsewhere.

(*a*) *Forest and range management.*—This research provides private and public land managers and owners with a sound basis for management of timber, forage, and watershed lands. Studies are conducted to maintain a sustained yield of products at the lowest possible costs; increase forage for domestic livestock and improve habitat for wildlife without damage to soil, watershed, or other values; assure maximum regular flow of usable water, and reduce floods and sedimentation.

(*b*) *Forest protection.*—Research is conducted to develop sound measures for the protection of forests from damage by fire, insects, and diseases. Forest fire research provides improved methods of predicting fire danger, preparing for, and combating fire by combinations of ground and aerial methods. Insect and disease research develops direct controls, silvicultural measures, and biological agents to combat forest pests.

(*c*) *Forest products utilization.*—Studies are conducted to develop new and improved forest products, reduction and utilization of waste, and use of low-quality wood and unpopular species. They include studies to reduce costs of logging and wood utilization, and to develop basic knowledge of wood and disseminate this to forest owners, manufacturers, fabricators, and consumers.

(*d*) *Forest resources.*—These investigations are conducted to inventory and appraise the condition of forest lands, volume and quality of standing timber, ownership of timber resources, annual growth and depletion, and the potential need for timber products. Studies of the economics of forest crop production and of marketing of forest products are also included.

MAIN WORKLOAD FACTORS

[Acres in millions]

	1959 actual	1960 estimate	1961 estimate
Initial surveys (annual)	21	30	30
Initial surveys (cumulative)	549	579	609
To be surveyed (total)[1]	231	201	171
Resurveys (annual)	32	30	30
Resurveys (cumulative)	350	380	410

[1] Includes all of Alaska and Hawaii.

3. *State and private forestry cooperation.*—This program, carried on in cooperation with the States, encourages private timber management. Privately owned forest lands comprise three-fourths of the Nation's commercial forest area and produce about 85% of all timber cut. The fire control program applies to all State and private forest lands within the boundaries of organized protection units. The remainder of the program is concentrated on small forest properties in private ownership because they are in greater need of management.

(*a*) *Forest fire control.*—Assistance is furnished 46 States in preventing and suppressing forest fires on private and State owned lands by financial aid, training, procurement of equipment, and a nationwide fire prevention campaign. About 92% of the 435 million acres of non-Federal ownership are now partially covered. During 1958 the acreage burned on protected areas was 0.29% as against an estimated 4.99% on unprotected lands. Of the total expenditures under this program, 78% is contributed by States and counties, 4% by private owners, and 18% by the Federal Government.

(*b*) *Forest tree planting.*—To encourage woodland owners to reforest unproductive portions of their holdings, and farmers to plant wind barriers around their fields and farmsteads—a total of more than 48 million acres altogether—the States provide planting stock at less than cost. The Federal Government shares the cost of producing the stock with the State and private landowners.

(*c*) *Forest management and processing.*—In cooperation with State foresters, 376 projects in 1,761 counties are operated to aid small woodland owners in applying good management to their timber holdings. In 1958 these projects covered some 58,700 owners and almost 3.5 million acres.

(*d*) *General forestry assistance.*—Technical forest management assistance is provided to State, community, private, and other Federal agencies, forest industries, colleges, and landowners.

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4. *Relation of cost to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects)	$2,619,092	$2,218,982	$2,300,000	$2,300,000
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	4,520,875	7,801,981	5,713,793	6,463,793
Advances (payment for goods and services on order not yet received)	133,074	122,830	130,000	130,000
Total selected resources at end of year	7,273,041	10,143,793	8,143,793	8,893,793
Selected resources at start of year (−)		−7,273,041	−10,143,793	−8,143,793
Adjustment of prior year costs and selected resources reported at start of year		120,072		
Costs financed from obligations of other years, net (−)			−2,000,000	
Obligations incurred for costs of other years, net		2,990,824		750,000

Object Classification

	1959 actual	1960 estimate	1961 estimate
FOREST SERVICE			
Total number of permanent positions	9,433	9,973	10,190
Full-time equivalent of all other positions	4,123	3,494	3,947
Average number of all employees	12,623	12,556	13,205
Number of employees at end of year	17,246	18,146	18,546
Average GS grade and salary	6.8 $5,583	6.9 $5,617	6.9 $5,614
Average salary of ungraded positions	$4,553	$4,754	$4,754
01 Personal services:			
Permanent positions	$48,783,374	$52,191,856	$53,248,311
Positions other than permanent	11,668,337	10,742,497	12,543,531
Other personal services	5,908,179	3,076,034	2,870,405
Total personal services	66,359,890	66,010,387	68,662,247
02 Travel	3,133,049	3,231,000	3,402,000
03 Transportation of things	877,664	676,000	757,000
04 Communication services	869,640	829,000	850,000
05 Rents and utility services	1,189,551	1,256,000	1,020,500
06 Printing and reproduction	720,605	735,000	753,000
07 Other contractual services	6,639,861	5,391,000	6,993,000
Services performed by other agencies	6,657,659	5,276,000	5,498,000
08 Supplies and materials	8,307,399	6,683,012	8,115,152
09 Equipment	2,328,509	2,193,000	2,578,000
10 Lands and structures	5,721,527	2,707,000	4,407,000
11 Grants, subsidies, and contributions	2,958,931	3,400,000	3,470,000
Payments to States	11,466,599	11,165,000	11,165,000
13 Refunds, awards, and indemnities	54,432	72,000	85,000
15 Taxes and assessments	362,990	319,000	360,000
16 Investments and loans	105		
Subtotal	117,648,411	109,943,399	118,115,899
Deduct quarters and subsistence charges	1,124,529	1,115,809	1,115,809
Total, Forest Service	116,523,882	108,827,590	117,000,090
ALLOCATION TO DEPARTMENT OF THE INTERIOR			
Total number of permanent positions	9	14	14
Full-time equivalent of all other positions	67	64	64
Average number of all employees	80	83	83
Number of employees at end of year	223	211	211
Average GS grade and salary	6.7 $5,273	7.0 $5.500	7.0 $5,636
01 Personal services:			
Permanent positions	$55,677	$84,638	$86,714
Positions other than permanent	237,477	223,347	221,449
Other personal services	23.343	21,110	21,057
Total personal services	316,497	329,095	329,220
02 Travel	8,464	12,533	12,750
03 Transportation of things	1,144	1,590	1,700
04 Communication services	2,727	3,469	3,125
05 Rents and utility services	5,261	10,830	6,300
06 Printing and reproduction	67	146	150
07 Other contractual services	65,687	85,148	76,235
08 Supplies and materials	53,459	82,866	66,615
09 Equipment	16,526	24,952	19,739
11 Grants, subsidies, and contributions	4,156	5,678	5,580
13 Refunds, awards, and indemnities	42		
15 Taxes and assessments	5,582	5,103	4,996
Total, Department of the Interior	479,612	561,410	526,410
Total obligations	117,003,494	109,389,000	117,526,500

Forest Roads and Trails

For expenses necessary for carrying out the provisions of title 23, United States Code, sections 203 and 205, relating to the construction and maintenance of forest development roads and trails, [$26,000,000] *$30,000,000,* to remain available until expended, for liquidation of obligations incurred pursuant to authority contained in title 23, United States Code, section 203: *Provided,* That funds available under the Act of March 4, 1913 (16 U.S.C. 501), shall be merged with and made a part of this appropriation: *Provided further,* That not less than the amount made available under the provisions of the Act of March 4, 1913, shall be expended under the provisions of such Act. *(5 U.S.C. 565a; 73 Stat. 613; Department of the Interior and Related Agencies Appropriation Act, 1960.)*

Appropriated 1960, [a] **$28,000,000** Estimate 1961, **$30,000,000**

[a] Includes $2,000,000 appropriated in Supplemental Appropriation Act, 1960.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Construction of roads and trails	$33,546,761	$29,959,194	$32,140,000
2. Maintenance of roads and trails	10,605,871	10,400,000	10,500,000
Total program costs [1]	44,152,632	40,359,194	42,640,000
3. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)	−8,851,238		
Obligations incurred for costs of other years, net		2,000,000	1,000,000
Total program (obligations)	35,301,394	42,359,194	43,640,000
Financing:			
Unobligated balance brought forward (contract authorization)	−26,915,895	−30,499,194	−30,000,000
Unobligated balance carried forward (contract authorization)	30,499,194	30,000,000	
New obligational authority	38,884,693	41,860,000	13,640,000
New obligational authority:			
Permanent contract authorization (new) (23 U.S.C. 203)	$30,000,000	$30,000,000	
Permanent indefinite appropriation (16 U.S.C. 501)	8,884,693	11,860,000	$13,640,000

[1] Includes capital outlay as follows: June 30, 1959, $31,457,440; 1960, $27,800,000; 1961, $30,000,000.

1–2. *Construction and maintenance of roads and trails.*—Roads and trails are essential to protection and management of national forests and utilization of their resources. The system consists of approximately 152,800 miles of roads and 112,200 miles of supplemental trails.

The 1961 program will permit the construction of about 376 miles of general purpose roads and about 460 miles of timber access roads to harvest national forest timber, a total of 836 miles. This compares with 1,221 miles constructed in 1959 and 870 being constructed in 1960.

Contract authority for 1961, which, in accordance with the Federal-Aid Highway Act, became available in 1960, will finance forest roads and trails construction in 1961. It is anticipated that this program will be financed by direct appropriation in future years.

Of the amounts received annually from national forest activities 10% is available under the permanent appropriation, Roads and trails for States, for construction and maintenance within the State from which such proceeds are derived (16 U.S.C. 501). Such amounts are merged with this appropriation for obligational purposes.

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FOREST SERVICE—Continued

Current authorizations—Continued

FOREST ROADS AND TRAILS—Continued

3. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$15,705,734	$6,814,496	$8,814,496	$9,814,496
Advances (payment for goods and services on order not yet received)	----------	40,000	40,000	40,000
Total selected resources at end of year	15,705,734	6,854,496	8,854,496	9,854,496
Selected resources at start of year (−)	−15,705,734	−6,854,496	−8,854,496	−8,854,496
Costs financed from obligations of other years, net (−)	----------	−8,851,238	----------	----------
Obligations incurred for costs of other years, net	----------	----------	2,000,000	1,000,000

Object Classification

	1959 actual	1960 estimate	1961 estimate
FOREST SERVICE			
Total number of permanent positions	2,066	2,272	2,272
Full-time equivalent of all other positions	1,483	1,712	1,712
Average number of all employees	3,430	3,861	3,861
Number of employees at end of year	4,825	5,250	5,250
Average GS grade and salary	6.8 $5,583	6.9 $5,617	6.9 $5,614
Average salary of ungraded positions	$4,553	$4,754	$4,754
01 Personal services:			
Permanent positions	$10,489,384	$11,689,181	$11,689,181
Positions other than permanent	5,265,804	6,186,151	6,186,151
Other personal services	295,985	309,122	264,668
Total personal services	16,051,173	18,184,454	18,140,000
02 Travel	733,441	806,300	806,300
03 Transportation of things	165,364	196,200	196,200
04 Communication services	177,165	196,600	196,600
05 Rents and utility services	318,221	367,200	367,200
06 Printing and reproduction	52,322	60,600	60,600
07 Other contractual services	3,241,868	5,345,000	5,465,000
Services performed by other agencies	3,440,020	4,068,000	4,068,000
08 Supplies and materials	2,970,860	3,660,000	3,540,000
09 Equipment	703,937	849,000	849,000
10 Lands and structures	4,350,406	5,847,863	7,271,000
11 Grants, subsidies, and contributions	692,671	786,700	786,700
13 Refunds, awards, and indemnities	8,377	8,400	8,400
15 Taxes and assessments	133,583	150,000	150,000
Subtotal	33,039,408	40,526,317	41,905,000
Deduct quarters and subsistence charges	234,715	259,245	265,000
Total, Forest Service	32,804,693	40,267,072	41,640,000
ALLOCATION TO BUREAU OF PUBLIC ROADS, DEPARTMENT OF COMMERCE			
Total number of permanent positions	100	100	100
Full-time equivalent of all other positions	51	50	50
Average number of all employees	141	140	140
Number of employees at end of year	98	100	100
Average GS grade and salary	8.1 $6,598	8.2 $6,674	8.2 $6,771
01 Personal services:			
Permanent positions	$468,712	$475,000	$480,000
Positions other than permanent	188,017	185,000	185,000
Other personal services	26,716	30,000	20,000
Total personal services	683,445	690,000	685,000
02 Travel	199,814	200,000	200,000
03 Transportation of things	735	1,000	1,000
04 Communication services	3,100	4,000	4,000
05 Rents and utility services	16,817	17,000	17,000
06 Printing and reproduction	1,833	2,000	2,000
07 Other contractual services	25,659	26,000	26,000
Services performed by other agencies	443,810	444,000	444,000
08 Supplies and materials	9,552	9,000	9,000
09 Equipment	730	1,000	1,000
10 Lands and structures	1,076,395	662,122	575,000
11 Grants, subsidies, and contributions	30,424	31,000	31,000
15 Taxes and assessments	4,700	5,000	5,000
Subtotal	2,497,014	2,092,122	2,000,000
Deduct quarters and subsistence charges	313	----------	----------
Total, Bureau of Public Roads	2,496,701	2,092,122	2,000,000
Total obligations	35,301,394	42,359,194	43,640,000

FOREST ROADS AND TRAILS (LIQUIDATION OF CONTRACT AUTHORIZATION)

Status of Unfunded Contract Authorization

	1959 actual	1960 estimate	1961 estimate
Unfunded balance at beginning of year	$34,664,000	$38,664,000	$40,664,000
Permanent contract authorization (new)	30,000,000	30,000,000	----------
Unfunded balance at end of year	−38,664,000	−40,664,000	−10,664,000
Appropriation to liquidate contract authorization	26,000,000	28,000,000	30,000,000

NOTE.—This program is described under "Forest roads and trails."

ACCESS ROADS

For acquiring by condemnation or otherwise additional roads needed for access to national-forest lands in carrying out the Act of June 4, 1897, as amended (16 U.S.C. 471, 472, 475, 476, 551), $1,000,000, to remain available until expended. (*Supplemental Appropriation Act, 1960.*)

Appropriated 1960, **$1,000,000** Estimate 1961, **$1,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Access roads (total costs [1]—obligations) (object class 10)	----------	$1,000,000	$1,000,000
Financing:			
Appropriation (new obligational authority)	----------	1,000,000	1,000,000

[1] Includes capital outlay as follows: June 30, 1960, $1,000,000; 1961, $1,000,000.

Full or partial interest in existing roads or rights-of-way is purchased (or obtained by condemnation if purchase negotiations fail) to provide access to national-forest areas where road access is a serious problem.

ACQUISITION OF LANDS FOR NATIONAL FORESTS

SUPERIOR NATIONAL FOREST

For the acquisition of forest land within the Superior National Forest, Minnesota, under the provisions of the Act of June 22, 1948 (62 Stat. 570; 16 U.S.C. 577c–h), as amended, $1,000,000, to remain available until expended: Provided, That no part of this appropriation shall be used for the acquisition of any land without the approval of the local government concerned.

Estimate 1961, **$1,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Acquisition of lands for Superior National Forest (total program costs [1])	$601,860	$93,470	$170,000
2. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−84,808	−78,627	----------
Obligations incurred for costs of other years (unpaid undelivered orders), net	----------	----------	830,000
Total program (obligations)	517,052	14,843	1,000,000
Financing:			
Unobligated balance brought forward	−531,895	−14,843	----------
Unobligated balance carried forward	14,843	----------	----------
Appropriation (new obligational authority)	----------	----------	1,000,000

[1] Includes capital outlay as follows: June 30, 1959, $589,445; 1960, $91,600; 1961, $166,600.

As of June 30, 1960, approximately 37,270 acres of land will have been acquired to preserve the wilderness conditions of part of the Superior National Forest in Minnesota.

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The appropriation proposed will complete the authorization of $2,500,000 and will permit acquisition of most of the remaining improved tracts.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $233,435; 1959, $148,627; 1960, $70,000; 1961, $900,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	1		2
Average number of all employees	2		3
Number of employees at end of year	1		2
Average GS grade and salary	6.8 $5,583		6.9 $5,614
01 Personal services:			
Permanent positions	$10,562		$21,118
Positions other than permanent	6		
Other personal services	41		82
Total personal services	10,609		21,200
02 Travel	569		1,100
04 Communication services	25		100
07 Other contractual services	552		1,000
08 Supplies and materials	76		
09 Equipment	14		
10 Lands and structures	504,513	$14,843	975,200
11 Grants, subsidies, and contributions	694		1,400
Total obligations	517,052	14,843	1,000,000

SPECIAL ACTS

(Special fund)

For the acquisition of land in the Cache National Forest, Utah, in accordance with the Act of May 11, 1938 (52 Stat. 347), as amended, $10,000, to be derived from forest receipts as authorized by said Act: *Provided,* That no part of this appropriation shall be used for acquisition of any land which is not within the boundaries of a national forest: *Provided further,* That no part of this appropriation shall be used for the acquisition of any land without the approval of the local government concerned. (*Department of the Interior and Related Agencies Appropriation Act, 1960.*)

Appropriated 1960, **$10,000** Estimate 1961, **$10,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Cache National Forest, Utah (total program costs)	$705	$10,000	$10,000
2. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net	8,893		
Total program (obligations)	9,598	10,000	10,000
Financing:			
Appropriation (new obligational authority)	9,598	10,000	10,000

1. On the basis of agreements with certain counties in Utah, national forest receipts, including portions which would normally be paid to county road and school funds, are appropriated for purchase of privately owned lands within the Cache National Forest to aid in the control of soil erosion and flood damage.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $10,189; 1959, $19,082; 1960, $19,082; 1961, $19,082.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Average number of all employees	1	1	1
Number of employees at end of year	0	0	0
Average GS grade and salary	6.8 $5,583	6.9 $5,617	6.9 $5,614
01 Personal services: Permanent positions	$625	$640	$640
02 Travel		39	39
05 Rents and utility services	$28		
06 Printing and reproduction	9		
07 Other contractual services	2	$50	$50
08 Supplies and materials		12	12
10 Lands and structures	8,893	9,217	9,217
11 Grants, subsidies, and contributions	41	42	42
Total obligations	9,598	10,000	10,000

[CACHE NATIONAL FOREST]

[For the acquisition of lands within the boundaries of the Cache National Forest, Utah, under the authority of the Act of July 24, 1956 (70 Stat. 632), $50,000, to remain available until expended.] (*Department of the Interior and Related Agencies Appropriation Act, 1960.*)

Appropriated 1960, **$50,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Acquisition of lands for Cache National Forest (total program costs [1])	$16,435	$84,985	$65,000
2. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (—)	−657		−65,000
Obligations incurred for costs of other years (unpaid undelivered orders), net		52,653	
Total program (obligations)	15,778	137,638	
Financing:			
Unobligated balance brought forward	−53,416	−87,638	
Unobligated balance carried forward	87,638		
Appropriation (new obligational authority)	50,000	50,000	

[1] Includes capital outlay as follows: June 30, 1959, $13,004; 1960, $82,985; 1961, $65,000.

1. Lands are acquired within the Cache National Forest, Utah, to enable control and minimization of soil erosion and flood damage. The 1960 appropriation completed the authorization of $200,000.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $13,004; 1959, $12,347; 1960, $65,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Average number of all employees	1	1	
Number of employees at end of year	0	0	
Average GS grade and salary	6.8 $5,583	6.9 $5,617	
01 Personal services: Permanent positions	$3,045	$2,530	
02 Travel	67	130	
05 Rents and utility services	31		
07 Other contractual services	143	171	
10 Lands and structures	12,297	134,639	
11 Grants, subsidies, and contributions	195	168	
Total obligations	15,778	137,638	

COOPERATIVE RANGE IMPROVEMENTS

(Special fund)

For artificial revegetation, construction, and maintenance of range improvements, control of rodents, and eradication of poisonous and noxious plants on national forests in accordance with section 12 of the Act of April 24, 1950 (16 U.S.C. 580h), to be derived from grazing fees as authorized by said section, $700,000, to remain available until expended. (*Department of the Interior and Related Agencies Appropriation Act, 1960.*)

Appropriated 1960, **$700,000** Estimate 1961, **$700,000**

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FOREST SERVICE—Continued

Current authorizations—Continued

COOPERATIVE RANGE IMPROVEMENTS—Continued

(Special fund)—Continued

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Advanced to "Forest protection and utilization" (total costs—obligations) (object class 07)	$700,000	$700,000	$700,000
Financing:			
Appropriation (new obligational authority)	700,000	700,000	700,000

Part of the grazing fees from the national forests, when appropriated, are used to protect or improve the productivity of the range, mainly by construction and maintenance of fences, stock watering facilities, bridges, corrals, and driveways. These funds are advanced to and merged with the appropriation Forest protection and utilization, subappropriation Forest land management.

ASSISTANCE TO STATES FOR TREE PLANTING

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Tree planting assistance (total program costs)	$2,772	$6,003	
2. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (—)		—4,227	
Obligations incurred for costs of other years (unpaid undelivered orders), net	4,227		
Total program (obligations)	6,999	1,776	
Financing:			
Unobligated balance brought forward	—8,775	—1,776	
Unobligated balance carried forward	1,776		
Appropriation (new obligational authority)			

1. To carry out section 401 of the Agricultural Act of 1956, assistance was given in 1959 and 1960 to the State forester or other State official, through technical advice and financial contribution, to carry out increased tree planting and reforestation work in accordance with plans submitted by the State and approved by the Secretary of Agriculture.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, $4,227.

Object Classification

		1959 actual	1960 estimate	1961 estimate
02	Travel	$474		
07	Other contractual services	3,693		
11	Grants, subsidies, and contributions	2,832	$1,776	
	Total obligations	6,999	1,776	

GENERAL PROVISIONS, FOREST SERVICE

SEC. 201. Appropriations available to the Forest Service for the current fiscal year shall be available for: (a) purchase of not to exceed [seventy-five] *ninety-eight* passenger motor vehicles for replacement only, and hire of such vehicles; operation and maintenance of aircraft and the purchase of not to exceed [three] *four of which two shall be* for replacement only; (b) employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), in an amount not to exceed $25,000; (c) uniforms, or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131); (d) purchase, erection, and alteration of buildings and other public improvements (5 U.S.C. 565a); and (e) expenses of the National Forest Reservation Commission as authorized by section 14 of the Act of March 1, 1911 (16 U.S.C. 514).

SEC. 202. Except to provide materials required in or incident to research or experimental work where no suitable domestic product is available, no part of the funds appropriated to the Forest Service shall be expended in the purchase of twine manufactured from commodities or materials produced outside of the United States.

SEC. 203. No part of any appropriation to the Forest Service in this Act shall be used for publicity or propaganda purposes to support or defeat legislation pending before the Congress.

[SEC. 204. The Secretary may sell at market value any property located in Yalobusha, Chickasaw, and Pontotoc Counties, Mississippi, administered under title III of the Act of July 22, 1937, and suitable for return to private ownership under such terms and conditions as would not conflict with the purposes of said Act.]

SEC. [205] *204.* Funds appropriated under this Act shall not be used for acquisition of forest lands under the provisions of the Act approved March 1, 1911, as amended (16 U.S.C. 513–519, 521), where such land is not within the boundaries of a national forest nor shall these lands or lands authorized for purchase in Sanders County, Montana, be acquired without the approval of the local government concerned.

SEC. 205. The Secretary may acquire lands within the exterior boundaries of national forests in the States of Missouri, Illinois, Wisconsin, or Minnesota, suitable for administration in connection with the national forests, by exchanging therefor not to exceed an equal value of national-forest land in the State of Iowa pursuant to the provisions of subsection (a) of section 11 of the Act of August 3, 1956 (7 U.S.C. 428a). Such exchanges may be subject to such outstanding rights, reservations, and conditions as the Secretary may deem appropriate. (Department of the Interior and Related Agencies Appropriation Act, 1960.)

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations or allotments from other accounts are included in the schedule of the parent appropriations as follows:
"Watershed protection," Soil Conservation Service.
"Flood prevention," Soil Conservation Service.
"Agricultural conservation program," Agricultural Conservation Program Service.
"Great Plains conservation program," Soil Conservation Service.
"Conservation reserve program," Commodity Stabilization Service.
"Construction, general," rivers and harbors and flood control, Army—Civil.
"Mutual security—economic," funds appropriated to the President.
"Salaries and expenses," Office of Civil and Defense Mobilization.
"Civil defense and defense mobilization functions of Federal agencies," Office of Civil and Defense Mobilization.

Permanent authorizations:

EXPENSES, BRUSH DISPOSAL

(Indefinite special fund)

Appropriated (est.) 1960, **$6,500,000** Estimate 1961, **$6,500,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Brush disposal	$4,649,803	$5,500,000	$6,000,000
2. Fighting forest fires	1,622,964		
Total program costs [1]	6,272,767	5,500,000	6,000,000
3. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net	20,772		
Total program (obligations)	6,293,539	5,500,000	6,000,000
Financing:			
Unobligated balance brought forward	—1,775,362	—1,827,786	—4,450,750
Advances and reimbursements from other accounts	—550,369	—1,622,964	
Unobligated balance carried forward	1,827,786	4,450,750	4,950,750
Appropriation (new obligational authority)	5,795,594	6,500,000	6,500,000

[1] Includes capital outlay as follows: June 30, 1959, $505,868; 1960, $500,000; 1961, $550,000.

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Payments made for this purpose by purchasers of national-forest timber are used to dispose of slash and other debris that result from cutting operations (16 U.S.C. 490).

3. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1958, $140,876; 1959, $161,648; 1960, $161,648; 1961, $161,648.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	214	234	244
Full-time equivalent of all other positions	669	600	640
Average number of all employees	914	866	916
Number of employees at end of year	1,586	1,550	1,580
Average GS grade and salary	6.8 $5,583	6.9 $5,617	6.9 $5,614
Average salary of ungraded positions	$4,553	$4,754	$4,754
01 Personal services:			
Permanent positions	$1,278,433	$1,411,836	$1,464,986
Positions other than permanent	1,915,452	2,120,351	2,272,188
Other personal services	776,760	204,726	199,726
Total personal services	3,970,645	3,736,913	3,936,900
02 Travel	66,640	39,080	45,400
03 Transportation of things	43,180	27,945	32,400
04 Communication services	32,598	34,797	40,400
05 Rents and utility services	76,584	49,323	57,300
06 Printing and reproduction	6,973	8,434	10,000
07 Other contractual services	634,724	342,972	485,500
Services performed by other agencies	539,123	495,671	501,300
08 Supplies and materials	543,787	371,269	419,000
09 Equipment	187,507	196,060	227,700
10 Lands and structures	134,056	163,278	189,700
11 Grants, subsidies, and contributions	116,173	105,316	122,300
13 Refunds, awards, and indemnities	13,090	1,014	1,200
15 Taxes and assessments	52,614	56,765	65,900
Subtotal	6,417,694	5,628,837	6,135,000
Deduct quarters and subsistence charges	124,155	128,837	135,000
Total obligations	6,293,539	5,500,000	6,000,000

Other Forest Service Permanent Appropriations

(Indefinite special funds unless otherwise indicated)

Appropriated (est.) 1960, **$30,548,758** Estimate 1961, **$34,960,170**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Forest fire prevention	$23,903	$20,646	$20,000
2. Restoration of forest lands and improvements	5,559	107,083	100,000
3. Payment to Minnesota	48,240	121,309	121,309
4. Payments due counties, submarginal land program	460,109	500,000	500,000
5. Payments to school funds, Arizona and New Mexico	117,161	113,861	113,861
6. Payments to States and Territories	22,204,787	29,668,588	34,105,000
7. Construction of improvements, Salt Lake City, Utah		25,000	
Total program costs	22,859,759	30,556,487	34,960,170
8. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net	1,833		
Total program (obligations)	22,861,592	30,556,487	34,960,170
Financing:			
Unobligated balance brought forward	−10,929	−7,729	
Unobligated balance carried forward	7,729		
New obligational authority	22,858,392	30,548,758	34,960,170
New obligational authority:			
"Forest fire prevention"	$15,453	$20,000	$20,000
"Restoration of forest lands and improvements"	12,642	100,000	100,000
"Payment to Minnesota (Cook, Lake, and St. Louis Counties) from the national forests fund"	48,240	121,309	121,309
"Payments due counties, submarginal land program, Farm Tenant Act"	460,109	500,000	500,000
"Payments to school funds, Arizona and New Mexico, act of June 20, 1910" (indefinite general fund)	117,161	113,861	113,861
"Payments to States and territories from the national forests fund"	22,204,787	29,668,588	34,105,000
"Construction of improvements, Salt Lake City, Utah"		25,000	
Appropriation	22,858,392	30,548,758	34,960,170

1. *Forest fire prevention.*—Fees for the use of the character "Smokey Bear" by private enterprises are collected under regulations promulgated by the Secretary and are available for furthering the nationwide forest fire prevention campaign (18 U.S.C. 711).

2. *Restoration of forest lands and improvements.*—Funds received from settlement of claims involving damage to lands or improvements and from forfeiture of deposits and bonds by permittees and timber purchasers are used for the restoration made necessary by the action which led to the settlement or forfeiture (72 Stat. 217).

3. *Payment to Minnesota.*—At the close of each fiscal year the State of Minnesota is paid 0.75% of the appraised value of certain Superior National Forest lands in the counties of Cook, Lake, and St. Louis for distribution to these counties (16 U.S.C. 577g).

4. *Payments due counties, submarginal land program.*—Of the revenues received from the use of submarginal lands, 25% is paid to the counties in which such land is situated for school and road purposes (7 U.S.C. 1012).

5. *Payments to school funds, Arizona and New Mexico.*—The States of Arizona and New Mexico are paid a share of the national-forest receipts for school purposes (36 Stat. 562, 573).

6. *Payments to States and territories.*—With minor exceptions, 25% of the money received from the national forests is paid to the States and territories for public schools and roads of the county in which such forests are situated (16 U.S.C. 500).

7. *Construction of improvements, Salt Lake City, Utah.*—Funds from sale of Forest Service property to Salt Lake City will be used for construction of a fire warehouse and related facilities (72 Stat. 589).

8. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1959, $1,833; 1960, $1,833; 1961, $1,833.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	3	3	3
Full-time equivalent of all other positions	1	12	12
Average number of all employees	4	16	16
Number of employees at end of year	3	3	3
Average GS grade and salary	6.8 $5,583	6.9 $5,617	6.9 $5,614
01 Personal services:			
Permanent positions	$10,558	$15,245	$15,245
Positions other than permanent	4,810	41,303	41,303
Other personal services	458	3,174	3,055
Total personal services	15,826	59,722	59,603
02 Travel		4,728	4,600
03 Transportation of things	30	1,139	1,000
04 Communication services	2,500	4,910	4,800
06 Printing and reproduction	2,535	4,910	4,800
07 Other contractual services	4,780	24,552	20,267
Services performed by other agencies	990	1,316	1,200
08 Supplies and materials	3,855	22,466	19,830
09 Equipment		128	100
10 Lands and structures		25,000	
11 Grants, subsidies, and contributions	22,831,005	30,406,559	34,842,970
15 Taxes and assessments	71	1,057	1,000
Total obligations	22,861,592	30,556,487	34,960,170

Intragovernmental funds:

Working Capital Fund, Forest Service

This fund finances on a reimbursable basis various services such as repairing and replacing equipment, stocking and issuing supplies, and operation of photographic and reproduction facilities in support of programs of the Forest Service (16 U.S.C. 579b). These service operations serve programs of fire protection, timber

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FOREST SERVICE—Continued

Intragovernmental funds—Continued

WORKING CAPITAL FUND, FOREST SERVICE—Continued

utilization, construction and maintenance of roads and other improvements, reforestation, grazing, watershed, forest and forest products research, and kindred conservation activities of the Forest Service, including cooperative assistance with other Federal agencies, States, counties, and individuals engaged in the same objectives. Government investment in the fund as of June 30, 1959, including donated assets at its inception and retained earnings for 1959, is $17,133,901. By the end of 1961 the investment is anticipated to be $20,164,858, an increase of $3,030,957, which represents estimated earnings and donations during 1960 and 1961. Earnings are retained to furnish adequate working capital.

Sources and Applications of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Equipment and supply service:			
Acquisition of equipment	$3,699,649	$3,886,904	$4,348,928
Expense:			
Commodities and materials purchased	4,658,455	4,543,847	5,000,000
Other expense	6,883,768	7,591,465	8,403,055
Adjustment of working capital assumed in prior year	173		
Increase in selected working capital		148,772	2,392
Total gross expenditures	15,242,045	16,170,988	17,754,375
Receipts from operations (funds provided):			
Equipment and supply service:			
Revenue	14,931,831	15,375,755	17,000,000
Proceeds from sale of equipment	664,310	704,645	800,000
Selected working capital assumed			
Decrease in selected working capital	84,601		
Total receipts from operations	15,680,742	16,080,400	17,800,000
Budget expenditures	−438,697	90,588	−45,625

Revenue, Expense, and Retained Earnings

Equipment and supply service:			
Revenue	$14,931,831	$15,375,755	$17,000,000
Expense	14,638,774	15,124,041	16,749,382
Net operating income, equipment, and supply service	293,057	251,714	250,618
Nonoperating income:			
Proceeds from sale of equipment	664,310	704,645	800,000
Net book value of equipment sold (−)	−258,828	−343,811	−400,000
Net nonoperating income	405,482	360,834	400,000
Net income for the year	698,539	612,548	650,618
Retained earnings, beginning of year	638,295	1,336,834	1,949,382
Retained earnings, end of year	1,336,834	1,949,382	2,600,000

Financial Condition

Assets:			
Cash with Treasury	$1,944,963	$1,854,375	$1,900,000
Accounts receivable, net	1,812,181	1,621,965	1,650,000
Advances	1,850	2,000	2,000
Commodities, materials, and supplies	843,134	1,296,326	1,450,000
Equipment, net	14,632,611	15,805,825	16,700,001
Buildings and other structures	12,356	262,857	262,857
Total assets	19,247,095	20,843,348	21,964,858
Liabilities:			
Current	2,113,194	1,774,356	1,800,000
Government investment:			
Non-interest-bearing capital:			
Start of year	14,741,045	15,797,067	17,119,610
Assets assumed during the year	1,056,022	1,322,543	445,248
End of year	15,797,067	17,119,610	17,564,858
Retained earnings	1,336,834	1,949,382	2,600,000
Total Government investment	17,133,901	19,068,992	20,164,858

NOTE: Unpaid undelivered orders are as follows: June 30, 1958, $1,214,426; 1959, $1,031,512; 1960, $645,132; 1961, $893,149.

Object Classification

	1959 actual	1960 estimate	1961 cstimate
Total number of permanent positions	581	599	614
Full-time equivalent of all other positions	89	92	137
Average number of all employees	677	700	760
Number of employees at end of year	631	652	677
Average GS grade and salary	6.8 $5,583	6.9 $5,617	6.9 $5,614
Average salary of ungraded positions	$4,553	$4,754	$4,754
01 Personal services:			
Permanent positions	$3,104,999	$3,266,850	$3,347,475
Positions other than permanent	335,312	356,657	550,768
Other personal services	84,154	95,966	108,530
Total personal services	3,524,465	3,719,473	4,006,773
02 Travel	151,761	166,051	200,000
03 Transportation of things	255,807	264,698	300,000
04 Communication services	75,796	77,166	90,000
05 Rents and utility services	153,453	155,604	250,000
06 Printing and reproduction	10,246	11,975	20,000
07 Other contractual services	978,825	1,019,311	1,500,000
Services performed by other agencies	73,073	75,415	100,000
08 Supplies and materials	6,186,471	6,497,529	6,797,000
09 Equipment	3,441,493	3,428,809	4,500,000
11 Grants, subsidies, and contributions	201,986	212,877	220,000
13 Refunds, awards, and indemnities	2,045	2,349	3,000
15 Taxes and assessments	9,464	11,502	20,000
Subtotal	15,064,885	15,642,759	18,006,773
Deduct quarters and subsistence charges	5,008	6,773	6,773
Total obligations	15,059,877	15,635,986	18,000,000

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Repair of equipment and sale of supplies, materials, and equipment to other activities of Forest Service; the Departments of Agriculture, Commerce, Interior, Defense, and Post Office; Veterans Administration; Atomic Energy Commission; and other agencies	$1,518,894	$1,000,000	$1,000,000
2. Construction and maintenance of roads, trails, and other improvements	677,188	2,670,000	2,670,000
3. Forest fire protection and suppression	845,238	1,000,000	1,000,000
4. Surveys, land appraisals, mapping, cruising timber, and preparation of timber management plans, snow scale readings, etc., on national forest and other lands	549,222	800,000	800,000
5. Insect and disease control	28,263	200,000	200,000
6. Forest research at experimental forests and ranges	323,404	335,000	335,000
7. Investigations at Forest Products Laboratory	749,345	700,000	700,000
8. Forest resources surveys and investigations	101,328	120,000	120,000
9. Cooperation in forest fire control, forest management and processing, and forest tree planting	267,547	405,000	405,000
Total program (costs [1]—obligations)	5,060,429	7,230,000	7,230,000
Financing:			
Advances and reimbursements from—			
Other accounts	4,307,039	6,100,000	6,100,000
Non-Federal sources (16 U.S.C. 504a, 572, 580, 580a; 40 U.S.C. 481(c))	753,390	1,130,000	1,130,000
Total financing	5,060,429	7,230,000	7,230,000

[1] Includes capital outlays as follows: June 30, 1959, $839,468; 1960, $1,200,000; 1961, $1,200,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	302	291	266
Full-time equivalent of all other positions	208	314	339
Average number of all employees	496	626	626
Number of employees at end of year	446	397	397
Average GS grade and salary	6.8 $5,583	6.9 $5,617	6.9 $5,614
Average salary of ungraded positions	$4,553	$4,754	$4,754
01 Personal services:			
Permanent positions	$1,736,747	$1,825,434	$1,691,659
Positions other than permanent	713,485	1,106,096	1,239,871
Other personal services	103,396	133,049	125,513
Total personal services	2,553,628	3,064,579	3,057,043

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Object Classification—Continued

		1959 actual	1960 estimate	1961 estimate
02	Travel	$87,845	$172,000	$172,000
03	Transportation of things	24,903	60,000	60,000
04	Communication services	21,357	39,000	39,000
05	Rents and utility services	37,514	52,000	52,000
06	Printing and reproduction	29,745	37,000	37,000
07	Other contractual services	450,656	865,000	880,400
	Services performed by other agencies	726,234	1,114,000	1,114,000
08	Supplies and materials	773,458	1,381,321	1,377,457
09	Equipment	49,286	68,000	68,000
10	Lands and structures	210,669	215,000	215,000
11	Grants, subsidies, and contributions	89,555	142,000	133,000
13	Refunds, awards, and indemnities	91	100	100
15	Taxes and assessments	5,545	25,000	30,000
	Subtotal	5,060,486	7,235,000	7,235,000
	Deduct quarters and subsistence charges	57	5,000	5,000
	Total obligations	5,060,429	7,230,000	7,230,000

Proposed for later transmission:

FOREST PROTECTION AND UTILIZATION

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Forest land management: Fighting forest fires (total costs—obligations)		$21,500,000	
Financing:			
Proposed supplemental appropriation		21,500,000	

Under existing legislation, 1960.—A supplemental appropriation for 1960 in the amount of $21.5 million is anticipated for fighting forest fires.

GENERAL PROVISIONS

SEC. 401. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed [four hundred and twenty-five] *three hundred and thirty-seven* passenger motor vehicles, of which [four hundred and twenty-three] *three hundred and thirty-two* shall be for replacement only, and for the hire of such vehicles.

SEC. 402. Provisions of law prohibiting or restricting the employment of aliens shall not apply to employment under the appropriation for the Foreign Agricultural Service.

SEC. 403. Funds available to the Department of Agriculture shall be available for uniforms or allowances therefor as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131).

SEC. 404. No part of the funds appropriated by this Act shall be used for the payment of any officer or employee of the Department who, as such officer or employee, or on behalf of the Department or any division, commission, or bureau thereof, issues, or causes to be issued, any prediction, oral or written, or forecast, except as to damage threatened or caused by insects and pests, with respect to future prices of cotton or the trend of same.

SEC. 405. Except to provide materials required in or incident to research or experimental work where no suitable domestic product is available, no part of the funds appropriated by this Act shall be expended in the purchase of twine manufactured from commodities or materials produced outside of the United States.

SEC. 406. Not less than $1,500,000 of the appropriations of the Department for research and service work authorized by the Acts of August 14, 1946, July 28, 1954, and September 6, 1958 (7 U.S.C. 427, 1621–1629; 72 Stat. 1793), shall be available for contracting in accordance with said Acts.

SEC. 407. No part of any appropriation contained in this Act or of the funds available for expenditure by any corporation or agency included in this Act shall be used for publicity or propaganda purposes to support or defeat legislation pending before the Congress. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.*)

Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1961

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
AGRICULTURAL RESEARCH SERVICE								
Salaries and expenses:								
Research	49	$73,500	44	$19,800	$53,700	320	$33,000	Scientific and technical personnel: For necessary field travel in carrying out research programs on agricultural problems relating to production and utilization of agricultural products, including use of one automobile at National Arboretum in Washington, D.C.
Station wagon	6	11,700	6	2,700	9,000	31	500	Do.
Ambulance						1		Officials and employees at Plum Island, N.Y., foot-and-mouth research laboratory: For use of employees who may require ambulance service. No private vehicles allowed on island.
Bus						6		Officials and employees at Plum Island, N.Y., foot-and-mouth research laboratory: For use in transporting employees from ferry to laboratory and return. No private vehicles allowed on island.
Plant and animal disease and pest control.	115	172,500	115	51,750	120,750	573	247,500	Inspection personnel and control supervisors: Transportation to farms, ranches, and other premises in field and urban locations in carrying out plant and animal disease and pest control, including inspection and quarantine work.
Station wagon						3	500	Do.
Meat inspection						5	27,500	Inspection personnel: Transportation to slaughterhouses and meat packing plants in urban centers, including field station in District of Columbia, in carrying out provisions of laws relating to Federal inspection of meat and meat food products.
Working capital fund						5	1,000	Superintendent, engineers, and other officials: Transportation in supervising and inspecting maintenance and operation of agricultural research center and for transporting officials and visiting agricultural leaders to and from various sections of the center.
Total, Agricultural Research Service.	170	257,700	165	74,250	183,450	944	310,000	
SOIL CONSERVATION SERVICE								
Conservation operations	113	169,500	113	33,900	135,600	616	123,000	State and area conservationists, technical specialists, and survey supervisors: Transportation in connection with supervision and inspection of service activities in conservation districts.
Station wagon						3	600	Do.
Watershed protection	8	12,000	8	2,300	9,700	22	4,300	Project personnel: Transportation for investigation and planning of proposed small watershed projects; surveying and supervising the installation of work of improvement in authorized projects, and for negotiating with local sponsors of the projects; for investigating the agricultural phases of proposed river basin projects.
Station wagon	4	7,300	4	1,600	5,700	34	6,600	Do.

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1961—Continued

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
SOIL CONSERVATION SERVICE—con.								
Flood prevention	5	$7,500	5	$1,500	$6,000	50	$9,500	Project personnel: Transportation in connection with surveying and supervising the installation of works of improvement in authorized flood prevention projects.
Station wagon	1	1,800	1	400	1,400	5	1,000	Do.
Water conservation and utilization projects.						1		Project personnel: Transportation in connection with the development, operation, and management of the Eden Valley project.
Great Plains conservation program	1	1,500	1	300	1,200	9	2,000	Assistant State conservationists: Transportation in connection with supervision and inspection of Service activities in the Great Plains conservation program in the field offices of the 10 Great Plains States.
Total, Soil Conservation Service.	132	199,600	132	40,000	159,600	740	147,000	
AGRICULTURAL MARKETING SERVICE								
Marketing research and service: Marketing research and agricultural estimates.	11	16,500	11	3,300	13,200	42	19,000	Research and technical specialists: For use in supervising, directing and carrying out marketing research programs. Field statisticians: Transportation to and from important agricultural areas in the preparation of crop and livestock estimates.
Station wagon						3		Research and technical specialists: For transportation of personnel, material, and commodity samples in carrying out marketing research programs.
Marketing services	14	21,000	14	4,200	16,800	62	95,000	Market news reporters: For use in gathering and disseminating news of market conditions for various farm crops and livestock. Inspectors and graders: For inspection, classing, and grading of farm products, including work required under the Cotton, Tobacco, Naval Stores, and Grain Standards Acts. Marketing specialists, inspectors, and graders: Transportation to and from warehouses, stockyards, markets, railroad yards, piers, and other places for licensing or registration, supervision of operations of licensees to assure compliance, collection of samples for testing, handling of violations with respect to the administration of the U.S. Warehouse, Federal Seed, Packers, and Stockyards and Naval Stores Acts.
Station wagon	3	5,850	3	900	4,950	6		Market news reporters and clerks: For transportation of personnel and material in conducting tobacco market news program. Cotton field representatives: For transportation of personnel and material in carrying out classing and market information programs.
Expenses and refunds, inspection and grading of farm products.	5	7,500	5	1,500	6,000	69	55,000	Inspectors and graders: For use in inspecting and grading farm and food products—paid from funds advanced by producers for which services are performed.
Perishable Agricultural Commodities Act fund.							5,000	Marketing specialists: Transportation to and from offices of produce dealers and truckers in investigating complaints and violations and checking establishments for compliance with license provisions under Perishable Agricultural Commodities and Produce Agency Act—paid from license fees collected.
School lunch program							600	Area supervisors and other officials: For use in supervision and review of school lunch program.
Removal of surplus agricultural commodities.							2,000	Area supervisors and other officials: For transportation in connection with supervision and review of agricultural distribution program.
Special milk program							700	Area supervisors and other officials: For use in supervision and review of special milk program.
Total, Agricultural Marketing Service.	33	50,850	33	9,900	40,950	182	[1] 177,300	
FOREIGN AGRICULTURAL SERVICE								
Salaries and expenses							950	Administrator and other officials, for Foreign Agricultural Service: Transportation to and from official conferences and meetings in Washington, D.C., with Members of Congress, U.S. Government officials, and officials of international organizations and of foreign governments; trips to and from embassies of foreign governments for visaing of passports; transportation of foreign trainees. Messengers: Delivery of special or classified mail in the Washington area.
Station wagon							575	Do.
Technical cooperation, general, executive (transfer to Agriculture): Station wagon.							575	Do.
Total, Foreign Agricultural Service.							2,100	
COMMODITY STABILIZATION SERVICE								
Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938.						2	675	Insular office director and field representatives for travel within Puerto Rico and United States in connection with agricultural conservation, sugar, and other assigned duties.
COMMODITY CREDIT CORPORATION								
Limitation on administrative expenses.							3,825	Travel of field inspectors and commodity office employees in connection with Commodity Credit Corporation and various Commodity Stabilization Service programs.
FARMERS HOME ADMINISTRATION								
Salaries and expenses	6	9,000	6	1,500	7,500	20	[2] 9,500	State directors and other field officials: Transportation in assisting and advising county supervisors in the investigation of applications, making of loans, rendering farm management assistance to borrowers, and collecting and servicing loans under the various loan programs.

See footnotes at end of table, p. 383.

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1961—Continued

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
OFFICE OF THE SECRETARY								
Salaries and expenses	1	$1,500	1	$400	$1,100	----------	[2] $1,500	Secretary of Agriculture, Under Secretary, Assistant Secretaries, and members of their immediate staffs, as well as heads and other responsible officials of staff offices which comprise the Office of the Secretary: For transportation in District of Columbia.
FOREST SERVICE								
Working capital fund	88	132,000	90	27,900	104,100	468	[3] 452,000	Forest rangers, forest supervisors, regional foresters and directors, and other field officers: For use in the protection, management, utilization, and development of national forests; and in the management of land utilization projects; transportation in connection with forest pest control activities in the field; for use at research center experimental forests and ranges on field research projects and forest survey; travel in connection with improving forest practices on private forest lands; used in directing and inspecting road construction and maintenance.
Station wagon	10	18,350	8	3,350	15,000	63	----------	Do.
Bus	----------	----------	----------	----------	----------	4	----------	Do.
Total, Forest Service	98	150,350	98	31,250	119,100	535	452,000	
Total, Department of Agriculture.	[4] 440	669,000	435	157,300	511,700	2,423	1,103,900	

[1] Includes $5,000 estimated for payments other than to motor pools.
[2] Includes $500 estimated for payments other than to motor pools.
[3] Includes $110,000 estimated for payments other than to motor pools.
[4] Includes 5 vehicles to be purchased from funds advanced by producers for whom services are performed. (See item above for "Expenses and refunds, inspection and grading of farm products.")

Statement of proposed obligations for purchase, maintenance, and operation of aircraft for the fiscal year 1961

Appropriation	Aircraft to be purchased		Aircraft to be exchanged		Net cost of aircraft to be purchased	Old aircraft still to be used	Cost of maintenance and operation of aircraft	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
AGRICULTURAL RESEARCH SERVICE								
Salaries and expenses: Research	----------	----------	----------	----------	----------	3	$9,000	Technical employees: For experimentation and development of improved equipment and methods for spraying and dusting crops and for fertilizing, seeding, and performing other agricultural operations with airplanes.
Plant and animal disease and pest control.	2	$34,000	1	$4,000	$30,000	5	25,000	Pest control technicians: For demonstrating use of special equipment for suppression of destructive insects attacking crops; and when not otherwise engaged, for supplementing contract aircraft in control operations.
Total, Agricultural Research Service.	2	34,000	1	4,000	30,000	8	34,000	
FOREST SERVICE								
Working capital fund	4	175,000	2	14,000	161,000	40	310,000	Forest Service administrative personnel and firefighters: Transportation of men and supplies, including smokejumpers, to inaccessible areas for reconnaissance and suppression of large fires, and for detection services in remote areas. Also for pest control in locating incipient outbreaks of forest insect pests and in appraising the scope and seriousness of infestations in forested areas, and directing and evaluating effectiveness of control operations.
Total, Department of Agriculture.	6	209,000	3	18,000	191,000	48	344,000	

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DEPARTMENT OF COMMERCE

New obligational authority recommended for 1961 for the Department of Commerce totals $563 million. Of this amount 53% is for maritime activities. Another 21% is for various aids to business, including a proposed new program of aid to areas of persistent unemployment. The remainder is largely for science and research activities by the Bureau of the Census and the National Bureau of Standards, and for the services of the Weather Bureau. Highway activities are financed predominantly through the Highway trust fund and have relatively minor impact on departmental budget totals.

The recommended new obligational authority for 1961 is $16 million lower than estimated for 1960. Substantial decreases will occur as a result of the completion of the enumeration phase of the Eighteenth Decennial Census and the proposed transfer to the Highway trust fund of funding for forest and public lands highways. However, these decreases are largely offset by increases for the National Bureau of Standards, the Weather Bureau, and the proposed area assistance program.

Expenditures by the Department of Commerce are estimated to decrease from $544 million in 1960 to $473 million in 1961. Expenditures and new obligational authority for the Department are shown by function in the following table:

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
International affairs and finance:						
152 Economic and technical development	$10,000			$15,938	$22,999	$10,000
Labor and welfare:						
215 Promotion of science, research, libraries, and museums	40,089	$129,389	$78,895	35,786	112,827	69,152
Commerce and housing:						
510 Promotion of water transportation	288,898	310,930	298,600	200,058	257,301	263,283
511 Provision of highways	36,000	36,000		29,516	45,449	3,352
512 Promotion of aviation					−20	−1
518 Other aids to business	48,073	48,719	119,600	51,171	50,997	67,168
519 Regulation of commerce and finance	3,173	2,800	2,800	3,230	2,814	2,799
Total, commerce and housing	376,144	398,449	421,000	283,975	356,541	336,601
General government:						
607 Civilian weather services	45,248	51,355	63,100	46,409	51,586	57,642
Total, Department of Commerce	471,481	579,193	562,995	382,108	543,953	473,395

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
							1961 estimate		
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	Total	From new obligational authority	From prior authority
GENERAL ADMINISTRATION									
Current authorizations:									
Salaries and expenses	518	$2,878	$2,660	$3,030	$2,975	$2,577	$3,175	$2,967	$208
Salaries and expenses, Office of Field Services	518			2,584			2,326	2,326	
Participation in Century 21 Exposition	215		9,000			349	4,000		4,000
Public enterprise funds:									
Aviation war risk insurance revolving fund	512					−20	−1		−1
Intragovernmental funds:									
Working capital fund	518				−84	12	19		19
Advances and reimbursements	518				−53	41			
Total, general administration		2,878	11,660	5,614	2,838	2,959	9,519	5,293	4,226
BUREAU OF THE CENSUS									
Current authorizations:									
Salaries and expenses	215	8,650	8,674	9,570	8,641	8,650	9,550	8,800	750
1958 censuses of business, manufactures, and mineral industries	215	7,406	5,825	1,125	6,605	5,950	1,825	1,075	750
Reappropriation	215	10							
Eighteenth Decennial Census	215	7,351	86,500	18,000	7,521	76,500	25,000	14,000	11,000
1962 Census of Governments	215			100			90	90	
Census of Governments	215	379			481	85			
Intragovernmental funds:									
Advances and reimbursements	215				202	98			
Total, Bureau of the Census		23,796	100,999	28,795	23,451	91,283	36,465	23,965	12,500
COAST AND GEODETIC SURVEY									
Current authorizations:									
Salaries and expenses	518	12,694	14,050	18,000	12,510	13,435	17,771	16,610	1,161
Construction and equipment	518			350			350	350	
Construction of surveying ships	518			6,900	2,871	2,615	1,843	1,843	
Construction and equipment, geomagnetic station	518	400			2	388	10		10
Proposed for later transmission:									
Under existing legislation: Salaries and expenses	518		34			32	2		2
Total, Coast and Geodetic Survey		13,094	14,084	25,250	15,383	16,470	19,976	18,803	1,173
BUSINESS AND DEFENSE SERVICES ADMINISTRATION									
Current authorizations:									
Salaries and expenses	518	7,580	6,175	4,366	7,498	6,224	4,528	3,930	598
BUREAU OF FOREIGN COMMERCE									
Current authorizations:									
Salaries and expenses	518	2,612	2,400	3,270	2,707	2,381	3,187	2,982	205
Export control	519	3,173	2,800	[1] 2,800	3,230	2,814	2,799	2,688	111
Total, Bureau of Foreign Commerce		5,785	5,200	6,070	5,937	5,195	5,986	5,670	316
OFFICE OF BUSINESS ECONOMICS									
Current authorizations:									
Salaries and expenses	518	1,242	1,400	1,500	1,273	1,400	1,485	1,425	60
Intragovernmental funds:									
Advances and reimbursements	518				−17	20	12		12
Total, Office of Business Economics		1,242	1,400	1,500	1,256	1,420	1,497	1,425	72

[1] To carry out authorizing legislation to be proposed for 1961.

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
							1961 estimate		
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	Total	From new obligational authority	From prior authority
MARITIME ACTIVITIES									
Current authorizations:									
Ship construction	510	$141,475	$130,250	$129,000	$53,937	$80,000	$98,000	$2,000	$96,000
Ship construction (liquidation of contract authorization)	510				−1	464			
Operating-differential subsidies	510	127,500	128,750	150,000	127,693	128,918	150,000	150,000	
Salaries and expenses	510	15,248	14,014	14,925	15,602	13,374	13,705	13,005	700
Maritime training	510	2,579	2,900	3,195	2,579	3,092	2,929	2,784	145
State marine schools:									
Appropriation	510	695	150	250	673	225	246	238	8
Appropriation to liquidate contract authorization	510		(960)	(1,020)		960	1,020		1,020
Construction fund	510				9				
Repair of reserve fleet vessels (liquidation of contract authorization)	510				72				
Vessel operations functions	510				1				
War Shipping Administration liquidation	510				1,499				
Permanent authorizations:									
State marine schools (contract authorization)	510		2,866	1,230					
Public enterprise funds:									
Federal ship mortgage insurance fund (permanent authorization to expend from debt receipts)	510	1,400			1,080	−2,522	−3,873		−3,873
Vessel operations revolving fund	510				−999	1,137	2,736		2,736
War risk insurance revolving fund	510				−376	−449	−659		−659
Intragovernmental funds:									
Advances and reimbursements	510				−47	47			
Proposed for later transmission:									
Under existing legislation: Operating-differential subsidies	510		32,000			32,000			
Total, maritime activities		288,898	310,930	298,600	201,722	257,246	264,104	168,027	96,077
INLAND WATERWAYS CORPORATION									
Public enterprise funds:									
Inland Waterways Corporation fund	510				−1,664	55	−821		−821
Limitation on administrative expenses, Inland Waterways Corporation		(2)	(2)	(2)					
PATENT OFFICE									
Current authorizations:									
Salaries and expenses	518	20,667	22,000	22,600	21,489	21,872	22,460	20,700	1,760
BUREAU OF PUBLIC ROADS									
Current authorizations:									
Limitation on general administrative expenses (trust fund)		(27,621)	(29,500)	(29,900)					
Federal-aid highways (trust fund) (liquidation of contract authorization)		(2,350,000)	(3,028,000)	(2,689,000)					
Forest highways:									
Liquidation of contract authorization	511	(30,000)	(30,000)		27,798	31,305			
Liquidation of contract authorization (trust fund)				(36,000)					
Public lands highways:									
Liquidation of contract authorization	511	(2,692)	(4,000)		3,023	4,657			
Liquidation of contract authorization (trust fund)				(3,000)					
Federal-aid highways (liquidation of contract authorization)	511				−4,784	−250			
Access roads (act of Sept. 7, 1950)	511				640	713	226		226
Construction, operation, and maintenance of roads, Alaska	511				156	358			
Inter-American Highway	152	10,000			15,938	22,999	10,000		10,000
Surveys and plans	511				82	196			
Woodrow Wilson Memorial Bridge	511				2,600	8,470	3,126		3,126
Permanent authorizations:									
Forest highways (contract authorization)	511	33,000	33,000						
Public lands highways (contract authorization)	511	3,000	3,000						
Total, Bureau of Public Roads		46,000	36,000		45,454	68,448	13,352		13,352

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
							1961 estimate		
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	Total	From new obligational authority	From prior authority
NATIONAL BUREAU OF STANDARDS									
Current authorizations:									
Research and technical services	215	$12,455	$17,250	$19,600	$12,037	$16,929	$19,425	$17,500	$1,925
Research and technical services (special foreign currency program)	215			5,000			1,000	1,000	
Plant and facilities	215	818	2,140	2,000	648	1,555	2,073	1,131	942
Construction of facilities	215	3,000		23,500	87	1,600	7,479	5,832	1,647
Construction of laboratories	215	20			80				
Intragovernmental funds:									
Working capital fund	215				−524	1,095	−1,293		−1,293
Advances and reimbursements	215				8	16	3		3
Total, National Bureau of Standards		16,293	19,390	50,100	12,335	21,195	28,687	25,463	3,224
WEATHER BUREAU									
Current authorizations:									
Salaries and expenses	607	43,673	48,855	48,100	43,732	48,240	46,956	42,427	4,529
Research and development	607			8,000			6,256	6,256	
Establishment of meteorological facilities	607	1,575	2,500	7,000	2,684	3,346	4,430	1,250	3,180
Intragovernmental funds:									
Advances and reimbursements	607				−6				
Total, Weather Bureau		45,248	51,355	63,100	46,409	51,586	57,642	49,933	7,709
AREA ASSISTANCE									
Proposed for later transmission:									
Under proposed legislation: Area assistance activities	518			57,000			10,000	10,000	
Total new obligational authority and budget expenditures		471,481	579,193	562,995	382,108	543,953	473,395	333,209	140,186
RECAPITULATION									
Enacted or recommended in this document:									
Current authorizations:									
Appropriations		$434,071	$508,293	$504,765	$382,108	$511,921	$463,393	$323,209	$140,184
Appropriations to liquidate contract authorizations		(32,692)	(34,960)	(1,020)					
Reappropriations		10							
Permanent authorizations:									
Authorizations to expend from debt receipts		1,400							
Contract authorizations		36,000	38,866	1,230					
Proposed for later transmission:									
Appropriations			32,034	57,000		32,032	10,002	10,000	2
Total new obligational authority and budget expenditures		471,481	579,193	562,995	382,108	543,953	473,395	333,209	140,186

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EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

[In thousands]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1959	1960	1961	1959	1960	1961	1959	1960	1961
GENERAL ADMINISTRATION										
Aviation war risk insurance revolving fund	512	----------	$6	----------	$1	$27	$1	----------	−$20	−$1
MARITIME ACTIVITIES										
Federal ship mortgage insurance fund	510	$2,447	466	$56	1,367	2,988	3,929	$1,080	−2,522	−3,873
Vessel operations revolving fund	510	7,675	9,229	7,197	8,674	8,091	4,461	−999	1,137	2,736
War risk insurance revolving fund	510	36	83	41	411	532	700	−376	−449	−659
INLAND WATERWAYS CORPORATION										
Inland Waterways Corporation fund	510	2	933	32	1,666	878	853	−1,664	55	−821
Total, public enterprise funds	------	10,160	10,717	7,326	12,119	12,516	9,944	−1,959	−1,799	−2,618

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ANALYSIS OF UNEXPENDED BALANCES

[In thousands]

Description	Balance, start of 1959		Balance, start of 1960		Balance, start of 1961		Balance, start of 1962	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document:								
Appropriations:								
Participation in Century 21 Exhibition, general administration					$8,388	$8,651	$1,215	$4,651
1958 censuses of business, manufactures, and mineral industries, Bureau of the Census		$264	$262	$936		811		111
Eighteenth Decennial Census, Bureau of the Census		2,387	322	1,220		11,220		4,220
Census of Governments, Bureau of the Census	$164	219		84				
Construction of a surveying ship, Coast and Geodetic Survey	350	5,486	83	2,615				
Construction of surveying ships, Coast and Geodetic Survey							760	5,057
Construction and equipment, geomagnetic station, Coast and Geodetic Survey			378	398		10		
Ship construction, maritime activities	52,851	172,887	95,183	260,425	31,200	310,675	25,100	341,675
Ship construction (liquidation of contract authorization), maritime activities	7,347	7,362	6,931	6,946				
Operating-differential subsidies, maritime activities	361	361	168	168				
War Shipping Administration, liquidation, maritime activities		9,133						
Forest highways (liquidation of contract authorizations), Bureau of Public Roads		5,104		7,305		6,000		
Public lands highways (liquidation of contract authorizations), Bureau of Public Roads		988		657				
Inter-American highway, Bureau of Public Roads	9,100	41,634	10,081	35,695	1,031	12,696	671	2,696
Woodrow Wilson Memorial Bridge, Bureau of Public Roads	13,843	14,197	2,405	11,596	26	3,126		
Access roads (act of Sept. 7, 1950), Bureau of Public Roads	982	1,934	736	1,295	477	582	171	356
Construction, operation and maintenance of roads, Alaska, Bureau of Public Roads	579	878	364	722				
Research and technical services (special foreign currency program), National Bureau of Standards							58	4,000
Plant and facilities, National Bureau of Standards	255	498	507	672	126	1,257	17	1,184
Construction of facilities, National Bureau of Standards	333	333	1,193	3,247	180	1,647	1,225	17,668
Construction of laboratories, National Bureau of Standards	50	60						
Research and development, Weather Bureau								1,744
Establishment of meteorological facilities, Weather Bureau	1,369	7,407	920	6,298	508	5,452	2,201	8,022
Other		13,827		11,278		13,195		16,453
Total, appropriations	87,584	284,958	119,533	351,557	41,936	375,322	31,418	407,837
Contract authorizations:								
State marine schools, maritime activities						1,906		2,116
Forest highways, Bureau of Public Roads	38,632	56,250	38,490	59,250	36,411	62,250		
Public lands highways, Bureau of Public Roads	2,430	3,692	3,265	4,000	43	3,000		
Total, contract authorizations	41,062	59,942	41,755	63,250	36,454	67,156		2,116
Revolving and management funds	29,348	27,591	31,137	31,420	31,184	31,595	33,348	35,415
Proposed for later transmission:								
Appropriations						2	39,000	47,000
Total, Department of Commerce	157,993	372,490	192,428	446,228	109,574	474,075	103,766	492,369

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

Description	1959 actual	1960 estimate	1961 estimate
Balances brought forward at start of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	$284,958	$351,557	$375,322
Contract authorizations	59,942	63,250	67,156
Revolving and management funds	27,591	31,420	31,595
Proposed for later transmission: Appropriations			2
Total balances brought forward	372,490	446,228	474,075
New obligational authority:			
Enacted or recommended in this document:			
Current authorizations:			
Appropriations	434,071	508,293	504,765
Appropriations to liquidate contract authorizations	(32,692)	(34,960)	(1,020)
Reappropriations	10		
Total new obligational authority under current authorizations	434,081	508,293	504,765
Permanent authorizations:			
Authorizations to expend from debt receipts	1,400		
Contract authorizations	36,000	38,866	1,230
Total new obligational authority under permanent authorizations	37,400	38,866	1,230
Total new obligational authority enacted or recommended	471,481	547,159	505,995
Proposed for later transmission: Appropriations		32,034	57,000
Total new obligational authority	471,481	579,193	562,995
Other amounts available: Appropriations available in prior year	−2,411		
Total budget authorizations available	841,560	1,025,421	1,037,070
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	382,108	511,921	323,209
Out of balance of prior obligational authority			140,184
Total expenditures from obligational authority enacted or recommended	382,108	511,921	463,393
From obligational authority proposed for later transmission:			
Out of new obligational authority		32,032	10,000
Out of balance of prior obligational authority			2
Total expenditures from obligational authority proposed for later transmission		32,032	10,002
Total budget expenditures	382,108	543,953	473,395
Amounts no longer available:			
Unobligated balances rescinded	12,419	6,976	71,250
Unobligated balances expiring and lapsing	468	121	
Capital transfers from revolving funds to receipt accounts	20	296	56
Adjustment of balances downward in expired accounts, net	317		
Total amounts no longer available	13,223	7,393	71,306
Balances carried forward at close of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	351,557	375,322	407,837
Contract authorizations	63,250	67,156	2,116
Revolving and management funds	31,420	31,595	35,415
Proposed for later transmission: Appropriations		2	47,000
Total balances carried forward at close of year	446,228	474,075	492,369
Obligations incurred, net	$421,728	$654,654	$497,497

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GENERAL ADMINISTRATION

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for the general administration of the Department of Commerce, [$2,660,000] *$3,030,000. (5 U.S.C. 591–607; 50 U.S.C. App. 2021–2032, 2061–2166; 50 U.S.C. 402b; Department of Commerce and Related Agencies Appropriation Act 1960.)*

Appropriated 1960, **$2,660,000** Estimate 1961, **$3,030,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Executive direction of the Department	$684,981	$728,670	$768,380
2. Departmental staff services	1,415,194	1,323,655	1,588,190
3. Administrative services	692,840	632,885	665,885
Total program costs	2,793,015	2,685,210	3,022,455
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−2,210	
Obligations incurred for costs of other years, net	12,655		7,545
Total program (obligations)	2,805,670	2,683,000	3,030,000
Financing:			
Comparative transfers from (−) other accounts		−23,000	
Comparative transfers to other accounts	61,414		
Unobligated balance no longer available	10,726		
New obligational authority	2,877,810	2,660,000	3,030,000
New obligational authority:			
Appropriation	$2,933,400	$2,660,000	$3,030,000
Transferred (64 Stat. 1263) to—			
"Salaries and expenses," Bureau of Foreign Commerce	−18,590		
"Salaries and expenses," Business and Defense Services Administration	−37,000		
Appropriation (adjusted)	2,877,810	2,660,000	3,030,000

1. *Executive direction of the Department.*—Provides for the formulation of Government policy on matters affecting programs and functions assigned to the Department.

2. *Departmental staff services.*—Staff assistance and supervision in the general management and administration of the Department are provided in personnel, budget, management, information, publications, security, legal, and internal inspection.

3. *Administrative services.*—Departmentwide direction is provided in property, space, records, general administrative services, safety, motor vehicles, and library activities. Centralized general administrative services, including accounting, are furnished to the smaller bureaus of the Department.

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Unpaid undelivered orders	$24,814	$38,179	$35,969	$43,514
Selected resources at start of year (−)		−24,814	−38,179	−35,969
Adjustment of selected resources at start of year		−710		
Costs financed from obligations of other years, net (−)			−2,210	
Obligations incurred for costs of other years, net		12,655		7,545

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	323	265	318
Full-time equivalent of all other positions	2	5	3
Average number of all employees	301	273	313
Number of employees at end of year	301	265	318
Average GS grade and salary	9.1 $7,643	9.5 $8,043	9.6 $8,111

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
01 Personal services:			
Permanent positions	$2,378,196	$2,206,095	$2,554,855
Positions other than permanent	15,959	52,755	28,245
Other personal services	23,757	25,670	19,010
Total personal services	2,417,912	2,284,520	2,602,110
02 Travel	26,999	33,210	42,500
03 Transportation of things	1,369	1,000	1,000
04 Communication services	51,286	49,700	49,700
05 Rents and utility services	6,028	6,000	6,000
06 Printing and reproduction	58,110	62,500	52,500
07 Other contractual services	46,007	59,260	64,715
08 Supplies and materials	33,904	31,900	31,900
09 Equipment	15,841	10,000	10,000
11 Grants, subsidies, and contributions	145,173	142,610	167,875
13 Refunds, awards, and indemnities	1,055	1,000	1,000
15 Taxes and assessments	1,986	1,300	700
Total obligations	2,805,670	2,683,000	3,030,000

OFFICE OF FIELD SERVICES

SALARIES AND EXPENSES

For expenses necessary to operate and maintain field offices for the collection and dissemination of information useful in the development and improvement of commerce throughout the United States and its possessions, $2,584,000.

Estimate 1961, [a] **$2,584,000**

[a] Estimate is for activities previously carried under "Salaries and expenses," Business and Defense Services Administration.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Dissemination and collection of business information (total obligations)	$2,254,916	$2,334,000	$2,584,000
Financing:			
Comparative transfers from (−) other accounts	−2,254,916	−2,334,000	
Appropriation (new obligational authority)			2,584,000

This Office is responsible for the execution of the field programs of the Business and Defense Services Administration, the Bureau of Foreign Commerce, and the Office of Business Economics, and provides outlets for the statistical data published by the Department. These programs provide the means for enabling the Department of Commerce to deal with the business public on a local basis covering all phases of the Department's trade promotion and development program, foreign and domestic.

In addition, the Office also gathers information required by the constituent units it represents.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	286	286	320
Average number of all employees	279	282	314
Number of employees at end of year	273	285	315
Average GS grade and salary	7.9 $6,883	7.9 $6,889	8.0 $6,894
01 Personal services:			
Permanent positions	$1,909,752	$1,947,000	$2,156,600
Other personal services	8,138	16,000	8,400
Total personal services	1,917,890	1,963,000	2,165,000
02 Travel	38,112	45,000	53,000
03 Transportation of things	2,268	4,000	4,500
04 Communication services	76,319	85,000	87,000
06 Printing and reproduction	45,791	50,000	52,100
07 Other contractual services	9,055	10,000	27,500
Services performed by other agencies	4,837	5,000	5,000
08 Supplies and materials	28,428	30,000	33,000
09 Equipment	12,851	18,000	19,000
11 Grants, subsidies, and contributions	116,076	120,000	133,900
13 Refunds, awards, and indemnities	1,565	2,000	2,000
15 Taxes and assessments	1,724	2,000	2,000
Total obligations	2,254,916	2,334,000	2,584,000

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GENERAL ADMINISTRATION—Continued

Current authorizations—Continued

[PARTICIPATION IN CENTURY 21 EXPOSITION]

[For expenses necessary to carry out the provisions of the Act of September 2, 1958 (72 Stat. 1703), as amended, including not to exceed $5,000 for official entertainment expenses, $9,000,000, to remain available until expended.] *(73 Stat. 486; Mutual Security Appropriation Act, 1960.)*

Appropriated 1960, **$9,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Exhibit hall:			
(a) Site development and construction			$3,450,000
(b) Design and supervision		$164,600	112,000
2. Exhibit program		311,400	3,385,840
3. Program direction and administration		136,445	225,186
Total obligations		611,845	7,173,026
Financing:			
Unobligated balance brought forward			−8,388,155
Unobligated balance carried forward		8,388,155	1,215,129
Appropriation (new obligational authority)		9,000,000	

Funds are provided for Federal Government participation in the Seattle, Wash., international exposition, known as Century 21, to take place from April 21 to October 21, 1962.

1. *Exhibit hall.*—Federal participation will include the construction of an appropriate exhibition hall. Design, construction, and supervision of the exhibition hall is the responsibility of the Federal Government. Initial architectural plans will be completed in 1960. Construction will go forward in 1961.

2. *Exhibit program.*—Exhibits to be developed by various Federal agencies, private industry, educational institutions, and scientific organizations, will depict the role of science in modern civilization. Exhibits will be constructed in 1961. Exhibit theme covers four areas, the life sciences, energy, man, and space.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions		18	20
Full-time equivalent of all other positions		1	1
Average number of all employees		11	19
Number of employees at end of year		18	20
Average GS grade and salary		11.6 $9,977	11.7 $9,832
01 Personal services:			
Permanent positions		$109,969	$184,069
Positions other than permanent		8,000	8,000
Other personal services		845	708
Total personal services		118,814	192,777
02 Travel		29,800	42,400
03 Transportation of things			140,000
04 Communication services		3,200	4,800
05 Rents and utility services		360	600
06 Printing and reproduction		600	400
07 Other contractual services		435,002	6,654,938
Services performed by other agencies		12,000	120,000
08 Supplies and materials		1,000	1,700
09 Equipment		5,594	6,000
11 Grants, subsidies, and contributions		5,191	8,997
15 Taxes and assessments		284	414
Total obligations		611,845	7,173,026

Public enterprise funds:

AVIATION WAR RISK INSURANCE REVOLVING FUND

The Secretary of Commerce is hereby authorized to make such expenditures, within the limits of funds available pursuant to section 1306 of the Act of August 23, 1958 (72 Stat. 803), and in accordance with section 104 of the Government Corporation Control Act, as amended (31 U.S.C. 849), as may be necessary in carrying out the programs set forth in the budget for the fiscal year [1960] *1961* for aviation war risk insurance activities under said Act (72 Stat. 800). *(72 Stat. 800–806; Department of Commerce and Related Agencies Appropriation Act 1960.)*

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Administrative expense (total costs—obligations)	$277	$6,400	$200
Financing:			
Amounts becoming available: Revenue and receipts: Fees for issuance of binders	600	26,600	1,000
Unobligated balance brought forward		323	20,523
Total amounts available	600	26,923	21,523
Capital transfer (payment of profits to Treasury)(−)			−21,323
Unobligated balance carried forward	−323	−20,523	
Financing applied to program	277	6,400	200

This fund provides aviation war risk insurance in the event of an outbreak of war. Binders are issued to cover aircraft and cargo, and will become war risk insurance automatically on the outbreak of war. Administrative costs are paid out of fee receipts (72 Stat. 731).

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Expenses	$277	$6,400	$200
Receipts from operations (funds provided):			
Revenue	600	26,600	1,000
Budget expenditures	−323	−20,200	−800

Revenue, Expense, and Retained Earnings

Revenue	$600	$26,600	$1,000
Expense	277	6,400	200
Net income for the year	323	20,200	800
Analysis of retained earnings:			
Retained earnings, beginning of year		323	20,523
Payment of profits to Treasury (−)			−21,323
Retained earnings, end of year	323	20,523	

Financial Condition

Assets:			
Cash with Treasury	$323	$20,523	
Government investment:			
Retained earnings	323	20,523	

NOTE.—Not included above, contingent liability in the event of national emergency and the issuance of insurance policies on binders in existence is estimated to be: June 30, 1959, $6,400,000; 1960, $548,600,000; 1961, $548,000,000.

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash		$323	$20,523	
Unobligated balance		323	20,523	

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Object Classification

	1959 actual	1960 estimate	1961 estimate
01 Personal services: Other personal services		$5,000	
02 Travel	$277	200	
06 Printing and reproduction		1,000	$200
08 Supplies and materials		200	
Total obligations	277	6,400	200

Defense Production Guarantees

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Financing:			
Unobligated balance brought forward	$5,883	$5,883	
Capital transfer (payment of profits to Treasury) (−)		−5,883	
Unobligated balance carried forward	−5,883		
Financing applied to program			

Guarantees were given on approved loans made by private sources or Federal Reserve banks to facilitate performance of defense production contracts (Defense Production Act of 1950, sec. 301, as amended). The fund is no longer active and unobligated balances will be paid into the Treasury as earnings of the fund.

Revenue, Expense, and Retained Earnings

	1959 actual	1960 estimate	1961 estimate
Analysis of retained earnings:			
Retained earnings, beginning of year	$5,883	$5,883	
Payment of profits to Treasury (−)		−5,883	
Retained earnings, end of year	5,883		

Financial Condition

Assets:			
Cash with Treasury: Retained earnings	$5,883		

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash with Treasury	$5,883	$5,883		
Unobligated balance	5,883	5,883		

Intragovernmental funds:

Working Capital Fund

This fund finances duplicating, central stocks of office supplies, health services, relocation expenses, and other common departmental services which can be operated better on a centralized basis (5 U.S.C. 607). Duplicating facilities are being temporarily expanded during 1961 to care for increased workload following the 1960 decennial census. Sales are priced essentially at cost. Earnings are paid to the Treasury. Capital includes an appropriation of $100,000.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Sales program:			
Acquisition of equipment	$63,005	$105,000	$72,000
Expense:			
Purchase of commodities for manufacture or sale	431,860	450,000	550,000
Other expense, current year	1,528,840	1,502,500	1,646,500
Prior year expense, funded	2,298		
Total gross expenditures	2,026,003	2,057,500	2,268,500

Sources and Application of Funds (Operations)—Continued

	1959 actual	1960 estimate	1961 estimate
Receipts from operations (funds provided):			
Sales program: Revenue	$2,046,974	$2,000,000	$2,250,000
Undistributed receipts:			
Proceeds from sale of equipment	2,632		
Discounts taken	743		
Decrease in selected working capital	59,176	45,535	
Total receipts from operations	2,109,525	2,045,535	2,250,000
Budget expenditures	−83,522	11,965	18,500

Revenue, Expense, and Retained Earnings

Sales program:			
Revenue	$2,046,974	$2,000,000	$2,250,000
Expense	2,005,710	2,000,000	2,250,000
Net operating income, sales program	41,264		
Nonoperating income:			
Proceeds from sale of equipment	2,632		
Net book value of assets sold (−)	−2,303		
Net gain from sale	329		
Discounts taken	743		
Net nonoperating income	1,072		
Net income for the year	42,336		
Analysis of retained earnings:			
Retained earnings, beginning of year	291,338	331,376	289,040
Adjustment of prior year expenses	−2,298		
Payment of earnings to Treasury (−)		−42,336	
Retained earnings, end of year	331,376	289,040	289,040

Financial Condition

Assets:			
Cash with Treasury	$180,429	$126,128	$107,628
Accounts receivable, net	290,780	290,000	290,000
Advances	50,000		
Commodities for sale	113,468	113,468	113,468
Capital improvements and equipment, net	353,221	410,721	429,221
Total assets	987,898	940,317	940,317
Liabilities:			
Current	305,245	300,000	300,000
Government investment:			
Non-interest-bearing capital:			
Start of year	349,842	351,277	351,277
Donated property	1,435		
End of year	351,277	351,277	351,277
Retained earnings	331,376	289,040	289,040
Total Government investment	682,653	640,317	640,317

Note.—Unpaid undelivered orders are as follows: June 30, 1958, $25,939; 1959, $79,562; 1960, $20,000; 1961, $20,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	174	174	206
Average number of all employees	168	168	193
Number of employees at end of year	171	174	206
Average GS grade and salary	5.6 $5,129	5.8 $5,211	5.7 $5,120
Average salary of ungraded positions	$5,024	$5,212	$5,282
01 Personal services:			
Permanent positions	$856,319	$874,910	$1,005,080
Other personal services	38,705	28,790	24,120
Excess of annual leave earned over leave taken	16,009	15,000	20,000
Total personal services	911,033	918,700	1,049,200
02 Travel	14,151	16,500	16,500
03 Transportation of things	425		
04 Communication services	352,144	350,000	350,000
05 Rents and utility services	26,618	25,000	25,000
06 Printing and reproduction	153,243	155,000	180,000
07 Other contractual services	8,773	13,200	16,000
08 Supplies and materials	434,517	416,700	494,400
09 Equipment	63,005	105,000	72,000
11 Grants, subsidies, and contributions	54,740	57,400	65,400
13 Refunds, awards, and indemnities	4,826		
15 Taxes and assessments	230		
Total accrued expenditures	2,023,705	2,057,500	2,268,500
Increase or decrease (−) in unpaid undelivered orders	53,623	−59,562	
Total obligations	2,077,328	1,997,938	2,268,500

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GENERAL ADMINISTRATION—Continued

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Air Coordinating Committee:			
Army	$32,306	$20,075	$20,090
Air Force	45,534	20,075	20,090
Department of Commerce	24,376	20,075	20,090
Department of Defense	4,986	3,395	3,385
Navy	37,604	20,075	20,090
Post Office Department	19,390	16,675	16,700
Department of State	19,390	16,675	16,700
Treasury Department	19,390	16,675	16,700
Civil Aeronautics Board	29,673	20,075	20,090
Federal Aviation Agency		20,075	20,090
Federal Communications Commission	24,671	16,675	16,700
Total, Air Coordinating Committee	257,320	190,545	190,725
2. Government Patents Board:			
Department of Agriculture	4,840	5,600	5,600
Department of Commerce	2,424	2,800	2,800
Department of Defense	47,352	54,300	54,300
Department of Health, Education, and Welfare	1,932	2,250	2,250
Department of the Interior	1,932	2,250	2,250
National Aeronautics and Space Administration	2,424	2,800	2,800
Total Government Patents Board	60,904	70,000	70,000
3. Administrative services performed for other accounts:			
Bureau of Foreign Commerce	92,073	75,000	75,000
Business and Defense Services Administration	87,038	100,000	100,000
4. Coordination of emergency planning functions	12,427	55	
5. Miscellaneous services to other accounts	30,866	149,500	31,030
Total program costs	540,628	585,100	466,755
6. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−43,555	
Obligations incurred for costs of other years, net	41,350		
Total program (obligations)	581,978	541,545	466,755
Financing:			
Advances and reimbursements from other accounts	604,860	541,545	466,755
Unobligated balance no longer available	−22,882		
Total financing	581,978	541,545	466,755

1. *Air Coordinating Committee.*—In accordance with Executive Order 10655, as amended by Executive Order 10796, the Air Coordinating Committee is composed of representatives from agencies having aviation responsibilities. The Committee examines aviation problems and developments affecting more than one agency and recommends joint policies. Recommendations are submitted to the President on aviation policies requiring his attention. Liaison is provided between Government and industry in aviation matters and with the International Civil Aviation Organization.

2. *Government Patents Board.*—The Board is responsible, under Executive Order 10096, for the administration and interpretation of the policy set forth therein governing the respective property rights of the Government and its employees in inventions made by its employees.

6. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Unpaid undelivered orders	$7,447	$48,570	$5,015	$5,015
Selected resources at start of year (−)		−7,447	−48,570	−5,015
Adjustment in selected resources reported at start of year		227		
Costs financed from obligations of other years, net (−)			−43,555	
Obligations incurred for costs of other years, net		41,350		

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	85	71	71
Full-time equivalent of all other positions	1	1	1
Average number of all employees	77	70	70
Number of employees at end of year	74	71	71
Average GS grade and salary	6.4 $5,833	6.1 $5,733	6.1 $5,799
Average salary of ungraded positions	$4,314	$4,319	$4,350
01 Personal services:			
Permanent positions	$442,834	$390,280	$392,810
Positions other than permanent	5,350	4,100	3,200
Other personal services	2,694	3,120	1,625
Total personal services	450,878	397,500	397,635
02 Travel	4,894	4,500	4,500
03 Transportation of things	91	100	100
04 Communication services	7,735	8,800	8,800
05 Rents and utility services	838	600	600
06 Printing and reproduction	18,215	11,900	11,900
07 Other contractual services	63,325	82,595	7,595
08 Supplies and materials	4,176	5,940	5,940
09 Equipment	3,611	3,700	3,700
11 Grants, subsidies, and contributions	27,641	25,810	25,885
13 Refunds, awards, and indemnities	230		
15 Taxes and assessments	344	100	100
Total obligations	581,978	541,545	466,755

BUREAU OF THE CENSUS

SALARIES AND EXPENSES

For expenses necessary for collecting, compiling, and publishing current census statistics provided for by law, including enumerators at rates to be fixed without regard to the Classification Act of 1949, as amended, [$8,673,500] *$9,570,000. (5 U.S.C. 601; 13 U.S.C. 23, 24, 41–45, 61–63, 181; 15 U.S.C. 173, 177–179, 181, 184–187, 193, 194; Department of Commerce and Related Agencies Appropriation Act, 1960.)*

Appropriated 1960, **$8,673,500** Estimate 1961, **$9,570,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs:			
1. Retail, wholesale, and service trade statistics	$1,324,667	$1,339,741	$1,798,717
2. Manufacturing and industrial statistics	1,184,012	1,275,403	1,293,628
3. Agriculture statistics	203,092	210,788	211,627
4. Foreign trade and shipping statistics	2,319,739	2,235,413	2,247,855
5. Population statistics	2,025,230	974,515	991,511
6. Construction and housing statistics	146,297	1,101,048	1,109,568
7. State and local government statistics	244,483	277,438	426,011
8. Statistical abstract and special reports	263,035	346,383	411,102
9. General administration	1,073,160	972,186	1,079,981
Total operating costs	8,783,715	8,732,915	9,570,000
10. Unfunded adjustments to total operating costs:			
Depreciation included above (−)	−152,080	−86,572	−100,000
Property or services transferred out without charge (net)	6,086		
Total operating costs, funded	8,637,721	8,646,343	9,470,000
Capital outlay:			
11. Machinery and equipment	55,640	86,572	100,000
Total program costs, funded	8,693,361	8,732,915	9,570,000
12. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−47,180	−59,415	
Total program (obligations)	8,646,181	8,673,500	9,570,000
Financing:			
1959 appropriation available in 1958	264		
Unobligated balance transferred from "Ship construction (liquidation of contract authorization)," maritime activities (73 Stat. 52)	−14,825		
Unobligated balance no longer available	18,680		
Appropriation (new obligational authority)	8,650,300	8,673,500	9,570,000

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The Bureau is the principal fact-finding and statistical agency of the Federal Government.

1. *Retail, wholesale, and service trade statistics.*—Estimates of sales and inventory trends are computed monthly for the retail and wholesale trades, and of consumer credit outstanding in retail trade. An advance report of retail sales is issued within 10 days after the close of the month. Once a year, the data are reported in more detail, including estimates of total sales for the year by regions. In 1961, department store series of the Federal Reserve System will be integrated with census retail trade statistics, the combination resulting in monthly retail sales data by region; nationwide weekly retail sales data; monthly department store inventory and consumer credit data; and monthly sales and stocks for broad department store-type merchandise line categories. Monthly estimates of service trade receipts will be initiated.

2. *Manufacturing and industrial statistics.*—Periodic surveys are made of production, shipments, orders, and materials consumed for important commodities. An annual survey of manufactures produces data on number, size, industrial classification, and location of manufacturing establishments and key measures of factory operations such as employment, shipments, inventories, etc.

3. *Agriculture statistics.*—Information is compiled on cotton ginned at 11 dates during the ginning season.

4. *Foreign trade and shipping statistics.*—Monthly, quarterly, and annual reports are published on the kind, quantity, shipping weight and dollar value of imports and exports.

5. *Population statistics.*—This activity includes current estimates of the number of households, the farm population, school enrollment, personal income, population mobility and other characteristics of the population. These current estimates are based on continuing monthly survey of 35,000 interviewed households. Annual estimates of the population of the United States and of each of the States, and projections of future population are prepared. The monthly household survey is also used to obtain monthly estimates of national employment and unemployment for the Department of Labor on a reimbursable basis.

6. *Construction and housing statistics.*—Monthly reports are published for housing starts, dwelling units authorized by building permits, and private nonresidential construction, as well as quarterly data on housing vacancies and construction costs.

7. *State and local government statistics.*—Reports are published providing national estimates of total governmental finances, employment, and payrolls, and comparative statistics for State governments and larger cities. In 1961, national totals of finances will be published quarterly, and totals of anticipated capital expenditures will be published annually.

8. *Statistical abstract and special reports.*—The Statistical Abstract, issued annually, summarizes government and private statistics on the industrial, social, political, and economic activities of the United States. Historical and other general reports are also published periodically. A report showing for each county in the United States the number and kind of all business establishments, and their employment and payrolls is published on a biennial basis. In 1961 preparation will be made for future publications of selected data, such as commercial sales, mergers, dissolutions, etc., in which the unit of tabulation is the company rather than the individual establishment.

12. *Relation of costs to obligations.*—The relationship is derived from year-end balances and selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects)	$151,545	$164,479	$164,479	$164,479
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	59,655	118,690	59,275	59,275
Accrued annual leave (leave earned and not taken by employees, charged to activity costs)	−675,923	−807,164	−807,164	−807,164
Total selected resources at end of year	−464,723	−523,995	−583,410	−583,410
Selected resources at start of year		464,723	523,995	583,410
Adjustment of selected resources reported at start of year		12,092		
Costs financed from obligations of other years, net (−)		−47,180	−59,415	

Object Classification

		1959 actual		1960 estimate		1961 estimate
Total number of permanent positions		1,154		1,181		1,264
Full-time equivalent of all other positions		179		147		169
Average number of all employees		1,243		1,241		1,371
Number of employees at end of year		1,724		1,751		1,860
Average GS grade and salary	6.7	$5,673	6.8	$5,765	6.8	$5,796
Average salary of ungraded positions		$5,080		$5,372		$5,372
01 Personal services:						
Permanent positions		$5,789,784		$5,828,158		$6,377,765
Positions other than permanent		633,598		693,853		779,776
Other personal services		260,289		242,000		221,000
Annual leave earned in excess of leave taken		124,148				
Total personal services		6,807,819		6,764,011		7,378,541
02 Travel		417,196		381,057		434,252
03 Transportation of things		20,299		17,127		18,098
04 Communication services		283,169		326,306		342,654
05 Rents and utility services		124,862		135,423		138,549
06 Printing and reproduction		354,101		384,681		403,696
07 Other contractual services		60,142		105,347		178,069
Services performed by other agencies		36,615		18,796		19,727
08 Supplies and materials		137,511		120,091		122,582
09 Equipment		66,511		95,120		108,903
11 Grants, subsidies, and contributions		336,084		349,693		386,637
13 Refunds, awards, and indemnities		24,880		9,970		10,342
15 Taxes and assessments		24,172		25,293		27,950
Total costs		8,693,361		8,732,915		9,570,000
Costs financed from obligations of other years, net (—)		−47,180		−59,415		
Total obligations		8,646,181		8,673,500		9,570,000

1958 Censuses of Business, Manufactures, and Mineral Industries

For an additional amount for expenses necessary for preparing for, taking, compiling, and publishing the 1958 censuses of business, manufactures, and mineral industries as authorized by law, including personal services at rates to be fixed by the Secretary of Commerce without regard to the Classification Act of 1949, as amended, and additional compensation of Federal employees temporarily detailed for field work under this appropriation, [$6,000,000] *$1,125,000,* to remain available until December 31, 1961. (*13 U.S.C. 23, 24, 131, 193, 195; Department of Commerce and Related Agencies Appropriation Act, 1960*)

Appropriated 1960, **$6,000,000** Estimate 1961, **$1,125,000**
Appropriated (adjusted) 1960, **$5,825,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs:			
1. Census of business	$4,269,273	$3,354,405	$496,992
2. Census of manufactures	1,413,020	1,933,629	356,530
3. Census of mineral industries	294,133	328,080	138,700
4. General administration	678,283	582,747	135,940
Total operating costs	6,654,709	6,198,861	1,128,162
5. Unfunded adjustments to total operating costs: Depreciation included above (−)	−53,780	−188,002	−3,162
Total operating costs, funded	6,600,929	6,010,859	1,125,000

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BUREAU OF THE CENSUS—Continued

1958 Censuses of Business, Manufactures, and Mineral Industries—Continued

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
Capital outlay:			
6. Electronic equipment	$185,000	$80,000	
7. Electronic magnetic tape	205,494		
8. Office machines and equipment	108,789		
Total capital outlay	499,283	80,000	
Total program costs, funded	7,100,212	6,090,859	$1,125,000
9. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−84,968	−3,840	
Total program (obligations)	7,015,244	6,087,019	1,125,000
Financing:			
1959 appropriation available in 1958	138,941		
Unobligated balance brought forward		−262,019	
Unobligated balance carried forward	262,019		
New obligational authority	7,416,204	5,825,000	1,125,000
New obligational authority:			
Appropriation	$7,405,900	$6,000,000	$1,125,000
Transferred to "Salaries and expenses," Business and Defense Services Administration (73 Stat. 440)		−175,000	
Appropriation (adjusted)	7,405,900	5,825,000	1,125,000
Reappropriation	10,304		

The 1958 censuses of business, manufactures, and mineral industries will provide data on the volume of production and trade, the number, size, geographical distribution, and other characteristics of the Nation's 3.3 million business and industrial enterprises. The preparation for printing and the publication of the final volumes and analytical tabulations will be accomplished in 1961.

	1959 actual	*1960 estimate*	*1961 estimate*
Preparatory work	$359,099		
Data collection	3,031,227	$332,512	
Data processing	3,624,918	5,546,184	$851,444
Publication		208,323	273,556
Total obligations	7,015,244	6,087,019	1,125,000

9. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Inventories and items on order: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$97,152	$83,840	$80,000	$80,000
Accrued annual leave (leave earned and not taken by employees, charged to activity costs)	−372,919	−449,181	−449,181	−449,181
Total selected resources at end of year	−275,767	−365,341	−369,181	−369,181
Selected resources at start of year		275,767	365,341	369,181
Adjustment of selected resources at start of year		4,606		
Costs financed from obligations of other years, net (−)		−84,968	−3,840	

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	112	101	20
Full-time equivalent of all other positions	808	750	128
Average number of all employees	920	851	148
Number of employees at end of year	1,576	350	40
Average GS grade and salary	6.7 $5,673	6.8 $5,765	6.8 $5,796
Average salary of ungraded positions	$5,080	$5,372	$5,372
01 Personal services:			
Permanent positions	$663,584	$600,243	$117,000
Positions other than permanent	3,069,529	3,871,389	732,296
Other personal services	348,567	217,144	1,000
Annual leave earned in excess of leave taken	72,352		
Total personal services	4,154,032	4,688,776	850,296

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
02 Travel	$159,162	$132,539	$15,324
03 Transportation of things	51,977	56,471	1,510
04 Communication services	478,129	63,605	10,308
05 Rents and utility services	244,040	132,042	4,845
06 Printing and reproduction	455,506	171,676	158,845
07 Other contractual services	47,563	260,717	16,047
Services performed by other agencies	411,813	129,900	3,366
08 Supplies and materials	327,149	145,928	16,183
09 Equipment	503,183	80,988	345
11 Grants, subsidies, and contributions	253,316	219,475	45,731
13 Refunds, awards, and indemnities	3,729	1,337	606
15 Taxes and assessments	10,613	7,405	1,594
Total costs	7,100,212	6,090,859	1,125,000
Costs financed from obligations of other years, net (−)	−84,968	−3,840	
Total obligations	7,015,244	6,087,019	1,125,000

Eighteenth Decennial Census

For an additional amount for expenses necessary for preparing for, taking, compiling, and publishing the Eighteenth Decennial Census, as authorized by law, including personal services at rates to be fixed by the Secretary of Commerce, without regard to the Classification Act of 1949, as amended, and additional compensation of Federal employees temporarily detailed for field work under this appropriation; [$86,500,000] *$18,000,000,* to remain available until December 31, 1962. (*13 U.S.C. 5–9, 11–13, 23–26, 141, 142, 193, 195; Department of Commerce and Related Agencies Appropriation Act, 1960.*)

Appropriated 1960, **$86,500,000** Estimate 1961, **$18,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs:			
1. Census of population	$2,141,851	$49,893,284	$8,704,489
2. Census of housing	1,056,158	16,915,769	2,981,087
3. Census of agriculture	743,422	16,283,323	4,344,714
4. General administration	569,178	3,100,000	2,100,000
Total operating costs	4,510,609	86,192,376	18,130,290
5. Unfunded adjustments to total operating costs: Depreciation included above (−)	−23,449	−102,354	−248,000
Total operating costs, funded	4,487,160	86,090,022	17,882,290
Capital outlay:			
6. Electronic equipment	3,036,454	560,653	
7. Electronic magnetic tape	18,751	306,865	
8. Office machines and equipment	109,757	950,430	228,710
Total capital outlay	3,164,962	1,817,948	228,710
Total program costs, funded	7,652,122	87,907,970	18,111,000
9. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)	−1,619,266	−528,813	
Obligations incurred for costs of other years, net			50,000
Total program (obligations)	6,032,856	87,379,157	18,161,000
Financing:			
1959 appropriation available in 1958	995,987		
Unobligated balance brought forward		−322,157	
Advances and reimbursements from non-Federal sources (13 U.S.C. 8(d))		−557,000	−161,000
Unobligated balance carried forward	322,157		
Appropriation (new obligational authority)	7,351,000	86,500,000	18,000,000

The enumeration of the population, required by the Constitution at 10-year intervals, will be completed during 1960. Preliminary population totals will be announced locally for most places in late April or May of 1960, subject to later adjustment. Official State figures, as required by law, will be furnished the President by December 1, 1960, and shortly thereafter certified figures will be available for all counties, cities, towns, and villages. Many publications providing social and economic characteristics of the population, as well as housing data, will

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be released in 1961. The data processing for the census of agriculture will be completed, preliminary State and county data will be published, and data processing for the censuses of population and housing will be continued during 1961.

	1959 actual	*1960 estimate*	*1961 estimate*
Preparatory work	$6,032,856	$5,500,000	
Data collection		69,815,000	$1,137,000
Data processing		12,064,157	16,494,000
Publication			530,000
Total	6,032,856	87,379,157	18,161,000
Reimbursements from non-Federal sources		−557,000	−161,000
Total	6,032,856	86,822,157	18,000,000

9. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Inventories and items on order: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$2,089,846	$528,813		$50,000
Accrued annual leave (leave earned and not taken by employees, charged to activity costs)	−363,569	−437,919	−$437,919	−437,919
Total selected resources at end of year	1,726,277	90,894	−437,919	−387,919
Selected resources at start of year		−1,726,277	−90,894	437,919
Adjustment of selected resources reported at start of year		16,117		
Costs financed from obligations of other years, net (−)		−1,619,266	−528,813	
Obligations incurred for costs of other years, net				50,000

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	91	105	148
Full-time equivalent of all other positions	544	5,607	3,053
Average number of all employees	635	5,712	3,201
Number of employees at end of year	778	3,750	1,400
Average GS grade and salary	6.7 $5,673	6.8 $5,765	6.8 $5,796
Average salary of ungraded positions	$5,080	$5,372	$5,372
01 Personal services:			
Permanent positions	$529,932	$600,915	$862,000
Positions other than permanent	2,848,613	62,709,363	12,737,729
Other personal services	124,046	247,622	40,000
Annual leave earned in excess of leave taken	70,538		
Total personal services	3,573,129	63,557,900	13,639,729
02 Travel	187,029	6,842,707	514,997
03 Transportation of things	21,594	847,686	169,174
04 Communication services	48,032	2,729,025	139,052
05 Rents and utility services	18,937	1,302,518	342,510
06 Printing and reproduction	131,558	3,406,629	445,511
07 Other contractual services	62,003	3,039,554	1,000,156
Services performed by other agencies	230,381	731,739	345,059
08 Supplies and materials	297,640	791,984	387,359
09 Equipment	2,879,088	1,765,837	230,612
11 Grants, subsidies, and contributions	190,498	1,422,863	882,030
13 Refunds, awards, and indemnities	1,890	5,879	3,609
15 Taxes and assessments	10,343	1,463,649	11,202
Total costs	7,652,122	87,907,970	18,111,000
Costs financed from obligations of other years, net (−)	−1,619,266	−528,813	
Obligations incurred for costs of other years, net			50,000
Total obligations	6,032,856	87,379,157	18,161,000

1962 Census of Governments

For expenses necessary for preparing for, taking, compiling, and publishing the 1962 census of governments as authorized by law, including personal services at rates to be fixed by the Secretary of Commerce without regard to the Classification Act of 1949, as amended, and additional compensation of Federal employees temporarily detailed for field work under this appropriation, $100,000, to remain available until June 30, 1964. (13 U.S.C. 161.)

Estimate 1961, **$100,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs:			
1. Preparatory work			$88,500
2. General administration			11,500
Total operating costs			100,000
3. Unfunded adjustments to total operating costs: Depreciation included above (−)			−2,000
Total operating costs, funded			98,000
Capital outlay:			
4. Machinery and equipment			2,000
Total program (costs—obligations)			100,000
Financing:			
Appropriation (new obligational authority)			100,000

This census will produce data on taxes and tax valuations, governmental receipts, expenditures, indebtedness, and employment of States, counties, cities, and other local governmental units. Last conducted in 1957, it is scheduled by law to be conducted in 1962.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Average number of all employees			12
Number of employees at end of year			8
Average GS grade and salary			6.8 $5,796
Average salary of ungraded positions			$5,372
01 Personal services: Positions other than permanent			$78,668
02 Travel			8,311
04 Communication services			2,554
06 Printing and reproduction			1,517
07 Other contractual services			1,562
08 Supplies			1,301
09 Equipment			2,028
11 Grants, subsidies, and contributions			3,950
15 Taxes and assessments			109
Total obligations			100,000

Census of Governments

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs:			
1. Census of governments	$398,669	$40,120	
2. General administration	53,100		
Total operating costs	451,769	40,120	
3. Unfunded adjustments to total operating costs:			
Depreciation included above (−)	−2,574		
Property or services transferred in (−) without charge (net)		−6,986	
Total operating costs, funded	449,195	33,134	
Capital outlay:			
4. Electronic magnetic tape	14,317		
5. Office machines and equipment	2,955	11,239	
Total capital outlay	17,272	11,239	
Total program costs, funded	466,467	44,373	
6. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−44,373	
Obligations incurred for costs of other years, net	44,373		
Total program (obligations)	510,840		
Financing:			
Unobligated balance brought forward	−164,301		
Unobligated balance no longer available	32,261		
Appropriation (new obligational authority)	378,800		

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BUREAU OF THE CENSUS—Continued

CENSUS OF GOVERNMENTS—Continued

Final results of this census covering statistical data on taxes and tax valuations, governmental receipts, expenditures, indebtedness, and employment of States, counties, cities, and other local governmental units has been published in volumes covering 18 National and 49 State area reports.

6. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources, as reflected in the following table:

	1959 actual	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:			
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$51,359	----------	----------
Accrued annual leave (leave earned and not taken by employees, charged to activity costs)	−6,986	----------	----------
Total selected resources at end of year	44,373	----------	----------
Selected resources at start of year (−)	----------	−$44,373	----------
Costs financed from obligations of other years, net (−)	----------	−44,373	----------
Obligations incurred for costs of other years, net	44,373	----------	----------

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	15	----------	----------
Full-time equivalent of all other positions	38	----------	----------
Average number of all employees	53	----------	----------
Number of employees at end of year	33	----------	----------
Average GS grade and salary	6.7 $5,673	----------	----------
01 Personal services:			
Permanent positions	$73,573	----------	----------
Positions other than permanent	253,234	----------	----------
Other personal services	31,362	----------	----------
Excess of annual leave earned over leave taken	6,986	----------	----------
Total personal services	365,155	----------	----------
02 Travel	18,890	----------	----------
03 Transportation of things	429	----------	----------
04 Communication services	2,877	----------	----------
05 Rents and utility services	2,990	----------	----------
06 Printing and reproduction	23,361	$33,756	----------
07 Other contractual services	3,056	4,000	----------
Services performed by other agencies	822	----------	----------
08 Supplies and materials	8,710	1,572	----------
09 Equipment	17,972	12,031	----------
11 Grants, subsidies, and contributions	17,613	----------	----------
13 Refunds, awards, and indemnities	3,817	----------	----------
15 Taxes and assessments	775	----------	----------
Subtotal	466,467	51,359	----------
Property or services transferred in (−) without charge, net	----------	−6,986	----------
Total costs	466,467	44,373	----------
Costs financed from obligations of other years, net (−)	----------	−44,373	----------
Obligations incurred for costs of other years, net	44,373	----------	----------
Total obligations	510,840	----------	----------

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Special statistical studies for—			
Department of Agriculture	$106,905	$105,905	$105,000
Air Force	196,437	196,437	195,000
Army	86,407	86,407	86,000
Department of Commerce	266,644	266,650	227,000
Department of Defense	515,282	505,282	505,000

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
1. Special statistical studies for—Con.			
General Services Administration	$28,192	$28,192	$28,000
Department of Health, Education, and Welfare	970,712	934,415	962,000
Department of Labor	----------	980,000	980,000
National Science Foundation	60,675	60,675	60,000
Post Office Department	59,522	49,522	59,000
Small Business Administration	36,106	75,000	75,000
Treasury Department	139,776	129,776	140,000
Miscellaneous services to other agencies	172,292	234,693	231,000
Miscellaneous services to non-Federal agencies	102,146	102,046	102,000
2. General administration	325,398	300,000	300,000
Total program costs	3,066,494	4,055,000	4,055,000
3. Unfunded adjustments to total operating costs: Depreciation included above (−)	−59,700	−65,000	−65,000
Total program costs, funded	3,006,794	3,990,000	3,990,000
4. Relation of costs to obligations: Obligations incurred for costs of other years, net	54,770	----------	----------
Total program (obligations)	3,061,564	3,990,000	3,990,000
Financing:			
Advances and reimbursements from—			
Other accounts	2,932,630	3,878,000	3,878,000
Non-Federal sources (13 U.S.C. 8(d))	128,934	112,000	112,000
Total financing	3,061,564	3,990,000	3,990,000

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$54,467	$105,695	$105,695	$105,695
Selected resources at start of year (−)	----------	−54,467	−105,695	−105,695
Adjustment of selected resources reported at start of year	----------	3,542	----------	----------
Obligations incurred for costs of other years, net	----------	54,770	----------	----------

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	350	431	431
Full-time equivalent of all other positions	52	154	154
Average number of all employees	369	550	550
Number of employees at end of year	457	558	558
Average GS grade and salary	6.7 $5,673	6.8 $5,765	6.8 $5,796
Average salary of ungraded positions	$5,080	$5,372	$5,372
01 Personal services:			
Permanent positions	$2,058,247	$2,340,980	$2,399,384
Positions other than permanent	271,090	565,697	566,000
Other personal services	72,414	87,000	85,000
Total personal services	2,401,751	2,993,677	3,050,384
02 Travel	187,849	364,593	362,888
03 Transportation of things	5,556	12,214	10,054
04 Communication services	39,566	56,160	59,041
05 Rents and utility services	51,941	65,138	59,009
06 Printing and reproduction	42,726	68,902	71,194
07 Other contractual services	14,721	58,099	46,422
Services performed by other agencies	56,802	77,210	58,353
Transfer to miscellaneous receipts	4,341	4,316	4,000
08 Supplies and materials	40,630	68,939	55,245
09 Equipment	44,212	44,420	44,925
11 Grants, subsidies, and contributions	107,352	148,441	140,906
13 Refunds, awards, and indemnities	5,372	13,409	13,632
15 Taxes and assessments	3,975	14,482	13,947
Total costs	3,006,794	3,990,000	3,990,000
Obligations incurred for costs of other years, net	54,770	----------	----------
Total obligations	3,061,564	3,990,000	3,990,000

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COAST AND GEODETIC SURVEY

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary to carry out the provisions of the Act of August 6, 1947 (33 U.S.C. 883a–883i), including uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131); lease of sites and the erection of temporary buildings for tide, magnetic or seismological observations; hire of aircraft; operation, maintenance, and repair of an airplane; extra compensation at not to exceed $15 per month to each member of the crew of a vessel when assigned duties as recorder or instrument observer, and at not to exceed $1 per day for each station to employees of other Federal agencies while making oceanographic *or magnetic* observations or tending seismographs; pay, allowances, gratuities, transportation of dependents and household effects, and payment of funeral expenses, as authorized by law, for not to exceed an annual average of 185 commissioned officers on the active list; payments under the Uniform Services Contingency Option Act of 1953; and pay of commissioned officers retired in accordance with law; [$14,050,000], *$18,000,000,* of which [$695,000] *$759,000* shall be available for retirement pay of commissioned officers: *Provided,* That during the current fiscal year, this appropriation shall be reimbursed for press costs and costs of paper for charts published by the Coast and Geodetic Survey and furnished for the official use of the military departments of the Department of Defense: *Provided further, That the property known as the Fleet Landing Site at foot of York Street, Norfolk, Virginia, may be transferred, without reimbursement, from the Department of Defense to the Department of Commerce. (5 U.S.C. 591, 597; 33 U.S.C. 851, 852, 853a–853r, 854–858, 860–865, 870, 873, 874, 883a–883i; Department of Commerce and Related Agencies Appropriation Act, 1960.)*

Appropriated 1960, **$14,050,000** Estimate 1961, **$18,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct program:			
1. Surveys and charts for marine and air navigation	$8,288,610	$9,732,500	$13,432,300
2. Geodetic control	2,235,268	2,285,000	2,375,500
3. Earthquake investigation	222,765	236,100	327,500
4. Instrument services	307,049	325,200	326,100
5. Retired pay, commissioned officers	642,595	695,000	759,000
6. Administration	844,849	890,200	893,600
Total direct program costs	12,541,136	14,164,000	18,114,000
7. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−107,020	−114,000	−114,000
Total direct program obligations	12,434,116	14,050,000	18,000,000
Reimbursable program:			
1. Surveys and charts for marine and air navigation	2,469,715	1,724,500	1,080,000
2. Geodetic control	2,198,575	1,988,100	1,122,000
3. Earthquake investigation	188,220	313,700	375,800
4. Instrument services	23,593	29,500	29,500
6. Administration	286,200	241,900	149,000
Total reimbursable program costs	5,166,303	4,297,700	2,756,300
7. Relation of costs to obligations: Costs financed from obligations of other years, net (−)		−40,500	
Obligations incurred for costs of other years, net	60,571		
Total reimbursable program obligations	5,226,874	4,257,200	2,756,300
Total program (obligations)	17,660,990	18,307,200	20,756,300
Financing:			
1959 appropriation available in 1958	286,228		
Unobligated balance transferred from "Ship construction (liquidation of contract authorization)," maritime activities (73 Stat. 52)	−36,950		
Advances and reimbursements from—			
Air Force	−1,022,526	−957,200	−868,300
Army	−253,539	−243,300	−37,600
Navy	−1,134,535	−602,200	−187,000
Department of Commerce	−252,738	−135,700	−48,400
Miscellaneous Federal agencies	−1,167,236	−1,216,600	−818,900
Miscellaneous non-Federal sources	−1,378,143	−1,102,200	−796,100
Proceeds from sale of personal property applied (40 U.S.C. 481(c))	−18,157		
Unobligated balance no longer available	10,206		
Appropriation (new obligational authority)	12,693,600	14,050,000	18,000,000

NOTE.—Reimbursements from non-Federal sources were derived from the sale of special maps and charts and for providing special surveys and related data (33 U.S.C. 883(e)).

The survey publishes aeronautical and nautical navigation charts of the United States, its possessions, and surrounding waters, using data obtained through field surveys. In addition, seismological and geodetic control data are obtained and disseminated, and worldwide tide and current information is compiled and published. Increases for 1961 are primarily to support an expanded agency role in oceanography, increased requirements for aeronautical charts, improvement of ship base facilities, and initiation of a research and development program. The increased importance of oceanography was recognized in the recent report of the National Academy of Sciences' Committee on Oceanography and amounts provided in 1961 will permit the survey to augment its present operations in the marine sciences in those areas in which it is especially suited to make important contributions in support of the national effort in oceanography. Increased research effort will be undertaken in 1961 to support the agency's activities in the fields of hydrography, geomagnetism, geodesy, photogrammetry, and seismology.

Direct program—1. *Surveys and charts for marine and air navigation.*—Hydrographic, topographic, tide and current, magnetic, and aeronautical surveys are made to secure information for nautical and aeronautical charts and tables required for safe sea and air navigation. A supplemental appropriation for 1960 is anticipated under Proposed for later transmission.

Miscellaneous receipts returned to the Treasury from the sale of charts and related publications were $735,272 in 1959 and are estimated to be $820,000 during 1960, and $960,000 in 1961.

CHARTS AND TABLES PRINTED AND DISTRIBUTED

	1959 actual	*1960 estimate*	*1961 estimate*
Nautical charts:			
Military	356,111	400,000	450,000
Other	677,084	735,000	800,000
Total	1,033,195	1,135,000	1,250,000
Standard aeronautical charts:			
Military	3,683,493	3,200,000	3,300,000
Other	1,885,169	2,100,000	2,200,000
Total	5,568,662	5,300,000	5,500,000
Airport, radio facility, etc.:			
Military	21,686,450	25,000,000	30,000,000
Other	9,472,829	12,240,000	15,000,000
Total	31,159,279	37,240,000	45,000,000
Coast pilots, tide and current tables	77,266	78,000	78,000

2. *Geodetic control.*—Surveys are made in the United States and its possessions to determine the horizontal position (latitude and longitude) and the vertical positions (elevation above mean sea level) of a network of control points which are permanently marked on the ground. These points are spaced so that adequate survey control is available for topographic, geologic, and other types of mapping; nautical charting; and for planning large-scale engineering projects. The positions and descriptions of these points are published and distributed to Federal, State, and local agencies and the general public.

AREA SURVEYED AND MARKED POINTS ESTABLISHED

	1959 actual	*1960 estimate*	*1961 estimate*
Triangulation:			
Area (square miles)	46,650	40,000	41,370
Marked stations established	908	890	800
Leveling: Linear miles	6,326	6,000	6,000

3. *Earthquake investigation.*—Earthquakes are located and investigated to determine severity and to obtain engineering data for the design of earthquake-resistant structures and information concerning ground movements. The Bureau operates 11 seismograph and 71 strong motion

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COAST AND GEODETIC SURVEY—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

stations, investigates about 15 severe earthquakes annually, and collaborates with 14 universities and 250 domestic and foreign seismograph stations. The seismic sea wave warning program furnished data for 4 alerts for earthquakes in southeast Alaska, on the Kamchatka Peninsula off the Siberian coast, and in the Kurile Islands.

4. *Instrument services.*—These include the design and construction, maintenance, storage, and issuance of intricate instruments used in surveying and processing operations.

7. *Relation of costs to obligations.*—The relationship between direct cost and direct obligations is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$503,474	$497,811	$615,411	$568,411
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	682,896	607,990	376,390	309,390
Inventory of charts for sale	399,679	463,835	463,835	463,835
Inventory of publications for sale		80,028	80,028	80,028
Work in process	26,206	20,317	20,317	20,317
Total selected resources at end of year	1,612,255	1,669,981	1,555,981	1,441,981
Selected resources at start of year (−)		−1,612,255	−1,669,981	−1,555,981
Adjustment of selected resources reported at start of year		−164,746		
Costs financed from obligation of other years, net (−)		−107,020	−114,000	−114,000

Reimbursable program.—Reimbursable work for other Federal agencies is primarily for aeronautical and nautical charts of the United States and its possessions and the performance of geodetic control surveys.

Reimbursements from non-Federal sources are primarily from States to carry out geodetic surveys required as part of the interstate highway program.

7. *Relation of costs to obligations.*—The relationship between reimbursable costs and reimbursable obligations is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$151,199	$207,899	$167,399	$167,399
Selected resources at start of year (−)		−151,199	−207,899	−167,399
Adjustment of selected resources reported at start of year		3,871		
Costs financed from obligations of other years, net (−)			−40,500	
Obligations incurred for cost of other years, net		60,571		

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	1,644	1,658	1,666
Full-time equivalent of all other positions	548	483	549
Average number of all employees	2,115	2,066	2,135
Number of employees at end of year	2,172	2,147	2,160
Average GS grade and salary	6.6 $5,658	6.6 $5,707	6.6 $5,754
Average salary of ungraded positions:			
Crews of vessels	$4,304	$4,329	$4,273
All other ungraded	$6,292	$6,332	$6,372
Personal service costs:			
Permanent positions	$9,227,368	$9,370,600	$9,498,000
Positions other than permanent	2,211,633	2,006,500	2,262,100
Other personal services	594,105	568,100	499,300
Total personal service costs	12,033,106	11,945,200	12,259,400

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
Direct program:			
01 Personal services	$8,747,517	$9,318,700	$10,621,700
02 Travel	484,406	623,600	696,500
03 Transportation of things	76,698	89,600	110,800
04 Communication services	106,869	107,300	108,000
05 Rents and utility services	143,181	156,100	168,500
06 Printing and reproduction	78,144	83,000	83,000
07 Other contractual services	194,144	303,300	655,000
Repairs of vessels	92,620	150,000	350,000
08 Supplies and materials	828,665	1,014,800	1,336,700
Chart and bond paper	192,036	272,400	313,300
Repairs of vessels	80,717	42,000	42,000
09 Equipment	374,331	643,300	2,096,500
Repairs of vessels	13,952	137,300	137,400
10 Land and structures			25,000
11 Grants, subsidies, and contributions	473,611	514,100	595,400
12 Pensions, annuities, and insurance claims: Pay of retired officers	642,594	695,000	759,000
13 Refunds, awards, and indemnities	3,434		
15 Taxes and assessments	21,042	24,400	26,100
Subtotal	12,553,961	14,174,900	18,124,900
Deduct quarters and subsistence charges	12,825	10,900	10,900
Total direct costs	12,541,136	14,164,000	18,114,000
Costs financed from obligations of other years, net (−)	−107,020	−114,000	−114,000
Total direct obligations	12,434,116	14,050,000	18,000,000
Reimbursable program:			
01 Personal services	3,285,589	2,626,500	1,637,700
02 Travel	438,053	420,400	253,600
03 Transportation of things	49,697	23,500	10,800
04 Communication services	29,477	34,300	22,900
05 Rents and utility services	144,645	199,800	94,900
06 Printing and reproduction	4,975		
07 Other contractual services	79,660	115,700	109,100
Repairs of vessels	86,515	20,600	
08 Supplies and materials	479,070	420,800	243,600
Repairs of vessels	6,117	6,000	
Chart and bond paper	215,130	202,500	208,400
09 Equipment	176,473	83,400	86,000
11 Grants, subsidies, and contributions	162,684	139,300	86,100
13 Refunds, awards, and indemnities	762		
15 Taxes and assessments	7,456	4,900	3,200
Total reimbursable costs	5,166,303	4,297,700	2,756,300
Costs financed from obligations of other years, net (−)		−40,500	
Obligations incurred for costs of other years (net)	60,571		
Total reimbursable obligations	5,226,874	4,257,200	2,756,300
Total obligations	17,660,990	18,307,200	20,756,300

CONSTRUCTION AND EQUIPMENT

For expenses necessary for construction and equipment of a seismological laboratory, as authorized by the Act of August 6, 1947 (33 U.S.C. 883i), $350,000, to remain available until expended.

Estimate 1961, **$350,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Design and supervision			$10,000
2. Construction			210,000
3. Equipment and outfitting			130,000
Total program costs (obligations)			350,000
Financing:			
Appropriation (new obligational authority)			350,000

This provides for design, construction, and equipment of a seismological laboratory to check, test, and develop seismograph equipment and techniques to meet current and growing demands.

Object Classification

	1959 actual	1960 estimate	1961 estimate
07 Other contractual services			$10,000
08 Supplies and materials			5,000
09 Equipment			125,000
10 Lands and structures			210,000
Total program (obligations)			350,000

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Construction of Surveying Ships

For necessary expenses for the design supervision, construction, equipping, and outfitting of surveying vessels, as authorized by the Act of August 6, 1947 (33 U.S.C. 883i), $6,900,000, to remain available until expended: Provided, That the unexpended balance of funds appropriated for "Construction of a surveying ship" shall be merged with this appropriation.

Estimate 1961, **$6,900,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Design and supervision	$46,715	$10,592	$210,000
2. Construction	2,760,969	2,375,825	1,418,000
3. Equipment and outfitting	65,206	228,553	215,000
Total program costs	2,872,890	2,614,970	1,843,000
4. Relation of costs to obligation:			
Costs financed from obligations of other years, net (−)	−2,605,908	−2,531,883	
Obligations incurred for costs of other years, net			4,297,000
Total program (obligations)	266,982	83,086	6,140,000
Financing:			
Unobligated balance brought forward	−350,068	−83,086	
Unobligated balance carried forward	83,086		760,000
Appropriation (new obligational authority)			6,900,000

The ship construction program provides for the construction, equipment, and outfitting of three Class III surveying vessels as replacement for existing vessels which will be retired. Estimated completion date of these three vessels is June 1962.

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$5,135,632	$2,531,884		$4,297,000
Selected resources at start of year (−)		−5,135,632	−$2,531,884	
Adjustment of selected resources reported at start of year		−2,160		
Costs financed from obligations of other years, net (−)		−2,605,908	−2,531,884	
Obligations incurred for costs of other years, net				4,297,000

Object Classification

	1959 actual	1960 estimate	1961 estimate
COAST AND GEODETIC SURVEY			
09 Equipment	$65,206	$219,553	$215,000
ALLOCATION TO MARITIME ACTIVITIES			
07 Other contractual services	46,715	10,592	210,000
09 Equipment	2,760,969	2,384,825	1,418,000
Total, maritime activities	2,807,684	2,395,417	1,628,000
Total costs	2,872,890	2,614,970	1,843,000
Costs financed from obligations of other years, net (−)	−2,605,908	−2,531,884	
Obligations incurred for costs of other years, net			4,297,000
Total obligations	266,982	83,086	6,140,000

Construction and Equipment, Geomagnetic Station

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Design and supervision	$2,047	$30,453	
2. Construction		357,500	
3. Equipment and outfitting			$10,000
Total program costs	2,047	387,953	10,000
4. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)		−10,000	−10,000
Obligations incurred for costs of other years (unpaid undelivered orders), net	20,000		
Total program (obligations)	22,047	377,953	
Financing:			
Unobligated balance brought forward		−377,953	
Unobligated balance carried forward	377,953		
Appropriation (new obligational authority)	400,000		

This provides for design, construction, and equipment of a geomagnetic station in Honolulu, Hawaii, to replace existing facilities which will become inoperative because of impending construction.

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, $20,000; 1960, $10,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
02 Travel	$2,047	$2,253	
07 Other contractual services		28,200	
09 Equipment			$10,000
10 Lands and structures		357,500	
Total costs	2,047	387,953	10,000
Costs financed from obligations of other years, net (−)		−10,000	−10,000
Obligations incurred for costs of other years, net	20,000		
Total obligations	22,047	377,953	

Allocations Received From Other Accounts

Note.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriation "United States dollars advanced from foreign governments, United States educational exchange program," Department of State.

Proposed for later transmission:

Salaries and Expenses

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Surveys and charts for marine and air navigation (total costs—obligations)		$34,000	
Financing:			
Proposed supplemental appropriation		34,000	

Under existing legislation, 1960.—A supplemental appropriation is anticipated for 1960 for additional funds required for pay increases for lithographic wage-board employees in the Washington, D.C., area effective October 4, 1959.

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BUSINESS AND DEFENSE SERVICES ADMINISTRATION

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Business and Defense Services Administration, [$6,000,000] *$4,366,000.*

[For an additional amount for "Salaries and expenses", $175,000, to be derived by transfer from the appropriation for "1958 Censuses of Business, Manufactures, and Mineral Industries" for fiscal year 1960: *Provided,* That during the current fiscal year the Bureau of the Census may collect statistics relating to the textile industry upon the request of the Business and Defense Services Administration.] *(5 U.S.C. 591, 596–7; 15 U.S.C. 171, 175; 64 Stat. 823; 50 U.S.C. App. 2061–2166; Reorganization Plan No. 5 of 1950, sec. 4, 64 Stat. 1263; Department of Commerce and Related Agencies Appropriation Act, 1960; Supplemental Appropriation Act, 1960.)*

Appropriated 1960, **$6,000,000** Estimate 1961, [a] **$4,366,000**
Appropriated (adjusted) 1960, **$6,175,000**

[a] Excludes $2,584,000 for activities transferred in the estimates to "Salaries and expenses," Office of Field Service. The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Industries and commodities	$1,736,132	$1,982.000	$2,197,000
2. Marketing and distribution	222,020	260,000	262,000
3. Technical information	1,101,049	996,000	1,100,000
4. Area development	218,851	300,000	502,000
5. Executive direction	292,767	296,843	305,000
Total operating costs	3,570,819	3,834,843	4,366,000
6. Relation of costs to obligations: Obligations incurred for costs of other years, net	10,020	6,157	
Total program (obligations)	3,580,839	3,841,000	4,366,000
Financing:			
Comparative transfers to other accounts	3,947,616	2,334,000	
Unobligated balance no longer available	51,965		
New obligational authority	7,580,420	6,175,000	4,366,000
New obligational authority:			
Appropriation	$7,543,420	$6,000,000	$4,366,000
Transferred from—			
"1958 censuses of business, manufactures, and minerals industries" (73 Stat. 440)		175,000	
"Salaries and expenses," general administration (64 Stat. 1263)	37,000		
Appropriation (adjusted)	7,580,420	6,175,000	4,366,000

The Administration provides statistical and informational services to the business community and carries out industrial mobilization readiness programs.

1. *Industries and commodities.*—A focal point for the cooperation of Government and industry is provided in promoting economic stability and growth of industry; industrial and commercial information is analyzed, and basic, special, and periodic studies and reports for use by both industry and Government are published; industrial capabilities to meet the requirements for industrial production in a national emergency are measured; and assistance is provided to industry in the current military procurement programs. Mobilization planning activities are financed by allocation from the Office of Civil and Defense Mobilization.

2. *Marketing and distribution.*—The Office of Distribution promotes the more effective distribution of goods and services by disseminating market facts and distribution information to Government, industry, and business.

3. *Technical information.*—Domestic and foreign scientific and technical data are compiled primarily from Government research or translation and made available upon request to business, industry, the general public, and Government agencies. In addition, direct assistance is furnished to industry in development of voluntary programs for standardization of commodities.

4. *Area development.*—This office assists State and local communities in economic development matters. It serves as a clearinghouse for area groups seeking to diversify and strengthen their economies.

6. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order and not yet received)	$368,821	$377,098	$383,255	$383,255
Selected resources at start of year (−)		−368,821	−377,098	−383,255
Adjustment of selected resources reported at start of year		1,743		
Obligations incurred for costs of other years, net		10,020	6,157	

Object Classification

		1959 actual		1960 estimate		1961 estimate
	Total number of permanent positions	557		573		627
	Full-time equivalent of all other positions	1		3		3
	Average number of all employees	365		396		448
	Number of employees at end of year	524		555		607
	Average GS grade and salary	9.1	$7,736	9.1	$7,675	9.0 $7,580
01	Personal services:					
	Permanent positions	$2,657,865		$2,902,800		$3,245,800
	Positions other than permanent	24,791		38,000		28,000
	Other personal services	18,260		25,500		16,500
	Total personal services	2,700,916		2,966,300		3,290,300
02	Travel	37,537		50,000		70,000
03	Transportation of things	2,658		3,800		3,800
04	Communication services	61,161		65,700		69,600
05	Rents and utility services	626		100		100
06	Printing and reproduction	291,888		234,500		246,500
07	Other contractual services	107,329		142,100		244,100
	Services performed by other agencies	109,387		146,600		186,100
08	Supplies and materials	37,796		32,500		34,000
09	Equipment	59,255		8,000		8,000
11	Grants, subsidies, and contributions	167,011		188,800		210,900
13	Refunds, awards, and indemnities	3,230		900		900
15	Taxes and assessments	2,045		1,700		1,700
	Total obligations	3,580,839		3,841,000		4,366,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Collection and dissemination of basic research (National Science Foundation)	$51,689	$50,000	
2. Dissemination of technical information	200,000	352,000	$352,000
3. Miscellaneous services to other accounts	88,762		
Total (costs—obligations)	340,451	402,000	352,000
Financing:			
Advances and reimbursements from—			
Other accounts	140,451	50,000	
Non-Federal sources (15 U.S.C. 1153; 31 U.S.C. 725s)	200,000	352,000	352,000
Total financing	340,451	402,000	352,000

Object Classification

		1959 actual		1960 estimate		1961 estimate
	Total number of permanent positions	10		10		
	Positions other than permanent	3				
	Average number of all employees	13		10		
	Number employees at end of year	8		10		
	Average GS grade and salary	4.7	$4,713	4.7	$4,746	
01	Personal services:					
	Permanent positions	$45,396		$46,700		
	Other personal services	38,330		300		
	Total personal services	83,726		47,000		

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Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
02 Travel	$2,087		
03 Transportation of things	4,590	$5,000	$5,000
04 Communications	300		
06 Printing and reproduction	211,877	342,000	342,000
07 Other contractual services	33,601	5,000	5,000
11 Grants, subsidies, and contributions	4,270	3,000	
Total obligations	340,451	402,000	352,000

BUREAU OF FOREIGN COMMERCE

Current authorizations:

Salaries and Expenses

For necessary expenses of the Bureau of Foreign Commerce, including the purchase of commercial and trade reports [$2,400,000] *$3,270,000. (5 U.S.C. 591, 596–7; 15 U.S.C. 171; 1950 Reorganization Plan No. 5, sec. 4, 64 Stat. 1263; Department of Commerce and Related Agencies Appropriation Act, 1960.)*

Appropriated 1960, **$2,400,000** Estimate 1961, **$3,270,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Promotion of U.S. foreign trade, travel, and investment (total program costs)	$2,601,363	$2,381,388	$3,238,495
2. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)	−34,903	−4,388	
Obligations incurred for costs of other years, net			31,505
Total program (obligations)	2,566,460	2,377,000	3,270,000
Financing:			
Comparative transfers to other accounts	29,805	23,000	
Unobligated balance transferred from "Ship construction (liquidation of contract authorization)," maritime activities (73 Stat. 52)	−21,475		
Unobligated balance no longer available	37,075		
New obligational authority	2,611,865	2,400,000	3,270,000
New obligational authority:			
Appropriation	$2,593,275	$2,400,000	$3,270,000
Transferred from "Salaries and expenses," general administration (64 Stat. 1263)	18,590		
Appropriation (adjusted)	2,611,865	2,400,000	3,270,000

1. *Promotion of U.S. foreign trade, travel, and investment.*—Information on foreign markets and marketing channels, on the commercial regulations and business customs of foreign countries, and on the economic potential of geographic areas abroad is collected, compiled, and disseminated to the business community.

2. *Relation of costs to obligations.*—The relationship is derived from year-end balances and selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order: Unpaid undelivered orders (appropriation balances obligated for goods and sources on order, not yet received)	$132,796	$88,983	$84,595	$116,100
Selected resources at start of year (−)		−132,796	−88,983	−84,595
Adjustment due to recovery of prior year obligations		8,910		
Costs financed from obligations of other years, net (−)		−34,903	−4,388	
Obligations incurred for costs of other years, net				31,505

Object Classification

	1959 actual		1960 estimate		1961 estimate	
Total number of permanent positions		301		283		377
Average number of all employees		281		258		347
Number of employees at end of year		278		258		377
Average GS grade and salary	9.2	$7,640	9.2	$7,629	9.1	$7,273

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
01 Personal services:			
Permanent positions	$2,139,993	$1,987,452	$2,566,150
Other personal services	8,791	15,428	10,500
Total personal services	2,148,784	2,002,880	2,576,650
02 Travel	23,354	14,290	75,000
03 Transportation of things	910	1,000	1,500
04 Communication services	36,503	32,800	45,000
05 Rents and utility services	67		
06 Printing and reproduction	167,777	156,500	235,000
07 Other contractual services	18,225	15,940	60,000
Services performed by other agencies	14,494	4,000	30,000
08 Supplies and materials	15,998	15,900	20,600
09 Equipment	1,094		55,000
11 Grants, subsidies, and contributions	137,683	133,690	170,500
13 Refunds, awards, and indemnities	1,408		
15 Taxes and assessments	163		750
Total obligations	2,566,460	2,377,000	3,270,000

Export Control

For expenses necessary for carrying out the provisions of the Export Control Act of 1949, as amended, relating to export controls, including awards of compensation to informers under said Act and as authorized by the Act of August 13, 1953 (22 U.S.C. 401), $2,800,000 of which not to exceed [$932,000] *$900,000* may be advanced to the Bureau of Customs, Treasury Department, for enforcement of the export control program, and of which not to exceed $75,000 may be advanced to the appropriation for "Salaries and expenses" under "General administration". *(1950 Reorganization Plan No. 5, sec. 4, 64 Stat. 1263; Department of Commerce and Related Agencies Appropriation Act, 1960; authorizing legislation to be proposed for 1961.)*

Appropriated 1960, **$2,800,000** Estimate 1961, **$2,800,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Export control (total program costs)	$3,115,164	$2,803,891	$2,730,000
2. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−3,891	
Obligations incurred for costs of other years, net	12,509		70,000
Total program (obligations)	3,127,673	2,800,000	2,800,000
Financing:			
Unobligated balance no longer available	45,727		
Appropriation (new obligational authority)	3,173,400	2,800,000	2,800,000

1. *Export control* protects the domestic economy from drain on scarce commodities, safeguards the national security by regulating exports of strategic commodities, and implements U.S. foreign policy. In the absence of improvement in relations with certain countries, these controls must be continued and, as necessary, extended to other areas to guard against transshipment. The Bureau of Customs is responsible for the policing of shipments at points of export. The Export Control Act of 1949, as amended, expires June 30, 1960. This estimate for 1961 is being submitted subject to the extension of said act.

2. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order: Unpaid undelivered orders (appropriation balances obligated for goods and sources on order, not yet received)	$33,840	$45,891	$42,000	$112,000
Selected resources at start of year (−)		−33,840	−45,891	−42,000
Adjustment due to recovery of prior year obligations		458		
Costs financed from obligations of other years, net (−)			−3,891	
Obligations incurred for costs of other years, net		12,509		70,000

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BUREAU OF FOREIGN COMMERCE—Continued

Current authorizations—Continued

EXPORT CONTROL—Continued

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	260	228	223
Average number of all employees	238	217	215
Number of employees at end of year	217	225	223
Average GS grade and salary	8.4 $7,110	8.4 $7,185	8.4 $7,199
01 Personal services:			
Permanent positions	$1,711,167	$1,557,673	$1,552,303
Other personal services	6,955	12,541	6,192
Total personal services	1,718,122	1,570,214	1,558,495
02 Travel	10,344	10,400	10,600
03 Transportation of things	539	600	600
04 Communication services	56,556	55,600	55,600
06 Printing and reproduction	54,461	54,836	55,000
07 Other contractual services	10,864	9,950	22,055
Services performed by other agencies	1,148,778	983,000	983,000
08 Supplies and materials	9,919	10,600	10,600
09 Equipment	7,465	2,200	2,200
11 Grants, subsidies, and contributions	108,751	102,100	101,350
13 Refunds, awards, and indemnities	1,562		
15 Taxes and assessments	312	500	500
Total obligations	3,127,673	2,800,000	2,800,000

OFFICE OF BUSINESS ECONOMICS

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Office of Business Economics, [$1,400,000] *$1,500,000. (5 U.S.C. 591, 596–597; 15 U.S.C. 171, 175; Department of Commerce and Related Agencies Appropriation Act, 1959.)*

Appropriated 1960, **$1,400,000** Estimate 1961, **$1,500,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Preparation of national income and product data	$356,221	$493,875	$590,670
2. Analysis of business trends	454,327	443,740	445,250
3. Computation of the balance of international payments	308,571	344,660	346,060
4. Executive direction	123,422	117,725	118,020
Total program costs	1,242,541	1,400,000	1,500,000
5. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−2,161		
Total program (obligations)	1,240,380	1,400,000	1,500,000
Financing:			
Unobligated balance no longer available	1,420		
Appropriation (new obligational authority)	1,241,800	1,400,000	1,500,000

Analyses of national economic trends.—Basic indicators of the condition of the national economy and current analyses of business trends are prepared and distributed to the public.

1. *Preparation of national income and product data.*—Calculations are made of the national income and gross national product, consumption expenditures, interindustry sales and purchases, and other subsidiary measures of the Nation's economic well-being.

2. *Analysis of business trends.*—Business developments are assessed monthly, and the results of continuing analysis of the major underlying factors and long-range business trends are published regularly for business use.

3. *Computation of the balance of international payments.*—The U.S. balance of international payments is determined and the official statistics of foreign expenditures by the U.S. Government are maintained.

5. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$31,510	$27,605	$27,605	$27,605
Selected resources at start of year (−)		−31,510	−27,605	−27,605
Adjustment of selected resources reported at start of year		1,744		
Costs financed from obligations of other years, net (−)		−2,161		

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	164	180	193
Average number of all employees	146	170	180
Number of employees at end of year	154	180	193
Average GS grade and salary	8.2 $6,711	8.4 $6,775	8.5 $6,856
01 Personal services:			
Permanent positions	$1,008,214	$1,151,640	$1,234,022
Positions other than permanent	1,813	3,184	
Other personal services	4,009	10,071	5,100
Total personal services	1,014,036	1,164,895	1,239,122
02 Travel	5,291	6,000	7,000
03 Transportation of things	77	75	75
04 Communication services	13,364	14,000	15,000
06 Printing and reproduction	83,509	94,230	96,110
07 Other contractual services	20,318	8,000	21,193
Services performed by other agencies	22,012	27,000	27,000
08 Supplies and materials	4,232	3,000	3,500
09 Equipment	11,688	7,000	10,000
11 Grants, subsidies, and contributions	65,076	75,800	81,000
13 Refunds, awards, and indemnities	665		
15 Taxes and assessments	112		
Total obligations	1,240,380	1,400,000	1,500,000

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Delaware River Basin economic projection survey	$14,782		
2. Potomac River Basin economic projection survey	8,088	$35,684	$9,598
Total program costs	22,870	35,684	9,598
3. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)		−3,398	
Obligations incurred for costs of other years (unpaid undelivered orders), net	28		
Total program (obligations)	22,898	32,286	9,598
Financing:			
Unobligated balance brought forward:			
Delaware River Basin economic projection survey	14,782		
Potomac River Basin economic projection survey		27,884	9,598
Advances and reimbursements from other accounts	36,000	14,000	
Unobligated balance carried forward	−27,884	−9,598	
Total financing	22,898	32,286	9,598

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $3,370; 1959, $3,398.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	10	11	2
Average number of all employees	1	4	1
Number of employees at end of year	1	3	0
Average GS grade and salary	7.8 $6,598	7.1 $5,982	11.5 $8,913
01 Personal services:			
Permanent positions	$11,004	$22,636	$8,940
Other personal services	19	108	
Total personal services	11,023	22,744	8,940
02 Travel	174	200	
06 Printing and reproduction	1,012	3,500	
07 Other contractual services	1,770	4,071	77
08 Supplies and materials		300	
09 Equipment	1,103		
11 Grants, subsidies, and contributions	716	1,471	581
13 Refunds, awards, and indemnities	7,100		
Total obligations	22,898	32,286	9,598

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MARITIME ACTIVITIES

The maritime activities of the U.S. Government are directed toward the promotion of U.S. foreign commerce and to aiding in the national defense. The budget program includes funds for construction and operating subsidies to compensate for differences between foreign and domestic costs, research and development with respect to ship designs and operations, maintenance of a reserve fleet and shipyard capacity, training of cadets to become licensed merchant marine officers, and regulation of the shipping industry. Through public enterprise funds a capability to provide emergency shipping capacity is maintained, vessel mortgages and construction loans are guaranteed, and binders for war-risk insurance are provided.

Total expenditures to carry out this program in 1961, excluding expenditures contingent upon defaults of guaranteed mortgages, are estimated at $264 million, of which $248 million is required to meet obligations arising under subsidy contracts. These contracts, now covering operations conducted by 15 companies, represent a long term obligation of the Government. Subsidy funds for operation and replacement of the 312 ships required to perform the 2,015 maximum voyages per year now under contract until expiration of the agreements would approximate $4 billion. Authorization has been enacted to permit the Board to contract for a maximum of an additional 385 voyages. It is estimated that subsidization of the 60 ships required for these additional voyages would entail the expenditure of $1 billion over a 20-year contract term. A reduction of the current voyage authorization by 210 to 2,190 voyages is recommended under the appropriation for Operating-differential subsidies.

Each subsidized voyage, including a pro-rata construction subsidy, is estimated at $2.8 million over the typical 20-year contract. The foregoing projections are based on existing legislation, current operating and construction costs, and current conditions in the shipping industry.

Current authorizations:

Ship Construction

For construction-differential subsidy and cost of national-defense features incident to construction of ships for operation in foreign commerce (46 U.S.C. 1152, 1154); for construction-differential subsidy and cost of national-defense features incident to the reconstruction and reconditioning of ships under title V of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1154); for acquisition of used ships pursuant to section 510 of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1160); and (not to exceed [$3,900,000] *$6,000,000*) for research, development, and design expenses incident to new and advanced ship design, machinery, and equipment; [$130,250,000] *$129,000,000*, to remain available until expended: *Provided*, That transfers may be made to the appropriation for the current fiscal year for "Salaries and expenses" for administrative and warehouse expenses (not to exceed [$2,500,000] *$3,000,000*) and for reserve fleet expenses (not to exceed $500,000), and any such transfers shall be without regard to the limitations under that appropriation on the amounts available for such expenses[: *Provided further*, That of the amount herein appropriated not to exceed $1,250,000 shall be used for the payment of costs already incurred in the design of the superliner passenger vessels authorized by Public Law 85-521]. (*73 Stat. 203; Department of Commerce and Related Agencies Appropriation Act, 1960.*)

Appropriated 1960, **$130,250,000** Estimate 1961, **$129,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Construction-differential subsidy	$79,842,184	$162,766,653	$111,000,000
2. Construction of prototype ships	167,881	911,445	----------
3. Acquisition of replaced ships	11,299,266	20,016,046	14,000,000
4. Research and development	$4,024,940	$6,877,874	$7,100,000
5. Nuclear ship construction and design	1,810,445	1,060,715	100,000
6. Administrative and warehouse expenses	1,998,339	2,500,000	3,000,000
Total obligations	99,143,055	194,132,733	135,200,000
Financing:			
Unobligated balance brought forward	−52,850,788	−95,182,733	−31,300,000
Unobligated balance carried forward	95,182,733	31,300,000	25,100,000
Appropriation (new obligational authority)	141,475,000	130,250,000	129,000,000

The 1961 estimate provides for—

1. *Construction-differential subsidy* and national defense allowances for construction of 14 vessels under the ship replacement program.

3. *Acquisition of replaced ships.*—Acquisition costs for an estimated 14 vessels being replaced.

4. *Research and development.*—Funds are provided for an expansion of the research and development program. Fund requirements for acquisition of facilities in support of the NS *Savannah* will be reduced in 1961 and emphasis shifted to engineering and operations research of advanced ship design concepts, automation, and maritime nuclear development studies.

6. *Administrative and warehouse expenses* required to carry out the program.

Since 1955, funds for new construction have been appropriated under Ship construction. In order to differentiate between current programs available for obligation and those for expenditure only, all programs prior to 1955 are reflected under Ship construction (liquidation of contract authorization).

The following table reflects the annual obligation requirements for the projects financed from current funds, together with those requested for 1961:

[In thousands]

	Total appropriation estimates	*Actual obligations through 1959*	*Estimated obligations* 1960	1961	*Subsequent*
1. Construction-differential subsidy [1]	$516,446	$222,507	$162,767	$111,000	$20,172
1955-59 programs	302,696	222,507	71,817	5,000	3,372
Ship replacement program	267,661	189,792	69,497	5,000	3,372
Conversion of mariners	26,900	25,251	1,649	-------	-------
Reconditioning vessels	8,135	7,464	671	-------	-------
1960 ship replacement program	107,750	-------	90,950	10,000	6,800
1961 ship replacement program	106,000	-------	-------	96,000	10,000
2. Construction of prototype ships: 1955-59 programs (T-5 tanker)	11,500	10,589	911	-------	-------
3. Acquisition of replaced ships	63,075	27,684	20,016	14,000	1,375
1955-59 programs	33,075	27,684	5,176	215	-------
1960 program	16,000	-------	14,840	1,000	160
1961 program	14,000	-------	-------	12,785	1,215
4. Research and development [1]	34,100	20,122	6,878	7,100	-------
1955-59 programs	24,200	20,122	4,078	-------	-------
1960 program	3,900	-------	2,800	1,100	-------
1961 program	6,000	-------	-------	6,000	-------
5. Nuclear ship construction and design: 1955-59 programs	17,675	16,514	1,061	100	-------
6. Administrative and warehouse expenses	13,875	4,822	2,500	3,000	3,553
1955-59 programs	8,275	4,822	2,100	1,100	253
1960 program	2,600	-------	400	1,500	700
1961 program	3,000	-------	-------	400	2,600
7. Acquisition of tankers: 1955-59 programs	16,804	16,804	-------	-------	-------
Total obligations	673,475	319,042	194,133	135,200	25,100
1955-59 programs	414,225	319,042	85,143	6,415	3,625
1960 program	130,250	-------	108,990	13,600	7,660
1961 program	129,000	-------	-------	115,185	13,815

[1] Appropriation estimate of $450 for an experimental bow section transferred from research and development to construction-differential subsidy. The bow is to be installed on a liner vessel under the construction subsidy program.

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MARITIME ACTIVITIES—Continued

Current authorizations—Continued

SHIP CONSTRUCTION—Continued

Object Classification

		1959 actual	1960 estimate	1961 estimate
	MARITIME ACTIVITIES			
07	Other contractual services	$998,613	$1,281,132	$3,300,000
	Services performed by other agencies	2,573,973	3,033,848	3,800,000
09	Equipment	13,533,133	25,275,293	15,400,000
11	Grants, subsidies, and contributions	79,842,184	162,766,653	111,000,000
	Total, maritime activities	96,947,903	192,356,926	133,500,000
	ALLOCATION TO ATOMIC ENERGY COMMISSION			
07	Other contractual services	2,195,152	1,775,807	1,700,000
	Total obligations	99,143,055	194,132,733	135,200,000

[SHIP CONSTRUCTION (LIQUIDATION OF CONTRACT AUTHORIZATION)]

[The amount available in the appropriation "Ship construction (liquidation of contract authorization), maritime activities" is hereby reduced by $6,361,541, such sum to be covered into the Treasury immediately upon approval of this Act.] *(73 Stat. 203; Department of Commerce and Related Agencies Appropriation Act, 1960.)*

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Ship construction (object class 09)	----------	$448,793	----------
Financing:			
Unobligated balance brought forward	−$7,346,765	−6,930,914	----------
Unobligated balance transferred (73 Stat. 52) to—			
"Salaries and expenses," Bureau of the Census	14,825	----------	----------
"Salaries and expenses," Coast and Geodetic Survey	36,950	----------	----------
"Salaries and expenses," Bureau of Foreign Commerce	21,475	----------	----------
"Salaries and expenses," Patent Office	114,000	----------	----------
"Salaries and expenses," Weather Bureau	139,700	----------	----------
"Research and technical services," National Bureau of Standards	41,000	----------	----------
"Plant and facilities," National Bureau of Standards	3,550	----------	----------
"Salaries and expenses"	43,000	----------	----------
"Maritime training"	2,000	----------	----------
Recovery of prior year obligations	−649	----------	----------
Unobligated balance carried forward	6,930,914	----------	----------
Unobligated balance rescinded (73 Stat. 203)	----------	6,361,541	----------
Unobligated balance no longer available	----------	120,580	----------
Contract authorization (new)	----------	----------	----------

A total of $512,433,950 was appropriated for this program, which covers all postwar construction activity up to 1955. During 1959, a total of $416,500 was transferred to other appropriations as authorized by the Second Supplemental Appropriation Act, 1959. As of June 30, 1959, the unexpended balance amounted to $6,945,690. Subsequent to that date, $6,361,541 has been returned to the Treasury in accordance with the Department of Commerce and Related Agencies Appropriation Act, 1960; final costs have been determined; and outstanding obligations completely liquidated by disbursement of $463,569. The remaining unobligated balance of $120,580 will be administratively rescinded and covered into the Treasury.

SUMMARY FISCAL STATUS REPORT—SHIP CONSTRUCTION PROGRAMS PRIOR TO 1955

	1959	*1960*
Cash balance:		
Unexpended balance, beginning of year	$7,361,541	$6,945,690
Expenditures	----------	463,569
Refunds	−649	----------
Transfers (73 Stat. 52)	416,500	----------
Rescinded (73 Stat. 203)	----------	6,361,541
Administrative rescision	----------	120,580
Unexpended balance, end of year	6,945,690	----------
Unliquidated obligations:		
Unliquidated obligations, beginning of year	14,776	14,776
Adjustment to obligations	----------	448,793
	14,776	463,569
Expenditures	----------	463,569
Unliquidated obligations, end of year	14,776	----------

OPERATING-DIFFERENTIAL SUBSIDIES

For the payment of obligations incurred for operating-differential subsidies granted on or after January 1, 1947, as authorized by the Merchant Marine Act, 1936, as amended, and in appropriations heretofore made to the United States Maritime Commission, [$128,750,000] *$150,000,000,* to remain available until expended: *Provided,* That no contracts shall be executed during the current fiscal year by the Federal Maritime Board which will obligate the Government to pay operating-differential subsidy on more than two thousand [four] *one* hundred *and ninety* voyages in any one calendar year, including voyages covered by contracts in effect at the beginning of the current fiscal year, of which one hundred and fifty shall be for companies which have not held contracts prior to July 1, 1959, and seventy-five shall be for companies operating into or out of the Great Lakes. *(73 Stat. 203; Department of Commerce and Related Agencies Appropriation Act, 1960.)*

Appropriated 1960, **$128,750,000** Estimate 1961, **$150,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Payment of subsidies (object class 11)	$127,693,052	$128,917,835	$150,000,000
Financing:			
Unobligated balance brought forward	−360,887	−167,835	----------
Unobligated balance carried forward	167,835	----------	----------
Appropriation (new obligational authority)	127,500,000	128,750,000	150,000,000

At present 15 privately owned U.S. flag companies are under contract to operate 312 ships under subsidy agreements on 31 of the 36 designated essential foreign trade routes. The contracts provide for the payment of the differential between their operating costs and those of foreign competitors (subsidy accrual). The Government recaptures from the operator one-half of net profits in excess of 10% of capital necessarily employed up to the subsidy accrual. The subsidy recapture (amount withheld) is finally determined on a cumulative basis only at the end of a 10-year contract period. In estimating the subsidy payable, subsidy recapture is subtracted from subsidy accrual, but pending the close of the 10-year period the full amount of the accrual is a contingent liability of the United States.

SUMMARY OF PROGRAM JAN. 1, 1947, THROUGH JUNE 30, 1961

[Dollars in thousands]

	Maximum voyages under contract	*Voyages undertaken*	*Estimated subsidy accrual*
Calendar year:			
1947–56	(1)	12,843	$761,260
1957	1,855	1,736	145,399
1958	1,983	1,744	145,091
1959 estimated	2,015	1,750	145,591
1960 estimated	2,127	1,825	151,336
1961 (first 6 months) estimated	2,190	910	75,510
Total	(1)	20,808	1,424,187

[1] Not available.

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SUMMARY OF PROGRAM JAN. 1, 1947, THROUGH JUNE 30, 1961—continued

[Dollars in thousands]

	Cumulative total
Subsidy accrual	$1,424,187
Subsidy recapture	194,472
Subsidy payable	1,229,715
Subsidy paid through June 30, 1959	815,868
Estimated subsidy payable	413,847
Subsidy to be paid in 1960 (includes proposed supplemental appropriation)	160,918
Subsidy to be paid in 1961	150,000
Subsidy to be paid in subsequent years	102,929

The computation and approval of final subsidy rates and the audit of annual accountings of the subsidized operators will make it possible to make payments of 100% of estimated subsidy payable due each operator through calendar year 1956 prior to June 30, 1961. The $102,928,991 estimated unpaid subsidy as of June 30, 1961, will approach a normal backlog, consisting largely of amounts withheld pending final rates and audit determinations for calendar years 1957–61 plus subsidy bills for operators in the last quarter of 1961 which would not be presented and paid until 1962. This estimated unpaid balance is, however, subject to adjustment for changes in the cumulative recapture position of each of the operators. This estimated balance reflects the effect of an anticipated 1960 supplemental appropriation which is shown under Proposed for later transmission.

Salaries and Expenses

For expenses necessary for carrying into effect the Merchant Marine Act, 1936, and other laws administered by the Federal Maritime Board and the Maritime Administration, [$14,014,400] *$14,925,000,* within limitations as follows:

Administrative expenses, including not to exceed $1,125 for entertainment of officials of other countries when specifically authorized by the Maritime Administrator, and not to exceed $1,250 for representation allowances, [$7,714,400] *$8,086,000;*

Maintenance of shipyard [and reserve training] facilities and operation of warehouses, [$1,400,000] *$1,325,000;*

Reserve fleet expenses, [$4,900,000] *$5,514,000. (73 Stat. 203; Department of Commerce and Related Agencies Appropriation Act, 1960.)*

Appropriated 1960, **$14,014,400** Estimate 1961, **$14,925,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Administrative expenses	$7,587,536	$7,714,400	$8,086,000
2. Maintenance of shipyard facilities	733,633	688,400	371,700
3. Operation of warehouses	706,365	711,600	953,300
4. Maintenance of reserve training station	35,654		
5. Reserve fleet expenses	6,161,117	4,900,000	5,514,000
6. 1959 program obligated in 1958	−218,282		
Total obligations	15,006,023	14,014,400	14,925,000
Financing:			
1959 appropriation available in 1958	218,282		
Unobligated balance transferred from "Ship construction (liquidation of contract authorization)" (73 Stat. 52)	−43,000		
Unobligated balance no longer available	67,145		
Appropriation (new obligational authority)	15,248,450	14,014,400	14,925,000

1. *Administrative expenses.*—Shown herein are the expenses of administering most of the functions of the Federal Maritime Board and Maritime Administration, including operating-differential subsidy contracts, continuing ship construction activities, ship operations, auditing, and property management. Administrative expenses in connection with maritime training, general agency ship operations, new ship construction, and chartering activities are provided in other funds.

2. *Maintenance of shipyard facilities.*—Two Government-owned reserve shipyards are maintained in a partial state of readiness for defense purposes. Two other shipyards formerly maintained have been declared surplus and are being disposed of during the current year.

3. *Operation of warehouses.*—Five warehouses store materials and equipment for vessel operations, repair and outfitting of reserve fleet ships, and reserve shipyards.

4. *Maintenance of reserve training station.*—One reserve training station previously maintained in a custodial status was declared surplus and transferred to the General Services Administration in 1959.

5. *Reserve fleet expenses.*—Provision is made for the preservation and security of merchant vessels maintained for national defense purposes. An accelerated scrapping program will be continued and preservation work, except for cathodic bottom preservation, has been discontinued on approximately 1,000 ships which are considered obsolete for mobilization purposes and are scheduled for scrapping.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	2,310	1,893	1,926
Full-time equivalent of all other positions		1	1
Average number of all employees	2,041	1,810	1,842
Number of employees at end of year	2,019	1,834	1,915
Average GS grade and salary	8.2 $6,872	8.3 $7,025	8.6 $7,142
Average salary of ungraded positions	$4,876	$5,086	$5,083
01 Personal services:			
Permanent positions	$12,258,335	$11,395,050	$11,695,340
Positions other than permanent	1,261	5,000	5,000
Other personal services	159,468	184,400	131,010
Total personal services	12,419,064	11,584,450	11,831,350
02 Travel	112,287	129,450	139,650
03 Transportation of things	56,283	37,080	40,740
04 Communication services	165,226	161,545	158,475
05 Rents and utility services	310,385	358,810	371,910
06 Printing and reproduction	50,989	54,900	54,900
07 Other contractual services	201,297	211,115	584,020
Services performed by other agencies	65,804	70,540	136,540
08 Supplies and materials	794,782	617,230	813,010
09 Equipment	125,254	48,790	42,490
10 Lands and structures	143,832		
11 Grants, subsidies, and contributions	747,294	723,300	730,015
13 Refunds, awards, and indemnities	13,366	8,500	8,500
15 Taxes and assessments	18,442	8,690	13,400
1959 program obligated in 1958	−218,282		
Total obligations	15,006,023	14,014,400	14,925,000

Maritime Training

For training cadets as officers of the merchant marine at the Merchant Marine Academy at Kings Point, New York, including pay and allowances for personnel of the United States Maritime Service as authorized by law (46 U.S.C. 1126, 63 Stat. 802, 64 Stat. 794, 66 Stat. 79, and 70 Stat. 25); [and] not to exceed $2,500 for contingencies for the Superintendent, United States Merchant Marine Academy, to be expended in his discretion; [$2,900,000, including] *purchase of four passenger motor vehicles for replacement only; and* uniform and textbook allowances for cadet midshipmen, at an average yearly cost of not to exceed $300 per cadet; *$3,195,000: Provided,* That except as herein provided for uniform and textbook allowances this appropriation shall not be used for compensation or allowances for cadets. *(73 Stat. 204; Department of Commerce and Related Agencies Appropriation Act, 1960.)*

Appropriated 1960, **$2,900,000** Estimate 1961, **$3,195,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Merchant marine cadet training	$2,537,431	$2,856,800	$3,151,800
2. Cadet training office	39,899	43,200	43,200
Total obligations	2,577,330	2,900,000	3,195,000
Financing:			
Unobligated balance transferred from "Ship construction (liquidation contract authorization)" (73 Stat. 52)	−2,000		
Unobligated balance no longer available	4,120		
Appropriation (new obligational authority)	2,579,450	2,900,000	3,195,000

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MARITIME ACTIVITIES—Continued

Current authorizations—Continued

MARITIME TRAINING—Continued

This program provides for the training of officers for service in the maritime industry.

1. *Merchant marine cadet training.*—By enactment of Public Law 84–415, the Merchant Marine Academy at Kings Point, N.Y., was established as a permanent academy. A 4-year course of training is provided, including 1 year of sea duty, designed to qualify graduates for licenses as merchant marine officers. The Academy provides subsistence, quarters, tuition, uniform and textbook allowances, and medical care for cadets.

2. *Cadet training office.*—This office provides staff assistance to the Maritime Administrator on training matters, assists in the selection and appointment of cadets, and maintains liaison with State marine schools.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	260	266	270
Full-time equivalent of all other positions	1	1	1
Average number of all employees	253	259	263
Number of employees at end of year	253	266	270
Average GS grade and salary	5.3 $5,084	5.3 $5,069	5.3 $5,048
Average salary of ungraded positions	$4,382	$4,936	$4,936
01 Personal services:			
Permanent positions	$1,234,482	$1,296,800	$1,312,100
Positions other than permanent	3,160	4,000	4,000
Other personal services	339,868	341,800	346,600
Total personal services	1,577,510	1,642,600	1,662,700
02 Travel	24,088	25,500	36,500
03 Transportation of things	3,408	3,300	3,300
04 Communication services	21,882	22,500	22,500
05 Rents and utility services	37,345	45,900	45,900
06 Printing and reproduction	16,856	9,100	9,100
07 Other contractual services	475,385	665,600	691,900
Services performed by other agencies	41,141	40,500	40,500
08 Supplies and materials	264,233	312,700	335,600
09 Equipment	36,968	48,300	261,000
11 Grants, subsidies, and contributions	77,533	83,000	85,000
13 Refunds, awards, and indemnities	210		
15 Taxes and assessments	771	1,000	1,000
Total obligations	2,577,330	2,900,000	3,195,000

STATE MARINE SCHOOLS

For financial assistance to State marine schools and the students thereof as authorized by the Maritime Academy Act of 1958 (72 Stat. 622–624), [$1,110,000] *$1,270,000* of which [$150,000] *$250,000* is for maintenance and repair of vessels loaned by the United States for use in connection with such State marine schools, and [$960,000] *$1,020,000, to remain available until expended,* is for liquidation of obligations incurred under authority granted by said Act, to enter into contracts to make payments for expenses incurred in the maintenance and support of marine schools, and to pay allowances for uniforms, textbooks, and subsistence of cadets at State marine schools. *(73 Stat. 204; Department of Commerce and Related Agencies Appropriation Act, 1960.)*

Appropriated 1960, **$1,110,000** Estimate 1961, **$1,270,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Grants for State marine schools	$185,263	$975,000	$300,000
2. Uniforms, textbooks, and subsistence of cadets	320,193	1,890,600	930,000
3. Maintenance and repair of vessels	186,688	150,000	250,000
Total obligations	692,144	3,015,600	1,480,000
Financing:			
Unobligated balance no longer available	2,856		
New obligational authority	695,000	3,015,600	1,480,000
New obligational authority:			
Appropriation	$695,000	$150,000	$250,000
Contract authorization (new) (permanent) (72 Stat. 622)		2,865,600	1,230,000

Status of Unfunded Contract Authorization

	1959 actual	1960 estimate	1961 estimate
Unfunded balance at beginning of year			$1,905,600
Contract authorization (new) (permanent)		$2,865,600	1,230,000
Unfunded balance at end of year		−1,905,600	−2,115,600
Appropriation to liquidate contract authorization		960,000	1,020,000

The States of Maine, Massachusetts, New York, and California maintain schools for the training of merchant marine officers, with Federal assistance given in the form of (*a*) direct grants of $75,000, if matched by State appropriations and if out-of-State students are enrolled; (*b*) allowance to cadets for uniforms, textbooks, and subsistence; and (*c*) repairs to Federal training vessels loaned to the schools.

The Maritime Academy Act of 1958 (72 Stat. 622) provides contract authorization for the Secretary of Commerce to enter into agreements with States to provide these grants and allowances over a 4-year period without limit as to amount or year. This accounts for the large increase of new obligational authority in 1960, which will level off at approximately the 1961 rate in future years. Maintenance and repair of training vessels will continue to be accomplished through annual appropriations.

Object Classification

	1959 actual	1960 estimate	1961 estimate
07 Other contractual services	$186,688	$150,000	$250,000
11 Grants, subsidies, and contributions	505,456	2,865,600	1,230,000
Total obligations	692,144	3,015,600	1,480,000

GENERAL PROVISIONS—MARITIME ACTIVITIES

No additional vessel shall be allocated under charter, nor shall any vessel be continued under charter by reason of any extension of chartering authority beyond June 30, 1949, unless the charterer shall agree that the Maritime Administration shall have no obligation upon redelivery to accept or pay for consumable stores, bunkers and slopchest items, except with respect to such minimum amounts of bunkers as the Maritime Administration considers advisable to be retained on the vessel and that prior to such redelivery all consumable stores, slopchest items, and bunkers over and above such minimums shall be removed from the vessel by the charterer at his own expense.

Notwithstanding any other provision of this Act, the Maritime Administration is authorized to furnish utilities and services and make necessary repairs in connection with any lease, contract, or occupancy involving Government property under control of the Maritime Administration, and payments received by the Maritime Administration for utilities, services, and repairs so furnished or made shall be credited to the appropriation charged with the cost thereof: *Provided,* That rental payments under any such lease, contract, or occupancy on account of items other than such utilities, services, or repairs shall be covered into the Treasury as miscellaneous receipts.

No obligations shall be incurred during the current fiscal year from the construction fund established by the Merchant Marine Act, 1936, or otherwise, in excess of the appropriations and limitations contained in this Act, or in any prior appropriation Act, and all receipts which otherwise would be deposited to the credit of said fund shall be covered into the Treasury as miscellaneous receipts. *(73 Stat. 204; Department of Commerce and Related Agencies Appropriation Act, 1960.)*

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are included in the schedule of the parent appropriations as follows:
"Commodity Credit Corporation fund," Department of Agriculture.
"Construction of surveying ships," Coast and Geodetic Survey.
"Plant acquisition and construction," Atomic Energy Commission.
"Mutual security," funds appropriated to the President.
"Salaries and expenses," Office of Civil and Defense Mobilization.

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Public enterprise funds:

FEDERAL SHIP MORTGAGE INSURANCE FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Capital outlay:			
Acquisition of vessel through assumption of defaulted mortgages	$5,115,294		
Less outlay not requiring funding	−2,697,780		
Loans to mortgagors		$65,153	
Total capital outlay	2,417,514	65,153	
Operating costs:			
Interest to Treasury	19,632	54,400	$54,400
Other operating costs	9,601	332,503	
Provision for losses on defaulted mortgages	713,054		
Total operating costs	742,287	386,903	54,400
Unfunded adjustment to total operating costs:			
Provision for losses on defaulted mortgages	−713,054		
Total operating costs, funded	29,233	386,903	54,400
Total program costs, funded	2,446,747	452,056	54,400
Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−16,694	−6,603	
Total program (obligations)	2,430,053	445,453	54,400
Financing:			
Amounts becoming available:			
Authorization to expend from public debt receipts (permanent, indefinite) (72 Stat. 358, 359)	1,400,000		
Revenue and receipts (premiums and fees)	1,332,472	2,988,227	3,928,587
Total amounts becoming available	2,732,472	2,988,227	3,928,587
Unobligated balance brought forward	414,599	717,018	3,259,792
Total amounts available	3,147,071	3,705,245	7,188,379
Unobligated balance carried forward	−717,018	3,259,792	7,133,979
Financing applied to program	2,430,053	445,453	54,400

The Maritime Administration is authorized to insure construction loans and mortgages, with aggregate outstanding balances of up to $990 million, on certain types of cargo and passenger-carrying vessels and other watercraft (title XI, Merchant Marine Act, 1936, as amended). Pursuant to Public Law 84–1024 (70 Stat. 1119) authority to insure mortgages on fishing vessels has been transferred to the Department of the Interior.

Budget program.—In 1959, custody of the S.S. *Leilani* was taken pursuant to foreclosure proceedings and two defaulted mortgages with a combined balance of $5.1 million including accrued interest were assumed. A liability of $2.7 million to the general fund was established to reflect the amount still due the U.S. Government under the first mortgage, which was acquired by this fund upon default without cash outlay. A payment of $2.4 million was also made for acquisition of the second mortgage, guaranteed by the Maritime Administration. A loss of $0.7 million was incurred, representing the difference between mortgage acquisition costs and the $4.4 million book value of the vessel.

No new mortgage defaults are reflected in these estimates for 1960 and 1961. The 1960 estimate includes a payment of $65,135 advanced to a mortgagor with depleted working capital to meet a mortgage installment. This advance is secured by a second mortgage on the vessel.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Materials and supplies	$24,804	$1,507	$1,507	$1,507
Unpaid undelivered goods		6,603		
Total selected resources	24,804	8,110	1,507	1,507
Selected resources at start of year		−24,804	−8,110	−1,507
Costs financed from obligations of other years, net (−)		−16,694	−6,603	

Financing.—The redemption of defaulted loans or mortgages is financed from insurance premiums and fees, together with such amounts as may be made available by borrowing from the Treasury Department, pursuant to Public Law 85–520 (72 Stat. 358). During 1959, by loan from the Treasury Department, $1.4 million was made available to the revolving fund to allow the purchase of the defaulted mortgage on the S.S. *Leilani*, which was guaranteed by the Maritime Administration.

Operating results and financial condition.—As of November 1959, outstanding balances for loans and mortgages plus commitments for additional guarantees totaled $370 million, and the balances outstanding at the end of 1960 should reach $503 million. Based on current trends, insured ship loans under this title will be $683 million by the end of 1961.

Cumulative losses on defaulted mortgages totaled $1,409,548 at June 30, 1959. Earnings, resulting from premium receipts, totaled $994,058 after allowance for losses and are retained to meet possible future requirements for new mortgage defaults or advances to mortgagors. To the extent the financial situation permits, the two loans outstanding and the liability to the U.S. Government may be repaid.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Acquisition of vessels through assumption of defaulted mortgages, net	$2,417,514		
Loans to mortgagors		$65,153	
Other expense	29,233	386,903	$54,400
Increase in selected working capital		14,355	1,100
Total gross expenditures	2,446,747	466,411	55,500
Receipts from operations (funds provided):			
Revenue (premiums, fees, and interest)	1,332,472	2,988,227	3,928,587
Decrease in selected working capital	34,400		
Total receipts from operations	1,366,872	2,988,227	3,928,587
Budget expenditures	1,079,875	−2,521,816	−3,873,087

Revenue, Expense, and Retained Earnings

Revenue:			
Funded	$1,332,472	$2,988,227	$3,928,587
Nonfunded	39,274		
Total revenue	1,371,746	2,988,227	3,928,587
Expense	29,233	386,903	54,400
Net operating income	1,342,513	2,601,324	3,874,187
Nonoperating loss (−): Provision for losses on defaulted mortgages	−713,054		
Net income for the year	629,459	2,601,324	3,874,187
Retained earnings, beginning of year	364,599	994,058	3,595,382
Retained earnings, end of year	994,058	3,595,382	7,469,569

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MARITIME ACTIVITIES—Continued

Public enterprise funds—Continued

FEDERAL SHIP MORTGAGE INSURANCE FUND—Continued

Financial Condition

	1959 actual	1960 estimate	1961 estimate
Assets:			
Cash with Treasury	$749,276	$3,271,092	$7,144,179
Accounts receivable	2,644	3,100	4,200
Loans receivable and mortgage defaults:			
Loans to mortgagors		65,153	65,153
Deficiency judgment	1,409,548		
Less allowance for losses on defaulted mortgages	−1,409,548		
Loans receivable, net		65,153	65,153
Materials and supplies	1,507	1,507	1,507
Equipment (vessels)	7,827,436	7,827,436	7,827,436
Total assets	8,580,863	11,168,288	15,042,475
Liabilities:			
Current	28,299	14,400	14,400
Liability for advance from "Vessel operations revolving fund"	3,500,000	3,500,000	3,500,000
Liability to general fund	2,658,506	2,658,506	2,658,506
Total liabilities	6,186,805	6,172,906	6,172,906
Government investment:			
Interest-bearing capital:			
Start of year		1,400,000	1,400,000
Borrowing from Treasury during year	1,400,000		
End of year	1,400,000	1,400,000	1,400,000
Retained earnings	994,058	3,595,382	7,469,569
Total Government investment	2,394,058	4,995,382	8,869,569

NOTE.—Contingent liability for insured mortgages and loans not included above is estimated to be as follows: June 30, 1958, $218,281,898 (composed of $78,589,686 loan guarantee authority and $139,692,212 commitments outstanding); 1959, $257,118,530 (composed of $190,808,188 loan guarantee authority and $66,310,342 commitments outstanding); 1960, $503,320,000; 1961, $683,436,000.

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash with Treasury	$429,151	$749,276	$3,271,092	$7,144,179
Obligated balance, net:				
Current liabilities	31,895	28,299	14,400	14,400
Unpaid undelivered orders		6,603		
Accounts receivable, net (−)	−17,343	−2,644	−3,100	−4,200
Total obligated balance	14,552	32,258	11,300	10,200
Unobligated balance	414,599	717,018	3,259,792	7,133,979

Object Classification

		1959 actual	1960 estimate	1961 estimate
07	Other contractual services	$30,166	$325,900	
14	Interest	19,632	54,400	$54,400
16	Investments and loans	2,380,255	65,153	
	Total obligations	2,430,053	445,453	54,400

VESSEL OPERATIONS REVOLVING FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Vessel operations: Expense:			
Terminated voyage	$5,313,497	$4,206,182	$3,248,250
Vessel repair and reactivation	164,682		
Deactivation	555,986		40,000
Administrative	907,002	834,000	834,000
Miscellaneous	395,918	457,872	45,720
Total, vessel operations	7,337,085	5,498,054	4,167,970

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
2. Charter operations: Activation, repair, and deactivation of chartered vessels: Expense	$320,864	$507,628	$125,200
3. Experimental ship operations:			
Nonoperating expense	86,758	2,431,017	
Operating expense		792,000	2,904,000
Total, experimental ship operations	86,758	3,223,017	2,904,000
Total program costs	7,744,707	9,228,699	7,197,170
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−425,820	
Obligations incurred from costs of other years, net	229,652		68,250
Total program (obligations)	7,974,359	8,802,879	7,265,420
Financing:			
Amounts becoming available: Vessel operations revenue:			
Terminated voyage revenue	5,265,583	4,739,151	3,829,420
Reimbursement for activation and deactivation	544,237		40,000
Other	791,704	27,481	25,000
Charter operations revenue	993,508	332,040	140,970
Experimental ship operations revenue		1,900,000	
Total amounts becoming available	7,595,032	6,998,672	4,035,390
Unobligated balance brought forward	14,537,857	14,158,530	12,354,323
Total amounts available	22,132,889	21,157,202	16,389,713
Unobligated balance carried forward	14,158,530	12,354,323	9,124,293
Financing applied to program	7,974,359	8,802,879	7,265,420

This fund, created in 1951, finances direct operation and charter of cargo vessels for transport of military and national interest cargo. It is also used for the operation of Government-owned experimental vessels (70 Stat. 531). The initial appropriation to the fund of $20 million has been repaid to the Treasury.

Budget program—1. *Vessel operation.*—Cargo vessels are operated by private operators acting as agents of the Maritime Administration to carry shipments for the Military Sea Transportation Service. Government ships operated under this arrangement have declined from a peak of 538 to 4 on June 30, 1959, and will further decrease to 3 during 1961.

2. *Charter operations.*—As of June 30, 1959, there were seven Government-owned vessels under charter to private operators. It is expected that two vessels will return from charter during 1960 and one during 1961. At the end of 1959, a total of 34 vessels were also on loan without reimbursement to other Government and public agencies. In addition, 26 vessels, acquired by the Government in connection with the ship replacement program, were operated by private companies under use agreements. Proceeds from the operation of these vessels are credited against the amount paid for their acquisition from the appropriation for Ship construction.

3. *Experimental ship operations.*—The world's first nuclear-powered cargo-passenger ship, the NS *Savannah*, will go into service in 1960 under general agency agreement. During an experimental period of approximately 2 years the vessel will carry no revenue-producing cargo. Nonoperating expense in 1960 includes $1.9 million for procurement of spares as well as the expense of training the ship's crew in nuclear operations. The estimate for operating expense includes the deck, engineers, and stewards departments, but does not include expense associated with operation of the ship's reactor which will be financed in 1961 directly from AEC appropriations.

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4. *Relation of costs to obligations.*—The relationship is derived from year-end balances and selected resources as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Advances	$66,357	$25,730	$50,000	$50,000
Supplies	5,942,047	6,022,519	6,050,000	6,075,000
Prepaid insurance and other deferred charges	96,034	59,242	75,000	75,000
Unpaid undelivered orders	314,980	541,579	48,250	91,500
Total selected resources at end of year	6,419,418	6,649,070	6,223,250	6,291,500
Selected resources at start of year (−)		−6,419,418	−6,649,070	−6,223,250
Cost financed from obligations of other years, net (−)			−425,820	
Obligations incurred for costs of other years, net		229,652		68,250

Financing.—Operations are financed from revenue.

Operating results and financial condition—1. *Vessel operation.*—Rates charged the Military Sea Transportation Service cover full costs arising under general agency agreements for ship operations. Over the 3-year period the fund will be charged with a loss of $856,093 as a result of the need to maintain a nucleus administrative staff of trained employees to be immediately available in future emergencies. An additional loss of $661,864 over the period is also anticipated to result from payment of various claims, expense of maintaining inactive vessels, special mobilization training of merchant marine officers, and other activities.

2. *Charter operations.*—A net income of $672,644 was received from charter operations in 1959, and income of $15,770 is anticipated from this source in 1961 after meeting the administrative expenses directly associated with this program. The net loss of $175,588 estimated in 1960 will be occasioned by payments of $350,000 authorized by Public Law 85–721 (72 Stat. 710) to reimburse former charterers for certain break-out costs.

3. *Experimental ship operations.*—The full costs of the NS *Savannah* program charged to the fund are reflected as loss to the fund inasmuch as no revenue is anticipated during the first 2 years of the operation of this ship. The revenue of $1.9 million in 1960 will be received from AEC for procurement of spare components by the general agent.

Retained earnings.—Earnings are retained to provide (*a*) working capital for current ship operations and chartering, (*b*) rapid expansion of shipping services in the event of emergency, and (*c*) possible transfer of up to $10 million to the war risk insurance fund to meet claims against that fund (65 Stat. 747). The program contemplates eventual full recovery of the $3.5 million advanced to the Federal ship mortgage insurance fund in 1958.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Expense:			
Vessel operations	$7,267,291	$5,498,054	$4,167,970
Charter operations	320,864	507,628	125,200
Experimental ship operations	86,758	3,223,017	2,904,000
Total gross expenditures	7,674,913	9,228,699	7,197,170
Receipts from operations (funds provided):			
Revenue:			
Vessel operations	6,601,524	4,766,632	3,894,420
Charter operations	993,508	332,040	140,970
Experimental ship operations		1,900,000	
Decrease in selected working capital	1,078,943	1,092,798	425,450
Total receipts from operations	8,673,975	8,091,470	4,460,840
Budget expenditures	−999,062	1,137,229	2,736,330

Revenue, Expense, and Retained Earnings

	1959 actual	1960 estimate	1961 estimate
Vessel operations:			
Revenue	$6,601,524	$4,766,632	$3,894,420
Expense	7,114,509	5,498,054	4,167,970
Net loss (−), vessel operations	−512,985	−731,422	−273,550
Charter operations:			
Revenue	993,508	332,040	140,970
Expense	320,864	507,628	125,200
Net income or loss (−) charter operations	672,644	−175,588	15,770
Experimental ship operations:			
Revenue		1,900,000	
Expense	86,758	3,223,017	2,904,000
Net loss (−), experimental ship operations	−86,758	−1,323,017	−2,904,000
Net income or loss (−) for the year	72,901	−2,230,027	−3,161,780
Analysis of retained earnings:			
Retained earnings, beginning of year	24,038,216	24,307,600	22,077,573
Provision for allowance on accounts receivable	−69,794		
Writeoff of balance of operating reserve	266,277		
Retained earnings, end of year	24,307,600	22,077,573	18,915,793

Financial Condition

Assets:			
Cash with Treasury	$12,975,252	$11,838,023	$9,101,693
Accounts receivable, net	3,010,726	2,194,200	1,192,500
Advances to "Federal ship mortgage insurance fund"	3,500,000	3,500,000	3,500,000
Advances	25,730	50,000	50,000
Supplies	6,022,519	6,050,000	6,075,000
Unterminated voyage expense	278,920	300,000	400,000
Prepaid expense and other deferred charges	59,242	75,000	75,000
Total assets	25,872,389	24,007,223	20,394,193
Liabilities:			
Current	1,265,607	1,581,400	1,250,900
Unterminated voyage revenue	299,182	348,250	227,500
Total liabilities	1,564,789	1,929,650	1,478,400
Government investment:			
Retained earnings	24,307,600	22,077,573	18,915,793

NOTE.—Net contingent liability for claims against the National Shipping Authority not included above is $854,020 on June 30, 1959.

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash with Treasury	$11,976,190	$12,975,252	$11,838,023	$9,101,693
Obligated balance, net:				
Current liabilities	2,663,377	1,265,607	1,581,400	1,250,900
Liability for unterminated voyage revenue	628,398	299,182	348,250	227,500
Unpaid undelivered orders	314,980	541,579	48,250	91,500
Accounts receivable, net (−)	−5,509,171	−3,010,726	−2,194,200	−1,192,500
Billings for unterminated voyage expense (−)	−659,251	−278,920	−300,000	−400,000
Total obligated balance	−2,561,667	−1,183,278	−516,300	−22,600
Unobligated balance	14,537,857	14,158,530	12,354,323	9,124,293

Object Classification

	1959 actual	1960 estimate	1961 estimate
Average number of all employees	290	230	299
Number of employees at end of year	217	320	279
Average salary of ungraded positions	$6,142	$6,150	$6,150
01 Personal services:			
Positions other than permanent	$1,780,703	$1,414,500	$1,838,850
Other personal services	801,317	636,525	827,482
Total personal services	2,582,020	2,051,025	2,666,323

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MARITIME ACTIVITIES—Continued

Public enterprise funds—Continued

VESSEL OPERATIONS REVOLVING FUND—Continued

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
03 Transportation of things	$1,558	$1,859	$1,445
07 Other contractual services	2,323,280	3,479,500	1,894,018
Services performed by other agencies	1,083,678	959,200	959,200
08 Supplies and materials	1,783,832	2,763,620	1,688,176
09 Equipment	14,019	16,734	12,999
Subtotal	7,788,387	9,271,938	7,222,170
Increase or decrease (−) in unpaid undelivered orders and advances	185,972	−469,059	43,250
Total obligations	7,974,359	8,802,879	7,265,420

WAR RISK INSURANCE REVOLVING FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Underwriting agents fees	$6,807	$8,100	$8,100
Appraisal contractors fees	8,650	19,050	15,000
Insurance claims	20,212	55,000	
Administrative expense		500	500
Total program costs	35,669	82,650	23,600
Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)		−4,050	
Obligations incurred for costs of other years (unpaid undelivered orders), net	4,050		
Total program (obligations)	39,719	78,600	23,600
Financing:			
Amounts becoming available:			
Fees for the issuance of binders	24,575	30,000	30,000
Builders risk insurance premiums	342,563	445,000	670,000
Reimbursement for insurance claims	20,212	55,000	
Total amounts becoming available	387,350	530,000	700,000
Unobligated balance brought forward	710,850	1,058,481	1,509,881
Total amounts available	1,098,200	1,588,481	2,209,881
Unobligated balance carried forward	1,058,481	1,509,881	2,186,281
Financing applied to program	39,719	78,600	23,600

This fund was established to provide war risk insurance in the event that commercial insurance is not available at reasonable terms and conditions during time of war (46 U.S.C. 1281, 1283). Commercial war risk insurance policies are at present subject to an automatic termination clause upon the outbreak of war, the inception of a hostile act, or occurrence which results in a state of war between any member of the North Atlantic Treaty Organization and any of the contracting parties to the Treaty of Friendship Cooperation and Mutual Assistance signed at Warsaw, May 14, 1955, or the Central People's Government of the People's Republic of China.

As of June 30, 1959, interim binders for war risk hull, protection, and indemnity, and second seamen's insurance, which become effective upon the outbreak of war, had been issued covering approximately $6 billion of insurance. War risk insurance was also in effect on 29 American vessels under construction in shipyards in the United States, covering the prelaunching period, totaling approximately $70 million of insurance.

Budget program.—At the request of the Secretary of the Navy, second seaman's war risk insurance is provided without premium, as authorized under sections 1205–6 of title XII of the Merchant Marine Act of 1936, on tankers operated for the account of the Military Sea Transportation Service. On June 30, 1959, a total of 27 tankers were covered under this program. All losses on such insurance, paid through this fund, are reimbursed to the fund by the Secretary of the Navy. Expense of the fund therefore consists only of fees paid to underwriting agents, travel expense for marine insurance experts, and for contract appraisal costs.

During the past year accidents were sustained by two Military Sea Transportation Service vessels, resulting in insurance claims against the fund. The estimate for 1960 provides for payment of the full amount of the remaining pending claims.

Relation of costs to obligations.—Year-end balance of unpaid undelivered orders for June 30, 1959, is $4,050.

Financing.—Transfer of $10 million is authorized from the Vessel operations revolving fund if necessary as an emergency measure (65 Stat. 747). To date no transfers have been made and none are anticipated in 1960 or 1961. In addition, revenue is provided by insurance premiums and fees paid for the issuance of interim binders and builder's risk insurance.

Operating results.—The Government's investment consists entirely of retained earnings totaling $1,062,531 on June 30, 1959. Retention of these earnings is necessary for this program to get underway immediately upon the outbreak of a national emergency.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Administrative expense and fees	$15,457	$27,650	$23,600
Payment of claims	20,212	55,000	
Increase in selected working capital			17,400
Total gross expenditures	35,669	82,650	41,000
Receipts from operations (funds provided):			
Fees for the issuance of binders and insurance premiums	367,138	475,000	700,000
Reimbursement for payment of claims	20,212	55,000	
Decrease in selected working capital	23,983	1,742	
Total receipts from operations	411,333	531,742	700,000
Budget expenditures	−375,664	−449,092	−659,000

Revenue, Expense, and Retained Earnings

Revenue	$387,350	$530,000	$700,000
Expense	35,669	82,650	23,600
Net income for the year	351,681	447,350	676,400
Retained earnings, beginning of year	710,850	1,062,531	1,509,881
Retained earnings, end of year	1,062,531	1,509,881	2,186,281

Financial Condition

Assets:			
Cash with Treasury	$1,003,184	$1,452,276	$2,111,276
Accounts receivable, net	60,142	59,000	76,000
Total assets	1,063,326	1,511,276	2,187,276
Liabilities:			
Current	795	1,395	995
Government investment:			
Retained earnings	1,062,531	1,509,881	2,186,281

NOTE.—Contingent liability for insurance, in the event of war only, not included above is estimated to be as follows:
War risk insurance binders: June 30, 1958, $5,400,137,000; 1959, $6,057,478,000; 1960, $6,973,003,000; 1961, $7,888,528,000.
Prelaunching war risk insurance: June 30, 1958, $78,177,000; 1959, $70,876,000; 1960, $476,802,000; 1961, $241,660,000.

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Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash with Treasury	$627,520	$1,003,184	$1,452,276	$2,111,276
Obligated balance, net: Current liabilities	780	795	1,395	995
Unpaid undelivered orders		4,050		
Accounts receivable, net (−)	−84,110	−60,142	−59,000	−76,000
Total obligated balance	−83,330	−55,297	−57,605	−75,005
Unobligated balance	710,850	1,058,481	1,509,881	2,186,281

Object Classification

	1959 actual	1960 estimate	1961 estimate
02 Travel		$500	$500
07 Other contractual services	$35,669	82,150	23,100
Subtotal	35,669	82,650	23,600
Increase or decrease (−) in unpaid undelivered orders	4,050	−4,050	
Total obligations	39,719	78,600	23,600

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Administrative expenses:			
Maritime activities:			
Ship construction	$1,952,658	$2,475,900	$3,000,000
Vessel operations	1,102,870	959,200	959,200
Atomic Energy Commission	17,570	10,000	10,000
Department of Agriculture	106,532	111,000	111,000
Department of State	10,627	11,100	11,100
Department of Defense	108,276	71,900	71,900
Department of Commerce	41,391	8,500	
Miscellaneous	2,705	4,000	4,000
Total, administrative expenses	3,342,629	3,651,600	4,167,200
2. Shipyards, warehouses, and reserve training station expense:			
Maritime activities: Vessel operations	1,902	4,400	4,400
Department of Agriculture	4,202	5,000	
Department of Defense	40,668	14,084	
General Services Administration	11,017	58,000	
Miscellaneous services to non-Federal agencies	22,128	18,300	18,300
Miscellaneous	415		
Total, shipyards, warehouses, and reserve training station expense	80,332	99,784	22,700
3. Reserve fleet expense:			
Maritime activities: Ship construction	61,651	82,850	445,200
Department of Agriculture	598,322	599,200	546,500
Department of Defense	1,630,359	140,400	3,500
Miscellaneous	4,456	2,650	
Total, reserve fleet expense	2,294,788	825,100	995,200
4. Maritime training:			
Maritime activities: Ship construction	23,858	24,100	
Department of Agriculture	5,973	17,500	17,500
International Cooperation Administration	8,028		
Donations from non-Federal sources	10,640	8,530	5,000
Miscellaneous services to non-Federal agencies	444	500	500
Total, maritime training	48,943	50,630	23,000
Total obligations	5,766,692	4,627,114	5,208,100
Financing:			
Unobligated balance brought forward		$14,084	
Advances and reimbursements from—			
Other accounts	$5,742,727	4,581,700	$5,180,300
Non-Federal sources	38,049	31,330	27,800
Unobligated balance carried forward	−14,084		
Total financing	5,766,692	4,627,114	5,208,100

The Maritime Administration will receive in 1961 reimbursements from the Department of Agriculture for storage of grain in reserve fleet vessels and for participation in the surplus dairy products program; Department of State for maintenance of a record of ship characteristics of vessels belonging to NATO nations; Department of Defense for preservation and maintenance in the reserve fleet of surplus merchant-type Navy vessels; and the Atomic Energy Commission for its share of the administrative cost of constructing the NS *Savannah*.

Within the agency, the appropriation Salaries and expenses will receive reimbursement for administrative and other expenses incurred as a result of activities financed from the Vessel operations revolving fund and the appropriation for Ship construction.

Reimbursements from non-Federal sources include payments for repairs, services, and utilities furnished lessees of maritime-controlled property (66 Stat. 393), donations to the Merchant Marine Academy at King's Point, N.Y. (50 U.S.C. 1154), proceeds from turn-in of small equipment (40 U.S.C. 481(c)), provision of statistical services (15 U.S.C. 189(a)), and refund of terminal leave payments (5 U.S.C. 2061).

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	1,161	681	756
Average number of all employees	831	586	661
Number of employees at end of year	648	622	750
Average GS grade and salary	8.4 $6,838	8.7 $7,056	8.9 $7,174
Average salary of ungraded positions	$4,667	$4,787	$4,955
01 Personal services:			
Permanent positions	$4,906,869	$3,854,171	$4,376,610
Other personal services	44,779	56,826	34,450
Total personal services	4,951,648	3,910,997	4,411,060
02 Travel	107,881	152,523	193,000
03 Transportation of things	16,968	15,500	23,200
04 Communication services	26,144	32,275	36,125
05 Rents and utility services	26,884	30,125	20,975
06 Printing and reproduction	10,030	19,400	23,400
07 Other contractual services	88,716	60,716	52,380
Services performed by other agencies	13,731	32,600	38,600
08 Supplies and materials	167,084	102,730	108,100
09 Equipment	64,753	21,900	25,900
11 Grants, subsidies, and contributions	287,983	245,748	265,360
13 Refunds, awards, and indemnities	354		
15 Taxes and assessments	4,516	2,600	10,000
Total obligations	5,766,692	4,627,114	5,208,100

Proposed for later transmission:

OPERATING-DIFFERENTIAL SUBSIDIES

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Payment of subsidies (total obligations)		$32,000,000	
Financing:			
Proposed supplemental appropriation		32,000,000	

Under existing legislation, 1960.—A supplemental appropriation of $32 million is anticipated for 1960 to pay subsidy bills due private ship operators.

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INLAND WATERWAYS CORPORATION

Public enterprise funds:

Inland Waterways Corporation Fund

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Liquidation of carrier program:			
Administrative expenses	$646	$2,500	$2,000
Other expenses	1,765	5,000	5,000
Total program (costs—obligations)	2,411	7,500	7,000
Financing:			
Amounts becoming available: Revenue and receipts:			
Collection of loans	708,581	627,500	627,500
Interest on loans	278,802	250,419	225,281
Other receipts	1,324		
Total amounts becoming available	988,707	877,919	852,781
Unobligated balance brought forward	5,802,201	6,788,497	7,658,916
Total amounts available	6,790,908	7,666,416	8,511,697
Unobligated balance carried forward	−6,788,497	−7,658,916	−8,504,697
Financing applied to program	2,411	7,500	7,000

The Inland Waterways Corporation, in liquidation, is engaged in the collection of debt and the policing of operations of the successor carrier, Federal Barge Lines, Inc.

Under the repayment schedule, the debt owed by the above carrier will be fully collected by June 30, 1969, and the United States is earning interest at the rate of 4% until June 30, 1964, with the remaining years at 5%.

Budget program.—Administrative costs cover policing and incidental expenses. Reserves are established at the estimated liability for suits against the Corporation.

Operating results.—Net income of $242,919 is expected in 1960, as the excess of interest over expenses.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Liquidation of carrier program: Expense	$2,411	$7,500	$7,000
Increase in selected working capital		925,529	24,931
Total gross expenditures	2,411	933,029	31,931
Receipts from operations (funds provided):			
Liquidation of loan program:			
Loan repayments	708,581	627,500	627,500
Revenue	278,802	250,419	225,281
Liquidation of carrier program: Revenue	1,324		
Decrease in selected working capital	677,440		
Total receipts from operations	1,666,147	877,919	852,781
Budget expenditures	−1,663,736	55,110	−820,850

Revenue, Expense, and Retained Earnings

Liquidation of loan program: Revenue	$278,802	$250,419	$225,281
Liquidation of carrier program:			
Revenue	1,324		
Expense	2,411	7,500	7,000
Net operating loss (−), liquidation of carrier program	−1,087	−7,500	−7,000
Net income for the year	277,715	242,919	218,281
Deficit (−), beginning of year	−14,528,675	−14,250,960	−14,008,041
Deficit (−), end of year	−14,250,960	−14,008,041	−13,789,760

Financial Condition

Assets:			
Cash with Treasury	$6,986,751	$6,931,641	$7,752,491
Accounts receivable, net	244	875,175	850,106
Loans receivable	6,258,871	5,631,371	5,003,871
Total assets	13,245,866	13,438,187	13,606,468
Liabilities:			
Current	198,498	147,900	97,900

Financial Condition—Continued

	1959 actual	1960 estimate	1961 estimate
Government investment:			
Non-interest-bearing capital (start and end of year)	$27,298,328	$27,298,328	$27,298,328
Deficit (−)	−14,250,960	−14,008,041	−13,789,760
Total Government investment	13,047,368	13,290,287	13,508,568

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash with Treasury	$5,323,015	$6,986,751	$6,931,641	$7,752,491
Obligated balance, net:				
Current liabilities	199,095	198,498	147,900	97,900
Accounts receivable, net, and cash in transit (−)	−678,281	−244	−875,175	−850,106
Total obligated balance	−479,186	198,254	−727,275	−752,206
Unobligated balance	5,802,201	6,788,497	7,658,916	8,504,697

Limitation on Administrative Expenses, Inland Waterways Corporation

Not to exceed [$2,500] *$2,000* shall be available for administrative expenses to be determined in the manner set forth under the title "General expenses" in the Uniform System of Accounts for Carriers by Water of the Interstate Commerce Commission (effective January 1, 1947). (*Department of Commerce and Related Agencies Appropriation Act, 1960.*)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Administration (total obligations)	$646	$2,500	$2,000
Financing:			
Unobligated balance no longer available	1,854		
Limitation	2,500	2,500	2,000

Object Classification

02	Travel	$118	$1,000	$1,000
04	Communication services		50	50
06	Printing and reproduction	28	50	50
07	Other contractual services		900	400
	Services performed by other agencies	500	500	500
	Total obligations	646	2,500	2,000

PATENT OFFICE

Current authorizations:

Salaries and Expenses

For necessary expenses of the Patent Office, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), at rates for individuals not to exceed $50 per diem (not to exceed $25,000); and defense of suits instituted against the Commissioner of Patents; [$22,000,000] *$22,600,000.* (*5 U.S.C. 602; 15 U.S.C. 1051; 35 U.S.C. 1–42; 44 U.S.C. 283–284; Department of Commerce and Related Agencies Appropriation Act, 1960.*)

Appropriated 1960, **$22,000,000** Estimate 1961, **$22,600,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Administration of patent and trademark system	$16,530,469	$17,591,000	$18,020,000
2. Printing and publication of patent and trademark material	3,406,039	3,610,000	3,775,000
3. Executive direction and administrative services	765,302	799,000	805,000
Total program costs	20,701,810	22,000,000	22,600,000

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Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
4. Relation of costs to obligations: Obligations incurred for costs of other years, net	$77,376		
Total program (obligations)	20,779,186	$22,000,000	$22,600,000
Financing:			
Unobligated balance transferred from "Ship construction (liquidation of contract authorization)," maritime activities (73 Stat. 52)	−114,000		
Unobligated balance no longer available	2,114		
Appropriation (new obligational authority)	20,667,300	22,000,000	22,600,000

The Office administers laws governing the granting of patents for invention and the registration of trademarks.

The 1961 estimate provides for continuation of the effort to reduce the backlog of pending patent applications. It also provides for continuance of a program to modernize the patent classification system, and for research and development of electronic devices applicable to the patent search process.

Receipts from fees were $7,347,194 in 1959, and are estimated under existing legislation to be $7.6 million in 1960 and $7.8 million in 1961.

PATENT AND TRADEMARK ISSUANCES

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Patents granted (excluding designs)	43,676	52,482	54,000	57,000
Design patents granted	2,572	2,508	3,000	3,000
Trademarks registered	15,979	17,685	18,000	18,000

WORKLOAD SUMMARY

Patents (excluding designs):				
New applications received	76,956	78,363	79,000	80,000
Applications disposed of	85,457	86,436	88,000	92,000
Applications pending, end of year	207,166	198,248	189,000	177,000
Design patents:				
New applications received	4,838	4,994	5,000	5,000
Applications disposed of	4,767	4,849	6,000	6,000
Applications pending, end of year	6,832	7,004	6,000	5,000
Trademark registrations:				
New applications received	21,770	22,243	22,000	22,000
Applications disposed of	20,034	22,028	23,000	23,000
Applications pending, end of year	27,323	28,146	27,000	26,000

1. *Administration of patent and trademark system.*—Applications are examined to determine the patentability of claimed inventions and the registrability of trademarks; quasi-judicial functions are performed in appeal or interference proceedings within the Office; patents and trademarks are issued; copies of records are furnished; and other services relating to the prosecution of applications are provided.

2. *Printing and publication of patent and trademark material.*—This activity provides for printing of specifications and drawings of patents and trademark registrations; publication of their issuance and of official notices, rules of practice, and laws; and binding of patents, trademarks, and other reference material for official and public search. The need for funds is governed largely by the volume of issuances, and related public demand for printed copies.

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$511,336	$563,968	$563,968	$563,968
Selected resources at start of year (−)		−511,336	−563,968	−563,968
Adjustment of selected resources reported at start of year		24,744		
Obligations incurred for costs of other years, net		77,376		

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	2,310	2,440	2,440
Average number of all employees	2,197	2,340	2,340
Number of employees at end of year	2,232	2,400	2,400
Average GS grade and salary	8.3 $6,941	8.2 $6,748	8.4 $6,904
01 Personal services:			
Permanent positions	$15,326,671	$16,001,500	$16,369,500
Other personal services	104,231	393,500	338,500
Total personal services	15,430,902	16,395,000	16,708,000
02 Travel	22,874	23,000	23,000
03 Transportation of things	10,979	10,000	10,000
04 Communication services	110,586	115,000	115,000
05 Rents and utility services	99,030	129,000	129,000
06 Printing and reproduction	3,406,039	3,610,000	3,775,000
07 Other contractual services	262,703	255,000	356,000
08 Supplies and materials	179,019	190,000	190,000
09 Equipment	173,919	215,000	215,000
11 Grants, subsidies, and contributions	993,185	1,045,000	1,066,000
13 Refunds, awards, and indemnities	11,505	12,000	12,000
15 Taxes and assessments	1,069	1,000	1,000
Total costs	20,701,810	22,000,000	22,600,000
Obligations incurred for costs of other years, net	77,376		
Total obligations	20,779,186	22,000,000	22,600,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Technical assistance (Federal Trade Commission) (object class 02)	$115		
Financing:			
Advances and reimbursements from other accounts	115		

BUREAU OF PUBLIC ROADS

Current authorizations:

LIMITATION ON GENERAL ADMINISTRATIVE EXPENSES

Necessary expenses of administration and research (not to exceed [$29,500,000] *$29,900,000*), including purchase of thirty passenger motor vehicles for replacement only, shall be paid, in accordance with law, from appropriations made available by this Act to the Bureau of Public Roads and from advances and reimbursements received by the Bureau of Public Roads.

Of the total amount available from appropriations of the Bureau of Public Roads for general administrative and research expenses pursuant to the provisions of title 23, United States Code, section 104(a), $100,000 shall be available for carrying out the provisions of title 23, United States Code, section 309. (*23 U.S.C. 303, 307, 313; Department of Commerce and Related Agencies Appropriation Act, 1960.*)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Administration and research (total obligations)	$27,166,140	$29,500,000	$29,900,000
Financing:			
Unobligated balance no longer available	454,360		
Limitation	27,620,500	29,500,000	29,900,000

Administrative, engineering, and research expenses are met by deductions from Federal-aid authorizations and by reimbursement from other appropriations for highway construction as prescribed by specific limitation. The 1961 estimates continue the program authorized for 1960 and provide selected personnel increases in the regional

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BUREAU OF PUBLIC ROADS—Continued

Current authorizations—Continued

LIMITATION ON GENERAL ADMINISTRATIVE EXPENSES—Continued

and division office staffs as well as in important areas of the Washington office. Highway research is carried out independently as well as in cooperation with the State highway departments. Administrative services for other programs of the Bureau of Public Roads are initially financed from this fund and reimbursements of their pro rata share are collected periodically from the other programs.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	2,962	3,076	3,153
Full-time equivalent of all other positions	39	40	40
Average number of all employees	2,731	2,978	3,109
Number of employees at end of year	2,844	3,116	3,183
Average GS grade and salary	8.1 $6,598	8.2 $6,674	8.2 $6,771
01 Personal services:			
Permanent positions	$19,224,634	$21,375,000	$22,341,000
Positions other than permanent	164,644	160,000	160,000
Other personal services	354,117	389,000	310,000
Total personal services	19,743,395	21,924,000	22,811,000
02 Travel	1,293,725	1,784,000	1,841,000
03 Transportation of things	115,912	165,000	180,000
04 Communication services	345,548	378,000	387,000
05 Rents and utility services	772,075	1,088,000	1,203,000
06 Printing and reproduction	123,199	116,000	116,000
07 Other contractual services	637,470	603,000	544,000
Services performed by other agencies	637,469	602,000	719,000
08 Supplies and materials	298,429	279,000	279,000
09 Equipment	836,843	477,000	326,000
10 Lands and structures	158,780		
11 Grants, subsidies, and contributions	2,166,167	2,046,000	1,448,000
13 Refunds, awards, and indemnities	28,765	30,000	35,000
15 Taxes and assessments	8,363	8,000	11,000
Total obligations	27,166,140	29,500,000	29,900,000

REPAYABLE ADVANCES TO THE HIGHWAY TRUST FUND

For repayable advances to the "Highway trust fund" during the current fiscal year, as authorized by section 209(d) of the Highway Revenue Act of 1956 (70 Stat. 399), [$359,000,000] *$200,000,000.* (*Mutual Security Appropriation Act, 1960.*)

This provision will allow temporary advances to the Highway trust fund during 1961. The rate of expenditures during the first half of the year exceeds revenue available in the Highway trust fund. At the start of the fiscal year funds will be insufficient to permit timely reimbursements to the States for expenses incurred under the Federal-aid highway program. The deficiency is expected to reach a maximum of $200 million by December 31, 1960, thereafter receipts will begin to exceed expenditures and will be adequate to repay the advances with interest prior to June 30, 1961, leaving a balance in the Highway trust fund of $105 million.

FEDERAL-AID HIGHWAYS (TRUST FUND)

For carrying out the provisions of title 23, United States Code, which are attributable to Federal-aid highways, to remain available until expended, [$2,840,000,000] *$2,689,000,000,* or so much thereof as may be available in and derived from the "Highway trust fund"; which sum is composed of [$535,500,000] *$1,099,308,235.53,* the balance of the amount authorized for the fiscal year [1958, and $2,295,500,000] *1959, and $1,579,691,764.47* (or so much thereof as may be available in and derived from the "Highway trust fund"), a part of the amount authorized to be appropriated for the fiscal year [1959] *1960,* and [$9,000,000] *$10,000,000* for reimbursement of the sums expended for the repair or reconstruction of highways and bridges which have been damaged or destroyed by floods, hurricanes, or landslides, as provided by title 23, United States Code, section 125. (*Department of Commerce and Related Agencies Appropriation Act, 1960.*)

NOTE.—In addition $188,000,000 provided in the Mutual Security Act of 1960.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations:			
1. Grants for construction:			
(a) Interstate system	$2,261,302,429	$1,780,420,000	$1,981,515,000
(b) Primary system	394,021,846	401,825,000	380,174,339
(c) Secondary system	283,830,456	267,885,000	259,927,533
(d) Urban highways	223,814,693	223,235,000	224,961,046
(e) Additional authorization for primary, secondary and urban systems	251,300,635		
(f) Advance of matching funds for additional authorization	64,686,212		
(g) Disaster assistance	2,879,773	10,935,000	10,622,082
(h) Bridges over dams	1,294,560	2,300,000	
(i) Undistributed	658,312		
2. Administration and research	24,968,812	26,635,000	27,035,000
Total direct obligations	3,508,757,728	2,713,235,000	2,884,235,000
Reimbursable obligations:			
1. Grants for construction	3,184,183	900,000	900,000
2. Administration and research:			
Department of Agriculture	184,103	143,000	145,000
Department of Defense	67,604	194,250	271,000
Department of the Interior	823,426	1,186,900	844,000
Bureau of Public Roads:			
Forest highways	794,032	992,000	1,311,000
Public lands highways	37,329	58,000	43,000
Miscellaneous accounts	49,176	127,350	54,000
Miscellaneous:			
Other Federal agencies	231,062	152,500	186,000
Non-Federal sources	10,596	11,000	11,000
Total reimbursable obligations	5,381,511	3,765,000	3,765,000
Total obligations	3,514,139,239	2,717,000,000	2,888,000,000
Financing:			
Unobligated balance brought forward (contract authorization)	−2,918,431,750	−2,805,112,031	−2,979,674,949
Unobligated balance of prior contract authorization transferred from "Federal-aid highways"	−4,784,072	−250,000	
Advances and reimbursements from—			
Other accounts	−4,621,155	−2,854,000	−2,854,000
Non-Federal sources	−760,356	−911,000	−911,000
Unobligated balance carried forward (contract authorization)	2,805,112,031	2,979,674,949	3,154,674,949
Unobligated balance no longer available (contract authorization)	39,346,063	19,065,000	19,377,918
Contract authorization (new):			
Existing legislation	3,430,000,000	2,906,612,918	2,178,612,918
Proposed legislation			900,000,000

Status of Unfunded Contract Authorization

Unfunded balance at beginning of year	$6,511,879,650	$7,557,317,659	$7,417,115,577
Unfunded balance of contract authorization transferred from "Federal-aid highways"	4,784,072	250,000	
Contract authorization (new)	3,430,000,000	2,906,612,918	3,078,612,918
Administrative cancellation of unfunded balance	−39,346,063	−19,065,000	−19,377,918
Unfunded balance at end of year	−7,557,317,659	−7,417,115,577	−7,787,350,577
Transfer from "Highway trust fund" to liquidate contract authorization	2,350,000,000	3,028,000,000	2,689,000,000

1. *Grants for construction.*—Grants are made to States for construction and improvement of Federal-aid highways. Authorizations are provided to cover 90 percent of the costs of completing the 41,000-mile National System of Interstate and Defense Highways, and to match State funds on a 50–50 basis for the primary, secondary and urban programs. Payments to the States are made out of transfers from the highway trust fund into which are deposited certain percentages of tax receipts on motor

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fuel, tires and tubes, tread rubber, trucks, buses, trailers, and truck use.

This program was greatly expanded by the Federal-Aid Highway Act of 1956 and further extended with the passage of the Federal-Aid Highway Act of 1958. As a result of additional authorizations provided by the 1958 act and the suspension for 2 years of section 209(g) of the Highway Revenue Act of 1956, estimated revenue available to the Highway trust fund was inadequate to meet demands on the fund beginning in 1960.

The Federal-Aid Highway Act of 1959 partially remedied this imbalance in the Highway trust fund by the provision of additional revenue beginning in 1960 and the reduction of interstate authorizations for 1961 from $2.5 to $2 billion. The 1959 act increased the tax on motor fuel from 3 to 4 cents per gallon effective October 1, 1959, and continuing through June 30, 1961. In addition the act authorizes the diversion from the general fund to the Highway trust fund of one-half of the present excise tax on automobiles and five-eighths of the present tax on accessories and parts beginning July 1, 1961, and extending through June 30, 1964. This additional revenue, however, will not be sufficient to provide for a continuance of the program authorized for 1961 and 1962; therefore, the program is being estimated at a level which can be financed from available revenue.

As of November 30, 1959, approximately 7,500 miles on the 41,000-mile Interstate System were open to traffic. Of this total approximately 2,700 miles were completed to acceptable 1975 standards, approximately 2,600 miles were improved to standards adequate for present day traffic, and the balance represents toll road facilities included on the system. Actual and estimated progress of the Federal-aid highway programs are summarized in the following tables:

THE NATIONAL SYSTEM OF INTERSTATE AND DEFENSE HIGHWAYS—STATUS OF THE PROGRAM AS OF DEC. 1, 1959

[Dollars in thousands]

State	Miles on system [1]	Apportionments to States (1956, 1958, and 1959 acts authorizations)	Unprogramed balance	Programed only		Construction contracts advertised and funds obligated for preliminary engineering and right-of-way acquisition, July 1, 1956, to date		Construction contracts completed, July 1, 1956, to date [3]		
				Federal funds	Project miles [2]	Federal funds	Project miles [2]	Total cost	Federal funds	Project miles [2]
Alabama	872	$183,807	$49,269	$36,415	108.5	$99,574	263.2	$18,687	$15,446	73.7
Arizona	1,161	114,404	25,327	21,502	68.4	68,158	283.7	24,892	22,729	199.9
Arkansas	523	113,188	20,232	22,220	12.4	74,424	105.4	10,865	8,409	27.4
California	2,182	714,803	238,413	16,464	2.2	459,925	289.3	182,657	151,644	200.3
Colorado	964	99,775	18,713	16,425	61.0	67,157	259.3	46,946	40,194	202.6
Connecticut	298	99,196	27,790	4,334	4.2	70,035	41.2	23,079	18,828	21.2
Delaware	40	45,591	17,383	11,103	2.9	19,361	1.9	1,800	1,620	1.4
Florida	1,142	193,585	44,176	561	-------	151,376	152.8	39,248	32,220	33.1
Georgia	1,111	216,569	47,858	61,562	117.5	112,804	123.5	12,703	9,896	11.4
Idaho	611	79,073	41,508	5,486	2.2	34,807	132.1	12,628	10,771	45.1
Illinois	1,608	449,341	94,416	21,629	16.5	334,024	170.0	107,527	82,143	115.2
Indiana	1,108	242,003	89,853	35,761	34.8	121,910	135.4	15,264	12,250	13.1
Iowa	711	139,970	19,664	7,580	11.9	119,595	365.7	55,412	47,968	224.3
Kansas	803	126,733	35,781	10,208	15.3	80,903	276.7	58,943	50,708	269.9
Kentucky	696	166,612	38,128	27,290	47.1	104,839	119.4	13,260	10,697	23.3
Louisiana	680	193,292	58,785	7,393	8.6	129,741	89.3	15,165	12,636	11.4
Maine	313	61,254	17,974	3,654	1.5	41,243	52.4	16,229	13,236	25.6
Maryland	351	154,980	63,147	26,274	15.4	66,676	46.4	41,377	34,696	34.8
Massachusetts	462	223,296	61,455	14,696	3.5	148,975	67.6	30,251	27,069	12.7
Michigan	1,073	344,027	71,132	38,325	48.5	236,187	245.0	108,595	89,581	175.5
Minnesota	893	190,801	66,113	2,659	2.1	125,333	113.6	16,457	13,257	97.3
Mississippi	672	124,403	20,947	24,331	88.4	81,621	229.3	14,065	11,567	66.7
Missouri	1,100	253,923	72,610	13,802	24.4	167,728	180.3	80,692	68,851	119.1
Montana	1,180	118,704	68,596	5,853	9.0	49,319	131.4	3,308	2,482	50.2
Nebraska	489	96,367	52,811	1,596	5.0	47,297	41.7	8,614	6,801	13.3
Nevada	534	73,346	27,538	5,601	19.6	42,290	50.6	11,893	10,993	38.7
New Hampshire	213	54,045	11,284	1,630	1.9	43,251	56.4	18,142	15,091	23.6
New Jersey	371	245,209	123,702	14,581	7.4	113,754	38.1	26,313	23,053	16.9
New Mexico	1,003	110,609	25,482	8,761	16.1	76,548	303.5	55,355	51,065	269.7
New York	1,227	559,008	113,450	7,371	.1	440,074	168.8	120,976	90,709	55.7
North Carolina	773	147,550	38,960	13,280	53.9	99,762	507.8	49,094	40,413	320.4
North Dakota	570	72,954	20,523	1,805	11.0	53,402	334.5	35,933	31,979	241.9
Ohio	1,489	487,030	114,341	2,609	-------	373,757	281.6	194,873	167,791	188.0
Oklahoma	795	126,410	21,108	15,859	65.1	92,713	301.9	60,379	50,649	214.3
Oregon	731	140,155	33,193	8,021	21.9	103,322	388.8	49,572	40,045	283.4
Pennsylvania	1,528	435,957	118,698	56,286	34.8	269,741	218.8	128,664	105,508	112.8
Rhode Island	71	50,458	10,486	4,784	-------	35,562	18.5	15,443	12,815	15.9
South Carolina	679	100,889	16,025	6,648	12.2	81,258	277.8	11,910	9,190	27.9
South Dakota	679	74,868	14,398	26,183	105.5	36,544	100.5	13,429	10,489	119.1
Tennessee	1,047	230,810	54,885	44,943	42.6	138,195	143.6	7,108	6,073	15.1
Texas	3,031	474,641	88,011	57,527	117.0	330,337	768.6	167,838	143,130	672.7
Utah	932	87,507	20,940	9,259	28.7	57,144	99.7	13,709	12,235	37.8
Vermont	321	70,824	20,589	10,353	7.4	42,116	34.2	5,631	4,179	7.2
Virginia	1,067	279,647	148,095	26,769	20.6	108,177	126.0	13,990	10,533	41.1
Washington	727	156,069	37,697	8,497	10.2	112,533	255.5	59,567	47,395	221.2
West Virginia	395	111,624	25,676	23,922	18.7	65,888	51.4	2,688	2,194	2.7
Wisconsin	452	156,188	43,199	21,525	81.9	98,208	302.7	49,963	42,861	214.7
Wyoming	931	95,132	27,392	9,754	63.3	58,980	257.0	23,741	20,872	122.9
District of Columbia	33	72,873	22,292	18,954	1.4	33,747	3.9	1,705	1,534	.2
Total	40,642	9,159,500	2,540,045	842,045	1,452.6	5,920,315	9,006.8	2,096,580	1,746,495	5,332.4

[1] Mileage of designated Interstate System as of Oct. 31, 1959.

[2] Project miles may be defined to include projects for only part of the total improvement to the particular system mileage. In those instances in which separate projects for such items as grading, surfacing, or 2-lane construction of a 4-lane highway are under contract simultaneously on the same system mile, the total project miles reported will exceed the actual system mileage.

[3] Includes completed projects authorized prior to July 1, 1956.

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BUREAU OF PUBLIC ROADS—Continued

Current authorizations—Continued

FEDERAL-AID HIGHWAYS (TRUST FUND)—Continued

[Dollars in thousands]

Fiscal year	Contract authorization [1]	Unobligated contract authorization end of year	Federal payments	Projects approved: Number	Projects approved: Total cost	Projects approved: Federal share
1955	$875,000	$837,222	$594,925	5,898	$1,382,992	$710,000
1956	2,000,000	1,939,236	740,343	6,650	1,695,808	885,000
1957	2,550,000	2,268,148	965,507	7,966	3,361,000	2,212,000
1958	3,590,000	2,918,432	1,511,396	9,490	4,128,000	2,914,000
1959	3,400,000	2,805,112	2,612,576	11,590	4,656,000	3,479,000
1960	2,876,613	2,979,675	3,028,000	8,640	3,847,000	2,673,000
1961	3,048,613	3,154,675	2,689,000	9,000	4,100,000	2,847,000

[1] Annual authorizations became available for obligation not later than Jan. 1 in the preceding year and are shown in the year in which they become available. Amounts exclude contract authorizations for disaster assistance.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	605		
Full-time equivalent of all other positions	143		
Average number of all employees	625		
Number of employees at end of year	843		
Average GS grade and salary	8.1 $6,598		
Personal service obligations:			
Permanent positions	$3,332,741		
Positions other than permanent	761,400		
Other personal services	537,281		
Total personal service obligations	4,631,422		
Direct obligations:			
01 Personal services	2,882,491		
02 Travel	190,877		
03 Transportation of things	208,755		
04 Communication services	9,185		
05 Rents and utility services	49,078		
06 Printing and reproduction	2,529		
07 Other contractual services	42,214		
08 Supplies and materials	885,119		
09 Equipment	1,619,394		
11 Grants, subsidies, and contributions	3,477,932,640	$2,686,600,000	$2,857,200,000
13 Refunds, awards, and indemnities	386		
15 Taxes and assessments	18,095		
Subtotal	3,483,840,763	2,686,600,000	2,857,200,000
Deduct quarters and subsistence charges	51,847		
Total direct obligations	3,483,788,916	2,686,600,000	2,857,200,000
Reimbursable obligations:			
01 Personal services	1,748,931		
02 Travel	115,813		
03 Transportation of things	126,660		
04 Communication services	5,572		
05 Rents and utility services	29,778		
06 Printing and reproduction	1,534		
07 Other contractual services	25,613		
08 Supplies and materials	537,040		
09 Equipment	527,645	900,000	900,000
11 Grants, subsidies, and contributions	85,841		
13 Refunds, awards, and indemnities	234		
15 Taxes and assessments	10,979		
Subtotal	3,215,640	900,000	900,000
Deduct quarters and subsistence charges	31,457		
Total reimbursable obligations	3,184,183	900,000	900,000
Administration and research, "Limitation on general administrative expenses"	27,166,140	29,500,000	29,900,000
Total obligations	3,514,139,239	2,717,000,000	2,888,000,000

FOREST HIGHWAYS (*TRUST FUND*) (LIQUIDATION OF CONTRACT AUTHORIZATION)

For payment of obligations incurred in carrying out the provisions of title 23, United States Code, section 204, pursuant to contract authorization granted by title 23, United States Code, section 203, to remain available until expended, [$30,000,000] *$36,000,000, to be derived from the "Highway trust fund"*, which sum is composed of [$26,250,000] *$2,250,000*, the remainder of the amount authorized to be appropriated for the fiscal year 1959, [and $3,750,000, a part of] *$33,000,000*, the amount authorized to be appropriated for the fiscal year 1960, *and $750,000, a part of the amount authorized to be appropriated for the fiscal year 1961: Provided, That the unexpended balance as of June 30, 1960, of appropriations heretofore granted under the head "Forest highways (liquidation of contract authorization)" is hereby rescinded: Provided further,* That this appropriation shall be available for the rental, purchase, construction, or alterations of buildings and sites necessary for the storage and repair of equipment and supplies used for road construction and maintenance but the total cost of any such item under this authorization shall not exceed $15,000. *(Department of Commerce and Related Agencies Appropriation Act, 1960.)*

NOTE.—This proposal is for activities previously carried under "Forest highways (liquidation of contract authorization)." The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations:			
1. Construction	$32,249,524	$33,986,538	$34,000,000
2. Administration	794,032	992,000	1,311,000
3. Forest Service administration	98,750	100,000	100,000
Total direct obligations	33,142,306	35,078,538	35,411,000
Reimbursable obligations:			
1. Construction	1,080,662	1,600,000	1,600,000
Total obligations	34,222,968	36,678,538	37,011,000
Financing:			
Comparative transfers from (−) other accounts	−34,222,968	−36,678,538	
Unobligated balance of prior contract authorization transferred from "Forest highways (liquidation of contract authorization)"			−36,411,000
Advances and reimbursements from—			
Other accounts			−1,520,000
Non-Federal sources			−80,000
Unobligated balance carried forward (contract authorization)			34,000,000
Contract authorization (new) (proposed legislation)			33,000,000

Status of Unfunded Contract Authorization

Unfunded balance transferred from "Forest highways (liquidation of contract authorization)"			$68,250,000
Contract authorization (new) (proposed legislation)			33,000,000
Unfunded balance at end of year			−65,250,000
Transfer from "Highway trust fund" to liquidate contract authorization			36,000,000

1. *Construction.*—Main highways within or adjacent to the national forests are constructed and improved. Projects are jointly selected by the States, the Forest Service, and the Bureau of Public Roads on the basis of their contribution to meeting traffic and national defense requirements within the national forests. Authorizations are apportioned to States on the basis of a formula which uses as factors the national forest area and value in each State. Contract authorizations of $33 million are available for 1960 and 1961.

It is proposed that, beginning in 1961, the financing of this program be transferred to the highway trust fund. Since forest highways are similar in character and use to Federal-aid highways and in most cases are on the Federal-aid highway systems, they should logically be financed from the highway trust fund in the same manner as the regular Federal-aid programs.

Actual and estimated progress of the program are summarized in the following table:

Fiscal year	Annual authorization [1]	Miles completed	Unobligated balance, end of year	Obligations for projects	Expenditures
1955	$22,500,000	400	$20,139,465	$23,168,840	$21,367,836
1956	22,500,000	701	22,079,498	19,762,068	23,647,714
1957	30,000,000	497	27,996,634	23,424,112	21,502,050
1958	35,000,000	352	38,631,844	23,620,849	22,675,846
1959	33,000,000	429	38,489,538	32,249,524	27,798,205
1960	33,000,000	600	36,411,000	33,986,538	31,305,353
1961	----------	675	34,000,000	34,000,000	36,000,000

[1] Each fiscal year authorization becomes available for obligations not later than Jan. 1 in the preceding fiscal year.

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2. *Administration.*—In addition to administration this covers the costs of engineering supervision of the program.

3. *Forest Service administration.*—Payments to the Forest Service are made to cover its administrative and engineering costs in connection with the forest highway program.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	625	625	625
Full-time equivalent of all other positions	159	160	160
Average number of all employees	645	645	645
Number of employees at end of year	870	870	870
Average GS grade and salary	8.1 $6,598	8.2 $6,674	8.2 $6,771
Personal service obligations:			
Permanent positions	$2,576,274	$2,605,000	$2,635,000
Positions other than permanent	587,301	590,000	590,000
Other personal services	139,285	150,000	140,000
Total personal service obligations	3,302,860	3,345,000	3,365,000
Direct obligations:			
01 Personal services	2,798,451	2,594,000	2,611,000
02 Travel	552,435	505,000	506,000
03 Transportation of things	15,893	15,000	15,000
04 Communication services	10,635	10,000	10,000
05 Rents and utility services	170,058	156,000	156,000
06 Printing and reproduction	12,532	12,000	12,000
07 Other contractual services	193,061	177,000	177,000
Services performed by other agencies	1,446,097	1,323,000	1,304,000
08 Supplies and materials	397,867	364,000	365,000
09 Equipment	246,955	226,000	226,000
10 Lands and structures	27,146,827	29,555,538	29,887,000
11 Grants, subsidies, and contributions	139,047	129,000	130,000
15 Taxes and assessments	12,456	12,000	12,000
Subtotal	33,142,314	35,078,538	35,411,000
Deduct quarters and subsistence charges	8		
Total direct obligations	33,142,306	35,078,538	35,411,000
Reimbursable obligations:			
01 Personal services	504,409	751,000	754,000
02 Travel	99,574	147,000	146,000
03 Transportation of things	2,865	4,000	4,000
04 Communication services	1,917	3,000	3,000
05 Rents and utility services	30,652	45,000	45,000
06 Printing and reproduction	2,259	3,000	3,000
07 Other contractual services	34,799	51,000	51,000
Services performed by other agencies	260,653	384,000	383,000
08 Supplies and materials	71,714	106,000	105,000
09 Equipment	44,513	65,000	65,000
11 Grants, subsidies, and contributions	25,062	38,000	38,000
15 Taxes and assessments	2,245	3,000	3,000
Total reimbursable obligations	1,080,662	1,600,000	1,600,000
Total obligations	34,222,968	36,678,538	37,011,000

Public Lands Highways (*Trust Fund*) (Liquidation of Contract Authorization)

For payment of obligations incurred in carrying out the provisions of title 23, United States Code, section 209, pursuant to the contract authorization granted by title 23, United States Code, section 203, to remain available until expended, [$4,000,000] *$3,000,000, to be derived from the "Highway trust fund"*, which sum is [composed of $1,000,000, the balance of the amount authorized to be appropriated for the fiscal year 1959, and $3,000,000,] the amount authorized for the fiscal year [1960] *1961: Provided, That the unexpended balance as of June 30, 1960, of appropriations heretofore granted under the head "Public lands highways (liquidation of contract authorization)" is hereby rescinded. (Department of Commerce and Related Agencies Appropriation Act, 1960.)*

Note.—This proposal is for activities previously carried under "Public lands highways (liquidation of contract authorization)." The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Construction	$2,127,447	$6,163,877	$2,957,000
2. Administration	37,329	58,000	43,000
Total obligations	2,164,776	6,221,877	3,000,000
Financing:			
Comparative transfers from (−) other accounts	−$2,164,776	−$6,221,877	
Unobligated balance of prior contract authorization transferred from "Public lands highways (liquidation of contract authorization)"			−$43,000
Unobligated balance carried forward (contract authorization)			43,000
Contract authorization (new) (proposed legislation)			3,000,000

Status of Unfunded Contract Authorization

Unfunded balance transferred from "Public lands highways (liquidation of contract authorization)"	$3,000,000
Contract authorization (new) (proposed legislation)	3,000,000
Unfunded balance at end of year	−3,000,000
Transfer from "Highway trust fund" to liquidate contract authorization	3,000,000

1. *Construction.*—Highways are constructed and improved through public lands in those States with large areas of such lands. The 1961 estimate finances the balance of existing authorizations which were provided by section 5 of the Federal-Aid Highway Act of 1958 (72 Stat. 93).

It is proposed that, beginning in 1961, the financing of this program be transferred to the Highway trust fund. These highways are similar in character and use to Federal-aid highways and are all on either the Federal-aid primary or secondary systems. Therefore, they should logically be financed from the trust fund in the same manner as the regular Federal-aid programs.

2. *Administration.*—This activity represents the estimated cost of administration and engineering supervision of the program.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	8	8	8
Full-time equivalent of all other positions	3	3	3
Average number of all employees	8	8	8
Number of employees at end of year	5	5	5
Average GS grade and salary	8.1 $6,598	8.2 $6,674	8.2 $6,771
01 Personal services:			
Permanent positions	$27,135	$27,000	$27,300
Positions other than permanent	11,053	11,000	11,000
Other personal services	2,846	3,000	2,900
Total personal services	41,034	41,000	41,200
02 Travel	9,762	10,000	10,000
03 Transportation of things	29		
04 Communication services	78	100	100
05 Rents and utility services	853	1,000	1,000
06 Printing and reproduction	1		
07 Other contractual services	6,108	6,000	6,000
Services performed by other agencies	67,511	68,000	68,000
08 Supplies and materials	430	500	500
10 Lands and structures	2,036,936	6,093,277	2,871,200
11 Grants, subsidies, and contributions	1,741	2,000	2,000
15 Taxes and assessments	293		
Total obligations	2,164,776	6,221,877	3,000,000

Forest Highways (Liquidation of Contract Authorization)

Appropriated 1960, [a] **$30,000,000**

[a] Appropriated in Department of Commerce and Related Agencies Appropriation Act, 1960.

Note.—Estimate of $36,000,000 previously carried under this title has been transferred in the estimates to "Forest highways (trust fund) (liquidation of contract authorization)." The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

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BUREAU OF PUBLIC ROADS—Continued

Current authorizations—Continued

FOREST HIGHWAYS (LIQUIDATION OF CONTRACT AUTHORIZATION)—Continued

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Financing:			
Comparative transfers to other accounts	$34,222,968	$36,678,538	
Unobligated balance brought forward (contract authorization)	−38,631,844	−38,489,538	−$36,411,000
Unobligated balance of prior contract authorization transferred to "Forest highways (trust fund) (liquidation of contract authorization)"			[1] 36,411,000
Advances and reimbursements from—			
Other accounts	−1,026,629	−1,520,000	
Non-Federal sources (23 U.S.C. 308(a-b))	−54,033	−80,000	
Unobligated balance carried forward (contract authorization)	38,489,538	36,411,000	
Contract authorization (new)	33,000,000	33,000,000	

Status of Unfunded Contract Authorization

Unfunded balance at beginning of year	$56,250,000	$59,250,000	$62,250,000
Contract authorization (new)	33,000,000	33,000,000	
Restoration of contract authorization (appropriation balance written off)			6,000,000
Unfunded balance transferred to "Forest highways (trust fund) (liquidation of contract authorization)"			−68,250,000
Unfunded balance at end of year	−59,250,000	−62,250,000	
Appropriation to liquidate contract authorization	30,000,000	30,000,000	

[1] An obligated balance of $31,839,000 is also being transferred and for summarization this amount is tabulated as a recovery of prior year obligation. The total, $68,250,000, is written off as an unobligated balance no longer available in the general fund.

PUBLIC LANDS HIGHWAYS (LIQUIDATION OF CONTRACT AUTHORIZATION)

Appropriated 1960, [a] **$4,000,000**

[a] Appropriated in Department of Commerce and Related Agencies Appropriation Act, 1960.

NOTE.—Estimate of $3,000,000 previously carried under this title has been transferred in the estimates to "Public lands highways (trust fund) (liquidation of contract authorization)." The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Financing:			
Comparative transfers to other accounts	$2,164,776	$6,221,877	
Unobligated balance brought forward (contract authorization)	−2,429,653	−3,264,877	−$43,000
Unobligated balance of prior contract authorization transferred to "Public lands highways (trust fund) (liquidation of contract authorization)"			[1] 43,000
Unobligated balance carried forward (contract authorization)	3,264,877	43,000	
Contract authorization (new)	3,000,000	3,000,000	

Status of Unfunded Contract Authorization

Unfunded balance at beginning of year	$3,692,000	$4,000,000	$3,000,000
Contract authorization (new)	3,000,000	3,000,000	
Unfunded balance transferred to "Public lands highways (trust fund) (liquidation of contract authorization)"			−3,000,000
Unfunded balance at end of year	−4,000,000	−3,000,000	
Appropriation to liquidate contract authorization	2,692,000	4,000,000	

[1] An obligated balance of $2,957,000 is also being transferred and for summarization this amount is tabulated as a recovery of prior year obligations. The total, $3,000,000, is written off as an unobligated balance no longer available in the general fund.

FEDERAL-AID HIGHWAYS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Financing:			
Recovery of prior year obligations	−$4,784,072	−$250,000	
Unobligated balance rescinded (70 Stat. 765)	4,784,072	250,000	
Reauthorization of contract authorization	−4,784,072	−250,000	
Unobligated balance transferred to "Federal-aid highways (trust fund)" (contract authorization)	4,784,072	250,000	
Contract authorization			

Status of Unfunded Contract Authorization

Reauthorization of contract authorization (appropriation balance written off)	$4,784,072	$250,000	
Unfunded balance transferred to "Federal-aid highways (trust fund)"	−4,784,072	−250,000	
Appropriation to liquidate contract authorization			

BUREAU OF PUBLIC ROADS MISCELLANEOUS ACCOUNTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations:			
1. "Access roads (act of Sept. 7, 1950)"	$245,865	$259,325	$306,000
2. "Construction, operation, and maintenance of roads, Alaska"	214,149		
3. "Inter-American Highway"	9,019,558	9,049,531	360,000
4. "Woodrow Wilson Memorial Bridge"	11,438,721	2,378,706	26,000
Total direct obligations	20,918,293	11,687,562	692,000
Reimbursable obligations:			
2. "Construction, operation, and maintenance of roads, Alaska"	12,504		
3. "Inter-American Highway"	390,459		
Total reimbursable obligations	402,963		
Total obligations	21,321,256	11,687,562	692,000
Financing:			
Unobligated balance brought forward	−24,504,347	−13,586,054	−1,534,101
Advances and reimbursements—			
Other accounts	−396,674		
Non-Federal sources	−6,289		
Unobligated balance carried forward	13,586,054	1,534,101	842,101
Unobligated balance rescinded (73 Stat. 145)		364,391	
Appropriation (new obligational authority): "Inter-American Highway"	10,000,000		

1. *Access roads (act of Sept. 7, 1950).*—These funds are currently being utilized for the maintenance of the Pentagon network and Shirley Highway in Arlington County, Va.

2. *Construction, operation, and maintenance of roads, Alaska.*—Construction, operation, and maintenance of highways in Alaska are now financed from the trust fund Advances from Alaska, public roads.

3. *Inter-American Highway.*—The Central American section of the Inter-American Highway is being constructed in cooperation with the Republics of Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, and Panama. These republics pay one-third of the cost of the highway through their countries. The section will be approximately 1,547 miles of all-weather road and will connect with the completed Mexican section to permit uninterrupted motor travel from the United States to Panama. It is anticipated that by June 30, 1962, it will be possible to drive from the Mexican border to the Panama Canal, although some sections of the highway will only be all-weather surface roads.

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4. *Woodrow Wilson Memorial Bridge.*—Funds provide for the construction of a bridge over the Potomac River near Jones Point, Va. It is expected that the bridge will be completed by the fall of 1961.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	144	142	142
Full-time equivalent of all other positions	3	1	1
Average number of all employees	111	116	116
Number of employees at end of year	109	110	110
Average GS grade and salary	8.1 $6,598	8.2 $6,674	8.2 $6,771
Personal service obligations:			
Permanent positions	$695,492	$699,000	$711,500
Positions other than permanent	8,635	3,500	3,500
Other personal services	165,881	171,500	162,500
Total personal service obligations	870,008	874,000	877,500
Direct obligations:			
01 Personal services	731,242	874,000	877,500
02 Travel	47,980	53,500	53,500
03 Transportation of things	81,898	113,000	113,000
04 Communication services	6,970	5,400	5,400
05 Rents and utility services	34,657	36,100	36,100
06 Printing and reproduction	4,379	4,300	4,300
07 Other contractual services	227,848	228,500	228,500
Services performed by other agencies	148,443	185,000	118,000
08 Supplies and materials	410,520	587,400	587,400
09 Equipment	9,073	11,100	11,100
10 Lands and structures	11,310,910	2,039,631	114,200
11 Grants, subsidies, and contributions	7,904,503	7,548,531	49,000
15 Taxes and assessments	830	1,100	1,100
Subtotal	20,919,253	11,687,562	2,199,100
Deduct—			
Quarters and subsistence charges	960		
Portion of foregoing obligations originally charged to—			
Object class 10			318,100
Object class 11			1,189,000
Total direct obligations	20,918,293	11,687,562	692,000
Reimbursable obligations:			
01 Personal services	138,766		
02 Travel	11,630		
03 Transportation of things	35,250		
04 Communication services	148		
05 Rents and utility services	2,903		
06 Printing and reproduction	402		
07 Other contractual services	571		
Services performed by other agencies	16,743		
08 Supplies and materials	178,413		
09 Equipment	2,441		
10 Lands and structures	8,894		
11 Grants, subsidies, and contributions	6,584		
15 Taxes and assessments	218		
Total reimbursable obligations	402,963		
Total obligations	21,321,256	11,687,562	692,000

General Provisions—Bureau of Public Roads

Not to exceed $10,000 may be expended during the current fiscal year for services of individuals employed pursuant to section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), at rates in excess of $50 per diem. (*Department of Commerce and Related Agencies Appropriation Act, 1960.*)

Allocations Received From Other Accounts

Note.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriations, as follows:
"Military construction, Air Force."
"Maintenance and operations, Army."
"Military construction, Army."
"Plant acquisition and construction," Atomic Energy Commission.
"Construction," Central Intelligence Agency.
"Salaries and expenses," Agricultural Research Service, Department of Agriculture.
"Forest roads and trails," Forest Service, Department of Agriculture.
"Access roads," Department of Defense.
"Road construction and maintenance (liquidation of contract authorization)," Bureau of Indian Affairs, Department of the Interior.
"Construction," Bureau of Land Management, Department of the Interior.
"Management of lands and resources," Bureau of Land Management, Department of the Interior.
"Construction (liquidation of contract authorization," National Park Service, Department of the Interior.
"Rama road, Nicaragua," Department of State.
"Buildings management fund," General Services Administration.
"Construction and equipment," National Aeronautics and Space Administration.
"Salaries and expenses," National Science Foundation.
"Military construction, Naval Reserve Forces."
"Military construction, Navy."

Trust funds:

Highway Trust Fund

Amounts Available for Transfer

	1959 actual	1960 estimate	1961 estimate
Financing:			
Amounts available:			
Balances brought forward:			
Cash	$226,307,925	$94,443,274	$8,657,274
U.S. securities (par)	822,226,000	429,214,000	
Receipts:			
Excise taxes (transfer from general fund receipts):			
Existing legislation	2,171,015,864	2,627,000,000	2,984,000,000
Proposed legislation			—34,000,000
Interest on investments	13,583,651	1,000,000	
Total amounts available	3,233,133,440	3,151,657,274	2,958,657,274
Transfers and balances:			
Transfers to—			
"Refunds and interest on general fund advances":			
Existing legislation	96,899,743	115,000,000	133,000,000
Proposed legislation			—7,000,000
"Federal-aid highways (trust fund)"	2,612,576,423	3,028,000,000	2,689,000,000
"Forest highways (trust fund)"			36,000,000
"Public lands highways (trust fund)"			3,000,000
Balance carried forward:			
Cash	94,443,274	8,657,274	104,657,274
U.S. securities (par)	429,214,000		
Total transfers and balances	3,233,133,440	3,151,657,274	2,958,657,274

The Highway Revenue Act of 1956 (70 Stat. 374) provides for the transfer from the general fund of sums equal to certain percentages of taxes received on gasoline, diesel fuel, trucks, buses, tires, etc. The Secretary of the Treasury estimates the amounts to be so transferred.

In turn, annual appropriations are authorized from this trust fund to Federal-aid highways (trust fund). Amounts in the fund not currently required are invested in U.S. securities, and interest thereon is added to the fund.

The Highway Act of 1959 increased motor fuel taxes by 1 cent per gallon beginning on October 1, 1959, and extending through 1961. Effective July 1, 1961, and extending through June 30, 1964, half of the present excise tax on automobiles and five-eighths of the present excise tax on parts and accessories will be deposited in the Highway trust fund.

These increased taxes will provide an estimated additional $910 million in the trust fund during 1960 and 1961 and will provide for continuation of the interstate program although at a reduced level.

The budget again proposes to transfer the financing of the Department of Commerce forest and public lands highways programs from the general fund to the Highway trust fund and, accordingly, the above schedules in 1961 have been adjusted to reflect this proposal.

It is proposed also that the revenues from aviation gasoline tax that presently go into the Highway trust fund be retained in the general fund as part of the user charge program for aviation.

The status of the fund is as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Investment in U.S. securities at beginning of year (par)	$822,226,000	$429,214,000	
Cash:			
Highway trust fund	[1] —36,790,690	93,921,082	$8,135,082
Federal-aid highways (trust fund)	263,098,615	522,192	522,192
Balance of fund at beginning of year	1,048,533,925	523,657,274	8,657,274
Cash income during year:			
From excise taxes:			
Existing legislation	2,171,015,864	2,627,000,000	2,984,000,000
Proposed legislation			—34,000,000
Interest on investments	13,583,651	1,000,000	
Total annual income	2,184,599,515	2,628,000,000	2,950,000,000

[1] Results from bookkeeping adjustment in order to reflect correct Bureau of Public Roads appropriation availability without adjusting the amount invested in U.S. securities.

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BUREAU OF PUBLIC ROADS—Continued

Trust funds—Continued

HIGHWAY TRUST FUND—Continued

	1959 actual	1960 estimate	1961 estimate
Cash outgo during year:			
Refund of taxes:			
Existing legislation	$96,899,743	$109,000,000	$130,000,000
Proposed legislation			−7,000,000
Interest on general fund advances		6,000,000	3,000,000
Federal-aid highways (trust fund)	2,612,576,423	3,028,000,000	2,689,000,000
Forest highways (trust fund)			36,000,000
Public lands highways (trust fund)			3,000,000
Total cash outgo	2,709,476,166	3,143,000,000	2,854,000,000
Investment in U.S. securities at end of year (par)	429,214,000		
Cash:			
Highway trust fund	93,921,082	8,135,082	104,135,082
Federal-aid highways (trust fund)	522,192	522,192	522,192
Balance of fund at end of year	523,657,274	8,657,274	104,657,274

REFUNDS AND INTEREST ON GENERAL FUND ADVANCES

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Refund of taxes	$96,899,743	$109,000,000	$130,000,000
2. Interest on general fund advances		6,000,000	3,000,000
Total obligations	96,899,743	115,000,000	133,000,000
Financing:			
Transfer from "Highway trust fund"	96,899,743	115,000,000	133,000,000

Object Classification

13 Refunds, awards, and indemnities	$96,899,743	$109,000,000	$130,000,000
14 Interest		6,000,000	3,000,000
Total obligations	96,899,743	115,000,000	133,000,000

NATIONAL BUREAU OF STANDARDS

The National Bureau of Standards is the agency of the Federal Government responsible for the national standards of physical measurement. Against these standards, all the working standards of the Nation—those used by scientists and engineers in research and development, those used by industry in the measurement and production of interchangeable parts, and those used by other Government and State agencies to ascertain conformity—are calibrated. Closely associated with the standards activity, the Bureau serves science, industry, and Government as a national laboratory conducting research and development on methods of measurement and instrumentation; determining fundamental physical constants and basic properties of materials; developing improved methods for testing materials and equipment; developing codes and specifications; and assisting other Government agencies through advisory services on technical problems and by invention and development of devices to meet special needs.

Current authorizations:

RESEARCH AND TECHNICAL SERVICES

For expenses necessary in performing the functions authorized by the Act of March 3, 1901, as amended (15 U.S.C. 271–278[b]*e*), including general administration; operation, maintenance, alteration, and protection of grounds and facilities; and improvement and construction of facilities as authorized by the Act of September 2, 1958 [(72 Stat. 1711); $17,250,000] (*15 U.S.C. 278d*); *$19,600,000*, of which not to exceed $1,275,000 shall be available for payments to the "Working capital fund", National Bureau of Standards, for additional capital: *Provided*, That during the current fiscal year the maximum base rate of compensation for employees appointed pursuant to the Act of September 2, 1958 [(72 Stat. 1711)], (*15 U.S.C. 278e*), shall be equivalent to the entrance rate of GS–12. (*15 U.S.C. 271–278e; 40 U.S.C. 14a; 5 U.S.C. 596a; Department of Commerce and Related Agencies Appropriation Act, 1960.*)

Appropriated 1960, **$17,250,000** Estimate 1961, **$19,600,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Physics and electronics	$4,691,838	$6,306,000	$7,075,000
2. Chemistry and metallurgy	2,631,556	3,448,000	4,011,000
3. Mechanics and engineering	1,443,955	1,867,000	2,353,000
4. Radio propagation	2,863,063	3,729,000	4,271,000
5. General services	487,917	669,000	690,000
6. Payment to "Working capital fund"		1,150,000	1,150,000
Total program costs	12,118,329	17,169,000	19,550,000
7. Relation of costs to obligations: Obligations incurred for costs of other years, net	260,579	81,000	50,000
Total program (obligations)	12,378,908	17,250,000	19,600,000
Financing:			
Unobligated balance transferred from "Ship construction (liquidation of contract authorization)," maritime activities (73 Stat. 52)	−41,000		
Unobligated balance no longer available	116,992		
Appropriation (new obligational authority)	12,454,900	17,250,000	19,600,000

The proposed increase of $2,350,000 for the research programs of the Bureau will provide for continuation of the expanded programs authorized for 1960. The Bureau's programs of basic and applied research, development of instruments and methods of measurement, and general technical services are classified under six major activities:

1. *Physics and electronics.*—This activity includes the work of the optics and metrology, heat, atomic and radiation physics, electricity and electronics, radio standards, and data processing systems divisions. These divisions are primarily responsible for the Bureau's research underlying the national standards of physical measurement needed for our advancing technology and broadening range of scientific exploration. Particular emphasis will be given to measurement and problems in plasma physics and astrophysics and to high-temperature standards and measurement methods.

2. *Chemistry and metallurgy.*—This activity includes the work of the chemistry, organic and fibrous materials, metallurgy, and mineral products divisions. These divisions will continue their emphasis on research on the fundamental properties of materials under varying environmental conditions and on the preparation and analysis of high-purity substances.

3. *Mechanics and engineering.*—This activity includes the work of the mechanics, building technology, and cryogenics engineering divisions. These divisions will contribute to the Bureau's high-temperature and high-pressure programs and will conduct studies of the engineering properties of materials at extremely high and low temperatures. A comprehensive program of basic and applied research on flames and fires will be funded under this activity in 1961.

4. *Radio propagation.*—This activity includes the work conducted by the divisions comprising the Central Radio Propagation Laboratory at Boulder, Colo., and supplementary field stations. The program planned for 1961 includes basic research on upper atmosphere physics and theoretical and experimental research in plasma physics and astrophysics.

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5. *General services.*—This activity includes those technical programs of the Bureau that are primarily directed toward supporting other activities of the Bureau as well as the calibration and standard samples services provided to the States. Included are the applied mathematics division, the office of weights and measures, the office of basic instrumentation, and the reactor design group.

6. *Payment to working capital fund.*—Additional equipment required in support of the research programs will be procured by the Bureau's Working capital fund and added to the depreciable equipment inventory of that fund. Payments from the Research and technical services appropriation in amounts not to exceed $1,275,000 will be made to the Working capital fund to finance these capital outlays.

7. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$148,318	$402,498	$483,498	$533,498
Selected resources at start of year (−)		−148,318	−402,498	−483,498
Adjustment of selected resources reported at start of year		6,399		
Obligations incurred for costs of other years, net		260,579	81,000	50,000

Object Classification

	1959 actual	1960 estimate	1961 estimate
07 Other contractual services (total costs)	$12,118,329	$17,169,000	$19,550,000
Obligations incurred for costs of other years, net	260,579	81,000	50,000
Total obligations	12,378,908	17,250,000	19,600,000

Research and Technical Services (Special Foreign Currency Program)

For purchase of foreign currencies which accrue under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for the purposes authorized by section 104(k) of that Act, to remain available until expended, $5,000,000, of which not less than $4,517,000 shall be available to purchase currencies which the Treasury Department shall determine to be excess to normal requirements of the United States: Provided, That this appropriation shall not be used for the purchase of currencies available in the Treasury for the purposes of section 104(f) of that Act, unless such currencies are excess to the normal requirements of the United States. (7 U.S.C. 1704; 15 U.S.C. 271–278d; 40 U.S.C. 14a; 5 U.S.C. 596a.)

Estimate 1961, **$5,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Physics and electronics			$584,000
2. Chemistry and metallurgy			167,000
3. Mechanics and engineering			77,000
4. Radio propagation			243,000
5. General services			106,000
Total program costs			1,177,000
6. Relation of costs to obligations: Obligations incurred for costs of other years, net			3,765,000
Total program (obligations)			4,942,000
Financing:			
Unobligated balance carried forward			$58,000
Appropriation (new obligational authority)			5,000,000

National Bureau of Standards responsibilities for basic and applied research, improvement of standards, and dissemination of information on properties of materials, measurement techniques, and radio propagation are of sufficient breadth to permit ready utilization of research capabilities in other countries. The proposed foreign currency program will supplement the Bureau's existing program, allow an acceleration of research effort in selected areas, and permit economies to the Bureau's regular appropriations over the long term.

The 1961 program, authorized by section 104(k) of the Agricultural Trade Development and Assistance Act of 1954, is made up of almost 100 separate projects to be conducted over a 3-year period in 10 countries. A cost of $16,000 in U.S. dollars, charged to the appropriation for Research and technical services, will be required for the initiation and supervision of the program.

6. *Relation of costs to obligations.*—Year-end balance of unpaid undelivered orders for 1961 is $3,765,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
02 Travel			$90,000
07 Other contractual services			1,087,000
Total costs			1,177,000
Obligations incurred for costs of other years, net			3,765,000
Total obligations			4,942,000

Plant and Facilities

For expenses incurred, as authorized by *section 1 of* the Act of September 2, 1958 [(72 Stat. 1711), in the purchase and improvement of radio propagation field sites, and] *(15 U.S.C. 278d–278e)*, in the [construction or] *construction*, improvement, *alteration, or emergency repair* of buildings, grounds, and other facilities [, including not to exceed $1,215,000 for the full cost of additions to the radio laboratory building, $1,715,000]*; in the design of a nuclear research reactor and associated laboratories; and in the procurement and installation of special research equipment and facilities therefor; $2,000,000,* to remain available until expended.

[For an additional amount for "Plant and facilities", including purchase and improvement of a radio propagation field site, without regard to the monetary limitation in the Act of September 2, 1958 (15 U.S.C. 278d), acquisition of rights-of-way and construction of necessary access roads, and expenses of relocating equipment to such site, $425,000, to remain available until expended.] *(15 U.S.C. 271–278e; 40 U.S.C. 14a; 5 U.S.C. 596a; Department of Commerce and Related Agencies Appropriation Act, 1960; Supplemental Appropriation Act, 1960.)*

Appropriated 1960, **$2,140,000** Estimate 1961, **$2,000,000**

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NATIONAL BUREAU OF STANDARDS—Continued

Current authorizations—Continued

PLANT AND FACILITIES—Continued

Program and Financing

	Costs			Analysis of 1961 financing		
	1959 actual	1960 estimate	1961 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1961
Program by activities:						
Operating costs:						
1. Facilities	$84,938	$112,419	$220,000			$220,000
2. Construction			17,000	$17,000		
Total operating costs	84,938	112,419	237,000	17,000		220,000
Capital outlay:						
1. Facilities	59,715	193,400	167,900	77,903	$60,003	150,000
2. Construction	85,751	495,500	1,543,000	1,028,000	185,000	700,000
3. Special equipment	380,185	351,200	449,800	49,800	530,000	930,000
4. Acquisition of field sites		455,000				
Total capital outlay	525,651	1,495,100	2,160,700	1,155,703	775,003	1,780,000
Total program costs	610,589	1,607,519	2,397,700	1,172,703	775,003	2,000,000
5. Relation of costs to obligations:						
Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−41,152		−288,200			
Obligations incurred for costs of other years (unpaid undelivered orders), net		913,200				
Total program (obligations)	569,437	2,520,719	2,109,500			
Financing:						
Unobligated balance brought forward	−255,156	−507,219	−126,500			
Unobligated balance transferred from "Ship construction (liquidation of contract authorization)," maritime activities (73 Stat. 52)	−3,550					
Unobligated balance carried forward	507,219	126,500	17,000			
Appropriation (new obligational authority)	817,950	2,140,000	2,000,000			

This appropriation provides for construction and improvements to the plant facilities of the National Bureau of Standards and procurement of major special facilities. The Bureau's laboratories and administrative offices occupy 86 buildings on a 68-acre tract in Washington, D.C. The Bureau also has a large laboratory on a 217-acre site at Boulder, Colo., and several small radio field stations, some of which are outside the continental limits.

Operating costs.—Noncapitalized maintenance and repair projects are charged to operating costs. The budget includes $170,000 for emergency repairs to the heating plant at the Washington site and $50,000 for miscellaneous modifications to existing facilities.

Capital outlay—1. *Facilities.*—This activity includes funds for minor capital improvements of a general nature required for the Bureau's plant facilities. Other minor improvements, when of a special, project-related character, are charged to the appropriation for Research and technical services. Noncapital alterations are charged to the operating costs of this appropriation.

2. *Construction.*—Costs of $1.3 million for construction of an addition to the Boulder laboratories and relocation of the Sterling, Va., radio field site, financed in prior years, will be incurred in 1961. A new appropriation requirement of $700,000 for design and engineering of a nuclear research reactor and associated laboratories is included in this budget.

3. *Special equipment.*—This activity includes the procurement of large and unusual items of equipment for which the investment of working capital is not appropriate. Budgeted costs in 1961 include $30,000 for an atomic frequency standard and $370,000 for a scatter radar transmitter and antenna designed to measure ionic constituents of the upper atmosphere. Total appropriation requirements for these equipments are $380,000 and $550,000, respectively.

4. *Acquisition of field sites.*—Land for five field stations used in radio propagation activities is being acquired in the current year.

5. *Relation of cost to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $174,155; 1959, $133,003; 1960, $1,046,203; 1961, $758,003.

Object Classification

	1959 actual	1960 estimate	1961 estimate
NATIONAL BUREAU OF STANDARDS			
07 Other contractual services	$572,035	$660,819	$854,700
ALLOCATION ACCOUNTS			
02 Travel		300	2,200
06 Printing and reproduction		3,300	6,000
07 Other contractual services	3,918	85,700	634,200
10 Lands and structures	34,636	857,400	900,600
Total, allocation accounts	38,554	946,700	1,543,000
Total costs	610,589	1,607,519	2,397,700
Costs financed from obligations of other years, net (−)	−41,152		−288,200
Obligations incurred for costs of other years, net		913,200	
Total obligations	569,437	2,520,719	2,109,500
Costs are distributed as follows:			
National Bureau of Standards	$572,035	$660,819	$854,700
General Services Administration	1,835	946,700	1,543,000
Army	36,719		

CONSTRUCTION OF FACILITIES

For an additional amount for "Construction of facilities", including construction, equipment, and expenses of occupying the facilities, $23,500,000, to remain available until expended: Provided, That not to exceed $2,500,000 shall be available for payment to the "Working capital fund," National Bureau of Standards, for additional capital for purchase of equipment. (15 U.S.C. 271–278e.)

Estimate, 1961, **$23,500,000**

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Program and Financing

	Costs to this appropriation					Analysis of 1961 financing			Appropriation required to complete
	Total estimate	To June 30, 1958	1959 actual	1960 estimate	1961 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1961	
Program by activities:									
1. Design and engineering	$4,051,000	$120,680	$80,731	$1,480,204	$1,616,494	$1,498,385	$451,891	$570,000	$301,000
2. Site acquisition	750,000	475,825	10,700	263,475					
3. Construction	69,094,000				5,205,000		10,010,000	15,215,000	53,879,000
4. Equipment:									
(a) Major scientific facilities	6,335,000				235,000		4,800,000	5,035,000	1,300,000
(b) Payment to Working capital fund	9,000,000				1,500,000		730,000	2,230,000	6,770,000
5. Moving and occupancy	4,770,000						450,000	450,000	4,320,000
Total program costs	94,000,000	596,505	91,431	1,743,679	8,556,494	1,498,385	16,441,891	23,500,000	66,570,000
6. Relation of costs to obligations:									
Costs financed from obligations of other years (unpaid undelivered orders) net (−)				−730,175					
Obligations incurred for costs of other years (unpaid undelivered orders), net			2,048,847		13,898,219				
Total program (obligations)			2,140,278	1,013,504	22,454,713				
Financing:									
Unobligated balance brought forward			−333,495	−1,193,217	−179,713				
Unobligated balance carried forward			1,193,217	179,713	1,225,000				
Appropriation (new obligational authority)			3,000,000		23,500,000				

This appropriation finances the construction, equipping, and occupancy of new laboratory, administrative, and service buildings to be constructed on a site near Gaithersburg, Md., to house the activities of the National Bureau of Standards now conducted in Washington, D.C. The new facilities are being designed to accommodate about a 20% increase in the Bureau's staff and will include equipment for radiation and large force measurements not heretofore available.

The first increment of the construction program, to include the erection and equipping of the radiation physics and engineering mechanics laboratories, is provided in this budget. In addition, construction of the boiler plant and a substantial portion of the utilities and site development costs are included in the 1961 appropriation.

1. *Design and engineering.*—Detailed planning and preparation of architectural designs and engineering drawings are now underway and will be completed during 1961. An appropriation is required in 1961 for obligation of that portion of the architect's contract relating to design of mechanical equipment and fallout shelter and for supervision of the first construction increment by the Public Buildings Service. Additional appropriations under this activity in subsequent years will be required for supervision of the later construction stages.

2. *Site acquisition.*—It is anticipated that condemnation proceedings for the Gaithersburg site will be completed during the current year. No further costs are estimated under this activity.

3. *Construction.*—This activity includes the construction of laboratories and other buildings, installation of mechanical and electrical equipment, site development, and utilities. The budget includes provision for fallout shelter in the radiation physics laboratory.

4. *Equipment.*—The major scientific facilities to be financed through the 1961 appropriation are a linear electron accelerator, a 10-million pound universal test machine, and two large force measurement equipments. These facilities will be donated to the Bureau's Working capital fund and no depreciation charged against their use. Other equipment, the replacement or acquisition of which is necessitated by the relocation program, will be purchased through investment of working capital and will be depreciated in subsequent years. The budget provides for a payment of not exceeding $2.5 million from the Construction of facilities appropriation to the fund to provide the necessary capital.

5. *Moving and occupancy.*—This activity includes the costs of moving and installing scientific apparatus as well as certain semifixed furnishings for laboratory, library, cafeteria, and other areas. The appropriation estimate for 1961 provides for future costs to this activity arising under the current construction program.

6. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1959, $2,048,847; 1960, $1,318,672; 1961, $15,216,891.

Object Classification

		1959 actual	1960 estimate	1961 estimate
	NATIONAL BUREAU OF STANDARDS			
07	Other contractual services	$43,796	$80,204	$1,750,000
	ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
02	Travel	115	2,000	2,500
06	Printing and reproduction	174	120,000	70,000
07	Other contractual services	36,646	1,268,000	1,528,994
10	Lands and structures	10,700	273,475	5,205,000
	Total, General Services Administration	47,635	1,663,475	6,806,494
	Total costs	91,431	1,743,679	8,556,494
	Costs financed from obligations of other years, net (−)		−730,175	
	Obligations incurred for costs of other years, net	2,048,847		13,898,219
	Total obligations	2,140,278	1,013,504	22,454,713

Construction of Laboratories

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Construction of laboratories (total costs—obligations) (object class 10)	$70,000		
Financing:			
Unobligated balance brought forward	−50,208		
Unobligated balance no longer available	1		
Appropriation (new obligational authority)	19,793		

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NATIONAL BUREAU OF STANDARDS—Continued

Current authorizations—Continued

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriations, as follows:
"Research, development, test, and evaluation, Army."
"Research, development, test, and evaluation, Navy."
"Research, development, test, and evaluation, Air Force."
"Military construction, Army."
"International Geophysical Year," National Science Foundation.

Intragovernmental funds:

WORKING CAPITAL FUND

[The working capital fund shall be available, during the current fiscal year, for the purchase of not to exceed four passenger motor vehicles for replacement only.] *(15 U.S.C. 271–278e; 40 U.S.C. 14a; 5 U.S.C. 596a; Department of Commerce and Related Agencies Appropriation Act, 1960.)*

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs:			
1. Technical program:			
(a) Physics and electronics	$11,456,869	$12,594,000	$13,351,000
(b) Chemistry and metallurgy	5,629,458	6,214,000	6,649,000
(c) Mechanics and engineering	5,368,991	6,032,000	6,326,000
(d) Radio propagation	6,518,289	7,430,000	8,241,000
(e) General services	2,842,600	3,212,000	3,237,000
Total, technical program	31,816,207	35,482,000	37,804,000
2. Plant improvement and special equipment:			
(a) Plant and facilities	572,035	660,819	854,700
(b) Construction of facilities	43,796	80,204	250,000
Total, plant improvement and special equipment	615,831	741,023	1,104,700
3. Other operating costs:			
(a) Equipment donated to other agencies	71,092	10,000	10,000
(b) Materials donated to other agencies	54,891	20,000	20,000
(c) Excess material sold	24,705	20,000	20,000
(d) Undistributed adjustments to cost	−95,402		
Total, other operating costs	55,286	50,000	50,000
Total operating costs	32,487,324	36,273,023	38,958,700
4. Unfunded adjustments to total operating costs:			
Depreciation included above (−)	−2,110,284	−2,121,000	−2,191,000
Property transferred in without charge (−)	−496,980	−20,000	−20,000
Other unfunded costs included above (−)	−125,496	−10,000	−10,000
Total operating costs, funded	29,754,564	34,122,023	36,737,700
Capital outlay: [1]			
5. Facilities	34,539		
6. Equipment	2,805,196	3,596,000	3,373,000
7. Other	6,343		
8. Adjustment to prior year acquisitions	30,252		
Total capital outlay	2,876,330	3,596,000	3,373,000
Total program costs, funded	32,630,894	37,718,023	40,110,700
9. Relation of costs to obligations:			
Obligations incurred for costs of other years, net	968,913	758,682	6,754,800
Total program (obligations)	33,599,807	38,476,705	46,865,500
Financing:			
Amounts becoming available:			
Payment from—			
"Research and technical services"		1,150,000	1,150,000
"Construction of facilities"			1,500,000
Revenue and receipts:			
Customer orders received	34,119,961	35,568,312	44,265,500
Proceeds from sale of equipment	23,156	30,000	30,000
Proceeds from sale of material	5,710	5,000	5,000
Adjustment of prior year receipts	−5,574		
Total amounts becoming available	34,143,253	36,753,312	46,950,500
Unobligated balance brought forward	7,713,647	8,237,301	6,266,000
Total amounts available	41,856,900	44,990,613	53,216,500
Capital transfer (payment of earnings to Treasury) (−)	−19,792	−247,908	−35,000
Unobligated balance carried forward	−8,237,301	−6,266,000	−6,316,000
Financing applied to program	33,599,807	38,476,705	46,865,500

[1] Excludes net assets donated to Working capital fund as follows: June 30, 1959, $466,389; 1960, $4,107,779; 1961, $9,297,194.

This fund finances from advances and reimbursements all operations of the National Bureau of Standards except major construction projects accomplished under allocations to other agencies. The principal of the fund, as of June 30, 1959, consisted of $5 million in appropriations and $37 million in net donated assets. The Government investment is estimated to grow through donation of cash and other assets financed by National Bureau of Standards appropriations to $59 million by June 30, 1961.

Operating costs—1. *Technical program.*—Research and technical services are conducted by the National Bureau of Standards on the request of other Government agencies and the public, as well as in support of the Bureau's own research program.

The percentage of the Bureau's research and development program financed by other agencies is expected to decline from 58% in 1959 to 48% in 1961. Although in certain of the Bureau's divisions the demands of the missile and space programs are expected to result in increases in other agency programs, the total amount of support received from other agencies will also decline.

2. *Plant improvement and special equipment.*—This activity includes the cost to the Working capital fund which is reimbursed from the Bureau's capital outlay appropriations. The plant improvements and special equipment procured are donated to the fund upon completion and carried as assets of the fund at cost and no depreciation will be charged on their subsequent use.

3. *Other operating costs.*—The donation or sale of excess material and the donation of excess equipment to other agencies are recorded as operating costs of the fund.

Capital outlay.—Working capital of the fund is invested in facilities and equipment which are subject to depreciation charges. In 1961 the equipment requirements of the expanded Bureau research program will require an augmentation of working capital, which will be accomplished through payments to the fund for additional capital from the appropriation for Research and technical services. The cost of upgrading equipment, which may be required in relocation to the new laboratories, will also be treated as investments of the fund, the additional capital being provided by payments from the appropriation for Construction of facilities.

9. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Inventories	$2,101,960	$2,806,513	$3,241,513	$3,481,513
Advances	58,701	59,127	60,000	60,000
Unpaid undelivered orders	2,717,958	2,981,892	3,304,701	9,819,501
Total selected resources at end of year	4,878,619	5,847,532	6,606,214	13,361,014
Selected resources at start of year (−)		−4,878,619	−5,847,532	−6,606,214
Obligations incurred for costs of other years, net	968,913	758,682	6,754,800	

An increase in unpaid undelivered orders is anticipated during 1961 because orders will be placed through the fund for capital equipment, including several major items, to be installed in the Bureau's new facilities.

Operating results.—Retained earnings for 1958, totaling $19,792, were transferred to the Treasury. Retained earnings for 1959, totaling $247,908, will be transferred to the Treasury in 1960.

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Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Acquisition of equipment	$2,805,196	$3,596,000	$3,373,000
Acquisition of facilities	34,539		
Acquisition of investments	3,600		
Acquisition of precious metals	2,743		
Expense:			
Acquisition of inventories	3,158,217	3,585,000	3,650,000
Other expense	27,350,775	30,972,023	33,327,700
Adjustment of prior year transactions	5,574		
Increase in selected working capital		399,688	
Total gross expenditures	33,360,644	38,552,711	40,350,700
Receipts from operations (funds provided):			
Operating program: Revenue	32,553,807	36,273,023	38,958,700
Payment from—			
"Research and technical services"		1,150,000	1,150,000
"Construction of facilities"			1,500,000
Undistributed receipts:			
Proceeds from sale of equipment	23,156	30,000	30,000
Proceeds from sale of material	5,710	5,000	5,000
Adjustment of prior year transactions	19,623		
Decrease in selected working capital	1,282,515		
Total receipts from operations	33,884,811	37,458,023	41,643,700
Budget expenditures	−524,167	1,094,688	−1,293,000

Revenue, Expense, and Retained Earnings

Operating program:			
Revenue:			
Bureau appropriations	$12,734,160	$16,760,023	$19,504,700
Other agencies	18,409,979	18,129,000	18,048,000
Non-Federal sources	1,409,668	1,384,000	1,406,000
Total revenue	32,553,807	36,273,023	38,958,700
Expense	32,336,636	36,223,023	38,908,700
Net operating income	217,171	50,000	50,000
Nonoperating income or loss:			
Proceeds from sale of equipment	23,156	30,000	30,000
Net book value of assets sold	−22,254	−30,000	−30,000
Net gain from sale of equipment	902		
Proceeds from sale of materials	5,710	5,000	5,000
Net book value of assets sold	−24,705	−20,000	−20,000
Net loss from sale of materials (−)	−18,995	−15,000	−15,000
Other gains	48,830		
Net nonoperating income or loss (−)	30,737	−15,000	−15,000
Net income for the year	247,908	35,000	35,000
Analysis of retained earnings:			
Retained earnings, beginning of year	19,792	247,908	35,000
Payment of earnings to Treasury (−)	−19,792	−247,908	−35,000
Retained earnings, end of year	247,908	35,000	35,000

Financial Condition

Assets:			
Cash with Treasury	$9,111,596	$7,769,000	$9,027,000
Accounts receivable, net	4,303,678	4,600,000	4,600,000
Advances	59,127	60,000	60,000
Standard materials for sale	2,181,303	2,536,303	2,796,303
Materials inventory	625,210	705,210	685,210
Land, structures, and equipment, net	36,547,101	42,089,880	52,529,074
Precious stones and metals	543,880	543,880	543,880
Investments	5,900	5,900	5,900
Total assets	53,377,795	58,310,173	70,247,367
Liabilities:			
Current:			
Reserve for unused annual leave	2,197,859	2,200,000	2,200,000
Advances from other Government agencies	6,637,654	6,300,000	6,300,000
Other	2,466,980	2,700,000	2,700,000
Total current liabilities	11,302,493	11,200,000	11,200,000
Government investment:			
Non-interest-bearing capital:			
Start of year	40,990,008	41,827,394	47,075,173
Payment from—			
"Research and technical services"		1,150,000	1,150,000
"Construction of facilities"			1,500,000
Donated assets, net	837,386	4,097,779	9,287,194
End of year	41,827,394	47,075,173	59,012,367
Retained earnings	247,908	35,000	35,000
Total Government investment	42,075,302	47,110,173	59,047,367

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash	$8,607,221	$9,111,596	$7,769,000	$9,027,000
Obligated balance, net:				
Current liabilities	10,454,631	11,302,493	11,200,000	11,200,000
Unpaid undelivered orders	2,717,958	2,981,892	3,304,701	9,819,501
Accounts receivable, net (−)	−4,738,757	−4,303,678	−4,600,000	−4,600,000
Unfilled customers' orders (−)	−7,540,258	−9,106,412	−8,401,701	−13,708,501
Total obligated balance	893,574	874,295	1,503,000	2,711,000
Unobligated balance	7,713,647	8,237,301	6,266,000	6,316,000

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Total number of permanent positions	3,328	3,648	3,648
	Full-time equivalent of all other positions	134	148	150
	Average number of all employees	3,098	3,319	3,446
	Number of employees at end of year	3,425	3,735	3,775
	Average GS grade and salary	8.2 $6,795	8.2 $6,752	8.3 $6,788
	Average salary of ungraded positions	$5,733	$5,790	$5,790
01	Personal services:			
	Permanent positions	$20,378,899	$21,960,100	$23,010,800
	Positions other than permanent	782,336	862,000	878,000
	Other personal services	351,637	452,000	370,000
	Excess of leave earned over leave taken	62,474		
	Total personal services	21,575,346	23,274,100	24,258,800
02	Travel	734,685	850,000	900,000
03	Transportation of things	150,772	235,000	285,000
04	Communication services	310,901	330,000	360,000
05	Rents and utility services	1,331,893	1,735,000	1,910,000
06	Printing and reproduction	168,542	210,000	250,000
07	Other contractual services	1,835,287	2,465,000	2,995,000
	Services performed by other agencies	121,649	150,000	200,000
08	Supplies and materials	1,838,833	2,515,000	2,860,000
09	Equipment:			
	Capitalized	2,095,133	2,996,000	2,923,000
	Noncapitalized	852,020	1,100,000	1,250,000
10	Lands and structures	243,650	350,000	350,000
11	Grants, subsidies, and other contributions	1,300,830	1,450,000	1,550,000
13	Refunds, awards, and indemnities	51,703	40,000	
15	Taxes and assessments	20,095	21,923	22,900
16	Investments and loans	3,600		
	Subtotal	32,634,939	37,722,023	40,114,700
	Deduct quarters and subsistence charges	4,045	4,000	4,000
	Total costs	32,630,894	37,718,023	40,110,700
	Obligations incurred for costs of other years, net	968,913	758,682	6,754,800
	Total obligations	33,599,807	38,476,705	46,865,500

Advances and Reimbursements

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Scientific services for—			
(a) Department of Commerce	$3,036	$3,000	$3,000
(b) Army	66		
2. Prior year advances returned	8		
Total obligations	3,110	3,000	3,000
Financing:			
Unobligated balance brought forward	14,362	11,260	8,260
Recovery of prior year obligations	8		
Unobligated balance carried forward	−11,260	−8,260	−5,260
Total financing	3,110	3,000	3,000

Object Classification

07	Other contractual services	$3,102	$3,000	$3,000
13	Refunds, awards, and indemnities	8		
	Total obligations	3,110	3,000	3,000

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WEATHER BUREAU

Current authorizations:

SALARIES AND EXPENSES

For expenses, *not otherwise provided for*, necessary for the Weather Bureau, including maintenance and operation of aircraft; not to exceed $25,000 for services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); and not to exceed $10,000 for maintenance of a printing office in the city of Washington, as authorized by law; [$48,855,000, of which $2,476,000 shall be available only for hurricane research costs] *$48,100,000: Provided*, That during the current fiscal year, the maximum amount authorized under section 3(a) of the Act of June 2, 1948 (15 U.S.C. 327), for extra compensation to employees of other Government agencies for taking and transmitting meteorological observations, shall be $5 per day; and the maximum base rate of pay authorized under section 3(b) of said Act, for employees conducting meteorological investigations in the Arctic region, shall be $6,500 per annum, except that not more than five of such employees at any one time may receive a base rate of $9,000 per annum, [and such employees may be appointed] without regard to the Classification Act of 1949, as amended. *(15 U.S.C. 311–313, 325–328; 72 Stat. 783; Department of Commerce and Related Agencies Appropriation Act, 1960.)*

Appropriated 1960, **$48,855,000** Estimate 1961, [a] **$48,100,000**

[a] Excludes $7,520,000 for activities transferred in the estimates to "Research and development." The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Weather measurements and forecasts	$34,118,220	$38,308,600	$42,129,900
2. River and flood forecasts and warnings	1,257,066	1,262,600	1,416,600
3. Climatology	2,052,400	2,059,200	2,160,200
4. Administration	2,139,967	2,207,600	2,393,300
5. 1959 program obligated in 1958	−771,688		
Total obligations	38,795,965	43,838,000	48,100,000
Financing:			
Comparative transfers to other accounts	4,203,256	5,017,000	
1959 appropriation available in 1958	771,688		
Unobligated balance transferred from "Ship construction (liquidation of contract authorizations)," maritime activities (73 Stat. 52)	−139,700		
Unobligated balance no longer available	41,391		
Appropriation (new obligational authority)	43,672,600	48,855,000	48,100,000

The Weather Bureau measures, records, reports, forecasts, and distributes information on weather conditions and river stages for the benefit of U.S. commerce, industry, agriculture, and the general public.

1. *Weather measurements and forecasts.*—Regularly scheduled forecasts are issued for U.S. territory and waters with special emphasis on severe storms. Special forecast and advisory services are provided for international and domestic aviation; fire-weather forecasts are furnished to assist in conservation of timber resources; and fruit-frost forecasts and warnings are prepared for areas where such crops form a major economic interest. Surface and upper-air weather measurements are taken at several hundred locations to serve forecasting requirements. Current weather information is disseminated widely for the benefit of aviation and other interests.

Expansion of the Bureau's observation and service facilities is designed to keep pace with more exacting air-traffic control requirements as well as to advance general weather services. The increase for 1961 provides for (*a*) expansion of the upper-air observing program, (*b*) inauguration of a cooperative Weather Bureau-Air Defense Command radar weather warning network, and (*c*) augmentation of briefing staffs.

2. *River and flood forecasts and warnings.*—The hydrologic service furnishes flood warnings and public forecasts of river height and flow on the country's principal rivers and their tributaries. The estimate provides for a modernized river forecast center for the west gulf and Rio Grande River basins.

3. *Climatology.*—The climatological service seeks to determine and record the various types of climate to explain the causes of these climates, their variation, trends, geographical locations, and the effect climate has on the economy of the Nation, and to communicate this intelligence in such a manner as to insure the fullest realization of its potential benefits. The increase for 1961 provides for the decennial climatological census.

4. *Administration.*—This activity provides executive direction and administrative support to the three appropriations: Salaries and expenses, Research and development, and Establishment of meteorological facilities.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	4,415	4,753	4,953
Full-time equivalent of all other positions	94	94	86
Average number of all employees	4,143	4,469	4,743
Number of employees at end of year	6,223	6,491	6,671
Average GS grade and salary	8.0 $6,172	8.1 $6,278	8.1 $6,321
01 Personal services:			
Permanent positions	$25,356,475	$27,727,400	$29,594,600
Positions other than permanent	379,713	379,700	348,500
Other personal services	2,345,378	2,540,900	2,577,800
Total personal services	28,081,566	30,648,000	32,520,900
02 Travel	649,297	724,000	760,500
03 Transportation of things	788,629	871,400	1,183,800
04 Communication services	2,277,077	3,553,200	4,035,400
05 Rents and utility services	820,129	1,071,600	1,129,600
06 Printing and reproduction	62,198	62,200	73,400
07 Other contractual services	687,774	780,500	1,165,700
Services performed by other agencies	77,475	53,900	56,600
08 Supplies and materials	3,666,616	3,740,300	4,557,100
09 Equipment	833,502	551,300	720,200
10 Lands and structures	14,085	14,100	14,100
11 Grants, subsidies, and contributions	1,617,304	1,777,200	1,892,400
13 Refunds, awards, and indemnities	24,597	24,600	24,600
15 Taxes and assessments	17,693	17,700	17,700
1959 program obligated in 1958	−771,688		
Subtotal	38,846,254	43,890,000	48,152,000
Deduct quarters and subsistence charges	50,289	52,000	52,000
Total obligations	38,795,965	43,838,000	48,100,000

RESEARCH AND DEVELOPMENT

For expenses necessary for the conduct of research by the Weather Bureau, including development and service testing of equipment; operation and maintenance of aircraft; not to exceed $25,000 for services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); and for acquisition, establishment, and relocation of research facilities and related equipment; $8,000,000, to remain available until expended. (15 U.S.C. 313a; 72 Stat. 783.)

Estimate 1961, [a] **$8,000,000**

[a] Estimate is for activities previously carried under appropriations as follows:
"Salaries and expenses" $7,520,000
"Establishment of meteorological facilities" 480,000
The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Meteorological:			
(*a*) Hurricane and severe storm	$3,194,545	$2,703,300	$3,481,000
(*b*) Fundamental	1,357,711	1,362,700	1,865,300
(*c*) Instrumental	453,900	453,900	455,200
(*d*) Aviation weather systems development			1,700,000
2. Hydrologic	196,400	196,400	197,100
3. Climatic	300,700	300,700	301,400
Total obligations	5,503,256	5,017,000	8,000,000
Financing:			
Comparative transfers from (−) other accounts	−5,503,256	−5,017,000	
Appropriation (new obligational authority)			8,000,000

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Research is conducted to increase fundamental knowledge of the science of meteorology and in order to improve the accuracy and timeliness of weather forecasts; the development program is concerned with new instrumentation and procedures, including related activities of test and evaluation.

1. *Meteorological*—Covers: (*a*) *Hurricane and severe storm.*—To discover why and where these storms form, when they will intensify, and how they will move so as to provide improved warnings to the public. (*b*) *Fundamental.*—Research studies of basic meteorology, worldwide weather circulations, long-range forecasting, and cloud physics. (*c*) *Instrumental.*—The development and testing of improved instrumentation and automation methods. (*d*) *Aviation weather systems development.*—A cooperative program to develop an aviation weather system better equipped to serve military and civil requirements.

The increase in 1961 provides for operation of hurricane research aircraft and inauguration of an intensive investigation of severe local storms; new atmospheric and oceanographic studies; and participation in the cooperative program to improve the aviation weather services.

2. *Hydrologic.*—Efforts are concerned with improving techniques for forecasting river heights and with the utilization of weather radar to permit issuance of flash flood warnings.

3. *Climatic.*—Methods of analysis and presentation of climatic information are developed for application to operational and planning aspects of business, industry, commerce, and agriculture.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	305	305	380
Full-time equivalent of all other positions	1	1	1
Average number of all employees	264	270	328
Number of employees at end of year	289	291	366
Average GS grade and salary	8.0 $6,172	8.1 $6,278	8.1 $6,321
01 Personal services:			
Permanent positions	$1,922,234	$1,967,100	$2,327,000
Positions other than permanent	5,650	6,000	6,000
Other personal services	28,010	35,000	36,000
Total personal services	1,955,894	2,008,100	2,369,000
02 Travel	84,290	84,400	126,200
03 Transportation of things	41,448	37,200	125,600
04 Communication services	59,384	59,400	71,400
05 Rents and utility services	368,030	368,900	450,700
06 Printing and reproduction	38,019	38,000	50,800
07 Other contractual services	2,247,104	1,757,500	3,247,800
Services performed by other agencies	135,000	135,000	155,000
08 Supplies and materials	268,888	269,800	469,000
09 Equipment	178,339	128,800	775,900
10 Lands and structures			6,000
11 Grants, subsidies, and contributions	126,860	129,900	152,600
Total obligations	5,503,256	5,017,000	8,000,000

Establishment of Meteorological Facilities

For an additional amount for the acquisition, establishment, and relocation of [meteorological] *operational* facilities and related equipment, including the alteration and modernization of existing facilities: [$2,500,000] *$7,000,000,* to remain available until June 30, [1962] *1963*: *Provided,* That the appropriations heretofore granted under this head shall be merged with this appropriation. (*15 U.S.C. 311, 313, 313a, 317, 325, 328; 72 Stat. 783; Department of Commerce and Related Agencies Appropriation Act, 1960.*)

Appropriated 1960, **$2,500,000** Estimate 1961, [a] **$7,000,000**

[a] Excludes $480,000 for activities transferred in the estimates to "Research and development." The amount obligated in 1959 is shown in the schedule as a comparative transfer.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Upper air observational facilities	$55,726	$1,470,500	$933,100
2. Weather surveillance radar	188,785	910,100	638,400
3. Surface observational facilities	67,783	204,100	3,137,700
4. Construction, remote localities	265,653	170,000	245,000
5. Engineering and technical support	146,793	157,300	352,100
Total obligations	724,740	2,912,000	5,306,300
Financing:			
Comparative transfers to other accounts	1,300,000		
Unobligated balance brought forward	−1,369,360	−919,620	−507,620
Unobligated balance carried forward	919,620	507,620	2,201,320
Appropriation (new obligational authority)	1,575,000	2,500,000	7,000,000

The accuracy of weather measurements and forecasts is being improved by the procurement and modernization of the following types of instrumental equipment and facilities:

1. *Upper air observational facilities.*—Electronic equipment, including protective shelters, to measure meteorological conditions aloft over land and ocean areas.

2. *Weather surveillance radar.*—To provide a continuous picture of changing weather conditions facilitating the preparation of forecasts and increasing advance warning time.

3. *Surface observational facilities.*—Electronic instruments to provide continuous, automatic measurements of cloud height, visibility, temperature, humidity, and winds, including computers to convert these data for use in controlling air traffic.

4. *Construction, remote localities.*—Construction of office and housing units in Alaska.

5. *Engineering and technical support.*—Staff for planning, site surveys, installation, and initial calibration of equipment.

The following table lists the major facilities already funded and those budgeted in 1961:

	Funded through 1960	*Proposed 1961*
1. Upper-air equipment:		
(*a*) Land stations	74	---
(*b*) Ocean stations	--	16
2. Radar equipment:		
(*a*) Radars	31	---
(*b*) Repeater scopes for Air Defense Command sites	--	17
3. Surface equipment:		
(*a*) Ceiling and visibility measuring equipment	95	107
(*b*) Runway visual range computers	--	36
(*c*) Automatic meteorological observing stations	--	5
(*d*) River-stage and rainfall gages	98	110
4. Construction, remote facilities: Housing units	27	5

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	23	15	35
Average number of all employees	16	15	30
Number of employees at end of year	15	15	35
Average GS grade and salary	8.0 $6,172	8.1 $6,278	8.1 $6,321
01 Personal services:			
Permanent positions	$102,801	$112,900	$211,800
Other personal services	4,083	4,400	6,700
Total personal services	106,884	117,300	218,500
02 Travel	35,211	32,000	42,200
03 Transportation of things	59,666	108,600	114,500
04 Communication services	6		
05 Rents and utility services	6,149		4,200
07 Other contractual services	88,821	481,900	263,000
08 Supplies and materials	43,816	109,200	104,600
09 Equipment	231,466	1,696,300	4,173,300
10 Lands and structures	146,307	358,900	371,900
11 Grants, subsidies, and contributions	6,403	7,800	14,100
15 Taxes and assessments	11		
Total obligations	724,740	2,912,000	5,306,300

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WEATHER BUREAU—Continued

Current authorizations—Continued

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriations, as follows:
"Mutual security," funds appropriated to the President.
"Salaries and expenses," Office of Civil and Defense Mobilization.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Weather measurements and forecasts:			
Atomic Energy Commission	$316,774	$314,160	$314,000
Department of Defense	2,033,749	2,023,974	2,025,000
Department of Health, Education, and Welfare	177,215	209,900	210,000
Federal Aviation Agency	54,688	590,000	590,000
National Science Foundation	658,718	1,118,847	1,159,000
Office of Civil and Defense Mobilization	242,972		
Other agencies	79,974	94,540	96,000
Total weather measurements and forecasts	3,564,090	4,351,421	4,394,000
2. Meteorological studies and statistics:			
Atomic Energy Commission	282,182	311,500	311,000
Department of Agriculture	103,409	95,620	95,000
Department of Defense	2,393,447	2,426,786	2,425,000
Federal Aviation Agency	90,792	129,498	130,000
National Aeronautics and Space Administration	140,006	850,000	850,000
National Science Foundation	166,973	189,170	195,000
Other agencies	67,269	2,280	3,000
Total meteorological studies and statistics	3,244,078	4,004,854	4,009,000
3. Miscellaneous services to other Federal and non-Federal accounts:			
Department of Defense	53,502	446,141	450,000
Federal Aviation Agency	58,974	160,660	160,000
Other agencies	161,252	88,924	90,000
Total miscellaneous services	273,728	695,725	700,000
Total obligations	7,081,896	9,052,000	9,103,000
Financing:			
Unobligated balance brought forward	16,575	33,455	
Advances and reimbursements from—			
Other accounts	7,069,341	8,952,945	9,037,000
Non-Federal sources	29,435	65,600	66,000
Unobligated balance carried forward	−33,455		
Total financing	7,081,896	9,052,000	9,103,000

NOTE.—Reimbursements from non-Federal sources are derived from the following: proceeds from the sale of commissary supplies (5 U.S.C. 596(a)) and from the Governments of Cuba and New Zealand, and the International Civil Aviation Organization (49 U.S.C. 1154).

The Weather Bureau gathers river and rainfall observations, conducts climatological studies and studies of atmospheric pollution, and procures technical equipment for other agencies. Contributions are also made by the military services toward the cost of the joint numerical weather prediction program and for other computer services.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	806	918	918
Full-time equivalent of all other positions	22	23	23
Average number of all employees	666	782	782
Number of employees at end of year	2,171	2,127	2,127
Average GS grade and salary	8.0 $6,172	8.1 $6,278	8.1 $6,321

Object Classification—Continued

		1959 actual	1960 estimate	1961 estimate
01	Personal services:			
	Permanent positions	$3,762,897	$4,166,349	$4,198,000
	Positions other than permanent	87,069	93,122	93,000
	Other personal services	285,731	384,200	367,000
	Total personal services	4,135,697	4,643,671	4,658,000
02	Travel	285,125	312,552	317,000
03	Transportation of things	92,849	139,740	142,600
04	Communication services	67,918	154,201	149,900
05	Rents and utility services	800,671	979,489	980,000
06	Printing and reproduction	17,639	38,196	30,000
07	Other contractual services	92,720	366,585	413,300
08	Supplies and materials	805,660	882,054	873,000
09	Equipment	558,032	1,270,252	1,271,500
11	Grants, subsidies, and contributions	218,011	259,073	260,700
13	Refunds, awards, and indemnities	750	50	
15	Taxes and assessments	6,824	6,137	7,000
	Total obligations	7,081,896	9,052,000	9,103,000

AREA ASSISTANCE ACTIVITIES

Proposed for later transmission:

AREA ASSISTANCE ACTIVITIES

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Area assistance (total obligations)			$18,000,000
Financing:			
Unobligated balance carried forward			39,000,000
Proposed supplemental appropriation			57,000,000

Under proposed legislation, 1961.—Legislation will be proposed to authorize broader assistance to areas of substantial and persistent unemployment, including loans and grants for the purpose of promoting economic redevelopment in such areas. An appropriation of $57 million is anticipated for the program of which $50 million is to provide capital for a revolving fund.

GENERAL PROVISIONS—DEPARTMENT OF COMMERCE

SEC. 102. During the current fiscal year applicable appropriations and funds available to the Department of Commerce shall be available for the activities specified in the Act of October 26, 1949 (5 U.S.C. 596a), to the extent and in the manner prescribed by said Act.

SEC. 103. Appropriations in this title available for salaries and expenses shall be available for hire of passenger motor vehicles; services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), but, unless otherwise specified, at rates for individuals not to exceed $50 per diem; and uniforms, or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131). (*Department of Commerce and Related Agencies Appropriation Act, 1960.*)

GENERAL PROVISIONS

SEC. 401. No part of any appropriation contained in this Act, or of the funds available for expenditure by any individual, corporation, or agency included in this Act, shall be used for publicity or propaganda purposes designed to support or defeat legislation proposed or pending before Congress.

SEC. 402. No part of any appropriation contained in this Act shall be used to pay any expenses incident to or in connection with participation in the International Materials Conference. (*Department of Commerce and Related Agencies Appropriation Act, 1960.*)

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1961

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
GENERAL ADMINISTRATION								
Salaries and expenses							[1] $5,000	Departmental officials and their staff members for transportation to official meetings.
Participation in Century 21 Exposition.							840	Commissioner and staff members for transportation to official meetings in Washington, D.C., with U.S. Government officials and private groups.
Total, general administration							5,840	
BUREAU OF THE CENSUS								
Salaries and expenses							900	Vehicles used by the Director and staff for official transportation in the Washington area. Automobiles at the census operation field offices are for official purposes in connection with the decennial census. Buses are operated on scheduled service between the central office in Suitland and other agencies in the District of Columbia.
Station wagon							1,750	
Bus							2,950	
Eighteenth Decennial Census							2,400	
Total, Bureau of the Census							8,000	
COAST AND GEODETIC SURVEY								
Salaries and expenses							6,000	For use of district offices in inspecting field facilities and chart distributors, etc.
MARITIME ACTIVITIES								
Salaries and expenses						5	12,500	Field personnel working at ship piers in coastal areas at national defense reserve fleet sites and at reserve shipyards and warehouses; for transportation to official meetings, inspections, and surveys.
Station wagon						3	1,000	Field personnel at 2 warehouses and 1 reserve shipyard; for transportation to inspections and surveys.
Maritime training	1	$1,500	[2]		$1,500			Superintendent and other maritime personnel at the Merchant Marine Academy, Kings Point, N.Y., for transportation to port areas in connection with cadet training program.
Ambulance						1		For emergency transportation of cadets and staff personnel in case of accident or sickness.
Station wagon	3	5,850	[2]		5,850		500	For transportation of cadets and staff personnel.
Bus						2		Do.
Total, maritime activities	4	7,350			7,350	11	14,000	
BUREAU OF PUBLIC ROADS								
Highway programs	30	45,000	30	$7,200	37,800	139	[3] 174,800	Field engineers for transportation to inspect Federal-aid and other highway projects. An automobile is used for official business in the Washington area.
Station wagon							21,000	
Total, Bureau of Public Roads	30	45,000	30	7,200	37,800	139	195,800	
NATIONAL BUREAU OF STANDARDS								
Working capital fund							200	Station wagons are used at Boulder, Colo., to carry out the technical program and to conduct experiments at field sites. These vehicles are used for transportation of personnel, mail, and material to the field sites, and in conducting experiments with mobile units. The station wagon assigned to Long Branch, Ill., is used to carry out the radio propagation programs.
Station wagon						7	3,000	
Total, National Bureau of Standards						7	3,200	
WEATHER BUREAU								
Salaries and expenses							11,700	Chief and staff members for transportation to official meetings in Washington with members of other Federal agencies. Regional administrative officers and field aides for transportation to field stations for inspections and surveys.
Station wagon						2	7,000	Regional administrative officer and staff for transportation to field stations for inspections and surveys. Bureau staff for transportation to official meetings in Washington, D.C., with members of other Federal agencies. Director and staff of hurricane research project, Miami, Fla., for transportation between office, airport, and military bases.
Total, Weather Bureau						2	18,700	
Total, Department of Commerce	34	52,350	30	7,200	45,150	159	251,540	

[1] Includes $1,000 for payments other than to motor pools.
[2] 1 sedan and 3 station wagons to be replaced will be declared surplus to General Services Administration.
[3] Includes $500 for payments other than to motor pools.

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Statement of proposed obligations for purchase, maintenance, and operation of aircraft for the fiscal year 1961

Appropriation	Aircraft to be purchased		Aircraft to be exchanged		Net cost of aircraft to be purchased	Old aircraft still to be used	Cost of maintenance and operation of aircraft	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
WEATHER BUREAU								
Salaries and expenses						1	$50,000	Chief, deputy chief, and assistant chiefs of Bureau, members of chief's staff: For inspection and survey of field installations and operations.
Research and development							[1] 1,320,000	Hurricane research project: For investigations of the internal mechanisms of hurricanes and other severe storms. Severe local storm project: For collection of data within storm areas.

[1] 2 DC-6B's leased commercially; 1 B-57 on loan from Air Force.

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The 1961 budget for this chapter includes funds both for the military functions of the Department of Defense, as heretofore, and for the military assistance program, formerly carried under the Funds Appropriated to the President chapter. Although the appropriation for military assistance will continue to be made to the President, it is now shown with the appropriations for the military functions of the Department of Defense.

SUMMARY OF BUDGET AUTHORIZATIONS AND EXPENDITURES

[In millions]

Title of appropriation groups	New obligational authority			Expenditures		
	1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
Military personnel—total [1]	$11,463	$11,658	$11,837	$11,801	$11,959	$12,146
Active Forces [1]	10,174	10,262	10,426	10,544	10,592	10,741
Reserve Forces	649	681	612	616	667	611
Retired pay	640	715	799	641	700	794
Operation and maintenance	10,195	10,317	10,527	10,384	10,137	10,321
Procurement—total	14,293	13,090	13,085	14,410	13,943	13,602
Aircraft	6,134	6,143	4,753	7,658	6,670	6,027
Missiles	4,107	3,244	3,825	3,339	3,500	3,479
Ships	1,947	1,139	2,035	1,493	1,651	1,644
Other	2,105	2,563	2,471	1,921	2,121	2,451
Research, development, test, and evaluation	3,775	4,189	3,910	2,859	3,680	3,917
Construction—total	1,384	1,364	1,188	1,948	1,670	1,359
Active Forces	1,358	1,291	1,153	1,862	1,608	1,302
Reserve Forces	26	73	35	86	62	57
Revolving and management funds	57	30	30	−169	−444	−350
Total, military functions	41,168	40,647	40,577	41,233	40,945	40,995
Military assistance	1,515	1,300	2,000	2,340	1,800	1,750
Grand total, Department of Defense—Military	42,683	41,947	42,577	43,573	42,745	42,745

[1] Additional obligational authority available by transfer: $535 million in 1959; $430 million in 1960; $350 million in 1961.

Military personnel.—Total military personnel expenditures (for Active and Reserve Forces and for retired pay) in 1961 are estimated at $12,146 million, $187 million higher than 1960 and $345 million higher than 1959.

Active Forces personnel.—Expenditures for Active Forces military personnel in 1961 are estimated at $10,741 million, $149 million more than 1960 and $197 million more than 1959. The 1961 program provides for a total strength of 2,489,000 on June 30, 1961, the same as on June 30, 1960, but 14,000 below the June 30, 1959, actual strength.

ACTIVE FORCES MILITARY PERSONNEL

[In thousands]

	June 30, 1959	*June 30, 1960*	*June 30, 1961*
Total, Department of Defense	2,503	2,489	2,489
Army	861	870	870
Navy	626	619	619
Marine Corps	176	175	175
Air Force	840	825	825

Average man-years in 1961 are estimated at 2,488,000, compared with an average of 2,495,000 in 1960 and 2,564,000 in 1959. Despite the decline in man-years over the period, expenditures rise as the estimated average cost per military man increases from $4,160 in 1959 to $4,255 in 1960 and $4,330 in 1961. The increase of $170 per man over the period is caused chiefly by (1) required increases in the Government's social security contributions as an employer; (2) the phased increase in the numbers of enlisted men receiving proficiency pay; (3) increased numbers of men in enlisted pay grades E–8 and E–9; (4) a further rise in the number of dependents; and (5) additional longevity pay reflecting the rising experience level of the forces.

Most of these factors of increasing cost per man are associated with the Defense Department's efforts to develop a truly career force. These efforts have been successful: recruitment and reenlistment rates have improved; the experience level of the forces has increased; the average intelligence level of enlisted personnel has risen; and the rate of disciplinary cases has been sharply reduced. However, the very success of this program has produced some increases in personnel costs, which are compensated for by increased overall effectiveness.

Reserve Forces.—Reserve personnel expenditures in 1961 are estimated at $611 million, which is $56 million less than 1960 and $5 million less than 1959. The 1961 budget will provide for about 1,002,000 reservists on paid status at year end compared with 1,083,000 at the end of 1960 and 1,062,000 at the end of 1959. The adjusted reserve strengths, as shown in the accompanying table, will continue to provide an effectively trained military reserve adequate to meet the requirements of the Armed Forces.

RESERVE FORCES MILITARY PERSONNEL IN PAID STATUS

[In thousands]

	June 30, 1959	*June 30, 1960*	*June 30, 1961*
Army Reserve	350	358	321
Drill pay status [1]	314	300	270
Other paid status	36	58	51
Army National Guard	399	400	360
Navy Reserve	130	137	130
Drill pay status [1]	120	129	129
Other paid status	10	8	1
Marine Corps Reserve	46	47	47
Drill pay status [1]	45	45	45
Other paid status	2	2	2
Air Force Reserve	65	69	71
Drill pay status [1]	57	62	63
Other paid status	8	7	8
Air National Guard	71	72	72
Total	1,062	1,083	1,002

[1] Includes 3- to 6-month trainees.

NOTE.—Detail may not add to totals due to rounding.

Wherever appropriate, the unit organization of the Reserve components is being changed to conform with that of the Active Forces in order to facilitate their integration in time of emergency. In the Reserve components of the Army, the changeover to the Pentomic concept has been virtually completed and, coupled with other actions, has resulted in considerably higher mobilization readiness. By the end of 1961, ground elements of the Marine Corps Reserve will be reorganized to conform

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with the combat elements of the Regular Fleet Marine Forces. Coupled with the transition to multiple paid drills, this reorganization will effect a marked improvement in the mobilization readiness of the Marine Reserve units.

All of the Reserve components participating have benefited from the 6-month training program. This program, which provides basically trained personnel to the Ready Reserve, allows the Reserve components to concentrate on advanced unit or individual training and thus maintain a high state of mobilization readiness. During 1961, the 6-month training program will continue to provide the majority of the necessary input of trained recruits to maintain the Reserve components at the planned levels.

Many elements of the Reserve components conduct some of their training with the Active Forces. Other Reserve elements are actually participating in, or taking over, missions assigned to the Active Forces.

In addition to supporting 27 divisions and numerous other combat units, the Army National Guard in 1961 will man an increased number of on-site Nike battalions for the air defense of the United States, thus relieving Active Army units for other duty.

Also contributing to the mission of the Air Defense Command, the Air National Guard will continue to maintain a certain portion of its fighter-interceptor force on "runway alert" and man, on an "around-the-clock" basis, certain aircraft control and warning radar sites.

Antisubmarine warfare aircraft, destroyers, destroyer escorts, and mine warfare ships manned by Selected Reserve crews of the Navy Reserve will continue to participate in regular fleet exercises. These crews carry standby active duty orders at all times which, in the event of mobilization, make them and their ships available for immediate deployment. It is expected that by the end of 1961 there will be Selected Reserve crews on 58 destroyers, destroyer escorts, and minesweepers, thus making an important contribution to our antisubmarine and mine warfare potential.

The Air Force Reserve, in addition to providing a pool of skilled individuals ready to augment the Active Air Force in time of emergency, also maintains a significant airlift capability in being.

Retired pay.—Expenditures for retired pay in 1961 are estimated at $794 million, a total that is $94 million more than 1960 and $153 million more than 1959. Of the $794 million in 1961, $22 million is associated with proposed legislation which would authorize military personnel retired prior to June 1, 1958, to receive benefits consistent with the higher rates of pay provided by the Military Pay Act of 1958. At the end of 1961, about 289,000 persons will be receiving retired pay, compared to 254,000 at the end of 1960 and 230,000 at the end of 1959. With increasing numbers of military personnel who entered service during World War II becoming eligible for retirement, the numbers and cost of retired persons can be expected to continue an accelerating upward trend in future years.

Operation and maintenance.—Expenditures for operation and maintenance activities of the Active and Reserve forces in 1961 are estimated at $10,321 million, which is $184 million more than 1960, but $63 million less than 1959.

Average man-years for both military and civilian personnel, numbers of military units and installations, inventories of major weapons such as ships and aircraft, and the associated steaming- and flying-hour programs, all continue to decline gradually from 1959 to 1961. Nevertheless, overall operation and maintenance costs continue to increase. Among the factors tending to offset the planned reductions in activity levels are higher unit costs per flying hour, up 11% in two years; per steaming hour, up 15% since 1959; and the higher unit costs of maintaining and overhauling ships, missiles, aircraft, engines, etc. These rising costs are caused chiefly by the introduction of more complex and advanced weapons into the active military forces. For example, the cost of overhauling a jet engine in the new B–58 is about six times as much as that for a jet engine in the older B–47. The annual operating costs for a nuclear-powered submarine are over three times as high as for a conventionally powered submarine of a similar type.

In addition to these higher unit costs, the expansion of certain going programs will require increased funds in 1961. The cost of operating and maintaining the expanding major electronics and communications systems (SAGE, BMEWS, Missile Master, etc.) will increase by over 70% from 1959 to 1961. Similarly, funds for that portion of the fleet rehabilitation and modernization program financed under Operation and maintenance will increase by about 25% in 1961 over 1960, reflecting continuation of the effort to improve the condition and readiness of the fleet. The cost of maintaining and furnishing the rapidly increasing number of family housing units is expected to rise by about 23% from 1959 to 1961. A modest liberalization of the dependent medicare program—through relaxation of restrictions on certain specified medical contingencies—will result in an increased cost per patient.

New activities, such as the civilian employee health benefits program enacted last year, are a third factor accounting for increased operation and maintenance costs.

Funds are included to enable the Strategic Air Command to acquire an "on the shelf" airborne alert capability which, if the need should arise, would permit a portion of the heavy bomber force to be on continuous airborne alert during periods of international tension. This program will require indoctrination training, larger inventories of spare parts (provided for under the Procurement title), and increased maintenance activities.

Procurement.—Because procurement of a major weapons system is so closely related to the research, development, test, and evaluation of that system a more accurate picture of the trends from 1959 through 1961 may be obtained by combining these two appropriation groupings. Expenditures for this combination are estimated at $17,519 million in 1961, which is $104 million less than in 1960, but $250 million more than 1959.

The 1961 budget provides for the procurement of 1,510 aircraft—633 for the Air Force, 658 for the Navy, and 219 for the Army. The total is 99 greater than in 1960, although 224 less than in 1959. The reduction from 1959 is, however, concentrated primarily in trainers and helicopters.

Procurement of both the greatly improved B–52H heavy jet bomber and the supersonic B–58 medium jet bomber will be continued during the year, as well as KC–135 supporting jet tankers. The 1961 procurement

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will complete the equipping of 14 B–52 wings. Development work will continue on the B–70 Mach 3 long-range bomber airframe and engines to provide two prototype aircraft for flight testing in 1963.

An increased number of F–105 supersonic fighter-bombers are planned for procurement in 1961 over 1960. Because of their all-weather capability, special low-altitude handling characteristics, and ability to carry a wide variety of conventional as well as nuclear munitions, these aircraft will strengthen significantly the close ground support capability of the tactical air forces. Procurement of the C–130 turboprop transport for tactical airlift will also be continued.

The number of Navy attack aircraft to be purchased, including the supersonic A3J, will be increased to augment carrier attack and close-support capabilities. Procurement of the Navy's supersonic F8U–2N and F4H all-weather interceptors will remain at about the same level as in 1960, but substantially above 1959. An increased number of the GV–1 tanker-assault transport aircraft and S2F antisubmarine aircraft will also be procured.

Total Army aircraft procurement in 1961 will increase more than 35% over 1960, including the Mohawk turboprop observation aircraft, the Caribou twin engine transport aircraft, and the Iroquois utility helicopter used for combat area movement, medical evacuation, and light cargo. The first production quantities of the Chinook helicopter will also be bought in 1961.

The 1961 budget reflects the continually increasing emphasis on missiles of all kinds in national defense. Funds for the procurement and production of the four main strategic deterrent missiles—Atlas, Titan, Minuteman, and Polaris—will be further increased. No new funding will be required in 1961 for the Jupiter and Thor intermediate range ballistic missiles, but procurement of the Hound Dog and Quail for use by the B–52 strategic retaliatory force will be continued at a high level.

Funding for the Bomarc and Nike-Hercules air defense missiles will largely complete the procurement program for these missiles. Procurement of the Talos, Terrier, and Tartar fleet air defense missiles will continue as additional guided-missile ships join the fleet.

Funds will also be devoted to continuing the procurement of large numbers of air-to-air missiles such as Sparrow for the Navy and Marine Corps, Falcon for the Air Force, and the combat-tested Sidewinder for both the Air Force and Navy.

A wide variety of other missiles for support of the ground forces is planned for procurement in 1961. The number of Bullpup air-to-surface missiles to be purchased in 1961 will be increased considerably over 1960. In the category of surface-to-surface weapons, the effort on the longer range tactical missile Pershing, offering much greater flexibility, accuracy, mobility, and a considerably shorter reaction time than its predecessor Redstone, will continue on a high priority basis. Additional funds will be provided for the tactical close-support rockets, Little John and an improved version of Honest John. These, together with Lacrosse and Sergeant missiles, will provide medium and short range ground support firepower. A substantial procurement of Hawk missiles, together with the first production quantity of Redeye—a man-carried air defense missile—will be made in 1961, to improve the defenses of our ground forces in the field against low level air attack. For close support of front line troops, a sizable quantity of Davy Crockett—a man-carried nuclear rocket—will be procured, and in 1961 the first production buy of an improved guided antitank missile will be made.

Close ground support firepower will be augmented by the procurement in 1961 of a family of lighter, more mobile, self-propelled howitzers. An increased quantity of new 7.62-mm. rifles, machineguns, and ammunition will be purchased.

Included in the 1961 procurement program are about 18,000 tactical vehicles; a third increment of the new 105-mm. armed, diesel powered, medium tanks; tank recovery vehicles; and lightweight, air droppable, armored personnel carriers.

The 1961 shipbuilding program includes the aircraft carrier for which advance procurement funds were appropriated by the Congress last year. However, it is proposed to construct this carrier with a conventional rather than a nuclear powerplant. In addition, funds are provided for construction of 3 guided-missile frigates, 2 guided-missile destroyers, 3 nuclear-powered submarines, 3 Polaris fleet ballistic missile submarines, and 8 other ships, for a total of 20 ships.

The buildup of the Polaris fleet ballistic missile submarine force will continue at the rate of three submarines per year. The first three were built with funds made available in 1958. Funds appropriated in 1959 were used to build six more—three in 1959 and three in 1960. In addition to the 3 Polaris submarines scheduled for 1961, which will bring the total to 12, funding is provided for the purchase of long leadtime components for 3 more submarines to be started after 1961.

An additional 14 destroyers will undergo major modernization in 1961, the second annual increment of the fleet rehabilitation and modernization program designed to improve the antisubmarine warfare capability of the Navy and to extend the useful life of World War II destroyers.

In the electronics category, additional funds are provided for procurement of large radars for two ballistic missile early warning system (BMEWS) stations. Funds are provided for additional semiautomatic ground environment (SAGE) computers, for the radar improvement program and to extend the air weapons control system in overseas areas. The 1961 budget also provides for the development of extensive command and control communications for air defense, Strategic Air Command, ground forces, and other needs of the military services.

Research, development, test, and evaluation.—Expenditures for basic and applied research, and for the development, test, and evaluation of new and improved weapons and equipment under this title are estimated at $3,917 million in 1961.

Under the rearrangement of the Defense budget adopted last year, funds for the development, test, and evaluation of major weapons systems and components which were previously carried in Procurement accounts, have now been largely transferred to this title. Those remaining in the Procurement title are separately identified.

In the aircraft category, the 1961 program emphasizes the development of a variety of tactical aircraft, continues the aircraft nuclear propulsion program conducted jointly by the Air Force and the Atomic Energy Commission, provides for continuation of the X–15 hypersonic and very high altitude research aircraft, and increases the development support for the ground launched and manned Dynasoar vehicle which will have near orbital capabilities.

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As in 1960, the category receiving the largest amount of funds will be missiles and related equipment. Large sums are provided for the improvement of the range, accuracy, and reliability of the Polaris missile.

Intensive research and development work will be continued on the Army's Nike-Zeus antimissile missile. Adequate funds are provided for the full scale testing of this system, under realistic field conditions, in order to ascertain its practicability as a weapon system.

Funding is also provided to continue necessary further developmental work on a wide variety of other tactical missiles just entering the inventory, such as Pershing and Sergeant; as well as on such more advanced projects as an air-launched ballistic missile, the Mauler for air defense of the forward area of the field army, and a new, highly mobile, solid-fuel missile for direct support of Army battle groups.

Antisubmarine warfare research and development will be continued at a high level, including development of both fixed and mobile submarine detection devices, improved tracking equipment, nuclear depth charges, and new antisubmarine weapons such as surface and submarine launched antisubmarine missiles.

Funds are also provided to keep abreast of new developments in chemical and biological warfare.

For the military space effort funds are provided for satellite systems for early warning (Midas), reconnaissance (Samos), communications (Notus), and navigation (Transit). The Department of Defense contribution to the national space program will also include the development of improved solid and liquid missile propellants and of advanced guidance and communications techniques, and research in high-altitude phenomena and space medicine. Funds for the Saturn, a very high thrust booster project, in 1961 are shown in this budget as a part of the funds requested under the National Aeronautics and Space Administration.

Provision is also made for continuation of the present high levels of effort in basic research in order to add importantly to the share of fundamental knowledge and in advanced research in such areas as materials, seismology, oceanography, electronic components, and low temperature physics.

In addition, $150 million is included for the Department of Defense Emergency Fund—the same amount as in 1959 and 1960. This fund permits rapid exploitation of scientific breakthroughs and unanticipated technological developments which may occur during the coming year.

Military construction.—Expenditures for military construction in 1961 are estimated at $1,359 million, $311 million less than in 1960, and $589 million less than in 1959. Expenditures are continuing to decline as construction of air defense installations and Strategic Air Command bases move toward completion, but are expected to level off as missile base construction activity accelerates.

The 1961 program for active forces continues to place increasing emphasis on missile installations and on electronic facilities for air defense. Funds are provided for the construction of additional Atlas and Titan operational sites, for installations to support the initial deployment of operational Minuteman missile squadrons, and for Polaris weapon system base facilities.

The budget also provides for the improvement of facilities for existing radar warning and control systems, such as the Pinetree Line, Dewline, and SAGE; for improved Nike-Hercules radar facilities; and for further extension the Loran system.

The program also includes the construction of new research, development, test, and evaluation facilities. Additional funds are included for the Pacific Missile Range, and for the construction of development and test facilities for the Nike-Zeus system.

The existing physical plant of the defense establishment, including waterfront, airfield, maintenance, medical, and housing facilities will be improved and modernized.

Construction expenditures for Reserve Forces facilities are estimated at $57 million, compared with $62 million in 1960 and $86 million in 1959. The decline reflects the stabilization of these forces and the tapering off of new facility requirements. The emphasis is now on urgently needed replacement construction.

Revolving and management funds.—The $30 million of reappropriation shown under this title for 1961 is the amount to be added to the revolving fund for Wherry housing. These additional funds will permit the Department of Defense to continue in 1961 its program of acquiring and rehabilitating Wherry housing units.

Again in 1961 there will be an excess, estimated at $350 million, of receipts over expenditures in the revolving and management funds of the Department of Defense. This excess of receipts will reduce to $40,995 million the Department's net expenditures for Military functions estimated under the first six budget appropriation groups.

Composition of the Armed Forces.—The 1961 budget for the Military functions of the Department of Defense provides for major forces as follows:

DEPARTMENT OF DEFENSE—SUMMARY OF MAJOR FORCES

[Fiscal years 1959–61]

	Actual	*Planned*	
	June 30, 1959	*June 30, 1960*	*June 30, 1961*
Army:			
Divisions	15	14	14
Armored cavalry regiments	5	5	5
Armored combat commands	1	1	1
Brigades (infantry)	2	2	2
Battle groups (infantry)	8	8	9
Field artillery missile groups (heavy) (Redstone)	3	3	3
Army missile commands	4	4	5
Army air defense antiaircraft battalions	(85)	(81¼)	(87¼)
Guided missile battalions (equivalents)	74	73¼	82¼
Other battalions (gun, skysweeper, automatic weapons)	11	8	5
Separate surface-to-surface missile battalions	18	24	26
Active aircraft inventory	(5,199)	(5,663)	(5,791)
Helicopters	2,357	2,714	2,840
Fixed-wing	2,842	2,949	2,951
Navy:			
Commissioned ships in fleet	(860)	(817)	(817)
Warships	386	383	382
Other	474	434	435
Attack carrier air groups	16	16	16
Carrier antisubmarine air groups [1]	--	11	11
Patrol and warning squadrons	42	42	41
Marine divisions	3	3	3
Marine air wings	3	3	3
Active aircraft inventory	9,649	8,657	8,348
Air Force:			
USAF combat wings	(105)	(96)	(91)
Strategic wings	43	40	38
Air defense wings	27	23	20
Tactical wings	35	33	33
USAF combat support flying forces	(145)	(118)	(115)
Air refueling squadrons	60	62	66
MATS air transport squadrons	27	22	21
Other specialized squadrons	58	34	28
Active aircraft inventory	20,890	19,513	18,885

[1] Prior to 1960 the carrier antisubmarine capability was represented by 22 carrier antisubmarine squadrons which have been reorganized into 11 carrier antisubmarine air groups.

Army.—Army forces will total 14 divisions and 25 other major combat units at end 1961—an increase of 1 battle group and 1 missile command over the force planned for the end of the current year.

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There will also be some increase in the number of separately organized tactical surface-to-surface missile units.

Of the 14 divisions, 7 will be deployed in critical oversea areas and 4 others (1 in Hawaii and 3 STRAC divisions in the continental United States) will be ready for immediate deployment to any trouble spot in the world. Other necessary combat and combat-support units will be similarly deployed and ready.

In the air defense guided missile battalions—which increase by nine as antiaircraft gun battalions continue to be phased out—the conversion from Nike–Ajax to the nuclear-capable Nike–Hercules missile will continue at a rapid pace. The number of Hawk missile battalions for low altitude defense of Army units overseas will also increase considerably.

The active aircraft inventory will rise during 1961 as modern planes such as the Mohawk observation aircraft and the Iroquois helicopter are delivered.

During 1961, the Army will also receive significant quantities of new equipment to modernize its ground forces. The new M60 tank, the NATO standard 7.62 family of small arms, the improved jeep, and the M113 armored personnel carrier will all enter the inventory in quantity for the first time. Also being received in production quantities for the first time will be the Little John and Sergeant surface-to-surface tactical missiles, and Davy Crockett, the individual man-carried nuclear-capable rocket for close support of troops on the battlefield.

Navy and Marine Corps.—During 1961, the Navy will have 817 ships in the active fleet, the same number planned for the end of the current fiscal year but a decrease from 1959. There will also be a small decrease in the number of warships, compared with end 1959.

However, during 1961, the fleet will receive from new construction more new ships than in any year since World War II, except for 1955. Many of these ships will be either nuclear powered, have a guided missile capability, or both.

During 1961, the fifth and sixth *Forrestal*-class attack carriers, *Constellation* and *Kitty Hawk*, will be commissioned, replacing older *Essex*-class carriers. The first nuclear-powered cruiser, *Long Beach*, armed with Talos and Terrier fleet air defense guided missiles, together with 16 guided missile destroyers and frigates, will also be commissioned during the year.

The Polaris ballistic missile-firing submarine force will be augmented by three more submarines during 1961, bringing the total in commission to six by the end of the year. In addition, six other nuclear-powered submarines will be commissioned during 1961.

The antisubmarine warfare forces of the Navy will be significantly improved during the year. In addition to the previously mentioned new ships, many of which have improved ASW capabilities, several new items of ASW equipment will be introduced in 1961. Asroc, a rocket-assisted torpedo and depth bomb; several new types of sonar equipment; and Dash, a drone ASW helicopter, will all become operational for the first time. In addition, a new all-weather search helicopter, the HSS–2, and a new improved carrier-based ASW aircraft, the S2F–3, will be introduced into the fleet during 1961.

While the active aircraft inventory of the Navy will decline, new and improved aircraft, such as the supersonic F4H fighter and the mach 2 all-weather A3J attack plane, will be introduced into the forces, replacing older models.

The Marine Corps, with three divisions and three air wings, in 1961 will continue to maintain combat-ready forces organized, equipped and prepared to deploy immediately anywhere in the world. During 1961, with improved personnel management and a lower-than-normal loss of personnel, the Marine Corps will be able to allocate a larger percentage of its strength to the combat forces. This will permit the reactivation by the end of 1961 of a number of battalion landing teams without any increase in overall strength. In addition, Hawk guided missile units will be activated for the protection of combat units against low level aircraft attack.

Combat effectiveness and modernization will be improved during this period by the delivery of the first increment of the 7.62 mm. (NATO) weapons family and the introduction of the Davy Crockett weapons system into the Fleet Marine Forces. Aviation effectiveness will be improved by increased air-to-air guided missile capabilities; by the introduction of the Bullpup air-to-surface tactical missile; and by the activation of the first in-flight air refueling squadron, which will appreciably improve the capability of Air Fleet Marine Forces units to deploy rapidly to forward areas.

Air Force.—The reduction of two strategic wings reflects a phaseout of older B–47 medium bombers, and is partially offset by the delivery of the first wing of the new supersonic B–58 medium bombers and additional quantities of an improved version of the B–52. Because of their much greater range, larger bomb load, greater speed, and more advanced electronics systems, a smaller number of the new B–52's will provide the same or greater combat capability than was provided by the B–47's phased out. By the end of 1961, 13 heavy bomber wings will be equipped with B–52's, an increasing number of which will carry the Hound Dog stand-off missile and the Quail decoy missile. These wings form the hard core of our nuclear strike force.

More importantly, our retaliatory capability will be further enhanced during 1961 by additions to our long-range missile deterrent force. By the end of that year, additional units of the Atlas ICBM and the first few Titan ICBM's will be operational. The number of intermediate range ballistic missile squadrons deployed abroad with our allies will also increase in 1961.

Important to the security of the strategic force will be the first operational BMEWS station capable of providing warning of an ICBM attack. This warning, together with the previously mentioned "on-the-shelf" airborne alert capability, and the base hardening and dispersal program, will help ensure the immediate response of our nuclear deterrent force in the years ahead.

The reduction of three air defense wings will be offset by continuing deliveries of all-weather Century series fighter aircraft and by provision of surface-to-air Bomarc missile units. By the end of 1961, eight Bomarc squadrons are planned to be operational, compared to four at the end of the current fiscal year.

The capability of the tactical wings will be considerably increased by the availability of additional quantities of the all-weather, supersonic, nuclear-capable F–105, and by the growing availability of tactical missiles and improved weapons.

Overall, there will be a decrease in the active aircraft inventory of the Air Force, primarily through elimination of older aircraft. At the same time, however, there will be a significant increase in the guided missile inventory.

Military assistance.—Military assistance expenditures in 1961 are estimated at $1,750 million, which is $50 million less than estimated expenditures in 1960 and almost $600 million less than the amount spent in 1959. Recommended new obligational authority for 1961 is

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$2,000 million, an increase of $700 million over 1960 and $485 million more than 1959. While it was possible in both 1959 and 1960 to provide deliveries substantially in excess of the new obligational authority through utilization of unexpended balances, these balances will no longer be sufficient to support essential levels of deliveries if they are not replenished in 1961.

The funds requested will meet recurring costs and also permit essential modernization in conventional and advanced weapons. Over half of the 1961 program will cover expenses for the maintenance and training of free world forces which have been equipped under prior year programs, and for the continued support of activities already underway. About 40% of the program will provide additional military equipment for force improvement, primarily for NATO and selected Far East countries. A large portion of these equipment funds will be devoted to advanced aircraft, missiles, and related ground environment for air defense. Other important items are vessels and aircraft for antisubmarine warfare, tactical missiles, and equipment for the modernization of ground forces.

Funds are also included for military construction, notably the U.S. share of the NATO infrastructure program of bases and facilities. In addition, the program will finance contributions to NATO weapons development and production activities.

The type and amount of assistance offered is determined by the nature of the threat in each area and, to a considerable extent, by the resources that each recipient country is able to make available for its own defense. Outright grant aid is concentrated in the less developed areas. There, in conjunction with defense support assistance provided also under the Mutual Security Act, it permits these countries to maintain the military establishments required to resist external aggression and internal subversion. Assistance to our more developed and financially capable allies is being provided increasingly through cost sharing and sales arrangements.

Summary.—In summary, the 1961 budget for military functions and Military assistance provides for the Department of Defense as follows:

New obligational authority.—$42,577 million, and in addition $350 million to be derived by transfers from the revolving funds of the Department of Defense. For the Army there is provided $9,546 million and $260 million to be transferred from the Army stock fund. For the Navy there is provided $12,013 million and $60 million to be transferred from the Navy stock fund. For the Air Force there is provided $17,737 million and $30 million to be transferred from the Air Force stock fund. $1,281 million of new obligational authority is provided for the Office of the Secretary of Defense; and $2,000 million is provided for military assistance.

Direct obligations.—Total direct obligations are estimated on a comparable basis at $44,209 million. These are shown by category in the following table:

[In millions]

	1959 actual	*1960 estimate*	*1961 estimate*
Military personnel	$11,929	$12,008	$12,187
Operation and maintenance	10,132	10,300	10,527
Procurement	14,800	13,605	14,364
Research, development, test, and evaluation	3,544	4,268	3,952
Military construction	1,748	1,497	1,382
Total, military functions	42,151	41,679	42,412
Military assistance	2,012	1,748	1,797
Grand total	44,163	43,427	44,209

By excluding intragovernmental transactions from the amounts in the preceding table, data can be obtained on obligations which result in the purchase of goods and services from private individuals and businesses. This measure, set forth on the following table, more closely portrays the economic impact of Defense's activity:

OBLIGATIONS TO THE PUBLIC

[Excludes intragovernmental transactions]

[In millions]

	1959 actual	*1960 estimate*	*1961 estimate*
Military personnel	$11,928	$12,007	$12,187
Operation and maintenance	10,145	10,297	10,513
Procurement	14,002	13,265	13,799
Research, development, test, and evaluation	3,550	4,339	3,952
Military construction	1,711	1,504	1,382
Revolving and management funds	−292	−216	−315
Total, military functions	41,045	41,196	41,517
Military assistance	1,981	1,710	1,757
Grand total	43,026	42,906	43,273

Net expenditures.—$42,745 million: Army, $9,383 million; Navy, $11,683 million; Air Force, $18,614 million; the Office of the Secretary of Defense, $1,315 million; and military assistance, $1,750 million.

RECAPITULATION OF BUDGET AUTHORIZATIONS, OBLIGATIONS, AND EXPENDITURES

[In millions]

Organizational component	New obligational authority			Direct obligations			Expenditures		
	1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
Army	$9,381	$9,679	$9,546	$9,555	$9,966	$10,008	$9,468	$9,349	$9,383
Navy	11,820	11,214	12,013	12,147	11,677	12,139	11,728	11,571	11,683
Air Force	18,713	18,475	17,737	19,599	18,854	18,994	19,084	18,823	18,614
Office of the Secretary of Defense	1,255	1,279	1,281	851	1,182	1,271	953	1,202	1,315
061 Total, military functions	41,168	40,647	40,577	42,151	41,679	42,412	41,233	40,945	40,995
068 Military assistance	1,515	1,300	2,000	2,012	1,748	1,797	2,340	1,800	1,750
Total, Department of Defense—Military	42,683	41,947	42,577	44,163	43,427	44,209	43,573	42,745	42,745

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
							1961 estimate		
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	Total	From new obligational authority	From prior authority
MILITARY PERSONNEL									
Current authorizations:									
Military personnel, Army	061	$3,175,961	$3,227,563	$3,261,000	$3,394,384	$3,468,000	$3,517,000	$3,027,000	$490,000
Military personnel, Navy		2,420,618	2,476,700	2,528,000	2,549,986	2,541,000	2,579,000	2,475,000	104,000
Military personnel, Marine Corps		635,692	620,600	607,000	623,577	608,000	605,000	581,000	24,000
Military personnel, Air Force		3,941,801	3,912,000	4,030,000	3,975,639	3,952,000	4,038,000	3,900,000	138,000
Reserve personnel, Army		222,759	231,700	200,000	203,313	230,000	200,000	163,200	36,800
Reserve personnel, Navy		88,098	88,000	88,000	83,019	85,000	87,000	71,000	16,000
Reserve personnel, Marine Corps		23,760	24,300	25,000	23,537	24,200	25,000	21,700	3,300
Reserve personnel, Air Force		53,746	54,000	54,000	47,419	51,000	53,000	46,000	7,000
National Guard personnel, Army		353,093	234,961	199,000	351,775	231,000	200,000	161,000	39,000
National Guard personnel, Air Force		251,881	48,000	46,000	278,941	46,000	46,000	35,000	11,000
Retired pay, Department of Defense		640,000	715,000	775,000	641,344	700,000	772,000	765,000	7,000
Proposed for later transmission:									
Under existing legislation: Military personnel, Air Force		----------	25,000	----------	----------	23,000	2,000	----------	2,000
Under proposed legislation: Retired pay, Department of Defense		----------	----------	24,000	----------	----------	22,000	22,000	----------
Adjustment to reflect comparability with proposed 1961 appropriation structure		−344,081	----------	----------	−371,788	----------	----------	----------	----------
Total, military personnel	------	11,463,328	11,657,824	11,837,000	11,801,146	11,959,200	12,146,000	11,267,900	878,100
OPERATION AND MAINTENANCE									
Current authorizations:									
Operation and maintenance, Army	061	3,113,219	3,075,824	3,112,000	3,187,325	3,069,810	3,101,000	2,521,000	580,000
Operation and maintenance, Navy		2,574,464	2,611,110	2,550,000	2,600,596	2,582,000	2,601,000	2,134,000	467,000
Operation and maintenance, Marine Corps		172,959	175,850	176,000	172,220	169,000	172,000	146,000	26,000
Operation and maintenance, Air Force		4,119,041	4,193,932	4,282,000	4,194,519	4,084,000	4,216,000	3,466,000	750,000
Operation and maintenance, Army National Guard		----------	151,700	157,000	----------	149,000	152,000	136,000	16,000
Operation and maintenance, Air National Guard		----------	169,000	176,000	----------	162,000	172,000	138,000	34,000
National Board for the Promotion of Rifle Practice, Army		300	300	300	262	320	300	230	70
Operation and maintenance, Alaska Communication System, Army		6,272	6,351	7,000	5,931	6,900	7,000	6,500	500
Salaries and expenses, Secretary of Defense		19,410	20,500	20,000	18,573	20,300	19,900	17,000	2,900
Claims, Department of Defense		16,520	16,500	16,575	12,932	16,400	16,400	15,700	700
Contingencies, Department of Defense		30,000	15,000	30,000	1,094	12,500	20,000	17,800	2,200
Salaries and expenses, Court of Military Appeals, Department of Defense		405	425	425	398	430	430	410	20
Operation and maintenance, Olympic Winter Games, Department of Defense		----------	800	----------	----------	750	50	----------	50
Miscellaneous expired accounts, Army		----------	----------	----------	4,238	220	400	----------	400
Miscellaneous expired accounts, Navy		----------	----------	----------	6,583	2,108	2,090	----------	2,090
Miscellaneous expired accounts, Air Force		----------	----------	----------	1,606	195	95	----------	95
Adjustment to reflect comparability with proposed 1961 appropriation structure		142,848	−120,074	----------	178,143	−138,870	−159,860	----------	−159,860
Total, operation and maintenance	------	10,195,438	10,317,218	10,527,300	10,384,420	10,137,063	10,320,805	8,598,640	1,722,165
PROCUREMENT									
Current authorizations:									
Procurement of equipment and missiles, Army	061	1,711,548	1,407,300	1,337,000	1,626,740	1,564,000	1,326,000	212,000	1,114,000
Procurement of aircraft and missiles, Navy		----------	----------	2,113,000	----------	----------	184,000	184,000	----------
Shipbuilding and conversion, Navy		2,069,400	1,330,700	2,032,000	1,837,199	1,282,000	1,755,000	109,000	1,646,000
Other procurement, Navy		----------	----------	434,000	----------	----------	80,400	80,400	----------
Procurement, Marine Corps		25,000	133,850	94,000	156,088	154,000	156,000	15,000	141,000
Aircraft procurement, Air Force		----------	4,284,600	2,994,000	----------	698,000	2,256,000	518,000	1,738,000
Missile procurement, Air Force		----------	2,465,550	3,024,000	----------	981,000	2,194,000	1,030,000	1,164,000
Other procurement, Air Force		----------	1,109,650	1,057,000	----------	85,000	592,000	79,000	513,000
Aircraft and related procurement, Navy		2,033,795	1,961,644	----------	2,441,985	1,979,000	1,805,000	----------	1,805,000
Procurement of ordnance and ammunition, Navy		602,535	567,719	----------	529,258	265,000	455,000	----------	455,000
Aircraft, missiles, and related procurement (Air Force)		6,579,475	----------	----------	7,102,046	5,408,500	2,231,300	----------	2,231,300
Procurement other than aircraft and missiles (Air Force)		2,201,520	----------	----------	1,532,519	1,353,000	814,000	----------	814,000
Construction of ships, Military Sea Transportation Service, Department of Defense		----------	----------	----------	2,894	1,000	360	----------	360
Adjustment to reflect comparability with proposed 1961 appropriation structure		−929,937	−171,418	----------	−819,223	172,208	−247,275	----------	−247,275
Total, procurement	------	14,293,336	13,089,595	13,085,000	14,409,508	13,942,708	13,601,785	2,227,400	11,374,385

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate		
							Total	From new obligational authority	From prior authority
RESEARCH, DEVELOPMENT, TEST, AND EVALUATION									
Current authorizations:									
Research, development, test, and evaluation, Army	061	$561,771	$1,036,365	$1,041,700	$539,117	$700,000	$878,000	$434,000	$444,000
Research, development, test, and evaluation, Navy	061	870,188	1,010,420	1,169,000	797,800	753,000	1,026,000	592,000	434,000
Research, development, test, and evaluation, Air Force	061	780,159	1,416,150	1,334,000	813,272	983,000	1,219,000	666,000	553,000
Salaries and expenses, Advanced Research Projects Agency, Department of Defense	061	435,425	293,150	215,000	218,323	335,500	237,000	65,000	172,000
Emergency fund, Department of Defense	061	7,807	140,950	150,000	----------	36,500	150,000	45,550	104,450
United States scientific satellite	061	----------	----------	----------	7,287	----------	----------	----------	----------
Adjustment to reflect comparability with proposed 1961 appropriation structure	061	1,119,687	291,492	----------	483,052	871,865	407,135	----------	407,135
Total, research, development, test, and evaluation		3,775,036	4,188,527	3,909,700	2,858,851	3,679,865	3,917,135	1,802,550	2,114,585
MILITARY CONSTRUCTION									
Current authorizations:									
Military construction, Army	061	230,000	263,632	[1] 209,000	374,149	255,000	252,000	39,000	213,000
Military construction, Navy	061	295,000	204,112	[1] 190,000	325,929	286,000	238,000	24,000	214,000
Military construction, Air Force	061	785,000	776,833	[1] 725,000	1,127,606	1,020,000	774,000	75,000	699,000
Military construction, Army Reserve	061	6,250	20,000	[1] 12,000	44,512	22,000	18,000	2,000	16,000
Military construction, Naval Reserve	061	8,000	8,980	[1] 4,000	13,377	11,000	8,000	1,000	7,000
Military construction, Air Force Reserve	061	----------	4,000	[1] 4,000	----------	1,000	4,000	1,000	3,000
Military construction, Army National Guard	061	----------	23,219	[1] 8,000	----------	15,000	15,000	1,600	13,400
Military construction, Air National Guard	061	----------	16,440	[1] 7,000	----------	13,000	12,000	1,000	11,000
Military construction, Army (special foreign currency program)	061	----------	----------	2,000	----------	----------	1,000	1,000	----------
Military construction, Navy (special foreign currency program)	061	----------	----------	[1] 3,000	----------	----------	1,000	1,000	----------
Military construction, Air Force (special foreign currency program)	061	----------	----------	[1] 4,000	----------	----------	1,000	1,000	----------
Loran stations, Department of Defense	061	20,000	23,200	20,000	20,000	23,200	20,000	20,000	----------
Military construction, Advanced Research Projects Agency, Department of Defense	061	28,065	23,545	----------	2,903	13,000	9,670	----------	9,670
Construction, Alaska Communication System, Army	061	----------	----------	----------	251	400	200	----------	200
Military construction, foreign countries, Department of Defense	061	----------	----------	----------	6,639	8,000	5,000	----------	5,000
Olympic Winter Games, Department of Defense	061	----------	----------	----------	2,710	790	----------	----------	----------
Access roads, Department of Defense	061	----------	----------	----------	1,637	1,500	190	----------	190
Family housing, Department of Defense	061	----------	----------	----------	207	130	----------	----------	----------
Adjustment to reflect comparability with proposed 1961 appropriation structure	061	11,483	----------	----------	28,349	----------	----------	----------	----------
Total, military construction		1,383,798	1,363,961	1,188,000	1,948,269	1,670,020	1,359,060	167,600	1,191,460
REVOLVING AND MANAGEMENT FUNDS									
Public enterprise funds:									
Acquisition, rehabilitation, and rental of Wherry Act housing, Department of Defense: Permanent reappropriation	061	57,000	30,000	30,000	15,777	32,000	42,000	----------	42,000
Defense housing, Army	061	----------	----------	----------	−296	−150	−260	----------	−260
Defense housing, Navy	061	----------	----------	----------	−45	−22	−100	----------	−100
Laundry service, Naval Academy	061	----------	----------	----------	37	14	10	----------	10
Intragovernmental funds:									
Army stock fund	061	----------	----------	----------	−266,280	−365,000	−286,200	----------	−286,200
Navy stock fund	061	----------	----------	----------	1,394	−84,000	−85,000	----------	−85,000
Marine Corps stock fund	061	----------	----------	----------	−15,312	−8,000	−15,000	----------	−15,000
Air Force stock fund	061	----------	----------	----------	−27,992	−26,500	−11,000	----------	−11,000
Army industrial fund	061	----------	----------	----------	−573	----------	----------	----------	----------
Navy industrial fund	061	----------	----------	----------	18,297	----------	----------	----------	----------
Air Force industrial fund	061	----------	----------	----------	31,387	−13,200	−1,400	----------	−1,400
Army management fund	061	----------	----------	----------	2,730	----------	----------	----------	----------
Navy management fund	061	----------	----------	----------	−439,364	918,700	1,600	----------	1,600
Air Force management fund	061	----------	----------	----------	7,201	2,000	2,000	----------	2,000
Naval working fund	061	----------	----------	----------	2,087	3,000	2,000	----------	2,000
Consolidated working funds, Army	061	----------	----------	----------	−8	2,500	1,560	----------	1,560
Consolidated working funds, Air Force	061	----------	----------	----------	6	5	5	----------	5
Adjustment to reflect comparability with proposed 1961 appropriation structure	061	----------	----------	----------	501,467	−905,203	----------	----------	----------
Total, revolving and management funds		57,000	30,000	30,000	−169,487	−443,856	−349,785	----------	−349,785
Total, military functions		41,167,936	40,647,125	40,577,000	41,232,708	40,945,000	40,995,000	24,064,090	16,930,910

[1] To carry out authorizing legislation to be proposed for 1961.

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate		
							Total	From new obligational authority	From prior authority
MILITARY ASSISTANCE									
Military assistance:									
Military assistance orders	068	[2] $922,761	[2] $815,652	[2] $1,403,150	$1,657,951	$1,249,000	$1,200,000	$260,000	$940,000
Other	068	592,239	484,348	596,850	710,167	589,000	590,000	190,000	400,000
Repayment of credit sales	068				−27,840	−38,000	−40,000		−40,000
Total, military assistance		1,515,000	1,300,000	2,000,000	2,340,278	1,800,000	1,750,000	450,000	1,300,000
Total new obligational authority and budget expenditures		42,682,936	41,947,125	42,577,000	43,572,986	42,745,000	42,745,000	24,514,090	18,230,910
RECAPITULATION									
Enacted or recommended in this document:									
Current authorizations:									
Appropriations		$42,625,936	$41,892,125	$42,523,000	$43,572,986	$42,722,000	$42,721,000	$24,492,090	$18,228,910
Permanent authorizations:									
Reappropriations		57,000	30,000	30,000					
Proposed for later transmission:									
Appropriations			25,000	24,000		23,000	24,000	22,000	2,000
Total new obligational authority and budget expenditures		42,682,936	41,947,125	42,577,000	43,572,986	42,745,000	42,745,000	24,514,090	18,230,910

EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

[In thousands]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1959	1960	1961	1959	1960	1961	1959	1960	1961
Acquisition, rehabilitation, and rental of Wherry Act Housing, Department of Defense	061	$65,587	$94,300	$102,000	$49,810	$62,300	$60,000	$15,777	$32,000	$42,000
Defense housing, Army	061	539	600	475	836	750	735	−296	−150	−260
Defense housing, Navy	061	1,157	1,228	1,150	1,202	1,250	1,250	−45	−22	−100
Laundry service, Naval Academy	061	554	564	565	517	550	555	37	14	10
Total, public enterprise funds		67,837	96,692	104,190	52,365	64,850	62,540	15,473	31,842	41,650

[2] In addition, orders under sales operations, financed from repayment of credit sales: 1959, $6,388 thousand; 1960, $49,348 thousand; 1961, $40,000 thousand. These orders represent 1961 fund reservations shown under Military assistance, pp. 518-519.

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ANALYSIS OF UNEXPENDED BALANCES

[In thousands]

Description	Balance, start of 1959		Balance, start of 1960		Balance, start of 1961		Balance, start of 1962	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
MILITARY FUNCTIONS								
Enacted or recommended in this document:								
Appropriations:								
Military personnel, Army		[1] $141,970		[2] $240,288		$242,958		$246,958
Military personnel, Navy		66,543		47,279		57,979		66,979
Military personnel, Marine Corps		19,686	$51	23,963		26,928		28,928
Military personnel, Air Force		101,330		[3] 113,559		123,559		145,559
National Guard personnel, Army		57,901		56,986		41,858		40,858
National Guard personnel, Air Force		87,790		54,629		12,222		12,222
Other military personnel appropriations		66,297		72,025		85,527		90,527
Operation and maintenance, Army	$43,210	904,187	119,217	846,382	$91,054	817,233	$26,054	763,233
Operation and maintenance, Navy	23,993	[4] 687,611	16,413	[5] 615,293	11,552	630,812		568,260
Operation and maintenance, Marine Corps	3,733	46,732	7,517	44,656	7,089	45,124	1,089	43,124
Operation and maintenance, Air Force	[6] 1,319	1,020,297	[7] 4,595	925,675		1,031,573		1,083,545
Operation and maintenance, Alaska Communication System, Army	59	1,123	621	1,256		707		707
Other operation and maintenance appropriations		25,264		12,414		68,665		85,301
Procurement of equipment and missiles, Army	441,506	2,916,576	503,535	2,635,034	336,897	2,397,911	149,897	2,193,911
Procurement of aircraft and missiles, Navy							709,276	2,125,000
Shipbuilding and conversion, Navy	994,258	3,469,038	1,100,634	3,775,731	746,293	3,817,390	1,014,821	4,036,918
Other procurement, Navy							25,793	370,669
Procurement, Marine Corps	258,016	578,637	157,220	448,216	125,900	427,896	72,900	360,896
Aircraft procurement, Air Force					1,636,000	3,968,000	1,017,600	4,649,522
Missile procurement, Air Force					219,000	1,642,000	393,000	2,447,000
Other procurement, Air Force					323,100	1,087,994	335,100	1,530,994
Aircraft and related procurement, Navy	1,464,697	4,464,550	1,444,259	4,046,583	1,393,053	3,982,607	424,053	1,931,607
Procurement of ordnance and ammunition, Navy	44,341	349,753	81,512	449,842	71,087	746,883	7,087	270,883
Aircraft, missiles, and related procurement (Air Force)	2,757,870	10,038,798	2,182,323	9,238,318	414,633	3,287,488		874,820
Procurement other than aircraft and missiles (Air Force)	438,344	2,379,055	707,675	2,989,099	221,431	1,315,949		493,967
Construction of ships, Military Sea Transportation Service, Department of Defense	5,610	9,143		1,598		598		238
Research, development, test, and evaluation, Army	55,181	337,735	57,442	360,390	29,922	706,755	30,122	870,455
Research, development, test, and evaluation, Navy	10,229	306,603	44,975	378,990	65,251	640,843	26,751	783,843
Research, development, test, and evaluation, Air Force	72,672	490,914	85,532	457,632	164,231	921,657	160,731	1,036,657
Salaries and expenses, Advanced Research Projects Agency, Department of Defense	67,584	81,958	112,146	299,230	39,796	252,880	39,796	230,880
Emergency fund, Department of Defense						104,450		104,450
United States scientific satellite		32,829						
Military construction, Army	114,878	468,311	105,064	324,162	96,696	332,794	93,696	289,794
Military construction, Navy	139,102	482,518	109,685	451,589	88,798	369,702	88,298	321,702
Military construction, Air Force	902,601	1,927,872	633,895	1,585,266	511,727	1,342,099	356,727	1,293,096
Military construction, Advanced Research Projects Agency, Department of Defense			15,968	25,162	24,513	35,707	4,513	26,037
Military construction, Army Reserve	44,517	84,147	12,066	45,885	2,105	19,790	2,105	13,790
Military construction, Naval Reserve	12,464	22,656	9,645	17,279	7,625	15,259	4,625	11,259
Military construction, Army National Guard					15,180	32,314	3,180	25,314
Construction, Alaska Communication System, Army	672	866	615	615	50	215		15
Other military construction appropriations		56,786		45,429		52,203		48,013
Undistributed 1961 military assistance fund reservations							1,149,150	1,149,150
Total, appropriations	7,896,856	31,725,477	7,512,603	30,630,458	6,642,981	30,686,530	6,136,363	30,667,084
Revolving and management funds:								
Acquisition, rehabilitation and rental of Wherry Act housing, Department of Defense	88,334	90,677	103,254	131,899	83,229	129,899	68,229	117,899
Defense housing, Army	856	883	372	430	57	130	67	115
Defense housing, Navy	610	831	248	426	120	298	95	273
Laundry service, Naval Academy	67	108	41	72	27	58	17	48
Army stock fund	688,792	845,143	625,335	744,603	627,422	845,830	499,560	719,230
Navy stock fund	122,542	377,070	34,798	256,744	41,328	266,773	35,313	276,279
Marine Corps stock fund	38,077	52,626	14,323	44,139	−2,816	28,450	4,734	42,900
Air Force stock fund	171,892	252,467	144,134	291,351	97,185	268,702	60,141	233,558
Army industrial fund	444,686	187,211	440,583	191,730	396,266	187,089	355,401	186,889
Navy industrial fund	764,356	166,800	779,730	133,503	741,582	133,503	762,133	133,503
Air Force industrial fund	80,932	82,113	72,895	42,726	73,822	54,282	73,823	55,682
Army management fund	1,064	−404	1,073	−3,134	1,000	−3,934	1,000	−4,734
Navy management fund	181,814	521,296	199,711	960,587	190,140	41,887	199,440	40,287
Air Force management fund	3,037	16,256	1,447	6,964	1,000	4,964	1,000	2,964
Naval working fund	9,677	14,175	7,890	12,088	4,890	9,088	3,890	7,088
Consolidated working funds, Army	3,897	5,895	2,602	5,905	600	3,405		1,845
Consolidated working funds, Air Force		130		113		108		103
Total, revolving and management funds	2,600,633	2,613,278	2,428,435	2,820,145	2,255,851	1,970,532	2,064,843	1,813,928
Proposed for later transmission:								
Appropriations (military personnel accounts)						2,000		2,000
Total, military functions	10,497,488	34,338,755	9,941,038	33,450,603	8,898,832	32,659,062	8,201,205	32,483,012

See footnotes at end of table, p. 445.

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ANALYSIS OF UNEXPENDED BALANCES—Continued

[In thousands]

Description	Balance, start of 1959		Balance, start of 1960		Balance, start of 1961		Balance, start of 1962	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
MILITARY ASSISTANCE								
Enacted or recommended in this document:								
Appropriations:								
Military assistance orders	----------	[8] $272,624	----------	[8] $40,498	----------	[8] $49,387	----------	[8] $49,387
Other	$21,465	868,584	$52,060	772,109	$35,000	656,108	$35,000	662,959
Total, appropriations, military assistance	21,465	1,141,208	52,060	812,607	35,000	705,496	35,000	712,346
Total, Department of Defense—Military	10,518,953	35,479,963	9,993,097	34,263,210	8,933,832	33,364,558	8,236,205	33,195,357

[1] Excludes deficiencies in the Military personnel, Army, 1957 account, in the amount of $9,837 thousand and in the 1956 account, in the amount of $7,084 thousand.

[2] Excludes deficiencies in the Military personnel, Army, 1957 account, in the amount of $6,890 thousand and in the 1956 account, in the amount of $6,520 thousand.

[3] Excludes deficiencies in the Military personnel, Air Force, 1959 account, in the amount of $43,265 thousand and in the 1958 account, in the amount of $15,114 thousand.

[4] Excludes deficiency in the Medical care, Navy, 1958 account, in the amount of $6,882 thousand.

[5] Excludes deficiency in the Medical care, Navy, 1958 account, in the amount of $8,601 thousand.

[6] Excludes unfilled orders of $6,706 thousand from other accounts which will become reimbursements in the subsequent year.

[7] Excludes unfilled orders of $8 thousand from other accounts which will become reimbursements in the subsequent year.

[8] Excludes balances of outstanding undelivered military assistance orders reflected as balances under the military function appropriations.

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

Description	1959 actual	1960 estimate	1961 estimate
Balances brought forward at start of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	$32,866,685	$31,443,065	$31,392,026
Revolving and management funds	2,613,278	2,820,145	1,970,532
Proposed for later transmission: Appropriations			2,000
Total balances brought forward	35,479,963	34,263,210	33,364,558
New obligational authority:			
Enacted or recommended in this document:			
Current authorizations: Appropriations	42,625,936	41,892,125	42,523,000
Permanent authorizations: Reappropriations	57,000	30,000	30,000
Total new obligational authority enacted or recommended	42,682,936	41,922,125	42,553,000
Proposed for later transmission: Appropriations		25,000	24,600
Total new obligational authority	42,682,936	41,947,125	42,577,000
Other amounts available: Net transfers of balances to (−) other agencies	−25,541		
Total budget authorizations available	78,137,358	76,210,335	75,941,558
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	43,572,986	42,722,000	24,492,090
Out of balances of prior obligational authority			18,228,910
Total expenditures from obligational authority enacted or recommended	43,572,986	42,722,000	42,721,000
From obligational authority proposed for later transmission:			
Out of new obligational authority		23,000	22,000
Out of balances of prior obligational authority			2,000
Total expenditures from obligational authority proposed for later transmission		23,000	24,000
Total budget expenditures	43,572,986	42,745,000	42,745,000
Amounts no longer available:			
Unobligated balances rescinded	4,651		
Unobligated balances expiring and lapsing	143,553	97,734	
Capital transfers from revolving funds to receipt accounts	9,200	3,044	1,200
Adjustment to balances downward in expired accounts	143,758		
Total amounts no longer available	301,162	100,778	1,200
Balances carried forward at close of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	31,443,065	31,392,026	31,379,430
Revolving and management funds	2,820,145	1,970,532	1,813,928
Proposed for later transmission: Appropriations		2,000	2,000
Total balances carried forward at close of year	34,263,210	33,364,558	33,195,357
Direct obligations as shown in detailed schedules for general accounts	$44,163,493	$43,426,767	$44,208,664
Reimbursable obligations shown in detailed schedules	11,429,826	11,266,744	10,918,291
Deduct reimbursable orders, recoveries and adjustments	12,567,495	11,787,899	11,853,528
Obligations incurred, net	43,025,825	42,905,612	43,273,427

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MILITARY PERSONNEL

The following narrative statement covers the active duty appropriations for the Army, Navy, Marine Corps, and Air Force.

1. *Pay and allowances.*—This provides for the pay and allowances of military personnel on active duty, including cadets and midshipmen at the three service academies, aviation cadets, and other officer candidates.

The number of active duty military personnel provided for is shown in the following table. The personnel in the Reserve components of the defense forces are described under the pertinent appropriations below.

	Year-end number			*Average number*		
	1959 actual	*1960 estimate*	*1961 estimate*	*1959 actual*	*1960 estimate*	*1961 estimate*
Defense total	2,503,233	2,489,000	2,489,000	2,564,450	2,494,986	2,488,110
Officers	318,437	314,700	314,700	321,623	316,384	316,369
Enlisted	2,174,385	2,161,830	2,161,705	2,231,721	2,166,015	2,159,181
Officer candidates	10,411	12,470	12,595	11,106	12,587	12,560
Army	861,294	870,000	870,000	887,964	870,300	870,700
Officers	101,239	100,100	100,100	102,252	100,504	100,274
Enlisted	758,239	768,100	768,100	783,343	767,397	768,051
Military Academy cadets	1,816	1,800	1,800	2,369	2,399	2,375
Navy	626,340	619,000	619,000	636,393	619,649	618,959
Officers	69,795	69,700	69,700	70,312	69,319	69,953
Enlisted	552,221	543,300	543,300	560,356	544,409	543,302
Naval Academy midshipmen	2,534	2,629	2,732	3,476	3,521	3,607
Aviation cadets	1,111	425	243	1,249	790	290
Officer candidates	570	2,859	2,899	836	1,460	1,692
Aviation officer candidates	109	87	126	164	150	115
Marine Corps	175,571	175,000	175,000	185,033	175,000	175,000
Officers	16,065	16,200	16,200	16,239	16,344	16,208
Enlisted	159,506	158,530	158,405	168,794	158,508	158,438
Aviation cadets	.....	270	395	.....	148	354
Air Force	840,028	825,000	825,000	855,060	830,037	823,451
Officers	131,338	128,700	128,700	132,820	130,217	129,934
Enlisted	704,419	691,900	691,900	719,228	695,701	689,390
Air Force Academy cadets	1,614	2,000	2,350	1,133	1,534	1,913
Aviation cadets	2,657	2,400	2,050	1,879	2,585	2,214

An additional amount required in 1960 by the Air Force to support the average number in the above table is shown under Proposed for later transmission.

Provision is made for amounts otherwise available as quarters allowances to be paid (*a*) to the revolving fund for acquisition, rehabilitation, and rental of Wherry Act housing, in cases where such housing is assigned as public quarters, (*b*) as mortgage payments on Capehart housing, (*c*) to the Commodity Credit Corporation in payment for foreign currencies used to construct family housing, and (*d*) to the operation and maintenance appropriations to maintain and operate surplus commodity housing.

In addition, provision is made for payment for proficiency advancements to selected enlisted personnel in critical skill areas. Funds are provided for advancement of 163,000 men by June 30, 1960, and 230,600 men by June 30, 1961. It also provides for the Government's contribution to the Federal old-age and survivors insurance trust fund under the Servicemen's and Veterans' Survivor Benefits Act, purchase of individual clothing for initial issue to enlisted personnel, replacement of clothing issues in Korea, and for payment of clothing maintenance allowances.

2. *Subsistence in kind.*—This provides for the purchase of food supplies for issue as rations to enlisted personnel including emergency and operational rations.

3. *Movements, permanent change of station.*—This provides for permanent change of station travel for individuals and groups of military personnel and their dependents, including dislocation and separation travel allowances, storage of household goods in commercial facilities, and transportation of personal property. Payment for services furnished by the Military Sea Transportation Service and Military Air Transport Service for transportation to and from overseas of military personnel, their dependents, household goods, and automobiles is also included.

4. *Other costs.*—This provides for expense of apprehension of deserters and escaped military prisoners, payment of interest on money deposited by enlisted personnel, payment of death gratuities to beneficiaries of military personnel, and payment of premiums on servicemen's mortgage insurance.

Current authorizations:

MILITARY PERSONNEL, ARMY

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), expenses of temporary duty travel between permanent duty stations, for members of the Army on active duty (except those undergoing reserve training), expenses of apprehension and delivery of deserters, prisoners, and members absent without leave, including payment of rewards of not to exceed $25 in any one case, [$3,233,063,000] *$3,261,000,000*, and, in addition, [$281,000,000] *$260,000,000*, to be derived by transfer from the Army Stock Fund. (*10 U.S.C. 1035, 1475, 3536, 3687, 4561, 4562, 4741; 37 U.S.C. 31a–36, 231–238, 251, 253, 305; 38 U.S.C. 691a–g; 50 U.S.C. App. 2201–2216; Department of Defense Appropriation Act, 1960.*)

Appropriated 1960, **$3,233,063,000** Estimate 1961, **$3,261,000,000**
Appropriated (adjusted) 1960, **$3,227,563,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations:			
1. Pay and allowances	$3,037,744,239	$3,034,763,000	$3,081,851,000
2. Subsistence in kind	212,306,625	193,494,000	193,021,000
3. Movements, permanent change of station	247,086,347	237,431,000	241,010,000
4. Other costs	4,466,105	4,982,000	5,118,000
Total direct obligations	3,501,603,316	3,470,670,000	3,521,000,000
Reimbursable obligations:			
1. Pay and allowances	23,870,000	18,437,000	21,349,000
2. Subsistence in kind	153,250,920	148,506,000	145,264,000
3. Movements, permanent change of station	2,241,525	2,169,000	2,169,000
4. Other costs	304,000	218,000	218,000
Total reimbursable obligations	179,666,445	169,330,000	169,000,000
Total obligations	3,681,269,761	3,640,000,000	3,690,000,000
Financing:			
Unobligated balance transferred from "Army stock fund" (72 Stat. 714; 73 Stat. 366; 1961 appropriation act)	−375,000,000	−281,000,000	−260,000,000
Advances and reimbursements from—			
Other accounts	−59,006,958	−58,830,000	−58,942,000
Non-Federal sources (10 U.S.C. 4621)	−120,659,487	−110,500,000	−110,058,000
Unobligated balance no longer available	49,357,684	37,893,000	.....
New obligational authority	3,175,961,000	3,227,563,000	3,261,000,000
New obligational authority:			
Appropriation	$3,175,961,000	$3,233,063,000	$3,261,000,000
Transferred to "Emergency fund, Department of Defense" (73 Stat. 383)	.....	−5,500,000	.....
Appropriation (adjusted)	3,175,961,000	3,227,563,000	3,261,000,000

Object Classification

Direct obligations:			
01 Personal services: Military	$2,925,965,875	$2,916,038,100	$2,948,806,800
02 Travel	168,539,084	159,446,000	165,520,000
03 Transportation of things	68,219,918	67,868,000	65,472,000
07 Other contractual services	13,479,721	12,905,600	12,983,600
08 Supplies and materials	266,369,718	236,939,100	236,585,100
10 Lands and structures	2,788,700	6,179,900	8,988,700

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MILITARY PERSONNEL—Continued

Current authorizations—Continued

Military Personnel, Army—Continued

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
Direct obligations—Continued			
11 Grants, subsidies, and contributions	$7,000	$7,000	$7,000
12 Pensions, annuities, and insurance claims	2,055,000	2,282,000	2,293,000
13 Refunds, awards, and indemnities	557,600	75,000	75,000
14 Interest	7,305,100	13,871,200	19,738,300
15 Taxes and assessments	46,315,600	55,058,100	60,530,500
Total direct obligations	3,501,603,316	3,470,670,000	3,521,000,000
Reimbursable obligations:			
01 Personal services: Military	4,872,000	4,995,100	6,120,600
02 Travel	2,500,525	2,350,000	2,350,000
08 Supplies and materials	172,190,920	161,783,000	160,277,000
10 Lands and structures		29,600	41,700
13 Refunds, awards, and indemnities	45,000	37,000	37,000
14 Interest		53,700	71,000
15 Taxes and assessments	58,000	81,600	102,700
Total reimbursable obligations	179,666,445	169,330,000	169,000,000
Total obligations	3,681,269,761	3,640,000,000	3,690,000,000

Military Personnel, Navy

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), expenses of temporary duty travel between permanent duty stations, for members of the Navy on active duty (except those undergoing reserve training), midshipmen and aviation cadets, and expenses of apprehension and delivery of deserters, prisoners, and members absent without leave, including payment of rewards of not to exceed $25 in any one case, [$2,476,700,000] *$2,528,000,000*, and, in addition, [$75,000,000] *$60,000,000*, to be derived by transfer from the Navy stock fund. *(10 U.S.C. 5401, 5404, 5406–17, 5441–42, 5444–47, 5449–52, 5454–57, 5501, 5503, 5507, 5531, 5537, 5865, 6081–86, 6147–48, 6157, 6221, 6911–12, 6969; 12 U.S.C. 1715m; 37 U.S.C. 31a–35, 37, 232–44, 251–57, 304–10d; 38 U.S.C. 691, 1011–16; 42 U.S.C. 1594d; Department of Defense Appropriation Act, 1960.)*

Appropriated 1960, **$2,476,700,000** Estimate 1961, **$2,528,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations:			
1. Pay and allowances	$2,277,527,910	$2,281,516,000	$2,326,225,000
2. Subsistence in kind	145,789,708	137,415,000	134,488,000
3. Movements, permanent change of station	128,543,740	130,000,000	124,400,000
4. Other costs	3,146,507	2,769,000	2,887,000
Total direct obligations	2,555,007,865	2,551,700,000	2,588,000,000
Reimbursable obligations:			
1. Pay and allowances	2,133,867	1,979,000	1,979,000
2. Subsistence in kind	24,626,242	30,271,000	29,971,000
3. Movements, permanent change of station	28,083	50,000	50,000
Total reimbursable obligations	26,788,192	32,300,000	32,000,000
Total obligations	2,581,796,057	2,584,000,000	2,620,000,000
Financing:			
Unobligated balance transferred from—"Navy stock fund" (72 Stat. 711; 73 Stat. 38, 366; 1961 appropriation act)	−120,000,000	−75,000,000	−60,000,000
"Navy industrial fund" (72 Stat. 711)	−15,000,000		
Advances and reimbursements from—Other accounts	−15,098,759	−19,294,000	−19,165,000
Non-Federal sources (5 U.S.C. 171m–1, 172d, 172d–1; 10 U.S.C. 6086–7)	−11,689,433	−13,006,000	−12,835,000
Unobligated balance no longer available	610,335		
Appropriation (new obligational authority)	2,420,618,200	2,476,700,000	2,528,000,000

Object Classification

	1959 actual	1960 estimate	1961 estimate
Direct obligations:			
01 Personal services: Military	$2,242,745,102	$2,235,878,000	$2,271,060,000
02 Travel	57,765,975	61,351,000	59,454,000
03 Transportation of things	48,503,732	46,863,000	44,236,000
05 Rents and utility services	1,456,356	17,790,000	23,406,000
07 Other contractual services	9,696,159	11,906,000	11,699,000
08 Supplies and materials	146,784,403	136,623,000	133,625,000
12 Pensions, annuities, and insurance claims	13,144,929	2,055,000	1,757,000
13 Refunds, awards, and indemnities	607,339		
14 Interest	293,096	271,000	271,000
15 Taxes and assessments	34,010,774	38,963,000	42,492,000
Total direct obligations	2,555,007,865	2,551,700,000	2,588,000,000
Reimbursable obligations:			
01 Personal services: Military	1,504,224	1,979,000	1,979,000
02 Travel	28,083	50,000	50,000
05 Rents and utility services	629,643		
08 Supplies and materials	24,626,242	30,271,000	29,971,000
Total reimbursable obligations	26,788,192	32,300,000	32,000,000
Total obligations	2,581,796,057	2,584,000,000	2,620,000,000

Military Personnel, Marine Corps

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), expenses of temporary duty travel between permanent duty stations, for members of the Marine Corps on active duty (except those undergoing reserve training), and expenses of apprehension and delivery of deserters, prisoners, and members absent without leave, including payment of rewards of not to exceed $25 in any one case, [$620,600,000, and, in addition, $24,000,000, to be derived by transfer from the Marine Corps stock fund: *Provided*, That $32,700,000 of the funds provided in this appropriation shall be available only to meet the increased expenses necessary to maintain the Regular Marine Corps at the strength provided for in this Act] *$607,000,000. (10 U.S.C. 5402, 5404–05, 5409–11, 5413–17, 5441, 5443, 5445–46, 5448, 5451, 5453, 5454–56, 5458, 5502–03, 5531, 5537, 6032, 6081–86, 6147–48, 6157, 6222; 12 U.S.C. 1715m; 37 U.S.C. 31a–35, 37, 232–44, 251–57, 305–07, 309–10d; 42 U.S.C. 1594d; Department of Defense Appropriation Act, 1960.)*

Appropriated 1960, **$620,600,000** Estimate 1961, **$607,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations:			
1. Pay and allowances	$546,652,334	$534,720,000	$533,680,000
2. Subsistence in kind	41,051,743	38,315,000	38,573,000
3. Movements, permanent change of station	39,323,000	37,358,000	33,682,000
4. Other costs	609,485	1,064,000	1,065,000
Total direct obligations	627,636,562	611,457,000	607,000,000
Reimbursable obligations:			
1. Pay and allowances	143,666	265,000	265,000
2. Subsistence in kind	6,910,076	6,267,845	5,815,000
3. Movements, permanent change of station	51,801	120,000	120,000
4. Other costs	79		
Total reimbursable obligations	7,105,622	6,652,845	6,200,000
Total obligations	634,742,184	618,109,845	613,200,000
Financing:			
Unobligated balance transferred from "Marine Corps stock fund" (72 Stat. 716; 73 Stat. 366)	−25,000,000	−24,000,000	
Unobligated balance brought forward (69 Stat. 438)		−50,845	
Advances and reimbursements from—			
Military assistance orders	−600,900	−59,000	
Other accounts	−5,228,881	−5,558,000	−5,269,000
Non-Federal sources (10 U.S.C. 6087)	−1,326,686	−985,000	−931,000
Unobligated balance carried forward (69 Stat. 438)	50,845		
Unobligated balance no longer available	33,055,438	33,143,000	
Appropriation (new obligational authority)	635,692,000	620,600,000	607,000,000

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Object Classification

	1959 actual	1960 estimate	1961 estimate
Direct obligations:			
01 Personal services: Military	$530,094,067	$518,117,000	$518,866,000
02 Travel	26,323,357	21,821,000	19,229,000
03 Transportation of things	11,239,278	13,914,000	12,817,000
07 Other contractual services	374,006	362,000	362,000
08 Supplies and materials	49,538,743	46,670,000	44,377,000
11 Grants, subsidies, and contributions	77,999	107,000	107,000
12 Pensions, annuities, and insurance claims	1,392,035	722,000	588,000
14 Interest	78,077	150,000	150,000
15 Taxes and assessments	8,519,000	9,594,000	10,504,000
Total direct obligations	627,636,562	611,457,000	607,000,000
Reimbursable obligations:			
01 Personal services: Military	143,666	165,000	165,000
02 Travel	51,801	120,000	120,000
08 Supplies and materials	6,910,076	6,367,845	5,915,000
11 Grants, subsidies, and contributions	79		
Total reimbursable obligations	7,105,622	6,652,845	6,200,000
Total obligations	634,742,184	618,109,845	613,200,000

Military Personnel, Air Force

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), expenses of temporary duty travel between permanent duty stations, for members of the Air Force on active duty (except those undergoing reserve training), cadets and aviation cadets, and expenses of apprehension and delivery of deserters, prisoners, and members absent without leave, including payment of rewards of not to exceed $25 in any one case, [$3,912,000,000] *$4,030,000,000,* and, in addition, [$50,000,000] *$30,000,000,* to be derived by transfer from the Air Force stock fund. *(5 U.S.C. 171z–1; 10 U.S.C. 265, 555–65, 683–84, 711–12, 744, 771–74, 858, 972, 1035, 1037, 1071–85, 1475–80, 2632, 8012, 8033–34, 8066, 8071–72, 8201–15, 8217–19, 8251–58, 8281, 8284–89, 8293–8303, 8305–10, 8312–13, 8441–42, 8444–52, 8491–92, 8494–8504, 8531, 8611–12, 8632, 8687, 8722, 9306, 9331–37, 9341–55, 9441, 9535, 9561, 9562, 9563, 9621–23, 9741–43, 9746, 9748; 12 U.S.C. 1715m; 18 U.S.C. 4281; 37 U.S.C. 31a, 33–37, 231–39, 251–55, 305, 351–54; 38 U.S.C. 691–91g, 1011–16; 42 U.S.C. 1594–94j; 50 U.S.C. App. 454–55, 1001–12, 1014–16, 2201–16, 2351–56; 70A Stat. 638; Department of Defense Appropriation Act, 1960.)*

Appropriated 1960, **$3,912,000,000** Estimate 1961, **$4,030,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations:			
1. Pay and allowances	$3,602,025,452	$3,585,400,000	$3,679,927,000
2. Subsistence in kind	110,916,807	108,073,000	100,735,000
3. Movements, permanent change of station	267,128,164	262,806,000	273,091,000
4. Other costs	4,995,571	5,721,000	6,247,000
Total direct obligations	3,985,065,994	3,962,000,000	4,060,000,000
Reimbursable obligations:			
1. Pay and allowances	3,940,925	4,825,000	4,925,000
2. Subsistence in kind	24,321,943	24,500,000	25,200,000
3. Movements, permanent change of station	242,965	650,000	650,000
4. Other costs	89,000	225,000	225,000
Total reimbursable obligations	28,594,833	30,200,000	31,000,000
Total obligations	4,013,660,827	3,992,200,000	4,091,000,000
Financing:			
Unobligated balance transferred from "Air Force stock fund" (73 Stat. 367; 1961 appropriation act)		−50,000,000	−30,000,000
Advances and reimbursements from—			
Other accounts	−15,733,188	−16,610,000	−17,050,000
Non-Federal sources (10 U.S.C. 9621)	−12,861,645	−13,590,000	−13,950,000
Obligations in excess of appropriation	−43,264,994		
Appropriation (new obligational authority)	3,941,801,000	3,912,000,000	4,030,000,000

Object Classification

	1959 actual	1960 estimate	1961 estimate
Direct obligations:			
01 Personal services: Military	$3,507,445,023	$3,451,476,000	$3,520,754,000
02 Travel	166,386,277	160,515,000	165,405,000
03 Transportation of things	74,353,000	76,526,000	78,173,000
05 Rents and utility services	30,186,000	34,103,000	36,101,000
07 Other contractual services	30,827,771	32,697,000	37,925,000
08 Supplies and materials	109,961,807	107,268,000	100,085,000
10 Lands and structures	4,980,142	16,585,000	24,211,000
11 Grants, subsidies, and contributions	15,575	16,000	16,000
12 Pensions, annuities, and insurance claims	2,998,280	3,207,000	3,180,000
13 Refunds, awards, and indemnities	18,983	14,000	14,000
14 Interest	7,547,853	21,632,000	30,781,000
15 Taxes and assessments	50,345,283	57,961,000	63,355,000
Total direct obligations	3,985,065,994	3,962,000,000	4,060,000,000
Reimbursable obligations:			
01 Personal services: Military	3,940,925	4,825,000	4,925,000
02 Travel	229,388	592,000	594,000
03 Transportation of things	102,577	283,000	281,000
08 Supplies and materials	24,321,943	24,500,000	25,200,000
Total reimbursable obligations	28,594,833	30,200,000	31,000,000
Total obligations	4,013,660,827	3,992,200,000	4,091,000,000

Reserve Personnel, Army

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army Reserve on active duty while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Reserve Officers' Training Corps, as authorized by law, [$231,700,000: *Provided,* That $29,700,000 of the funds provided in this appropriation shall be available only to meet the increased expenses necessary to maintain the Army Reserve at the strength provided for in this Act] *$200,000,000. (10 U.S.C. 600, 683, 2511, 3722, 4385–4387; 37 U.S.C. 253, 301, 305; Department of Defense Appropriation Act, 1960.)*

Appropriated 1960, **$231,700,000** Estimate 1961, **$200,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations:			
1. Reserve personnel	$198,401,756	$213,927,000	$185,155,000
2. Reserve Officers' Training Corps	15,094,531	17,773,000	14,845,000
Total direct obligations	213,496,287	231,700,000	200,000,000
Reimbursable obligations:			
1. Reserve personnel	607,800	840,000	840,000
2. Reserve Officers' Training Corps	106,082	160,000	160,000
Total reimbursable obligations	713,882	1,000,000	1,000,000
Total obligations	214,210,169	232,700,000	201,000,000
Financing:			
Advances and reimbursements from—			
Other accounts	−451,464	−715,000	−715,000
Non-Federal sources (10 U.S.C. 4621)	−262,418	−285,000	−285,000
Unobligated balance no longer available	9,262,713		
Appropriation (new obligational authority)	222,759,000	231,700,000	200,000,000

1. *Reserve personnel.*—This program provides funds for training members of units of the Army Ready Reserve which are required by current mobilization plans. The combat and support units are organized in 10 combat infantry divisions, 13 training divisions, and 2 maneuver area commands, as well as a large number of small non-divisional mobilization base, combat and support type units. Personnel are expected, on the average, to perform 44 two-hour drills, and 4 four-hour drills at their home stations. In addition, assigned members of these units are required to participate in 2 weeks of active duty train-

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MILITARY PERSONNEL—Continued

Current authorizations—Continued

RESERVE PERSONNEL, ARMY—Continued

ing each year. The reduction in Army Reserve strength in drill pay status to 270,000 for 1961 will be accomplished by a reduction in the number of units, personnel levels, or a combination of these actions, but the program will continue to provide an effective reserve of the size necessary to support our national objectives.

In addition, training is provided for individual reservists who have been assigned to fulfill designated early mobilization requirements. Other reservists scheduled for early mobilization as individual reinforcements also receive necessary training. The paid personnel strength is indicated in the following table:

ARMY RESERVE PERSONNEL STRENGTH

[In paid status]

	1958 actual	*1959 actual*	*1960 planned*	*1961 proposed*
End of year:				
Officers	79,784	77,345	82,400	83,328
Enlisted	242,053	272,828	275,400	237,910
Total	321,837	350,173	357,800	321,238
Average:				
Officers	79,946	79,290	80,178	83,515
Enlisted	215,707	257,925	280,132	253,164
Total	295,653	337,215	360,310	336,679

Army Reserve enlisted personnel are obtained either from personnel with prior military service who have an interest or an obligation to actively train in Army Reserve units, or from newly enlisted men participating in the 6-month active duty training program. Enlisted personnel in drill pay status obtained from these sources are summarized below:

	1958 actual	*1959 actual*	*1960 planned*	*1961 proposed*
6-month training program	28,240	21,054	35,800	20,000
Other prior military service	29,329	96,646	74,800	76,200

It is expected that 35,800 men will begin a 6-month tour of active duty training in 1960 and 20,000 in 1961.

The composition of the Army Reserve for 1961 by training category is indicated below:

Paid drills	*Paid days of active duty for training*		*Beginning strength*	*Average strength*	*Ending strength*
48	15	Officers	49,907	49,996	50,000
		Enlisted	228,810	222,481	208,690
0	90–180	Officers	3,093	2,281	2,090
		Enlisted	18,190	10,683	9,220
Drill pay status subtotal		Officers	53,000	52,277	52,090
		Enlisted	247,000	233,164	217,910
		Total	300,000	285,441	270,000
0	15	Officers	29,400	31,238	31,238
		Enlisted	28,400	20,000	20,000
Total paid status		Officers	82,400	83,515	83,328
		Enlisted	275,400	253,164	237,910
		Total	357,800	336,679	321,238

2. *Reserve Officers' Training Corps.*—This program provides training for Reserve officer candidates who have enrolled in the advanced course while attending a collegiate institution. Reserve Officers' Training Corps units providing such training, have been established at 233 institutions. The curriculum of the advanced course includes instruction in military and academic subjects together with a 6-week summer camp at an Army post. College graduates, who satisfactorily complete the advanced course, are commissioned and are either ordered to active duty for a 2-year period to meet the requirements of the Active Army or to a 6-month tour of active duty training. When these officers complete their tour of active duty or active duty for training they are assigned to the Ready Reserve where they participate with a unit of the Army National Guard or Army Reserve, or in a pool as an individual reinforcement officer.

Utilization of these graduates is summarized below:

	1958 actual	*1959 actual*	*1960 planned*	*1961 proposed*
2-year active duty tours	6,858	5,013	6,950	7,500
6-month active duty training	6,614	7,440	6,040	4,610

In addition, 2 years of basic military training is provided for college students who elect or are required by the institution to enroll in the course. Training is also provided for students who elect to enroll at 289 high schools in a junior program.

Details of the program and the average annual enrollment are summarized below:

Course	*1958 actual*	*1959 actual*	*1960 planned*	*1961 proposed*
Junior division	66,439	67,331	68,385	70,265
Senior division:				
First year (basic)	65,210	70,268	74,790	76,525
Second year (basic)	45,207	44,040	47,825	50,840
Total basic	110,417	114,308	122,615	127,365
Third year (advanced)	14,646	14,372	14,255	14,420
Fourth year (advanced)	13,940	13,325	12,960	12,825
Total advanced	28,586	27,697	27,215	27,245
Total senior division	139,003	142,005	149,830	154,610
Number of students commissioned	12,989	12,450	12,110	11,990

Object Classification

	1959 actual	1960 estimate	1961 estimate
Direct obligations:			
01 Personal services: Military	$173,134,005	$177,389,000	$158,446,000
02 Travel	16,543,321	20,700,000	18,850,000
03 Transportation of things	3,942	6,000	3,000
07 Other contractual services	279,397	200,000	130,000
08 Supplies and materials	22,521,832	30,979,000	20,279,000
12 Pensions, annuities, and insurance claims	154,043	170,000	145,000
13 Refunds, awards, and indemnities	6		
15 Taxes and assessments	859,741	2,256,000	2,147,000
Total direct obligations	213,496,287	231,700,000	200,000,000
Reimbursable obligations:			
08 Supplies and materials	713,882	1,000,000	1,000,000
Total obligations	214,210,169	232,700,000	201,000,000

RESERVE PERSONNEL, NAVY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Naval Reserve on active duty while undergoing reserve training, or while performing drills or equivalent duty, regular and contract enrollees in the Naval Reserve Officers' Training Corps, and retainer pay, as authorized by law, $88,000,000. *(10 U.S.C. 261, 267, 270, 683, 5251, 5456, 6081–6, 6148, 6908; 37 U.S.C. 232–7, 251–3, 255, 301, 305; Department of Defense Appropriation Act, 1960.)*

Appropriated 1960, **$88,000,000** Estimate 1961, **$88,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations:			
1. Reserve personnel	$78,929,899	$81,458,000	$81,573,000
2. Reserve officer candidates	6,374,149	6,542,000	6,427,000
Total direct obligations	85,304,048	88,000,000	88,000,000
Reimbursable obligations:			
1. Reserve personnel	31,576		
2. Reserve officer candidates	88,143		
Total reimbursable obligations	119,719		
Total obligations	85,423,767	88,000,000	88,000,000
Financing:			
Advances and reimbursements from—			
Other accounts	−113,168		
Non-Federal sources (10 U.S.C. 7601)	−6,551		
Unobligated balance no longer available	2,793,952		
New obligational authority	88,098,000	88,000,000	88,000,000

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Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
New obligational authority:			
Appropriation	$90,098,000	$88,000,000	$88,000,000
Transferred to "Emergency fund, Department of Defense" (72 Stat. 711)	−2,000,000		
Appropriation (adjusted)	88,098,000	88,000,000	88,000,000

1. *Reserve personnel.*—The program provides funds for training members of the Navy Ready Reserve who will be required for immediate service in the event of mobilization. These reservists will augment existing active fleet, and aviation units and fleet support and Shore Establishment activities. Most of these reservists perform 48 3-hour drills and are ordered to 2 weeks of active duty training each year.

Occasional training is also provided for other individual reservists scheduled for early mobilization to enable them to meet requirements of active duty.

In addition, antisubmarine and mine warfare units, composed of selected reservists, will join the Active Forces in the event of mobilization to perform missions required by current war plans. The development of this program is summarized below:

	1958 actual		*1959 actual*		*1960 planned*		*1961 proposed*	
	Units	*Men*	*Units*	*Men*	*Units*	*Men*	*Units*	*Men*
Fleet antisubmarine warfare	8	308	36	3,837	40	6,913	47	8,164
Fleet mine warfare					11	341	11	341
Aviation antisubmarine warfare	111	12,428	152	13,712	105	12,985	84	10,292

These fleet ships or aviation squadrons perform 48 4-hour drills and are assigned to active fleet units for 2 weeks of active duty for training each year.

The total Reserve personnel program is summarized in the following table:

NAVAL RESERVE PERSONNEL STRENGTH

[In paid status]

	1958 actual	*1959 actual*	*1960 planned*	*1961 proposed*
End of year:				
Officers	34,045	34,498	33,056	26,548
Enlisted	104,499	95,508	104,173	103,519
Total	138,544	130,006	137,229	130,067
Average:				
Officers	34,298	34,557	32,664	25,913
Enlisted	106,842	99,033	103,438	102,884
Total	141,140	133,590	136,102	128,797

Estimated strengths by training categories for 1961 are as follows:

Paid drills	*Paid days of active duty for training*		*Beginning strength*	*Average strength*	*Ending strength*
48	15	Officers	23,431	22,800	23,437
		Enlisted	103,084	101,917	103,281
24	15	Officers	2,410	2,213	2,211
		Enlisted	75	70	71
0	90-180	Enlisted	29	812	82
Drill pay status, subtotal		Officers	25,841	25,013	25,648
		Enlisted	103,188	102,799	103,434
		Total	129,029	127,812	129,082
0	15	Officers	7,215	900	900
		Enlisted	900		
0	30	Enlisted	85	85	85
Other paid status, subtotal		Officers	7,215	900	900
		Enlisted	985	85	85
		Total	8,200	985	985
Total paid status		Officers	33,056	25,913	26,548
		Enlisted	104,173	102,884	103,519
		Total	137,229	128,797	130,067

2. *Reserve officer candidates.*—This program provides training for officer candidates who are attending 1 of the 53 collegiate institutions where NROTC units have been established.

Students who enroll as candidates for a Reserve commission in the Navy or Marine Corps under the terms of a contract with the Navy attend one summer practice cruise in addition to completing prescribed military training. They are expected to serve for at least 2 years with the Active Forces after graduation.

In addition, other students may enroll as candidates for Reserve officer commissions and attend one practice cruise. Such students attend an officer candidate school after graduation and upon successful completion of the course are commissioned and expected to serve for 2 years with the Active Forces.

Candidates for commissions as Regular officers are selected on a nationwide competitive basis and if successful are appointed as midshipmen. Successful candidates, commissioned in the Regular Navy, are regarded as career officers. They are now expected to serve at least 4 years on active duty.

Type of program	*1958 actual*	*1959 actual*	*1960 planned*	*1961 proposed*
NROTC regular	5,808	5,514	5,215	5,145
NROTC contract	6,159	6,144	6,324	6,508
Reserve officer candidates	566	480	449	690
Number of officer candidates commissioned:				
Regular officers	1,574	1,359	1,337	1,243
Reserve officers	1,522	1,275	1,376	1,070

Object Classification

	1959 actual	1960 estimate	1961 estimate
Direct obligations:			
01 Personal services: Military	$73,668,526	$74,743,000	$74,941,000
02 Travel	7,647,746	8,919,000	8,325,000
07 Other contractual services	170,956	168,000	175,000
08 Supplies and materials	3,335,735	3,593,000	3,957,000
12 Pensions, annuities, and insurance claims	35,838	50,000	50,000
15 Taxes and assessments	445,247	527,000	552,000
Total direct obligations	85,304,048	88,000,000	88,000,000
Reimbursable obligations:			
01 Personal services: Military	6,445		
08 Supplies and materials	113,274		
Total reimbursable obligations	119,719		
Total obligations	85,423,767	88,000,000	88,000,000

Reserve Personnel, Marine Corps

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Marine Corps Reserve and the Marine Corps platoon leaders class on active duty while undergoing reserve training, or while performing drills or equivalent duty, as authorized by law, [$24,300,000] *$25,000,000. (10 U.S.C. 261, 267, 270, 683, 5252, 5456, 6081–6, 6148; 37 U.S.C. 232–7, 251–3, 255, 301, 305; Department of Defense Appropriation Act, 1960.)*

Appropriated 1960, **$24,300,000** Estimate 1961, **$25,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations:			
1. Reserve personnel	$22,223,934	$23,268,000	$23,922,000
2. Reserve officer candidates	908,340	1,032,000	1,078,000
Total direct obligations	23,132,274	24,300,000	25,000,000
Reimbursable obligations:			
1. Reserve personnel	451,441	379,000	370,000
2. Reserve officer candidates	14,900		
Total reimbursable obligations	466,341	379,000	370,000
Total obligations	23,598,615	24,679,000	25,370,000
Financing:			
Advances and reimbursements from—			
Other accounts	−394,851	−304,000	−295,000
Non-Federal sources (10 U.S.C. 7601)	−71,490	−75,000	−75,000
Unobligated balance no longer available	627,726		
Appropriation (new obligational authority)	23,760,000	24,300,000	25,000,000

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MILITARY PERSONNEL—Continued

Current authorizations—Continued

RESERVE PERSONNEL, MARINE CORPS—Continued

1. *Reserve personnel.*—This program provides funds for training members of the Ready Reserve who are immediately required in the event of mobilization for augmentation of existing Active Forces and as a nucleus for new units. Most reservists are organized into various types of ground and aviation units for training purposes, which parallel the new Fleet Marine Force structure. They perform 48 drills of at least 4-hour duration throughout the year, as well as 2 weeks of active field training. In addition, other nondrill reservists scheduled for early mobilization also receive periodic training which will enable them to meet active duty requirements. The paid personnel strength is indicated in the following table:

MARINE CORPS RESERVE PERSONNEL STRENGTH

[In paid status]

	1958 actual	*1959 actual*	*1960 planned*	*1961 proposed*
End of year:				
Officers	5,403	4,721	4,918	5,518
Enlisted	42,755	41,695	41,742	41,882
Total	48,158	46,416	46,660	47,400
Average:				
Officers	5,406	5,015	4,815	5,518
Enlisted	41,992	40,826	41,321	40,572
Total	47,398	45,841	46,136	46,090

Ready Reserve personnel are obtained either from personnel with prior military service with an interest or an obligation to serve further in the Ready Reserve, or from men without prior service participating in a 6-month active duty training program. Enlisted personnel in drill pay status obtained from these sources are summarized below:

	1958 actual	*1959 actual*	*1960 planned*	*1961 proposed*
6-month training program	9,368	6,003	7,760	8,332
Other prior military service	6,678	6,495	5,031	3,270

The composition of the Marine Corps Reserve by training category is shown below:

Paid drills	*Paid days of active duty for training*		*Beginning strength*	*Average strength*	*Ending strength*
48	15	Officers	3,350	3,350	3,350
		Enlisted	38,014	36,492	38,021
24	15	Officers	368	368	368
		Enlisted	45	45	45
0	90–180	Enlisted	3,223	3,435	3,216
Drill pay status, subtotal		Officers	3,718	3,718	3,718
		Enlisted	41,282	39,972	41,282
		Total	45,000	43,690	45,000
0	15	Officers	1,200	1,800	1,800
		Enlisted	85		
0	30	Enlisted	375	600	600
Other paid status, subtotal		Officers	1,200	1,800	1,800
		Enlisted	460	600	600
		Total	1,660	2,400	2,400
Total paid status		Officers	4,918	5,518	5,518
		Enlisted	41,742	40,572	41,882
		Total	46,660	46,090	47,400

2. *Reserve officer candidates.*—The Reserve officer candidate program provides two 6-week summer training courses for students attending an accredited collegiate institution. Upon successful completion of the course and receipt of a baccalaureate degree, male students are commissioned as Reserve officers and are required to serve for 3 years with the Active Forces. Details of the program are summarized below:

	1958 actual	*1959 actual*	*1960 planned*	*1961 proposed*
Junior course	2,001	1,370	1,420	1,466
Senior course	882	851	823	962
Number commissioned	533	515	517	650

Object Classification

	1959 actual	1960 estimate	1961 estimate
Direct obligations:			
01 Personnel services: Military	$16,540,027	$16,853,700	$17,464,000
02 Travel	3,204,360	3,304,300	3,392,000
07 Other contractual services	93,711	210,000	230,000
08 Supplies and materials	3,163,967	3,718,100	3,682,000
12 Pensions, annuities, and insurance claims	13,189	22,000	22,000
15 Taxes and assessments	117,020	191,900	210,000
Total direct obligations	23,132,274	24,300,000	25,000,000
Reimbursable obligations:			
08 Supplies and materials	466,341	379,000	370,000
Total obligations	23,598,615	24,679,000	25,370,000

RESERVE PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air Force Reserve on active duty while undergoing reserve training or while performing drills or equivalent duty, and for members of the Air Reserve Officers' Training Corps, as authorized by law, $54,000,000. (*10 U.S.C. 261–80, 510–12, 515, 591–95, 597–600, 651, 671–85, 715, 771–74, 1001–07, 1016, 1163, 1475–80, 2001, 2231–38, 2511, 8012, 8062, 8076, 8221–23, 8259–60, 8351–56, 8358–63, 8365–68, 8370–81, 8392–95, 8491, 8540, 8611–12, 8685, 8687, 8722, 9301, 9381–87, 9411–14, 9561–63, 9741, 9743; 18 U.S.C. 4281; 37 U.S.C. 231–39, 251–55, 301, 305; 50 U.S.C. App. 454–55; 70A Stat. 636; 73 Stat. 596; Department of Defense Appropriation Act, 1960.*)

Appropriated 1960, **$54,000,000** Estimate 1961, **$54,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations:			
1. Reserve personnel	$42,399,566	$45,483,000	$47,756,000
2. Reserve Officers' Training Corps	5,735,577	6,694,000	6,244,000
Total direct obligations	48,135,143	52,177,000	54,000,000
Reimbursable obligations:			
1. Reserve personnel	14,029	15,000	15,000
2. Reserve Officers' Training Corps	7,631	10,000	10,000
Total reimbursable obligations	21,660	25,000	25,000
Total obligations	48,156,803	52,202,000	54,025,000
Financing:			
Advances and reimbursements from—			
Other accounts	−21,660	−25,000	−25,000
Non-Federal sources (10 U.S.C. 9627)	−337,521	−475,000	
Unobligated balance no longer available	5,948,378	2,298,000	
Appropriation (new obligational authority)	53,746,000	54,000,000	54,000,000

1. *Reserve personnel.*—This provides funds for training and instruction of Air Force Reserve personnel. The Reserve program is designed to provide trained units to supplement Regular Air Force units and trained individuals to augment Regular Air Force organizations and activities. During 1961 there will be 15 flying training wings plus supporting units, a continuation of the 1960 force.

AIR FORCE RESERVE PERSONNEL STRENGTH

[In paid status]

	1958 actual	*1959 actual*	*1960 planned*	*1961 proposed*
Ending:				
Officers	21,481	27,428	28,615	28,940
Airmen	30,798	37,134	40,405	41,965
Total	52,279	64,562	69,020	70,905
Average:				
Officers	28,248	26,217	27,861	28,988
Airmen	32,407	32,900	38,399	41,272
Total	60,655	59,117	66,260	70,260

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Ready Reserve personnel are obtained either from personnel with prior military service who have an interest or an obligation to serve further in the Ready Reserve or from newly enlisted men participating in a 6-month active duty training program. Enlisted personnel in drill pay status obtained from these sources are summarized below:

	1958 actual	1959 actual	1960 planned	1961 proposed
6-month training program	3,632	2,918	3,015	3,309
Other prior military service	18,649	22,915	16,810	13,416

The program is based on 48 paid drills of 4-hour duration and 2 weeks of active training duty for personnel assigned to Reserve flying training wings, combat support training units and mobilization assignees who occupy positions that require they be proficient in an aeronautical skill. Nonflying mobilization assignees have been provided 24 paid drills of 4-hour duration when training at their place of assignment or 24 2-hour periods of classroom instruction at air reserve centers. Those individuals receiving 15 days' active duty only are mobilization assignees assigned to major commands whose civilian occupations are so closely allied to their military specialties that they do not require frequent inactive duty training. In addition to the normal on-the-job training, selected courses at Air Force schools and special tours of active duty have been provided to increase individual proficiency. Estimated strengths by training categories for 1961 are as follows:

Paid drills	Paid days of active duty for training		Beginning strength	Average strength	Ending strength
48	15	Officers	8,615	8,814	9,025
		Airmen	21,590	23,140	24,600
24	15	Officers	13,835	13,493	13,275
		Airmen	15,980	15,039	14,355
0	90–180	Officers	150	116	75
		Airmen	1,815	1,753	1,670
Drill pay status subtotal		Officers	22,600	22,423	22,375
		Airmen	39,385	39,932	40,625
		Total	61,985	62,355	63,000
0	15	Officers	5,850	6,320	6,320
		Airmen	980	1,270	1,270
0	30	Officers	165	245	245
		Airmen	40	70	70
Other paid status subtotal		Officers	6,015	6,565	6,565
		Airmen	1,020	1,340	1,340
		Total	7,035	7,905	7,905
Total paid status		Officers	28,615	28,988	28,940
		Airmen	40,405	41,272	41,965
		Total	69,020	70,260	70,905

2. *Reserve Officers' Training Corps.*—This program is designed to provide qualified officers to meet the requirements of the Active Air Force and will be conducted at 175 institutions during 1961. Military training is also provided for college students who elect or are required to enroll in the basic course. The prescribed curriculum of the AFROTC course provides the equivalent of about 360 classroom hours as well as a 4-week summer camp at an Air Force base.

Students completing the advanced course receive commissions as Reserve officers and are ordered to active duty with the Air Force for periods ranging from 3 years for nonflying officers to 5 years for officers completing flying training. Officer production is summarized below:

	1958 actual	1959 actual	1960 planned	1961 proposed
Pilots or navigators	3,928	1,743	1,750	1,863
Other (nonflying)	1,435	2,327	2,055	1,893
Total	5,363	4,070	3,805	3,756

Details of the program and the average annual enrollment are summarized below:

	1958 actual	1959 actual	1960 planned	1961 proposed
Air science I (basic)	47,534	51,466	53,900	56,700
Air science II (basic)	30,631	29,564	32,650	34,500
Air science III (advanced)	4,903	4,462	4,750	4,450
Air science IV (advanced)	4,659	4,325	3,937	4,200

Object Classification

	1959 actual	1960 estimate	1961 estimate
Direct obligations:			
01 Personal services: Military	$42,052,476	$45,908,000	$48,156,000
02 Travel	2,278,172	2,451,000	2,357,000
08 Supplies and materials	3,455,568	3,393,000	3,018,000
12 Pensions, annuities, and insurance claims	17,000	31,000	31,000
15 Taxes and assessments	331,927	394,000	438,000
Total direct obligations	48,135,143	52,177,000	54,000,000
Reimbursable obligations:			
08 Supplies and materials	21,660	25,000	25,000
Total obligations	48,156,803	52,202,000	54,025,000

National Guard Personnel, Army

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army National Guard while on duty under section 265 of title 10, United States Code, or while undergoing training or while performing drills or equivalent duty, as authorized by law, [$234,961,000] *$199,000,000*: *Provided*, That obligations may be incurred under this appropriation [for the foregoing expenses for training of units designated for early deployment under mobilization plans or for antiaircraft defense of the United States and Hawaii] without regard to section 107 of title 32, United States Code[: *Provided further*, That the Army National Guard shall be maintained at an average strength of not less than four hundred thousand for the fiscal year 1960: *Provided further*, That $43,000,000 of the funds provided in this appropriation shall be available only to meet the increased expenses necessary to maintain the Army National Guard at the strength provided for in this Act]. (*10 U.S.C. 265, 3722; 32 U.S.C. 107, 253, 701; 37 U.S.C. 232(e), 251, 252, 301; Department of Defense Appropriation Act, 1960.*)

Appropriated 1960, **$234,961,000** Estimate 1961, **$199,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations: Military personnel costs	$208,872,835	$234,961,000	$199,000,000
Reimbursable obligations: Military personnel costs	896,006	840,000	1,100,000
Total obligations	209,768,841	235,801,000	200,100,000
Financing:			
Comparative transfers to other accounts	141,269,391		
Advances and reimbursements from—			
Other accounts	−916,354	−280,000	−380,000
Non-Federal sources (10 U.S.C. 4621)	−511,581	−560,000	−720,000
Unobligated balance no longer available	3,482,703		
Appropriation (new obligational authority)	353,093,000	234,961,000	199,000,000

This program provides funds for training members of units of the Army National Guard which are required by current mobilization plans. The reorganized troop structure of the National Guard is expected to consist of approximately 4,500 company size units at the end of 1960. These are organized in 27 combat divisions as well as a number of combat and service support units. Current plans contemplate early utilization of six of these divisions which are specially manned and equipped to permit immediate mobilization and use. Personnel assigned to Guard units are expected, on the average, to perform 39 2-hour drills and 9 4-hour drills as well as 2 weeks of active duty training at a summer camp. Selected personnel receive

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MILITARY PERSONNEL—Continued

Current authorizations—Continued

NATIONAL GUARD PERSONNEL, ARMY—Continued

additional training at Army service schools, and command post exercises to improve their military proficiency for mobilization duties. The reduction in Army National Guard strength to 360,000 in 1961 will be accomplished by a reduction in the numbers of units, personnel levels, or a combination of these actions, but the National Guard will be trained and manned to the levels required to fulfill the role assigned to it in support of our national objectives. The paid personnel strength is summarized in the following table:

ARMY NATIONAL GUARD PERSONNEL STRENGTH

[In paid status]

	1958 actual	*1959 actual*	*1960 planned*	*1961 proposed*
End of year:				
Officers	37,942	37,884	37,000	37,000
Enlisted	356,387	361,543	363,000	323,000
Total	394,329	399,427	400,000	360,000
Average:				
Officers	37,186	37,881	37,390	37,000
Enlisted	371,197	352,900	362,610	339,900
Total	408,383	390,781	400,000	376,900

National Guard personnel are obtained either from personnel with prior active military service who have an interest or an obligation to serve further in the Ready Reserve, or from newly enlisted men participating in a 6-month active duty training program. Enlisted personnel in drill pay status obtained from these sources are summarized below:

	1958 actual	*1959 actual*	*1960 planned*	*1961 proposed*
6-month training program	51,903	47,798	67,600	29,300
Other prior military service	46,416	53,711	39,100	27,800

It is expected that 63,000 men will begin a 6-month tour of active duty training in 1960 and 28,000 in 1961.

The composition of the guard by training category during 1961 is indicated below:

Paid drills	*Paid days of active duty for training*		*Beginning strength*	*Average strength*	*Ending strength*
48	15	Officers	37,000	37,000	37,000
		Enlisted	330,000	321,192	313,000
0	180	Enlisted	33,000	18,708	10,000
		Total	400,000	376,900	360,000

Object Classification

	1959 actual	1960 estimate	1961 estimate
Direct obligations:			
01 Personal services: Military	$175,157,422	$191,256,000	$171,267,000
02 Travel	8,179,721	10,399,000	7,972,000
03 Transportation of things	23,797	25,000	25,000
07 Other contractual services	34,344	35,000	35,000
08 Supplies and materials	23,973,856	31,120,000	17,851,000
12 Pensions, annuities, and insurance claims	35,742	38,000	47,000
15 Taxes and assessments	1,467,953	2,088,000	1,803,000
Total direct obligations	208,872,835	234,961,000	199,000,000
Reimbursable obligations:			
01 Personal services: Military	113,714	120,000	120,000
08 Supplies and materials	782,292	720,000	980,000
Total reimbursable obligations	896,006	840,000	1,100,000
Total obligations	209,768,841	235,801,000	200,100,000

NATIONAL GUARD PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air National Guard on duty under sections 265, 8033, and 8496 of title 10, United States Code, or while undergoing training or while performing drills or equivalent duty, as authorized by law, [$48,000,000] *$46,000,000: Provided*, That obligations may be incurred under this appropriation without regard to section 107 of title 32, United States Code. (*10 U.S.C. 261–80, 311–12, 510–12, 591–95, 597–600, 651, 671–72, 676–85, 715, 771–74, 1001–07, 1163, 1475–1480, 2001, 2231–38, 2511, 3015, 8012, 8033, 8062, 8077–79, 8224–25, 8261, 8351–56, 8358–63, 8365–68, 8370–81, 8392–95, 8491, 8495–96, 8498, 8611–12, 8687, 8722, 9301, 9561–63, 9741, 9743; 18 U.S.C. 4281; 31 U.S.C. 698; 32 U.S.C. 101–11, 301–05, 307–08, 312–33, 501–07, 701–714; 37 U.S.C. 31a, 33–37, 231–39, 251–55, 301, 305; 50 U.S.C. App. 2201–16; 70A Stat. 631, 633, 636; Department of Defense Appropriation Act, 1960.*)

Appropriated 1960, **$48,000,000** Estimate 1961, **$46,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations: Military personnel	$45,780,561	$48,000,000	$46,000,000
Reimbursable obligations: Military personnel	107,739	136,000	137,000
Total obligations	45,888,300	48,136,000	46,137,000
Financing:			
Comparative transfers to other accounts	203,110,178		
Advances and reimbursements from—			
Other accounts	−405,875	−15,000	−15,000
Non-Federal sources (10 U.S.C. 9627)	−89,788	−121,000	−122,000
Unobligated balance no longer available	3,377,985		
Appropriation (new obligational authority)	251,880,800	48,000,000	46,000,000

This program provides funds for training members of units of the Air National Guard required by current mobilization plans. These are organized into 24 wings of tactical type aircraft as well as a number of nontactical flying and ground support organizations. Three aircraft control and warning units have been assigned responsibility for manning stations and with 22 fighter squadrons on a regular alert basis contribute to the Air Defense Command in its mission. Personnel assigned to Guard units are required to perform 48 4-hour drills and to participate in 2 weeks of active duty training. The personnel strength in 1961 will continue the level reached at the end of 1960 and is summarized in the following table:

AIR NATIONAL GUARD STRENGTH

	1958 actual	*1959 actual*	*1960 planned*	*1961 proposed*
End of year:				
Officers	8,354	8,473	9,200	9,200
Enlisted	61,641	62,521	62,800	62,800
Total	69,995	70,994	72,000	72,000
Average:				
Officers	8,220	8,427	8,778	9,200
Enlisted	60,980	62,099	62,592	62,800
Total	69,200	70,526	71,370	72,000

Air National Guard personnel are obtained either from personnel with prior military service who have an interest or an obligation to serve further in the Ready Reserve, or from men participating in a 6-month active-duty training program. Enlisted personnel in drill-pay status obtained from these sources are summarized below:

	1958 actual	*1959 actual*	*1960 planned*	*1961 proposed*
6-month training program	9,466	8,870	8,500	8,500
Other prior military service	4,794	3,517	2,674	3,007

Estimated strengths by training categories during 1961 are as follows:

Paid drills	*Paid days of active duty for training*		*Beginning strength*	*Average strength*	*Ending strength*
48	15	Officers	9,200	9,200	9,200
		Enlisted	59,985	60,709	59,970
0	90–180	Enlisted	2,815	2,091	2,830
		Total	72,000	72,000	72,000

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Object Classification

	1959 actual	1960 estimate	1961 estimate
Direct obligations:			
01 Personnel services: Military	$37,012,382	$39,134,000	$37,741,000
02 Travel	3,427,576	4,154,000	3,908,000
08 Supplies and materials	5,023,724	4,278,000	3,924,000
12 Pensions, annuities, and insurance claims	71,084	109,000	108,000
15 Taxes and assessments	245,795	325,000	319,000
Total direct obligations	45,780,561	48,000,000	46,000,000
Reimbursable obligations:			
08 Supplies and materials	107,739	136,000	137,000
Total obligations	45,888,300	48,136,000	46,137,000

Retired Pay, Department of Defense

For retired pay and retirement pay, as authorized by law, of military personnel on the retired lists of the Army, Navy, Marine Corps, and the Air Force, including the reserve components thereof, retainer pay for personnel of the inactive Fleet Reserve, and payments under the Uniformed Services Contingency Option Act of 1953, [$715,000,000] *$775,000,000.* (*Department of Defense Appropriation Act, 1960.*)

Appropriated 1960, **$715,000,000** Estimate 1961, **$775,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Nondisability	$356,352,930	$408,842,000	$459,329,000
2. Temporary disability	26,896,653	27,054,000	28,060,000
3. Permanent disability	197,381,527	202,578,000	206,961,000
4. Fleet reserve	52,030,500	59,165,000	77,836,000
5. Survivors' benefits	1,880,441	2,361,000	2,814,000
Total obligations (object class 12)	634,542,051	700,000,000	775,000,000
Financing:			
Proposed transfer to "Retired pay, Department of Defense," under Proposed for later transmission		8,000,000	
Unobligated balance no longer available	5,457,949	7,000,000	
Appropriation (new obligational authority)	640,000,000	715,000,000	775,000,000

This estimate includes funds for the pay of all military personnel on the retired lists of the Department of Defense. The estimate represents the consolidated requirements of the military departments for (*a*) payments to retired officers and enlisted personnel of the Army, Navy, Marine Corps, and Air Force, (*b*) the retainer pay of regular enlisted personnel of the Fleet Reserve of the Navy and Fleet Marine Corps Reserve, and (*c*) survivors' benefits payable under the Uniformed Services Contingency Option Act of 1953. The amount requested is exclusive of any administrative expense. The substantial gains to the retired rolls can be directly attributed to the greater number of individuals attaining eligibility for retirement after 20 or more years of active military service. A supplemental appropriation is anticipated for 1961 under Proposed for later transmission. The following tabulation shows the average number of personnel on the rolls during 1959 compared with the estimated numbers for 1960 and 1961:

AVERAGE NUMBER

Type of retirement	*1959 actual*	*1960 estimate*	*1961 estimate*
1. Nondisability	113,570	129,179	144,900
2. Temporary disability	12,716	12,728	13,059
3. Permanent disability	68,753	70,961	72,846
4. Fleet reserve	25,841	29,245	38,431
5. Survivors' benefits	1,665	2,038	2,398
Total	222,545	244,151	271,634

Proposed for later transmission:

Military Personnel, Air Force

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Pay and allowances		$6,000,000	
2. Movements, permanent change of station		19,000,000	
Total obligations		25,000,000	
Financing:			
Proposed supplemental appropriation		25,000,000	

Under existing legislation, 1960.—Additional funds are anticipated for (*a*) increased costs for pay and allowances resulting from higher dependency factors and increased years of service by grade over estimates used in 1960 budget, and (*b*) additional costs for unprogramed permanent change of station movements of military personnel and their dependents resulting from the recent redeployment of Air Force units from bases in France to other locations in England and Germany, and the inactivation of units and base closures which have been programed under the reduced program of 825,000 military personnel.

Retired Pay, Department of Defense

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Nondisability		$4,376,000	$13,128,000
2. Temporary disability		328,000	984,000
3. Permanent disability		2,632,000	7,896,000
4. Fleet reserve		664,000	1,992,000
Total obligations		8,000,000	24,000,000
Financing:			
Proposed transfer from "Retired pay, Department of Defense"		−8,000,000	
Proposed supplemental appropriation			24,000,000

Under proposed legislation, 1960 and 1961.—Legislation will be proposed to provide that the retired pay, retirement pay, retainer pay, or equivalent pay of members or former members of the uniformed services entitled to such pay on May 31, 1958, shall be based on the pay scales which became effective on June 1, 1958, under the provisions of Public Law 85–422. The cost of the proposed legislation in 1960 can be financed from the current appropriation but a supplemental appropriation for 1961 is anticipated.

OPERATION AND MAINTENANCE

Current authorizations:

Operation and Maintenance, Army

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Army, including administration; medical and dental care of personnel entitled thereto by law or regulation (including charges of private facilities for care of military personnel on duty or leave, except elective private treatment), and other measures necessary to protect the health of the Army; care of the dead; chaplains' activities; awards and medals; welfare and

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OPERATION AND MAINTENANCE—Continued

Current authorizations—Continued

OPERATION AND MAINTENANCE, ARMY—Continued

recreation; information and educational services for the Armed Forces; recruiting expenses; meals furnished under contract for selective service registrants called for induction and applicants for enlistment while held under observation; subsistence of prisoners at disciplinary barracks, and of civilian employees as authorized by law; expenses of apprehension and delivery of prisoners escaped from disciplinary barracks, including payment of rewards not exceeding $25 in any one case, and expenses of confinement of such prisoners in nonmilitary facilities; donations of not to exceed $25 to each prisoner upon each release from confinement in a disciplinary barracks; military courts, boards, and commissions; authorized issues of articles for use of applicants for enlistment and persons in military custody; civilian clothing, not to exceed $40 in cost, to be issued each person upon each release from confinement in an Army or contract prison and to each soldier discharged for unsuitability, inaptitude, or otherwise than honorably, or sentenced by a civil court to confinement in a civil prison, or interned or discharged as an alien enemy; transportation services; communications services, including construction of communication systems; maps and similar data for military purposes; military surveys and engineering planning; contracts for maintenance of reserve tools and facilities for twelve months beginning at any time during the current fiscal year; repair of facilities; utility services for buildings erected at private cost, as authorized by law (10 U.S.C. 4778), and buildings on military reservations authorized by Army regulations to be used for a similar purpose; purchase of ambulances; hire of passenger motor vehicles; tuition and fees incident to training of military personnel at civilian institutions; field exercises and maneuvers, including payments in advance for rentals or options to rent land; expenses for the Reserve Officers' Training Corps and other units at educational institutions, as authorized by law; exchange fees, and losses in the accounts of disbursing officers or agents in accordance with law; expenses of inter-American cooperation, as authorized for the Navy by law (10 U.S.C. 7208) for Latin-American cooperation; not to exceed [$5,855,000] *$5,459,000* for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Army, and payments may be made on his certificate of necessity for confidential military purposes, and his determination shall be final and conclusive upon the accounting officers of the Government; [$3,075,390,000: *Provided,* That $24,300,000 of the funds provided in this appropriation shall be available only to meet the increased expenses necessary to maintain the Army National Guard at the strength provided for in this Act: *Provided further,* That $24,500,000 of the funds provided in this appropriation shall be available only to meet the increased expenses necessary to maintain the Army Reserve at the strength provided for in this Act] *$3,112,000,000. (5 U.S.C. 43, 78, 946; 10 U.S.C. 2632, 3012, 3013, 3062, 4302, 4331–4355, 4382, 4385, 4386, 4505, 4536, 4741; 37 U.S.C. 253; 50 U.S.C. 78, App. 761, 766; Department of Defense Appropriation Act, 1960.)*

Appropriated 1960, **$3,075,390,000** Estimate 1961, [a] **$3,112,000,000**
Appropriated (adjusted) 1960, **$3,075,824,000**

[a] Excludes $7,495,000 for activities transferred in the estimates to "Research, development, test, and evaluation, Army." Includes $12,000,000 for activities previously carried under "Procurement of equipment and missiles, Army." The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations:			
1. Tactical forces	$780,586,243	$790,123,000	$833,780,000
2. Training activities	193,237,596	191,122,000	183,150,000
3. Central supply activities	942,167,933	882,523,800	886,010,000
4. Major overhaul and maintenance of materiel	270,333,500	293,123,600	288,044,000
5. Medical activities	172,775,967	170,525,000	170,865,000
6. Armywide activities	497,954,969	523,612,000	519,293,000
7. Army Reserve and Reserve Officers' Training Corps	85,592,181	78,732,000	82,315,000
8. Joint projects	144,281,599	140,091,000	148,543,000
Total direct obligations	3,086,929,988	3,069,852,400	3,112,000,000
Reimbursable obligations:			
1. Tactical forces	70,785,204	74,376,000	76,129,000
2. Training activities	13,527,185	12,689,000	14,100,000
3. Central supply activities	123,947,597	124,831,000	133,113,000
4. Major overhaul and maintenance of materiel	144,249,508	130,105,000	124,254,000

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
Reimbursable obligations—Continued			
5. Medical activities	$97,329,411	$93,678,000	$96,988,000
6. Armywide activities	15,401,199	15,524,000	16,569,000
7. Army Reserve and Reserve Officers' Training Corps	437,404	449,000	500,000
8. Joint projects	27,133,681	39,979,000	19,795,000
Total reimbursable obligations	492,811,189	491,631,000	481,448,000
Total obligations	3,579,741,177	3,561,483,400	3,593,448,000
Financing:			
Comparative transfers to other accounts	16,886,947	−1,028,400	
Unobligated balance brought forward	−43,210,191	−119,217,051	−91,054,126
Unobligated military assistance orders transferred to or from (−) other Army accounts	−103,818,014	23,162,925	
Advances and reimbursements from—			
Military assistance orders	−72,083,289	−70,000,000	
Other accounts	−282,983,346	−322,750,100	−305,587,000
Non-Federal sources	−109,933,400	−93,880,900	−110,861,000
Unobligated balance carried forward	119,217,051	91,054,126	26,054,126
Unobligated balance no longer available	9,401,724	7,000,000	
New obligational authority	3,113,218,659	3,075,824,000	3,112,000,000
New obligational authority:			
Appropriation	$3,117,238,000	$3,075,390,000	$3,112,000,000
Transferred to—			
"Operating expenses, National Archives and Records Service," General Services Administration (5 U.S.C. 630e)	−581,000		
"Operation and maintenance, Air Force" (5 U.S.C. 172f(a))	−3,071,334		
"Salaries and expenses, Secretary of Defense" (5 U.S.C. 172f(a))	−555,000		
"Salaries and expenses, Bureau of Prisons" (73 Stat. 443)		−750,000	
Transferred (5 U.S.C. 172f(a)) from—			
"Operation and maintenance, Air Force"		1,074,000	
"Operation and maintenance, Navy"	59,993	110,000	
"Operation and maintenance, Marine Corps"	128,000		
Appropriation (adjusted)	3,113,218,659	3,075,824,000	3,112,000,000

The general scope of this appropriation is to provide for support of an 870,000-man Active Army for its day-to-day operations and activities. This includes the direct operational support of the Army strategic and tactical forces deployed in oversea commands and within the continental United States; the maintenance and operation of facilities necessary to the recruitment, training, administrative, and logistical support of these forces; and the maintenance of a mobilization base for the expansion of Army forces in the event of emergencies or war. The Active Army Forces include Army units assigned to the unified and specified commands authorized pursuant to the Defense Reorganization Act of 1958. These commands support NATO commitments in Europe; U.S. commitments in the Pacific and in Korea; and air defense in the United States. They also provide for forces deployed in the Canal Zone, Alaska, and other strategic locations. Other Active Army Forces are the strategic Army forces located in the United States for deployment as necessary, support forces, and training forces.

The accomplishment of these missions and activities requires funds for the expenses of the fixed plant required to house and train these forces, for the supply and logistics system which procures, stores, distributes, and maintains materiel; and the expenses of the departmental headquarters and other major command headquarters. This appropriation also provides for expenses of the Army Reserve Forces and for 6-month active duty training of Army Reserve and National Guard personnel at basic training centers, Army schools, and with Army units. Funds for 1961 include $44 million for the support of an average load of 29,352 6-month trainees of the Army

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Reserve and National Guard. This training is related to the maintenance of these forces at strengths of 270,000 and 360,000, respectively.

1. *Tactical forces.*—This provides for the training and support of Army combat forces. These costs include the operation and maintenance of the installations where these units are stationed; the operation and maintenance of the missiles, aircraft, vehicles, and other equipment assigned to these units; and special training exercises. The 1961 program continues the increased use of missiles by the combat forces, and an increased number of missile units. Major combat units supported are as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Air defense forces: Air defense battalions	85	81¼	87¼
Tactical ground forces:			
Divisions	15	14	14
Armored cavalry regiments	5	5	5
Armored combat commands	1	1	1
Brigades (infantry)	2	2	2
Battle groups (infantry)	8	8	9
Missile commands	4	4	5
Field artillery missile groups (heavy)	3	3	3

Basic training of recruits, including 6-month reserve forces trainees, is accomplished at 12 training centers with the following average loads:

	1959 actual	*1960 estimate*	*1961 estimate*
Active Army	53,216	44,400	48,920
Reserve and National Guard	29,174	40,150	26,330
Total trainees	82,390	84,550	75,250

2. *Training activities.*—This provides for the training of individual officers and enlisted men as contrasted to the training of combat units. It includes two general types of training: Training of career personnel with accent on doctrine, strategy, and tactics; and training in specific military skills such as missile maintenance, counter mortar radar operation, aircraft mechanics, electronic repair, financial management, languages, and the operation of complex and intricate weapons and equipment of the modern Army. Most individual training is conducted through the Army service schools and colleges which conduct resident courses of instruction for U.S. Army personnel, reserve forces trainees, personnel from other services, and foreign military personnel; prepare and administer nonresident training such as extension courses or condensed courses conducted at installations other than the schools; develop doctrine and techniques; and prepare Army training texts and publications.

In addition, this activity finances the U.S. Military Academy at West Point which provides instruction for approximately 2,400 cadets annually for careers as Army officers; tuition costs for officers and enlisted men in subjects that are preferably taught in courses at civilian schools and industrial establishments; and the production of training devices, simulators, training films, and visual training aids.

The number of students supported by these funds are as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Service schools (average load):			
Schools	36,097	33,821	31,269
Colleges	1,023	1,087	1,087
U.S. Military Academy (average load)	2,369	2,375	2,375
Civilian institutions (number attending)	3,887	3,963	4,101

3. *Central supply activities.*—This finances the worldwide supply system required to provide the Army with materiel from the factory to the individual soldier. In substance, this activity provides for the supply functions required to control, standardize, catalog, procure, inspect, store, transport, and issue an item to the user.

The nerve centers of the Army supply system are the commodity managers located at 30 inventory control points. Here up-to-date inventories are kept on quantity, location, and condition of Army stocks; requests for materiel are received; instructions are issued to depots to ship or procurement offices to buy; and information is furnished on which to base the materiel maintenance program. In support of commodity management, current catalogs and data are maintained on about 965,000 items, with about 200,000 being added and removed annually. About 1.2 million individual supply control studies are made each year. Line item requisitions are processed at the rate of 184,000 daily. Oversea supply agencies are operated at three major ports to insure proper support to oversea commands. The decisions of the commodity managers directly affect the workload in other supply functions under this activity.

The largest function is the operation of the supply depots which includes the receipt, storage, care, preservation, and preparation for shipment of supplies and equipment. The Army depot system operates 79 depots, stores and cares for a multibillion dollar inventory, issues an average of $28 million of supplies each day.

This activity provides for the administration of a $4.5 billion central procurement program, including contracting, inspecting, preparation of specifications, standardization and industrial support measures for current procurement and mobilization.

There is also included the expenses of transportation of supplies and equipment from depot to the point of use, and the operation of Army ports and terminals in the United States and overseas. The Army moves approximately 5.6 million short tons by inland line haul and 3.7 million measurement tons by ocean transport annually.

Funds are also provided for the maintenance and protection of production facilities which are retained on standby status in peacetime.

In addition to the above activities, which are performed by the Army primarily for itself, this program also covers the administration of three major interservice supply activities operated by the Army. They are the Military Traffic Management Agency, and two inventory control points: the Military Clothing and Textile Supply Agency and the Military Subsistence Supply Agency.

A summary of workload data specifically related to these programs follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Number of supply depots	80	80	79
Number of inventory control points	31	32	32
Number of line items processed	42,568,000	48,071,000	48,100,000
Number of short tons received	3,285,010	3,051,000	3,068,000
Number of short tons shipped	3,552,371	3,256,000	3,274,000
Average number of short tons in storage	12,170,101	11,749,000	11,574,000

4. *Major overhaul and maintenance of materiel.*—The objectives of this activity are to insure that the Army's equipment is maintained in effective operating condition to enable combat forces to wage limited and/or general war. To meet these objectives, this program provides for the overhaul of unserviceable equipment required to meet the needs of the Army; missile, aircraft, and special weapons parts in support of worldwide maintenance; support of maintenance capability at all levels of operation through maintenance publications; technical assistance in the introduction, installation, operation, and maintenance of complex modern equipment required by the Army; and, through maintenance engineering, improved maintenance techniques. This program also provides for the major overhaul of materiel for the mutual aid program and for other Defense agencies, on a reimbursable basis.

With continuing emphasis on newer, more complex, and costlier equipment, more funds are being allocated to

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OPERATION AND MAINTENANCE—Continued

Current authorizations—Continued

OPERATION AND MAINTENANCE, ARMY—Continued

missiles and aircraft with their supporting electronic and other equipment. In 1957, 20% of the funds available for this activity were allocated to the missile and aircraft categories, while in 1961, 56% will be spent for these purposes.

Continual emphasis is placed on cost reduction. Techniques and standards of performance are developed through maintenance engineering services and are implemented under the direction and guidance of the national maintenance points. Maintenance practices, such as inspect and repair only as necessary (IROAN), have been instituted for all equipment instead of complete teardown and reassembly. All levels of maintenance are made aware of these techniques and standards through the technical manuals and publications developed under this program.

Of the total funds available for this program, approximately 44% will be used for overhaul, modification, and ammunition renovation; approximately 24% for maintenance engineering and related activities; approximately 21% for procurement of parts; and approximately 11% for overhead costs of maintenance facilities.

5. *Medical activities.*—This covers medical (including dental and veterinary) support of the Army, Army National Guard, Army Reserve and Reserve Officers' Training Corps; operation and maintenance of medical facilities in the United States and overseas; medical care and hospitalization of Army personnel in localities where Army medical facilities are not available; medical care and hospitalization of civilian employees and their dependents in the Canal Zone; medical care of dependents of military personnel; and training of military personnel in medical specialties. It cost the Army $20,892,000 in 1959 for care of dependents of its military personnel in civilian hospitals and these costs are estimated at $16,286,000 in 1960 and $16,290,000 in 1961.

Provision is made for the operation in the continental United States of 47 hospitals and 81 dispensaries. The facilities and average daily number of patients is indicated in the following table:

MEDICAL FACILITIES AND PATIENTS

	1959 actual	*1960 estimate*	*1961 estimate*
Hospitals:			
Continental United States	51	48	47
Extracontinental	28	28	28
Patients in Army facilities:			
Active duty:			
Army	7,492	7,410	7,406
Other uniformed services	1,330	1,279	1,275
Dependents of uniformed personnel:			
Army	2,577	2,857	2,960
Other uniformed services	823	853	916
Retired:			
Army	359	396	416
Other uniformed services	102	114	132
Other categories of patients	598	672	686
Total average daily occupied beds	13,281	13,581	13,791
Total medical and dental outpatient treatments and examinations	25,828,000	26,833,000	26,896,000
Patients in other facilities:			
Active duty	1,279	1,297	1,297
Retired	162	178	183
Dependents of military personnel:			
In other Federal hospitals	503	547	552
In civilian hospitals	1,128	799	862

6. *Armywide activities.*—This includes the management and direction of the Army and finances the headquarters in Washington, D.C., and in the major field commands. These will operate at substantially the same level in 1961 as in 1960. Funds are provided for the worldwide communication network which contributes to operation and security of Army forces and furnishes administrative communications channels among the activities of the Army. The Army Intelligence program operates the attaché system, the Army Intelligence Center, and covers counterintelligence, and technical and field intelligence. Mapping and geodesy are accomplished to fulfill the Army's assigned responsibility for ground mapping throughout the world, with added emphasis being placed on the more precise maps and geodesy required in the missile age. Miscellaneous administrative services are also provided for the entire Army, ranging from records centers and the processing of military personnel to the education of dependents, and financial accounting and auditing. Some of the workload indicators for this activity are:

	1959 actual	*1960 estimate*	*1961 estimate*
Number of records and publications centers	10	10	10
Number of personnel centers	13	12	11
Number of dependents in school	62,481	66,500	75,105
Number of message groups handled (000,000 omitted)	21,955	22,080	22,223

7. *Army Reserve and Reserve Officers' Training Corps.*—This activity provides for training and administering the Army Reserve Forces, and includes the cost of reserve units at their local training centers and at summer camps. Workload is indicated below.

	1959 actual	*1960 estimate*	*1961 estimate*
Reservists in drill pay status (average number)	282,700	281,200	272,400
Number of Reserve Training Centers	1,653	1,723	1,758

The 1961 estimate includes funds for the procurement of equipment. None is planned to be acquired in 1960.

Funds are also included in 1961 for an average of 154,610 Reserve Officers' Training Corps students at civilian colleges and universities.

8. *Joint projects.*—This activity supports a variety of projects which provide services for all the military services, and for which the Army acts as executive agent. Included is the support of: (*a*) The National War College and the Industrial College of the Armed Forces, which prepare senior military officers and selected civilian personnel for high-level assignments within the national and international security structure; (*b*) the Armed Forces information and education program for the dissemination of educational material to troops of each service; (*c*) international activities to enhance national policy principally in the field of inter-American relations; (*d*) unified command headquarters in Europe and the Caribbean; and (*e*) specific classified activities. The increase in 1961 is for support of classified projects.

Object Classification

	1959 actual	1960 estimate	1961 estimate
ARMY			
Total number of permanent positions	274,817	260,947	258,709
Full-time equivalent of all other positions	20,409	20,235	20,231
Average number of all employees	283,773	268,251	269,351
Number of employees at end of year	280,786	272,888	271,796
Average GS grade and salary	6.2 $5,215	6.1 $5,239	6.2 $5,239
Average salary and ungraded positions	5,006	5,008	5,008
Personal service obligations:			
Permanent positions	$1,289,611,340	$1,210,181,932	$1,219,028,619
Positions other than permanent	21,063,250	23,404,067	23,479,647
Other personal services	42,864,705	45,475,001	40,083,734
Total personal service obligations	1,353,539,295	1,279,061,000	1,282,592,000

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Object Classification—Continued

		1959 actual	1960 estimate	1961 estimate
	ARMY—continued			
	Direct obligations:			
01	Personal services	$1,249,964,470	$1,176,195,000	$1,176,224,000
02	Travel	72,560,711	71,394,000	69,697,000
03	Transportation of things	161,677,318	152,822,000	153,960,000
04	Communication services	52,917,003	56,527,000	59,891,000
05	Rents and utility services	95,733,194	91,618,000	91,657,000
06	Printing and reproduction	28,214,024	30,418,000	30,707,000
07	Other contractual services	401,399,426	450,382,000	472,989,000
	Services performed by other agencies	33,694,705	35,866,000	35,551,000
	Labor contracts with other governments [1]	175,042,477	159,479,400	160,026,000
08	Supplies and materials	629,829,883	651,290,000	669,763,000
09	Equipment	112,220,148	126,698,000	124,295,000
10	Lands and structures	1,667,642	1,600,000	1,586,000
11	Grants, subsidies, and contributions	67,786,760	62,815,000	62,916,000
12	Pensions, annuities, and insurance claims	2,337	4,000	4,000
13	Refunds, awards, and indemnities	2,457,708	1,641,000	1,611,000
14	Interest	71		
15	Taxes and assessments	1,133,775	1,148,000	1,167,000
	Unvouchered	345,743		
	Subtotal	3,086,647,395	3,069,897,400	3,112,044,000
	Deduct quarters and subsistence charges	46,000	45,000	44,000
	Total direct obligations	3,086,601,395	3,069,852,400	3,112,000,000
	Reimbursable obligations:			
01	Personal services	103,574,825	102,866,000	106,368,000
02	Travel	4,176,066	3,963,000	3,860,000
03	Transportation of things	23,451,211	24,197,000	26,983,000
04	Communication services	10,039,301	11,341,000	11,129,000
05	Rents and utility services	14,171,750	15,274,000	15,410,000
06	Printing and reproduction	1,484,889	1,653,000	1,629,000
07	Other contractual services	161,776,740	149,127,000	150,123,000
	Services performed by other agencies	241,472	213,000	200,000
	Labor contracts with other governments [1]	5,523,633	10,257,000	10,082,000
08	Supplies and materials	127,547,019	119,956,000	121,915,000
09	Equipment	32,820,767	44,861,000	25,413,000
10	Lands and structures	163,582	170,000	182,000
11	Grants, subsidies, and contributions	7,771,550	7,686,000	8,087,000
15	Taxes and assessments	68,384	67,000	67,000
	Total reimbursable obligations	492,811,189	491,631,000	481,448,000
	Total, Army	3,579,412,584	3,561,483,400	3,593,448,000
	ALLOCATION TO ATOMIC ENERGY COMMISSION			
07	Other contractual services	328,593		
	Total obligations	3,579,741,177	3,561,483,400	3,593,448,000

[1] Average number of persons: 1959, 114,502; 1960, 105,103; 1961, 104,674.

Operation and Maintenance, Navy

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Navy and the Marine Corps, including aircraft and vessels; modification of aircraft; design and alteration of vessels; training and education of members of the Navy; administration; procurement of military personnel; [purchase (not to exceed one thousand one hundred and seventeen for replacement only, including ten at not to exceed $2,900 each) and] hire of passenger motor vehicles; not to exceed $40 per person for civilian clothing, including an overcoat when necessary, for enlisted personnel discharged for inaptitude, unsuitability, or otherwise than honorably; welfare and recreation; medals, awards, emblems, and other insignia; transportation of things (including transportation of household effects of civilian employees); industrial mobilization; medical and dental care; care of the dead; lease of facilities; Latin-American cooperation; charter and hire of vessels; relief of vessels in distress; maritime salvage services; military communications facilities on merchant vessels; dissemination of scientific information; administration of patents, trademarks, copyrights; losses in exchange and in accounts of disbursing officers, as authorized by law; annuity premiums and retirement benefits for civilian members of teaching services; tuition, allowances, and fees incident to training of military personnel at civilian institutions; repair of facilities; departmental salaries; utility services for buildings erected at private cost as authorized by law (10 U.S.C. 7580), and buildings on military reservations authorized by Navy regulations to be used for welfare and recreational purposes; conduct of schoolrooms, service clubs, chapels, and other instructional, entertainment and welfare expenses for the enlisted men; [cryptographic equipment;] procurement [and production] of services, special clothing, supplies, and equipment; [procurement of plant equipment, appliances, and machine tools, and] installation [thereof] *of equipment* in public or private plants; exploration, prospecting, conservation, development, use, and operation of the naval petroleum reserves, as authorized by law; not to exceed [$12,325,000] *$12,686,000* for emergency and extraordinary expenses, as authorized by section 7202 of title 10, United States Code, to be expended on the approval and authority of the Secretary and his determination shall be final and conclusive upon the accounting officers of the Government; [and support of the town of Olongapo, as authorized by law; $2,611,220,000] *$2,550,000,000,* of which [$975,000] *$995,000* shall be transferred to the appropriation "Salaries and expenses," Weather Bureau, Department of Commerce, fiscal year [1960] *1961,* and [$16,885,000] *$16,980,000* shall be transferred to the appropriation "Operating expenses", Coast Guard, fiscal year [1960] *1961,* for the operation of ocean stations[: *Provided,* That $5,900,000 of the funds provided in this appropriation shall be available only to meet the increased expenses necessary to maintain the Regular Marine Corps at the strength provided for in this Act]. *(5 U.S.C. 46, 55a, 73b–1, 78, 95a; 10 U.S.C. 262, 276, 351, 1074, 1076–77, 1079, 1083, 1085, 1481–85, 1487–88, 2201, 2386, 2388, 2481, 2602, 2670, 2675, 2701, 5012–13, 5031, 5142, 5151, 5531, 6022, 6028–29, 6153, 6201–03, 6297, 6901, 6910, 6951–52, 6968, 7041, 7043–44, 7085, 7202, 7205, 7207–08, 7212, 7214–15, 7218, 7229, 7293, 7297, 7303, 7361–62, 7391–92, 7394–7396, 7421, 7432, 7571, 7580; 24 U.S.C. 14a, 15, 16a, 21a, 30, 37; 31 U.S.C. 82a–2, 95a, 104, 492a–b, 725h; 33 U.S.C. 367; 37 U.S.C. 253; 44 U.S.C. 265; Department of Defense Appropriation Act 1960.)*

Appropriated 1960, **$2,611,220,000** Estimate 1961, [a] **$2,550,000,000**
Appropriated (adjusted) 1960, $2,611,110,000

[a] Includes $65,864,000 for activities previously carried under appropriations as follows:

"Aircraft and related procurement, Navy"	$30,539,000
"Shipbuilding and conversion, Navy"	35,325,000

and excludes $173,533,000 for activities transferred in the estimates to—

"Procurement of aircraft and missiles, Navy"	$2,000,000
"Other procurement, Navy"	171,533,000

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations:			
1. General expenses, Navy personnel	$86,878,247	$91,446,000	$91,773,000
2. Weapons and facilities	974,334,993	989,305,000	943,235,000
3. Ships and facilities	777,113,708	858,494,000	855,664,000
4. Medical care	94,852,753	98,310,000	95,940,000
5. Civil engineering	101,686,045	92,466,000	98,633,000
6. Servicewide supply	299,434,131	288,575,000	290,239,000
7. Servicewide operations	174,933,731	184,490,000	172,392,000
8. Naval petroleum reserves	1,668,179	2,124,000	2,124,000
Total direct obligations	2,510,901,787	2,605,210,000	2,550,000,000
Reimbursable obligations:			
1. General expenses, Navy personnel	5,666,679	8,000,000	5,200,000
2. Weapons and facilities	51,932,874	66,016,974	60,727,000
3. Ships and facilities	24,919,947	29,382,000	17,982,000
4. Medical care	23,400,143	23,924,000	24,460,000
5. Civil engineering	26,213,918	31,506,000	12,500,000
6. Servicewide supply	16,651,733	15,268,026	15,268,000
7. Servicewide operations	5,619,526	17,840,000	17,321,000
8. Naval petroleum reserves	28,000		
Total reimbursable obligations	154,432,820	191,937,000	153,458,000
Subtotal	2,665,334,607	2,797,147,000	2,703,458,000
Less intrafund obligations	35,772,230	42,136,039	36,475,000
Total obligations	2,629,562,377	2,755,010,961	2,666,983,000
Financing:			
Comparative transfers to other accounts	46,735,000		
Unobligated balance brought forward (69 Stat. 438)	−23,992,593	−16,412,873	−11,552,350
Unobligated military assistance orders transferred to or from (−) other service accounts	−2,172	−722,105	11,552,350
Advances and reimbursements from—			
Military assistance orders	−13,026,902	−5,014,000	
Other accounts	−91,264,326	−129,633,333	−108,346,000
Non-Federal sources (5 U.S.C. 61b; 10 U.S.C. 1071–1085, 2481, 2633, 2665, 2667, 6011, 7367; 22 U.S.C. 1816; 31 U.S.C. 489a and 856)	−7,346,879	−9,571,000	−8,637,000
Unobligated balance carried forward (69 Stat. 438)	16,412,873	11,552,350	
Unobligated balance no longer available	17,386,529	5,900,000	
New obligational authority	2,574,463,907	2,611,110,000	2,550,000,000

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OPERATION AND MAINTENANCE—Continued

Current authorizations—Continued

OPERATION AND MAINTENANCE, NAVY—Continued

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
New obligational authority:			
Appropriation	$2,575,515,900	$2,611,220,000	$2,550,000,000
Transferred to—			
"Operating expenses, National Archives and Records Service," General Services Administration (5 U.S.C. 630E)	−467,000		
"Salaries and expenses, Secretary of Defense" (5 U.S.C. 172f(a))	−525,000		
"Operation and maintenance, Army" (5 U.S.C. 172f(a))	−59,993	−110,000	
Appropriation (adjusted)	2,574,463,907	2,611,110,000	2,550,000,000

NOTE.—The 1959 activities for the following appropriations are reflected in these schedules for comparative purposes:
"Navy personnel, general expenses."
"Aircraft and facilities, Navy."
"Ships and facilities, Navy."
"Ordnance and facilities, Navy."
"Civil engineering, Navy."
"Medical care, Navy."
"Servicewide supply and finance, Navy."
"Servicewide operations, Navy."
"Naval petroleum reserves."

This appropriation finances the day-to-day costs of naval forces in being. It covers organizing, training, and preparing naval forces for the conduct of prompt and sustained combat operations in either general or limited war. The majority of these forces are assigned to unified and specified commands. These forces include carrier striking forces, submarine forces, antisubmarine forces, amphibious forces, and mobile logistic support forces. Included are the operations of ship-based aircraft, patrol land and seaplanes, and Marine Corps aircraft. These ships and aircraft are either deployed or in readiness to deploy to the potential trouble spots of the world.

While this appropriation provides for a smaller active fleet its strength will be augmented by two new *Forrestal* class carriers and several guided missile frigates and destroyers armed with Terrier and Tartar missiles. New supersonic attack bombers and missile equipped fighters will become operational. The program to modernize older ships is continued in 1961, providing an increased antisubmarine capability.

The lower obligations in 1961 in this appropriation are principally the result of the transfer to Navy procurement appropriations of capital equipment formerly financed in the appropriation. Offsetting these transfers in part are increased costs of more complex equipment, expanding programs such as the Polaris weapon system, the increased numbers of nuclear submarines, and the Federal civilian health insurance program.

This appropriation also finances the logistic support of antarctic operations and the seaward extension of the distant early warning line which provides early warning of enemy attack to the North American Continent.

This appropriation finances the day-to-day operation and maintenance costs of the supporting Shore Establishment which provides supply, overhaul, modernization, repair, and other services for the Active Forces.

1. *General expenses, Navy personnel.*—This activity finances the recruiting, training, and administration of military personnel of the Navy both Regular and Reserve. The individual and unit training in 146 naval training centers and schools includes recruit training and basic and advanced technical training in a wide spectrum of skills from boilerman to electronics and nucleonics. Additional training is carried on in over 65 civilian colleges and 458 Reserve training activities. The Naval Academy is financed by this activity to provide instruction for approximately 3,500 midshipmen for careers as naval or Marine Corps officers.

The magnitude of the Navy's training program may be gaged by the fact that approximately 56,000 officers and 270,000 enlisted personnel, Regular and Reserve, are given some form of professional education annually in military and civilian schools and colleges.

	1959 actual	*1960 estimate*	*1961 estimate*
Average naval strength	636,393	619,649	618,959
Average paid Reserve strength	133,590	136,102	128,797
Basic training (average load)	19,222	20,329	17,349
Service schools (average load):			
Officers	3,816	3,935	4,054
Enlisted	21,408	22,450	22,441
Naval Academy (average attending)	3,490	3,590	3,740
Civilian institutions (number attending)	921	992	1,143
Reservists in drill pay status (average number)	123,955	127,902	127,812
Number of Reserve training activities	479	469	458

2. *Weapons and facilities.*—In September of 1959 the Bureau of Naval Weapons was activated to develop and administer the missile and air programs of the Navy on a weapons system basis. The new organization was created from the merging of the Bureau of Ordnance and the Bureau of Aeronautics in accordance with recent legislation.

This activity provides for the operating costs of naval aviation, including naval air combat forces assigned to unified commands. Operations of both Navy and Marine Corps aviation, including Navy and Marine Air Reserve, are covered. Supporting costs include the costs of weapons systems rework and maintenance including aircraft, aircraft engines and components, missile systems such as Terrier, Tartar, Talos, Sidewinder, Bullpup, Sparrow, and Polaris, as well as nuclear warheads and other ordnance and ammunition necessary for the Navy's Active Forces. The Shore Establishment provides logistic support and includes naval air stations, naval ammunition depots and magazines, naval ordnance plants and other activities.

	1959 actual	*1960 estimate*	*1961 estimate*
Average operating aircraft:			
Regular	7,352	6,382	6,075
Reserves	973	814	786
Flying hours:			
Regular	3,054,605	2,880,347	2,812,722
Reserves	436,036	362,219	316,098
Aircraft reworks:			
Inservice facilities	2,873	2,900	3,331
By contract	622	684	674
Engine overhauls:			
Inservice facilities	10,420	9,027	8,413
By contract	12	907	435
Average aviation training load:			
Pilot	3,056	2,990	2,562
Technical	8,801	8,554	8,649
Tons ammunition received, stored, and issued	1,122,411	1,028,000	1,028,000

3. *Ships and facilities.*—This activity finances 817 ships of the active fleet and 95 vessels in the Naval Reserve training program. These ships are multipurpose forces designed to perform a variety of missions such as attack, amphibious, antisubmarine, and air defense operations. They are assigned to unified commands and other missions. Naval Reserve training ships and crews are being prepared to be capable of immediate deployment with the active fleet.

Funds are included to overhaul and modernize the fleet and to support various naval bases and other logistic support activities. Newer ships with complex nuclear, electronic, and missile systems as well as the increased

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costs of maintaining older ships account for certain increased costs in this activity.

	1959 actual	1960 estimate	1961 estimate
Number of ships (end of year)	860	817	817
Number of steaming hours (based on average number of ships)	2,152,000	2,133,000	2,039,000
Number of regular ship overhauls	360	375	341
Number of ships modernized	2	26	27
Number of major facilities	29	29	29
Number of Naval Reserve training vessels	95	95	95

4. *Medical care.*—This activity provides for medical care and hospitalization of Navy and Marine Corps personnel and their dependents, and care of the dead. It includes operation and maintenance of hospitals, dispensaries, dental clinics, and other medical facilities in the United States and overseas, instruction of medical personnel, and medical care of military personnel and their dependents in localities where Navy facilities are not available. Obligations for care of dependents in civilian hospitals in 1959 were $25,950,000 and obligations are estimated at $24,354,000 in 1960 and $22,576,000 in 1961. These activities are shown in the following table:

MEDICAL FACILITIES AND PATIENTS

	1959 actual	1960 estimate	1961 estimate
Hospitals:			
Continental United States	39	38	38
Extracontinental	17	17	17
Patients in naval facilities:			
Active duty:			
Navy and Marine Corps	8,773	8,728	8,428
Other uniformed services	959	891	888
Dependents of uniformed personnel:			
Navy and Marine Corps	1,467	1,643	1,757
Other uniformed services	319	376	380
Retired:			
Navy and Marine Corps	561	561	574
Other uniformed services	87	93	100
Other categories of patients	643	666	665
Total average daily occupied beds	12,809	12,958	12,792
Total medical and dental outpatient treatments and examinations	19,006,645	19,717,280	19,724,300
Patients in other facilities:			
Active duty	781	786	773
Retired	107	108	115
Dependents of military personnel:			
In other Federal hospitals	469	461	500
In civilian hospitals	1,242	1,088	1,057

MEDICAL PERSONNEL IN TRAINING (MAN-YEARS)

In medical department schools	2,127	1,928	1,967
In naval hospitals and other medical facilities	1,448	1,577	1,569
In civilian institutions	236	249	246
Total	3,811	3,754	3,782

5. *Civil engineering.*—This activity finances civil engineering services for the Naval Establishment. Six public works centers are operated in areas where several naval facilities are located. These provide plant maintenance, utilities, transportation, and other services. Engineering services are provided for the Navy in such matters as long-range construction planning and contract administration of repair and utility contracts.

The Seabee forces are financed by this activity and comprise 15 construction battalion units for support of the operating forces. Four bases from which antarctic operations are conducted are operated by the Seabees.

	1959 actual	1960 estimate	1961 estimate
Number of housing units maintained	20,478	23,527	25,506
Value of nonpassenger vehicles and construction equipment	$57,950,000	$47,812,000	$47,812,000
Number of Seabee battalions	15	15	15
Number of active duty Seabees	7,510	7,513	7,318
Value of contracts administered	$47,100,000	$50,000,000	$50,000,000

6. *Servicewide supply.*—This activity encompasses the major active supply support, both continental and overseas, for naval ships and aircraft. Its workload is directly responsive to fleet, air, and shore station operations and is performed by 37 supply outlets. Planning and programing for this support, including procurement and requirements determinations, is accomplished by 12 supply demand control points. These supply demand control points are responsible for the inventory management and the transportation of materials under their cognizance in the Navy supply system. In addition to the above control points, this activity includes the maintenance and operating costs for the Military Medical Supply Agency and the Military Petroleum Supply Agency. These agencies manage total Department of Defense inventories of their respective commodities.

Special programs such as the purification of inventories will continue in 1961. A summary of workload data specifically related to these programs follows:

	1959 actual	1960 estimate	1961 estimate
Number of supply outlets	37	37	37
Number of inventory control points	14	14	14
Number of supply actions	19,096,400	18,945,500	18,697,300
Number of tons received	3,028,600	3,004,700	2,965,300
Number of tons shipped	2,956,100	2,932,700	2,894,300
Average number of tons in storage	8,976,900	8,906,000	8,789,300

7. *Servicewide operations.*—This activity finances the Office of the Secretary of the Navy and the Office of the Chief of Naval Operations. These offices perform operational planning, coordination of research, and business management. In addition, the Office of Chief of Naval Operations manages naval stations, the naval communications system, the Hydrographic Office, and the Naval Observatory.

	1959 actual	1960 estimate	1961 estimate
Number of naval stations	15	15	15
Number of communication facilities	19	19	21

8. *Naval petroleum reserves.*—This activity provides for Navy's share of operating and production costs in Naval Petroleum Reserve No. 1 (Elk Hills Field) in California under the unit plan contract with the Standard Oil Co. of California; supervision of oil and gas leases on Navy's lands in Naval Petroleum Reserve No. 2 (Buena Vista Hills Field) in California; closeout of the protective drilling and production program on Naval Petroleum Reserve No. 3 (Teapot Dome Field) in Wyoming; investigation of mining claims on Naval Oil Shale Reserves Nos. 1 and 3 in Colorado; and administration of the reserves including the hire of petroleum consultants.

	1959 actual	1960 estimate	1961 estimate
Number of barrels of oil reserves	886,490,000	880,490,000	874,490,000
Income from oil leases (deposited in the general fund of the Treasury)	$10,996,339	$14,000,000	$14,000,000

Object Classification

	1959 actual	1960 estimate	1961 estimate
NAVY			
Total number of permanent positions	175,162	164,627	165,767
Full-time equivalent of all other positions	77	77	77
Average number of all employees	167,527	156,941	160,313
Number of employees at end of year	162,816	154,451	161,303
Average GS grade and salary	6.1 $5,384	6.1 $5,425	6.1 $5,446
Average salary of ungraded positions	$5,048	$5,176	$5,183
Personal service obligations:			
Permanent positions	$831,361,324	$792,995,704	$823,397,811
Positions other than permanent	341,638	352,700	350,600
Other personal services	29,299,366	29,166,491	27,181,914
Total personal service obligations	861,002,328	822,514,895	850,930,325
Direct obligations:			
01 Personal services	826,995,680	785,400,795	813,913,525
02 Travel	32,437,831	35,070,560	36,192,960
03 Transportation of things	81,689,877	81,275,900	79,595,700
04 Communication services	17,646,917	21,850,400	24,104,500
05 Rents and utility services	52,496,361	56,044,200	58,600,400
06 Printing and reproduction	13,799,456	14,143,200	16,363,200

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OPERATION AND MAINTENANCE—Continued

Current authorizations—Continued

OPERATION AND MAINTENANCE, NAVY—Continued

Object Classification—Continued

		1959 actual	1960 estimate	1961 estimate
	NAVY—continued			
	Direct obligations—Continued			
07	Other contractual services	$592,464,432	$675,538,810	$750,264,182
	Services performed by other agencies	78,708,079	76,107,800	77,011,300
	Labor contracts with foreign governments [1]	17,664,658	17,830,400	17,653,800
	Private foreign labor contracts [2]	1,180,150	939,000	545,000
08	Supplies and materials	583,816,654	589,195,590	561,167,100
09	Equipment	152,469,949	181,362,270	37,499,370
10	Lands and structures	3,463,813	3,127,000	2,910,000
11	Grants, subsidies, and contributions	53,066,909	50,802,775	53,258,763
12	Pensions, annuities, and insurance claims	92,894	95,000	94,000
13	Refunds, awards, and indemnities	1,164,678	1,195,000	1,217,000
15	Taxes and assessments	700,763	686,300	859,200
	Subtotal	2,509,859,101	2,590,665,000	2,531,250,000
	Deduct portion of foregoing obligations originally charged to object classes 07, 08, and 09	3,284,463	4,680,000	4,525,000
	Total direct obligations	2,506,574,638	2,585,985,000	2,526,725,000
	Reimbursable obligations:			
01	Personal services	34,006,648	37,114,100	37,016,800
02	Travel	257,656	352,000	346,500
03	Transportation of things	33,053	115,500	117,500
04	Communication services	2,232,848	3,712,800	3,635,800
05	Rents and utility services	3,646,355	4,039,500	4,085,900
06	Printing and reproduction	33,835	30,200	31,200
07	Other contractual services	36,686,132	76,438,102	57,254,500
08	Supplies and materials	55,174,298	49,637,172	46,916,300
09	Equipment	20,519,378	18,468,926	2,009,000
11	Grants, subsidies, and contributions	1,834,447	2,019,500	2,034,400
15	Taxes and assessments	8,170	9,200	10,100
	Total reimbursable obligations	154,432,820	191,937,000	153,458,000
	Subtotal	2,661,007,458	2,777,922,000	2,680,183,000
	Less intrafund obligations	35,772,230	42,136,039	36,475,000
	Total, Navy	2,625,235,228	2,735,785,961	2,643,708,000
	ALLOCATION TO ATOMIC ENERGY COMMISSION			
07	Other contractual services	4,327,149	19,225,000	23,275,000
	Total obligations	2,629,562,377	2,755,010,961	2,666,983,000

[1] Average number of persons: 1959, 17,003; 1960, 16,903; 1961, 16,764.
[2] Average number of persons: 1959, 555; 1960, 441; 1961, 269.

OPERATION AND MAINTENANCE, MARINE CORPS

For expenses, necessary for the operation and maintenance of the Marine Corps including equipment and facilities; procurement of military personnel; training and education of regular and reserve personnel, including tuition and other costs incurred at civilian schools; welfare and recreation; utility services for buildings erected at private cost as authorized by law, and buildings on military reservations authorized by Navy regulations to be used for welfare and recreational purposes; conduct of schoolrooms, service clubs, chapels, and other instructional, entertainment and welfare expenses for the enlisted men; not to exceed $40 per person for civilian clothing, including an overcoat when necessary, for enlisted personnel discharged for inaptitude or unsuitability or otherwise than honorably; procurement and manufacture of military supplies, equipment and clothing; hire of passenger motor vehicles; transportation of things; medals, awards, emblems and other insignia; losses in exchange and in accounts of disbursing officers, as authorized by law; *operation of dispensaries and dental clinics;* and departmental salaries; [$175,850,000: *Provided,* That $4,500,000 of the funds provided in this appropriation shall be available only to meet the increased expenses necessary to maintain the Regular Marine Corps at the strength provided for in this Act] *$176,000,000. (5 U.S.C. 46, 55a, 78; 10 U.S.C. 262, 276, 5013, 5531, 6153, 6254, 6297, 6910–11, 7214, 7218, 7571, 7580; 31 U.S.C. 82a–2, 95a, 104, 492a–b; Department of Defense Appropriation Act, 1960.)*

Appropriated 1960, **$175,850,000** Estimate 1961, **$176,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations:			
1. Training and operations	$108,709,366	$111,317,000	$115,464,000
2. Depot supply system	38,096,759	38,078,000	38,343,000
3. Transportation of things	8,095,433	7,576,000	7,896,000
4. Marine Corps Reserve training	4,496,737	4,454,000	4,329,000
5. Cataloging	1,362,757	1,403,000	1,496,000
6. Departmental administration	8,336,764	8,522,000	8,472,000
Total direct obligations	169,097,816	171,350,000	176,000,000
Reimbursable obligations:			
1. Training and operations	7,709,405	14,410,550	15,012,000
2. Depot supply system	1,535,720	2,338,450	2,504,000
4. Marine Corps Reserve training	84,103	101,000	71,000
6. Departmental administration	2,753	6,000	6,000
Total reimbursable obligations	9,331,981	16,856,000	17,593,000
Subtotal	178,429,797	188,206,000	193,593,000
Less intrafund obligations		2,900,000	2,900,000
Total obligations	178,429,797	185,306,000	190,693,000
Financing:			
Comparative transfers to other accounts	739,862		
Unobligated balance brought forward (69 Stat. 438)	−3,732,983	−7,516,569	−7,089,394
Unobligated military assistance orders transferred to or from (−) other service accounts	2,262,851	−402,825	
Advances and reimbursements from—			
Military assistance orders	−7,986,691	−5,170,000	
Other accounts	−6,168,787	−6,757,000	−6,993,000
Non-Federal sources (10 U.S.C. 2481 and 7581)	−1,314,559	−1,199,000	−1,700,000
Unobligated balance carried forward (69 Stat. 438)	7,516,569	7,089,394	1,089,394
Unobligated balance no longer available	3,212,941	4,500,000	
New obligational authority	172,959,000	175,850,000	176,000,000
New obligational authority:			
Appropriation	$173,117,000	$175,850,000	$176,000,000
Transferred (5 U.S.C. 172f(a)) to—			
"Operation and maintenance, Army"	−128,000		
"Salaries and expenses, Secretary of Defense"	−30,000		
Appropriation (adjusted)	172,959,000	175,850,000	176,000,000

General.—This appropriation supports the training and operational readiness of the ground elements of the Atlantic and Pacific Fleet Marine Forces, including three combat divisions and related support units. The Fleet Marine Forces are components of the Pacific and Atlantic Fleets assigned to unified commands. The operations of three Marine air wings included in the Fleet Marine Forces are financed primarily by the Operation and maintenance, Navy, appropriation. Other operating units supported by this appropriation are security forces guarding naval and Marine Corps bases, U.S. embassies, and certain classified facilities.

1. *Training and operations.*—The training objectives of the Fleet Marine Forces will stress the vertical envelopment doctrine in amphibious operations by two major division-wing exercises, 7 exercises at regimental combat team-air group level and 25 exercises at battalion landing team level. These training objectives are supported through recruitment and training of military personnel and operation of four major combat unit support bases, two recruit depots, and one school. During 1961, two battalions equipped with the Hawk missile will be activated as components of the Fleet Marine Forces for improved protection in the field against low-level air attack.

Significant workload data for this activity are:

	1959 actual	*1960 estimate*	*1961 estimate*
Divisions	3	3	3
Fleet Marine Forces (average military personnel)	97,375	90,021	94,709
Security forces (average military personnel)	12,426	12,945	12,797
Recruit training (average load)	12,533	11,413	8,601
Other training:			
Officer	1,401	1,526	1,059
Enlisted	8,590	6,650	4,390

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2. *Depot supply system.*—This activity includes overhaul of major equipment and preservation of materiel and receipt, issue, and storage of materiel to support combat forces. Major equipment repair is programed on the basis of scheduled rotation of end items in the hands of troops to insure materiel readiness and to achieve a workload compatible with manpower and plant capacity. The workload of the supply activity is more directly responsive to the level of operations of the combat forces. Programing and planning for this logistic support is accomplished at the Marine Corps Supply Activity, Philadelphia, and receipt and issue functions are accomplished at two major supply centers.

Workload data specifically related to the supply activity follow:

	1959 actual	*1960 estimate*	*1961 estimate*
Number of tons received	105,273	115,300	130,400
Number of tons shipped	120,861	117,000	129,000

4. *Marine Corps Reserve training.*—This activity finances training of Marine Corps Reserve units including personnel support, maintenance and operation of Reserve armories and other training facilities, and Marine Corps furnished supplies and equipment for ground and aviation units.

Significant workload data for this activity follow:

	1959 actual	*1960 estimate*	*1961 estimate*
Reservists in drill pay status	44,859	45,000	45,000
Number of Reserve training centers	228	225	225

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	16,248	15,417	15,239
Average number of all employees	15,097	14,962	14,769
Number of employees at end of year	15,074	14,737	14,683
Average GS grade and salary	5.0 $4,635	5.1 $4,658	5.1 $4,679
Average salary of ungraded positions	$4,403	$4,528	$4,521
Personal service obligations:			
Permanent positions	$68,213,332	$69,373,879	$68,604,082
Other personal services	1,745,934	1,439,227	1,142,788
Total personal service obligations	69,959,266	70,813,106	69,746,870
Direct obligations:			
01 Personal services	65,930,115	65,572,688	65,590,419
02 Travel	4,151,055	4,206,000	4,272,000
03 Transportation of things	8,346,518	7,871,000	7,989,000
04 Communication services	2,155,835	2,185,000	2,219,000
05 Rents and utility services	5,964,890	6,044,000	6,138,000
06 Printing and reproduction	1,276,456	1,294,000	1,314,000
07 Other contractual services	9,222,147	9,345,000	10,391,000
08 Supplies and materials	65,548,555	68,095,238	71,261,070
09 Equipment	1,562,514	1,583,000	1,608,000
10 Lands and structures	1,010,318	1,024,000	1,040,000
11 Grants, subsidies, and contributions	3,914,679	4,109,010	4,155,237
15 Taxes and assessments	14,734	21,064	22,274
Total direct obligations	169,097,816	171,350,000	176,000,000
Reimbursable obligations:			
01 Personal services	4,029,151	5,240,418	4,156,451
04 Communication services	118,973	178,100	187,300
05 Rents and utility services	329,176	492,700	518,300
07 Other contractual services	10,357	13,687	13,735
08 Supplies and materials	4,535,598	10,531,325	12,331,142
09 Equipment	86,227	129,100	135,800
11 Grants, subsidies, and contributions	204,455	234,337	242,369
15 Taxes and assessments	18,044	36,333	7,903
Total reimbursable obligations	9,331,981	16,856,000	17,593,000
Subtotal	178,429,797	188,206,000	193,593,000
Less intrafund obligations		2,900,000	2,900,000
Total obligations	178,429,797	185,306,000	190,693,000

Operation and Maintenance, Air Force

For expenses, not otherwise provided for, necessary for the operation, maintenance, and administration of the Air Force, including the Air Force Reserve and the Air Reserve Officers' Training Corps; operation, maintenance, and modification of aircraft and missiles; transportation of things; repair and maintenance of facilities; field printing plants; hire of passenger motor vehicles; recruiting advertising expenses; training and instruction of military personnel of the Air Force, including tuition and related expenses; pay, allowances, and travel expenses of contract surgeons; utility services for buildings erected at private cost as authorized by law (10 U.S.C. 9778), and buildings on military reservations authorized by Air Force regulations to be used for welfare and recreational purposes; rental of land or purchase of options to rent land without reference to section 3648, Revised Statutes, as amended, use or repair of private property, and other necessary expenses of combat maneuvers; civilian clothing not to exceed $40 in cost for each person upon each release from a military prison, each enlisted man discharged for unsuitability, inaptitude, or otherwise than honorably, each enlisted man sentenced by a civil court to confinement in a civil prison, and each enlisted man interned, or discharged without internment as an alien enemy; authorized issues of articles for use of applicants for enlistment and persons in military custody; exchange fees, and losses or deficiencies in the accounts of disbursing officers and their agents, as authorized by law; care of the dead; chaplain and other welfare and morale supplies and equipment; conduct of schoolrooms, service clubs, chapels, and other instructional, entertainment, and welfare expenses for enlisted men and patients not otherwise provided for; awards and decorations; expenses of courts, boards, and commissions; expenses for inter-American cooperation as authorized for the Navy by section 7208 of title 10, United States Code, for Latin-American cooperation; industrial mobilization, including maintenance of reserve plants and equipment and procurement planning; special services by contract or otherwise; rations (including commutation thereof) for applicants for enlistment; and not to exceed [$6,200,000] *$6,000,000* for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Air Force, and payments may be made on his certificate of necessity for confidential military purposes, and his determination shall be final and conclusive upon the accounting officers of the Government; [$4,195,006,000, of which not to exceed $16,000,000 shall be available for the operation and maintenance of the Air Force Academy] *$4,282,000,000. (5 U.S.C. 43, 55a, 75a, 78, 103a, 118a, c, f-h, 150, 1082, 1111–33, 2171–96, 2201–2209, 2251–2254, 2301; 10 U.S.C. 122, 261–280, 591–595, 597–600, 651, 671–85, 711–13, 715–16, 816–29, 847, 859–76, 935, 1037, 1071–1085, 1220, 1481–88, 2386, 2388, 2481, 2511, 2602, 2632–33, 2663, 2664, 2670, 2672, 2674–75, 7208, 8012, 8255, 8540–42, 8547, 8612, 8662–63 8721–23, 8741–52, 9022–23, 9025, 9301–05, 9331–37, 9341–55, 9381–87, 9411–14, 9441, 9501–02, 9505, 9531, 9536, 9561–64, 9593, 9651–56, 9712, 9741–42, 9743, 9746, 9748, 9778, 9780; 12 U.S.C. 1748; 18 U.S.C. 4281; 20 U.S.C. 77d; 31 U.S.C. 22a, 95a, 492a–492c; 37 U.S.C. 304; 38 U.S.C. 3703; 39 U.S.C. 142; 40 U.S.C. 34–35, 523; 42 U.S.C. 1594–1594g, 1594h–1594j, 1856–56d, 43 U.S.C. 315q, 44 U.S.C. 111, 50 U.S.C. 451–62, 491, 70A Stat. 633; 73 Stat. 213, 297, 708; Department of Defense Appropriation Act, 1960.)*

Appropriated 1960, **$4,195,006,000** Estimate 1961, [a] **$4,282,000,000**
Appropriated (adjusted) 1960, **$4,193,932,000**

[a] Excludes $16,875,000 for activities transferred in the estimates to "Research, development, test, and evaluation, Air Force." The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations:			
1. Aircraft fuel and oil	$509,743,256	$515,514,000	$488,142,000
2. Logistical support	1,522,152,166	1,517,215,000	1,570,521,000
3. Training support	342,578,775	353,862,000	355,721,000
4. Operational support	1,329,145,640	1,372,770,000	1,405,400,000
5. Medical support	136,717,119	135,335,000	140,374,000
6. Servicewide support	241,971,230	275,351,000	316,942,000
7. Contingencies	3,977,422	4,900,000	4,900,000
Total direct obligations	4,086,285,608	4,174,947,000	4,282,000,000
Reimbursable obligations:			
1. Aircraft fuel and oil	4,047,754	3,488,000	3,400,000
2. Logistical support	264,890,710	204,575,000	179,635,000
3. Training support	10,000,794	6,913,000	6,920,000
4. Operational support	56,537,621	59,687,000	59,953,000
5. Medical support	16,094,779	19,558,000	20,073,000
6. Servicewide support	4,062,870	3,874,000	3,143,000
7. Contingencies	6,065		
Total reimbursable obligations	355,640,593	298,095,000	273,124,000
Total obligations	4,441,926,201	4,473,042,000	4,555,124,000
Financing:			
Comparative transfers to other accounts	32,755,726	18,985,000	
Unobligated balance brought forward (69 Stat. 438)	−1,318,600	−4,594,506	
Unobligated military assistance orders transferred to or from (−) other service accounts	993,177	−2,405,494	

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OPERATION AND MAINTENANCE—Continued

Current authorizations—Continued

OPERATION AND MAINTENANCE, AIR FORCE—Continued

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Financing—Continued			
Advances and reimbursements from—			
Military assistance orders	−$35,614,577	−$8,500,000	
Other accounts	−282,814,205	−263,580,000	−$242,001,000
Non-Federal sources	−41,480,894	−19,015,000	−31,123,000
Unobligated balance carried forward (69 Stat. 438)	4,594,506		
New obligational authority	4,119,041,334	4,193,932,000	4,282,000,000
New obligational authority:			
Appropriation	$4,119,525,000	$4,195,006,000	$4,282,000,000
Transferred (5 U.S.C. 172f(a)) to—			
"Salaries and expenses, Secretary of Defense"	−555,000		
"Operation and maintenance, Army"		−1,074,000	
Transferred to "Emergency fund, Department of Defense" (72 Stat. 713; 73 Stat. 377)	−3,000,000		
Transferred from "Operation and maintenance, Army" (5 U.S.C. 172f(a))	3,071,334		
Appropriation (adjusted)	4,119,041,334	4,193,932,000	4,282,000,000

This appropriation finances the day-to-day expense of Air Force operational units and activities. It provides the means whereby the military personnel, capital equipment, and physical plant financed by the other appropriations to the Air Force are brought together to produce a significant portion of the defense of the United States.

The forces and units of the Air Force continue to undergo significant changes during 1961. A great deal of this change is generated by the continued activation of ballistic missile units and further augmentation of aircraft units with air-launched missiles.

The funds estimated for this appropriation will support a combat force structure of 91 wings on June 30, 1961, 5 fewer than at the end of 1960. This force will be manned by an average active duty military personnel strength of 823,451 in the fulfillment of Air Force responsibilities in support of unified and specified combatant commands. Approximately 7,500 fewer civilian personnel are being programed in 1961.

The strategic force will include an additional wing equipped with the B–52 heavy bomber as well as significant increases in the number of B–52 wings augmented with the Hounddog and Quail air-to-ground missiles. There is further introduction of the supersonic B–58 into medium bomber units, which are being reduced by four wings of the older B–47 in 1961. The greater reliance upon missiles is exemplified by an increase in the number of operational Atlas ballistic missile squadrons and the activation of the first squadron equipped with the Titan missile.

Tactical units overseas in support of U.S. commitments will be strengthened by equipping them with the advanced F–105 fighter-bomber during 1961. Total tactical wings will remain the same throughout the year.

In the air defense field, improved models of the Bomarc interceptor missile will be in operational squadrons for the first time in 1961. Additional squadrons of manned interceptors will be equipped with the F–106 in lieu of older model aircraft. Accompanying these improvements will be a net reduction of five air defense squadrons. The electronic air defense network will be enhanced by the addition of six semiautomatic ground environment (SAGE) centers. The first ballistic missile early warning (BMEWS) station and the Greenland extension of the distant early warning (Dewline) will become operational.

1. *Aircraft fuel and oil.*—The lower amount for aircraft fuel and oil in 1961 is a direct reflection of the changes in manned combat wings. These changes are also reflected in the average operating aircraft and flying hours as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Average operating aircraft:			
Regular Air Force	14,701	14,111	12,839
Air Force Reserve	645	724	776
Aircraft flying hours:			
Regular Air Force	6,657,003	6,334,398	6,053,584
Air Force Reserve	201,135	172,318	164,735

These flying hours provide for the training of strategic, tactical, and defense units as well as of individuals for later assignment to flying units. In 1961, the flying hours financed by this budget activity will enable Strategic Air Command crews to undergo indoctrination training in airborne alert operations.

2. *Logistic support.*—The introduction of new weapons systems into the Air Force inventory, expansion and sophistication of our communication and warning networks and the need for a logistic system capable of immediate response all contribute to the increased fund requirement in 1961.

The installation of communications and electronics equipment financed by this budget activity account for a major portion of the increase. Such equipments include those used for air defense as part of the SAGE, BMEWS and Dewline systems and launch, control, and communications components for operational ballistic missile sites.

Evolutionary changes in major maintenance of equipment also contribute to the increase estimated for 1961. The many additional operating electronic equipments throughout the Air Force throws a greater load of this type upon the depots than had been the case in the past. The increase in operational missile units and missile inventory is accompanied by a growing maintenance capability on the part of Air Force depots. Current concepts call for maintaining missile components in depot facilities, rather than by evacuating the missile itself away from its operational site. If the complete missile requires depot level maintenance, it will be largely done through the assistance of teams dispatched from the depot to the site. While the Air Force capability is increasing in this respect, heavy reliance for missile maintenance will continue to be placed on contractors during 1961. The maintenance of aircraft is also undergoing a trend away from work on the complete article toward overhaul of major components and toward increased work at the bases by depot teams.

While there is little additional cost, the 1961 estimate provides for improved administration of Air Force contracts through greater training and a lower workload on each administrator. The expected benefits of this improvement will be felt in subsequent years.

A program was initiated several years ago to improve the Air Force logistic system by relocating supply activities from several of the depots not having maintenance facilities, to the larger depots which had them. This action will result in the inactivation of four depots in the United States during 1961.

The civilian personnel man-years which operate the logistic system decline from 167,511 in 1959 to 162,074 in 1960 with a further reduction to 157,307 programed for

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1961. The following reflects a fiscal year comparison of workload in the logistic support program:

	1959 actual	1960 estimate	1961 estimate
Dollar value of depot-level maintenance:			
In depots	$422,173,258	$399,665,000	$401,681,000
By contract	$325,625,460	$296,537,000	$310,065,000
Number of supply depots	17	17	13
Number of inventory control points	14	14	10
Number of supply actions	37,291,650	34,800,000	34,100,000
Number of tons received in U.S. depots	837,140	913,195	845,325
Number of tons shipped by U.S. depots	925,262	1,077,205	1,104,675
Average tons in covered storage	7,564,012	6,776,875	6,641,940

3. *Training support.*—The changes in forces and equipage of the Air Force in 1961 are causing significant changes in training. The following is a comparison of student loads or input at the various types of activities where training is conducted:

	1959 actual	1960 estimate	1961 estimate
Basic military and technical training (average training load)	36,130	44,539	40,457
Service schools:			
Advanced technical training (average training load)	4,658	5,128	5,000
Air University (average training load)	2,815	3,089	2,994
Air Force Academy (beginning year cadet load)	1,173	1,586	1,938
Civilian institutions (input)	3,985	4,469	4,439
Factory training (average training load)	1,649	1,767	1,333
Flying training (average training load):			
Primary pilot training	1,664	1,594	1,674
Basic pilot training	1,446	1,332	1,446
Other flying training	3,808	4,227	3,695
Reserve training:			
Reservists in pay status (average strengths)	59,117	66,260	70,260
Number of training centers	82	82	82

Training workloads reflect reductions in military strength and continuing emphasis on missile training. One example of such a change shown in the table is the further decrease in flying training. This decrease permits a reduction of one primary and one basic pilot training base by June 30, 1961. In addition, two basic pilot training bases will convert to contract operation in 1961. Actual flight instruction at these two bases will continue to be given by military instructors.

The increased number of reservists in 1961 is due to continued Air Force efforts to fill Reserve training units to their authorized strengths. These units are assigned a mobilization mission and train toward accomplishing it. Flying hours which will be allocated to Reserve flying units for their training are indicated above under Aircraft fuel and oil. Individual reservists receive their training through the Reserve training centers or from organizations to which they have a mobilization assignment.

4. *Operational support.*—This program supports the day-to-day operating requirements of (*a*) the combat commands and the several support commands, (*b*) SAGE, (*c*) Dewline, (*d*) BMEWS, (*e*) ballistic missile squadrons and several classified operations overseas. The support provided applies to the units, their equipment (base-level maintenance) and their bases and is the means whereby they become and remain operationally ready. The transition from manned aircraft to missiles and further expansion of the ground air defense systems also has a significant impact on this budget program during 1961. In addition to the increase in the number of SAGE centers becoming operational, four additional Dewline sites and 31 gap filler radar sites will be activated during 1961. Support is also required for the various sites where ballistic missile squadrons are being activated.

Another factor affecting operating cost is the increase in the number of family quarters located on, or adjacent to, the operational bases from 84,538 in 1960 to 100,697 in 1961.

Although the overall civilian man-years in the Operation and maintenance appropriation are being reduced approximately 8,000 below the 1960 level, the personnel in this budget program will be retained at approximately the 1960 level. This is in keeping with the philosophy of providing support to the combat forces on a priority basis.

5. *Medical support.*—This activity covers (*a*) operation of medical treatment facilities in the United States and overseas; (*b*) medical care and hospitalization of Air Force personnel and dependents where Air Force medical facilities are not available; (*c*) medical care and hospitalization for civilian employees and dependents by the Canal Zone Government; and (*d*) training military personnel in medical specialties. It cost the Air Force $31,853,000 in 1959 for care of dependents of its military personnel in civilian hospitals and these costs are estimated at $27,816,000 in 1960 and $31,483,000 in 1961. Selected medical workloads are shown in the following table:

MEDICAL FACILITIES AND PATIENTS

	1959 actual	1960 estimate	1961 estimate
Hospitals:			
Continental United States	93	95	94
Extracontinental	40	38	37
Patients in Air Force facilities:			
Active duty:			
Air Force	4,955	4,773	4,695
Other uniformed services	418	433	431
Dependents of uniformed personnel:			
Air Force	2,684	2,947	2,920
Other uniformed services	395	432	418
Retired:			
Air Force	108	125	173
Other uniformed services	111	127	133
Other categories of patients	201	243	243
Total average daily occupied beds	8,872	9,080	9,013
Total medical and dental outpatient treatments and examinations	21,718,000	22,109,000	22,158,000
Patients in non-Air Force facilities:			
Active duty	1,335	1,255	1,245
Retired	71	84	106
Dependents of military personnel:			
In other Federal hospitals	762	858	868
In civilian hospitals	1,619	1,291	1,558

MEDICAL PERSONNEL IN TRAINING

In medical department schools	5,960	6,403	6,965
In Air Force hospitals and other medical facilities	880	1,158	1,228
In civilian institutions	764	900	804
Total	7,604	8,461	8,997

6. *Servicewide support.*—The operation of Headquarters, U.S. Air Force, and all major command headquarters; Air Force wide leased communication systems; air attaché and mission offices, and intelligence efforts are financed from this budget program.

The program for the several headquarters contemplates a reduction in civilian personnel from 16,721 in 1959 to 15,329 in 1961. This is a proportionately greater reduction than that for operational units and activities.

The very substantial increase in this program in 1961 is directly attributable to requirements for leased commercial communication circuits to effectively support the more advanced air defense and retaliatory systems. This communications complex meets requirements related to the progress being accomplished in the implementation of the SAGE and ballistic missile early warning programs and command and control of our strategic, defense, tactical and related support forces. It is through this mechanism that these forces are alerted, launched, controled, diverted, refueled, or recalled. Improved systems to be in operation in 1961 will enhance the dissemination of weather and flight formation in support of airborne operations and increase the speed of logistical data flow between the forces and depots.

7. *Contingencies.*—This program provides for extraordinary expenses as approved by the Secretary of the Air Force and accounted for solely on his certificate.

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OPERATION AND MAINTENANCE—Continued

Current authorizations—Continued

OPERATION AND MAINTENANCE, AIR FORCE—Continued

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	295,862	295,950	289,990
Full-time equivalent of all other positions	393	403	422
Average number of all employees	284,623	285,113	278,673
Number of employees at end of year	284,674	281,673	275,692
Average GS grade and salary	6.2 $5,320	6.2 $5,343	6.2 $5,365
Average salary of ungraded positions	$5,190	$5,214	$5,226
Personal service obligations:			
Permanent positions	$1,405,139,794	$1,447,258,640	$1,417,611,330
Positions other than permanent	2,495,346	2,531,700	2,684,800
Other personal services	63,978,405	52,110,260	47,136,870
Total personal service obligations	1,471,613,545	1,501,900,600	1,467,433,000
Direct obligations:			
01 Personal services	1,471,613,545	1,501,900,600	1,467,433,000
02 Travel	142,117,067	146,479,000	143,946,000
03 Transportation of things	135,955,875	121,063,800	120,123,000
04 Communication services	120,503,589	149,357,000	194,834,000
05 Rents and utility services	115,074,933	138,382,000	146,088,000
06 Printing and reproduction	24,965,985	28,595,200	27,649,000
07 Other contractual services	730,141,606	766,238,800	858,810,000
Services performed by other agencies	179,099,785	181,886,000	203,480,000
Labor contracts with foreign governments [1]	79,900,952	73,563,200	71,616,000
08 Supplies and materials	877,481,442	871,958,700	853,554,000
09 Equipment	116,718,782	103,814,300	104,340,000
11 Grants, subsidies, and contributions	90,150,022	89,544,000	88,041,000
13 Refunds, awards, and indemnities	2,378,837	2,147,000	2,044,000
15 Taxes and assessments	738,744	570,000	580,000
Subtotal	4,086,841,164	4,175,499,600	4,282,538,000
Deduct quarters and subsistence charges	555,556	552,600	538,000
Total direct obligations	4,086,285,608	4,174,947,000	4,282,000,000
Reimbursable obligations:			
02 Travel	61,000	60,000	60,000
03 Transportation of things	3,710,357	3,746,000	2,293,000
04 Communication services	3,587,045	3,213,000	3,450,000
05 Rents and utility services	4,534,000	4,429,000	4,553,000
06 Printing and reproduction	2,115,483	936,000	249,000
07 Other contractual services	274,089,278	227,152,000	207,924,000
Services performed by other agencies	5,574,751	4,263,000	2,958,000
08 Supplies and materials	61,451,679	53,806,000	51,157,000
09 Equipment	517,000	490,000	480,000
Total reimbursable obligations	355,640,593	298,095,000	273,124,000
Total obligations	4,441,926,201	4,473,042,000	4,555,124,000

[1] Average number of persons: 1959, 51,805; 1960, 47,941; 1961, 46,375.

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

For expenses of training, organizing and administering the Army National Guard, including maintenance, operation, and repairs to structures and facilities; hire of passenger motor vehicles; personal services in the National Guard Bureau and services of personnel of the National Guard employed as civilians without regard to their military rank, and the number of caretakers authorized to be employed under provisions of law (32 U.S.C. 709) may be such as is deemed necessary by the Secretary of the Army; travel expenses (other than mileage), as authorized by law for Army personnel on active duty, for Army National Guard division, regimental, and battalion commanders while inspecting units in compliance with National Guard regulations when specifically authorized by the Chief, National Guard Bureau; supplying and equipping the Army National Guard of the several States, Territories, and the District of Columbia, as authorized by law; and expenses of repair, modification, maintenance, and issue of supplies and equipment (including aircraft); [$151,700,000] *$157,000,000*: *Provided*, That obligations may be incurred under this appropriation [for the foregoing expenses for training of units designated for early deployment under mobilization plans and for installation, maintenance, and operation of facilities for antiaircraft defense] without regard to section 107 of title 32, United States Code: *Provided further*, That obligations not exceeding $10,000 for each project may be incurred for extension, modification, and alteration of armory facilities, as authorized by chapter 133, title 10, United States Code, as amended, when such changes to facilities are made necessary by military requirements of the Federal Government[: *Provided further*, That of the amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955 (31 U.S.C. 200) as having been obligated under the appropriations for "Army National Guard", 1958, and "Army National Guard", 1959, such portions thereof as may be determined by the Secretary of Defense to have been obligated for operation and maintenance activities, may hereafter be accounted for under the headings "Operation and Maintenance, Army National Guard", 1958, and "Operation and Maintenance, Army National Guard", 1959, respectively: *Provided further*, That $5,700,000 of the funds provided in this appropriation shall be available only to meet the increased expenses necessary to maintain the Army National Guard at the strength provided for in this Act]. *(5 U.S.C. 43, 78; 10 U.S.C. 261–280, 2231–2238, 2511; 32 U.S.C. 107, 701, 702, 709; Department of Defense Appropriation Act, 1960.)*

Appropriated 1960, **$151,700,000** Estimate 1961, **$157,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations:			
1. Command and management	$1,598,513	$1,600,000	$1,600,000
2. Training	1,977,095	2,300,000	2,300,000
3. Materiel	6,208,934	6,100,000	6,100,000
4. Supplies and repair parts	14,280,975	14,600,000	14,000,000
5. Services, including equipment maintenance	106,032,970	106,900,000	107,100,000
6. Antiaircraft defense	10,638,975	20,200,000	25,900,000
Total direct obligations	140,737,462	151,700,000	157,000,000
Reimbursable obligations:			
2. Training	98		
3. Materiel	152,218		
4. Supplies and repair parts	377,918	50,000	50,000
5. Services, including equipment maintenance	1,321	10,000	10,000
6. Antiaircraft defense	374		
Total reimbursable obligations	531,929	60,000	60,000
Total obligations	141,269,391	151,760,000	157,060,000
Financing:			
Comparative transfers from (−) other accounts	−141,269,391		
Advances and reimbursements from other accounts		−60,000	−60,000
Appropriation (new obligational authority)		151,700,000	157,000,000

The 1961 program will provide maintenance and operation support for approximately 4,500 units, the same level as in 1960 except for the Army air defense program. The Army National Guard air defense program provides for 20½ battalions onsite at the end of 1961 compared to the 15½ battalions at the end of 1960. The air defense program is increasing as a result of Army National Guard air defense units assuming the operational control of missile sites formerly occupied by the Active Army. Funds provide for the training and operating expenses of Army National Guard missile battalions as part of the air defense of the United States and includes 4,282 State civilian employees (technicians) to maintain and secure missile onsite positions and equipment in a continued state of operational readiness.

The program also provides for employment of 182 civilians in the National Guard Bureau and 16,969 State civilian employees (technicians) for the administration of the 4,500 units and maintenance and repair of equipment and operation of State and Federal field training camps.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Number of permanent Federal positions	188	185	185
Number of permanent non-Federal positions	20,146	21,582	22,011
Total number of permanent positions	20,334	21,767	22,196
Full-time equivalent of all other positions	320	194	194

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Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
Average number of Federal employees	500	376	376
Average number of non-Federal employees	19,180	20,128	21,251
Average number of all employees	19,680	20,504	21,627
Number of Federal employees at end of year	772	600	600
Number of non-Federal employees at end of year	19,529	20,628	21,531
Number of employees at end of year	20,301	21,228	22,131
Average grades and salaries:			
Average GS grade and salary	6.0 $5,301	6.1 $5,384	6.1 $5,394
Average salary of non-Federal positions	5,124	5,301	5,269
Personal service obligations:			
Permanent positions	$955,238	$979,840	$981,270
Positions other than permanent	1,442,966	848,110	850,000
Other personal services	15,014	21,050	17,730
Total civilian, Federal	2,413,218	1,849,000	1,849,000
Total civilian, non-Federal	98,285,402	106,717,000	111,990,000
Total personal service obligations	100,698,620	108,566,000	113,839,000
Direct obligations:			
01 Personal services	100,697,871	108,556,000	113,829,000
02 Travel	3,310,319	3,502,000	3,729,000
03 Transportation of things	2,959,502	3,040,000	2,760,000
04 Communication services	742,982	902,000	947,000
05 Rents and utility services	718,512	938,000	1,119,000
06 Printing and reproduction	101,465	65,000	65,000
07 Other contractual services	7,075,790	7,888,000	8,151,000
08 Supplies and materials	20,722,148	22,445,000	21,831,000
09 Equipment	1,947,216	1,700,000	1,700,000
10 Lands and structures	441,486		
11 Grants, subsidies, and contributions	151,010	105,000	105,000
13 Refunds, awards, and indemnities	950	1,000	1,000
15 Taxes and assessments	1,868,211	2,558,000	2,763,000
Total direct obligations	140,737,462	151,700,000	157,000,000
Reimbursable obligations:			
01 Personal services	749	10,000	10,000
08 Supplies and materials	531,180	50,000	50,000
Total reimbursable obligations	531,929	60,000	60,000
Total obligations	141,269,391	151,760,000	157,060,000

Operation and Maintenance, Air National Guard

For operation and maintenance of the Air National Guard, including medical and hospital treatment and related expenses; establishment, maintenance, operation, repair, and other necessary expenses of facilities for the training and administration of the Air National Guard, including repair of facilites, maintenance, operation and modification of aircraft; transportation of things; hire of passenger motor vehicles; supplies, materials, and equipment, as authorized by law for the Air National Guard of the several States, Territories, and the District of Columbia; and expenses incident to the maintenance and use of supplies, materials, and equipment, including such as may be furnished from stocks under the control of agencies of the Department of Defense; travel expenses (other than mileage) on the same basis as authorized by law for Air National Guard personnel on active Federal duty, of Air National Guard commanders while inspecting units in compliance with National Guard regulations when specifically authorized by the Chief, National Guard Bureau; [$169,000,000] *$176,000,000*: *Provided*, That the number of caretakers authorized to be employed under the provisions of law (32 U.S.C. 709) may be such as is deemed necessary by the Secretary of the Air Force and such caretakers may be employed without regard to their military rank as members of the Air National Guard: *Provided further*, That obligations may be incurred under this appropriation without regard to section 107 of title 32, United States Code[: *Provided further*, That of the amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955 (31 U.S.C. 200), as having been obligated under the appropriations for "Air National Guard", 1958, and "Air National Guard", 1959, such portions thereof as may be determined by the Secretary of Defense to have been obligated for operation and maintenance activities, may hereafter be accounted for under the heading "Operation and maintenance, Air National Guard", 1958, and "Operation and maintenance, Air National Guard", 1959, respectively]. (*5 U.S.C. 22, 43, 78; 10 U.S.C. 2231–38, 2511, 8012, 8721–23, 9741, 9743; 32 U.S.C. 106–07, 320, 701–14; 37 U.S.C. 253; Department of Defense Appropriation Act, 1960.*)

Appropriated 1960, **$169,000,000** Estimate 1961, **$176,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations: Operation and maintenance	$180,467,072	$169,000,000	$176,000,000
Reimbursable obligations: Operation and maintenance	29,925	344,000	344,000
Total obligations	180,496,997	169,344,000	176,344,000
Financing:			
Comparative transfers from (−) other accounts	−180,496,997		
Advances and reimbursements from other accounts		−344,000	−344,000
Appropriation (new obligational authority)		169,000,000	176,000,000

This appropriation provides for all operation and maintenance costs of the Air National Guard as a Reserve component of the Air Force. This includes funds for the operation of Air National Guard installations, including unit equipment and the pay of 13,000 State civilian employees. The significant elements of the program are summarized in the following table:

	1958 actual	*1959 actual*	*1960 planned*	*1961 proposed*
Aircraft:				
Jet	2,171	2,177	2,107	1,945
Other types	262	232	226	220
Flying hours	437,000	466,000	452,000	456,000
Federally recognized units	573	567	567	567
Number of installations	134	136	135	137

Object Classification

	1959 actual	1960 estimate	1961 estimate
Number of permanent non-Federal positions	14,080	14,084	14,033
Average number of non-Federal positions	13,637	13,392	13,000
Number of non-Federal employees at end of year	13,342	13,000	13,000
Average salary of ungraded positions	$5,510	$5,680	$5,680
Direct obligations:			
01 Personal services: Civilian non-Federal	$73,761,717	$76,067,000	$73,840,000
02 Travel	1,118,014	1,071,000	1,075,000
03 Transportation of things	2,999,012	2,400,000	3,238,000
04 Communication services	475,256	324,000	301,000
05 Rents and utility services	202,731	171,000	196,000
06 Printing and reproduction	17,701	25,000	25,000
07 Other contractual services	41,663,429	33,858,000	38,056,000
08 Supplies and materials	56,653,472	50,919,000	55,359,000
09 Equipment	2,116,281	2,358,000	2,038,000
15 Taxes and assessments	1,459,459	1,807,000	1,872,000
Total direct obligations	180,467,072	169,000,000	176,000,000
Reimbursable obligations:			
07 Other contractual services	29,925	344,000	344,000
Total obligations	180,496,997	169,344,000	176,344,000

National Board for the Promotion of Rifle Practice, Army

For the necessary expenses of construction, equipment and maintenance of rifle ranges, the instruction of citizens in marksmanship, and promotion of rifle practice, in accordance with law, including travel of rifle teams, military personnel, and individuals attending regional, national, and international competitions, and not to exceed $21,000 for incidental expenses of the National Board, $300,000: *Provided*, That travel expenses of civilian members of the National Board shall be paid in accordance with the Standardized Government Travel Regulations, as amended. (*10 U.S.C. 4307–13, 4652; 32 U.S.C. 316; Department of Defense Appropriation Act, 1960.*)

Appropriated 1960, **$300,000** Estimate 1961, **$300,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
National headquarters, marksmanship training, and competitions (total obligations)	$298,649	$300,000	$300,000
Financing:			
Unobligated balance no longer available	1,351		
Appropriation (new obligational authority)	300,000	300,000	300,000

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OPERATION AND MAINTENANCE—Continued

Current authorizations—Continued

NATIONAL BOARD FOR THE PROMOTION OF RIFLE PRACTICE, ARMY—Continued

The National Board for the Promotion of Rifle Practice continues to promote the American tradition of interest in small arms marksmanship. It provides assistance to 4,520 rifle clubs and schools with 249,429 members. This assistance includes the loan and repair of rifles and equipment; free issue of targets and supplies for use in marksmanship practice; and the free issue of trophies, medals, and badges for marksmanship. Funds are provided to partially defray the travel expense of State civilian shooting teams to the national matches.

The program is augmented by ammunition, purchased with funds provided under other appropriations, for free issue to members of rifle clubs and to competitors at national, regional, and State competitions.

	1959 actual	*1960 estimate*	*1961 estimate*
Dollar value of ammunition issued	$1,025,560	$1,132,170	$1,359,685

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	17	20	20
Average number of all employees	17	19	19
Number of employees at end of year	17	20	20
Average GS grade and salary	5.3 $4,776	5.1 $4,564	5.1 $4,677
01 Personal services:			
Permanent positions	$80,327	$88,799	$89,141
Other personal services	312	701	359
Total personal services	80,639	89,500	89,500
02 Travel	62,181	64,000	62,500
03 Transportation of things	2,252	3,500	3,500
04 Communication services	963	700	1,000
07 Other contractual services	21,043	20,000	23,700
08 Supplies and materials	62,035	59,500	62,000
09 Equipment	64,186	57,000	52,000
11 Grants, subsidies, and contributions	5,110	5,800	5,800
13 Refunds, awards, and indemnities	240		
Total obligations	298,649	300,000	300,000

OPERATION AND MAINTENANCE, ALASKA COMMUNICATION SYSTEM, ARMY

For expenses necessary for the operation, maintenance, and improvement of the Alaska Communication System, [$5,676,000] *$7,000,000*, and, in addition, not to exceed 15 per centum of the current fiscal year receipts of the Alaska Communication System may be merged with and used for the purposes of this appropriation and charges for station agent agreements may be paid from receipts of the Alaska Communication System. (*47 U.S.C. 16; 48 U.S.C. 310; Department of Defense Appropriation Act, 1960.*)

Appropriated 1960: Estimate 1961, **$7,000,000**
Definite, **$5,676,000**
Indefinite, **$675,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations:			
1. Construction of radio, telephone, telegraph, and cable systems		$1,296,156	$686,000
2. Operation and maintenance of the system	$5,658,634	5,676,000	6,314,000
Total direct obligations	5,658,634	6,972,156	7,000,000
Reimbursable obligations:			
1. Operation and maintenance of the system	6,394		
Total obligations	5,665,028	6,972,156	7,000,000
Financing:			
Unobligated balance brought forward	−58,593	−621,156	
Advances and reimbursements from—			
Other accounts	−3,432		
Non-Federal sources (44 Stat. 576; 61 Stat. 501)	−2,962		
Unobligated balance carried forward	$621,156		
Unobligated balance no longer available	50,903		
New obligational authority	6,272,100	$6,351,000	$7,000,000
New obligational authority:			
Definite	$5,667,200	$5,676,000	$7,000,000
Indefinite	604,900	675,000	
Appropriation	6,272,100	6,351,000	7,000,000

The Alaska Communication System provides telegraph and long distance telephone service for Alaska. Although legislation to authorize the sale of the system has been proposed to Congress, its disposition is not anticipated until after 1961. Pending sale of the system, no extensive expansion of its facilities is planned. Limited capital improvements resulting from increased requirements for service are being undertaken in 1960 and 1961.

The amount appropriated provides for all expense incident to the normal maintenance and operation of the system and equipment modernization except for costs of compensation of military personnel assigned.

Revenue from commercial customers was $4.2 million in 1959 and is estimated at $4.5 million for 1960 and $4.6 million for 1961. Except for limited amounts to finance capital improvements, this revenue is deposited to miscellaneous receipts of the Treasury.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	587	607	685
Full-time equivalent of all other positions	2		
Average number of employees	553	552	649
Number of employees at end of year	600	607	685
Average GS grade and salary	4.8 $4,550	4.7 $4,535	4.5 $4,498
Average salary of ungraded positions	$7,945	$7,421	$8,140
Direct obligations:			
01 Personal services:			
Permanent positions	$2,903,141	$2,823,280	$3,340,310
Positions other than permanent	11,938		
Other personal services	342,990	339,720	385,690
Total personal services	3,258,069	3,163,000	3,726,000
02 Travel	96,047	146,000	146,000
03 Transportation of things	57,383	68,000	68,000
04 Communication services	1,271,220	1,256,000	1,313,000
05 Rents and utility services	261,536	295,000	295,000
06 Printing and reproduction	9,568	10,000	10,000
07 Other contractual services	135,818	588,000	295,000
08 Supplies and materials	358,726	322,000	254,000
09 Equipment	40,412	944,656	661,500
11 Grants, subsidies, and contributions	160,899	176,000	228,000
13 Refunds, awards, and indemnities	4,868		
15 Taxes and assessments	4,088	3,500	3,500
Total direct obligations	5,658,634	6,972,156	7,000,000
Reimbursable obligations:			
08 Supplies and materials	6,394		
Total obligations	5,665,028	6,972,156	7,000,000

SALARIES AND EXPENSES, SECRETARY OF DEFENSE

For expenses necessary for the Office of the Secretary of Defense, including purchase (not to exceed five for replacement only, *including two at not to exceed $2,900 each*) and hire of passenger motor vehicles; and not to exceed $60,000 for emergency and extraordinary expenses, to be expended under the direction of the Secretary of Defense for such purposes as he deems proper, and his determination thereon shall be final and conclusive; [$20,500,000] *$20,000,000*. (*Department of Defense Appropriation Act, 1960.*)

Appropriated 1960, **$20,500,000** Estimate 1961, **$20,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direction and coordination of defense activities (total obligations)	$19,377,555	$20,500,000	$20,000,000

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Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Financing:			
Unobligated balance no longer available	$31,945		
New obligational authority	19,409,500	$20,500,000	$20,000,000
New obligational authority:			
Appropriation	$16,993,500	$20,500,000	$20,000,000
Transferred from "Emergency fund, Department of Defense" (72 Stat. 7 and 713)	751,000		
Transferred (5 U.S.C. 172f(a)) from—			
"Operation and maintenance, Army"	555,000		
"Operation and maintenance, Navy"	525,000		
"Operation and maintenance, Marine Corps"	30,000		
"Operation and maintenance, Air Force"	555,000		
Appropriation (adjusted)	19,409,500	20,500,000	20,000,000

NOTE.—The 1959 activity for the appropriation "Salaries and expenses," Office of Public Affairs, is reflected in these schedules for comparative purposes.

The Secretary of Defense serves as the principal assistant to the President on all matters relating to the Department of Defense, which operates under his direction, authority, and control. He is assisted in his immediate office by the Deputy Secretary of Defense, the director of defense research and engineering, seven assistant secretaries of Defense, the general counsel, and such special assistants as are required to advise him in specialized fields. Military advice and assistance is provided by the Joint Chiefs of Staff.

The program provides for the staffs of the Secretary and his principal assistants. These activities will continue at substantially the same level as achieved in 1960 in accordance with the provisions of the Department of Defense Reorganization Act of 1958. The essential implementing actions required by this act have been completed. The newly established organizational relationships and administrative procedures remain under continuous review to assure that the objectives of the reorganization are realized.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	1,423	1,492	1,464
Full-time equivalent of all other positions	11	11	11
Average number of all employees	1,346	1,443	1,463
Number of employees at end of year	1,441	1,506	1,506
Average GS grade and salary	9.1 $7,838	9.2 $7,974	9.2 $8,027
01 Personal services:			
Permanent positions	$10,783,266	$11,853,975	$12,042,955
Positions other than permanent	137,559	146,400	140,000
Other personal services	366,517	421,625	368,145
Total personal services	11,287,342	12,422,000	12,551,100
02 Travel	909,446	980,000	980,000
03 Transportation of things	8,220	9,800	9,800
04 Communication services	382,505	410,900	406,700
05 Rents and utility services	6,312	5,900	5,900
06 Printing and reproduction	179,234	200,000	182,700
07 Other contractual services	4,868,196	5,076,500	4,593,500
08 Supplies and materials	345,970	262,800	260,000
09 Equipment	682,101	320,800	190,000
11 Grants, subsidies, and contributions	675,203	774,600	783,600
13 Refunds, awards, and indemnities	24,202	26,700	26,700
15 Taxes and assessments	8,824	10,000	10,000
Total obligations	19,377,555	20,500,000	20,000,000

CLAIMS, DEPARTMENT OF DEFENSE

For payment of claims by the Office of the Secretary of Defense, the Army (except as provided in appropriations for civil functions administered by the Department of the Army), Navy, Marine Corps, and Air Force, as authorized by law; claims (not to exceed $1,000 in any one case) for damages to or loss of private property incident to the operation of Army and Air National Guard camps of instruction, either during the stay of units of said organizations at such camps or while en route thereto or therefrom; claims for damages arising under training contracts with carriers; and repayment of amounts determined by the Secretary of the Army, the Secretary of the Navy, or the Secretary of the Air Force, or officers designated by them, to have been erroneously collected from military and civilian personnel of the Departments of the Army, Navy, and Air Force or from States, Territories, or the District of Columbia, or members of National Guard units thereof; [$16,500,000] *$16,575,000.* (*Department of Defense Appropriation Act, 1960.*)

Appropriated 1960, **$16,500,000** Estimate 1961, **$16,575,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Personnel claims	$6,563,693	$6,663,000	$6,898,000
2. Tort claims	6,336,256	8,822,000	9,222,000
3. Admiralty claims	222,970	980,000	420,000
4. Other miscellaneous claims	10,265	35,000	35,000
Total obligations (object class 13)	13,133,184	16,500,000	16,575,000
Financing:			
Unobligated balance no longer available	3,386,816		
Appropriation (new obligational authority)	16,520,000	16,500,000	16,575,000

This appropriation provides for the payment of all noncontractual claims against the Department of Defense. The estimate represents the consolidated requirements of the Office of the Secretary of Defense and the Army, Navy (including the Marine Corps), and Air Force. The funds required for this purpose in 1961 are expected to be approximately the same as appropriated for 1960.

CONTINGENCIES, DEPARTMENT OF DEFENSE

For emergencies and extraordinary expenses arising in the Department of Defense, to be expended on the approval or authority of the Secretary of Defense and such expenses may be accounted for solely on his certificate that the expenditures were necessary for confidential military purposes, [$15,000,000] *$30,000,000: Provided,* That a report of disbursements under this item of appropriation shall be made quarterly to the Appropriations Committees of the Congress. (*Department of Defense Appropriation Act, 1960.*)

Appropriated 1960, **$15,000,000** Estimate 1961, **$30,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Emergency and extraordinary expense (unvouchered)	$105,677	$15,000,000	$30,000,000
Financing:			
Unobligated balance no longer available	29,894,323		
Appropriation (new obligational authority)	30,000,000	15,000,000	30,000,000

This appropriation provides the Secretary of Defense with funds to meet emergencies and extraordinary expense arising in the Department of Defense.

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OPERATION AND MAINTENANCE—Continued

Current authorizations—Continued

SALARIES AND EXPENSES, COURT OF MILITARY APPEALS, DEPARTMENT OF DEFENSE

For salaries and expenses necessary for the Court of Military Appeals, $425,000. (*Department of Defense Appropriation Act, 1960.*)

Appropriated 1960, **$425,000** Estimate 1961, **$425,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Military justice (total obligations)	$400,897	$425,000	$425,000
Financing:			
Unobligated balance no longer available	4,303		
Appropriation (new obligational authority)	405,200	425,000	425,000

The U.S. Court of Military Appeals serves as the court of last resort for all of the more serious court-martial convictions of military personnel. The number of cases docketed in 1959 totaled 1,336. Based on the first 5 months of operation, a slight decrease in this latter total is anticipated for this year. The number of opinions released by the court totaled 192 in 1959 and it is estimated that a similar number will be published during 1960.

The court is maintaining a current docket with the review completed, as of November 30, 1959, in 13,687 out of 13,836 cases filed since the court's establishment in 1951 leaving a balance of 149 under review.

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Total number of permanent positions	43	43	43
	Average number of all employees	41	43	43
	Number of employees at end of year	41	43	43
	Average GS grade and salary	8.4 $7,110	8.5 $7,255	8.5 $7,300
01	Personal services:			
	Permanent positions	$343,356	$364,080	$365,485
	Other personal services	1,344	3,320	1,915
	Total personal services	344,700	367,400	367,400
02	Travel	5,515	5,000	5,000
03	Transportation of things	9		
04	Communication services	7,922	8,000	8,000
06	Printing and reproduction	10,909	9,500	9,500
07	Other contractual services	2,025	2,500	2,500
08	Supplies and materials	4,023	4,000	4,000
09	Equipment	4,619	5,000	5,000
11	Grants, subsidies, and contributions	20,740	22,600	22,600
13	Refunds, awards, and indemnities		500	500
15	Taxes and assessments	435	500	500
	Total obligations	400,897	425,000	425,000

[OPERATION AND MAINTENANCE, OLYMPIC WINTER GAMES]

[For necessary expenses in connection with the VIII Olympic Winter Games, 1960, as authorized by section 1 of the Act of April 3, 1958 (Public Law 85-365), $800,000, of which $400,000 shall not be available unless H.R. 5674 or similar authorization is enacted into law: *Provided*, That funds in this paragraph shall not be available for support of any international games or events in which participation is denied any of the free countries of the world.] (*Department of Defense Appropriation Act, 1960.*)

Appropriated 1960, **$800,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Olympic winter games (object class 07)		$800,000	
Financing:			
Appropriation (new obligational authority)		800,000	

This appropriation is providing support by the Department of Defense to the VIII Olympic Winter Games at Squaw Valley, Calif., during 1960. During 1959, a total of $99,000 was made available for this purpose under other Defense operation and maintenance appropriations.

INFORMATIONAL FOREIGN CURRENCY SCHEDULES

Agricultural Trade Development and Assistance Act of 1954

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Inter-American geodetic surveys	$162,417	$143,114	
Far East geodetic surveys		200,000	
Total obligations (object class 07)	162,417	343,114	
Financing:			
Unobligated balance brought forward	−2,216,019	−1,780,136	
Adjustments due to changes in exchange rates to permit conversion to dollars	320,694	137,250	
Unobligated balance carried forward	1,780,136		
Unobligated balance no longer available		1,499,772	
Authorization to expend foreign currency receipts (7 U.S.C. 1704)	47,228	200,000	

Under the authority to procure goods and services for the common defense with foreign currencies derived from the sale of surplus agricultural commodities, the Department of the Army supplemented its funds appropriated to support the Inter-American Geodetic Survey and a limited geodetic survey operation in the Far East.

Status of Unfunded Allocations

	1959 actual	1960 estimate	1961 estimate
Unfunded balance, start of year	$2,213,292	$1,774,251	
Allocations	47,228	200,000	
Adjustments due to changes in exchange rates to permit conversion to dollars	−315,932	−151,472	
Unfunded balance, end of year	−1,774,251		
Unfunded balance, no longer available		−1,499,772	
Transfers into Defense accounts	170,337	323,007	

Analysis of Expenditures

Obligated balance, start of year	$6,880	$40,393	$83,507
Obligations incurred during year	162,417	343,114	
Adjustments due to changes in exchange rates to permit conversion to dollars	2,512		
Obligated balance, end of year	−40,393	−83,507	
Expenditures	131,416	300,000	83,507

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Value of goods and services provided by the Berlin Magistrat (for occupation costs and mandatory expenditures)

Program and Financing—Without Purchase

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operation and maintenance:			
Tactical forces	$7,493,127	$7,741,848	$7,741,848
Training activities	4,996	8,323	8,323
Central supply activities	1,695,247	1,832,741	1,832,741
Medical activities	761,083	778,586	778,586
Servicewide activities	1,483,632	1,606,765	1,606,765
Operational support	2,319,688	2,579,952	2,579,952
Claims	31,191	476,190	476,190
Construction	2,970,756	1,500,334	1,500,334
Total obligations	16,759,720	16,524,739	16,524,739
Financing:			
Value of goods and services provided by foreign governments without charge to appropriations	16,759,720	16,524,739	16,524,739

Object Classification—Without Purchase

Object distribution of goods and services provided by foreign governments:			
02 Travel	$55,173	$57,300	$57,300
03 Transportation of things	54,306	53,300	53,300
04 Communication services	51,987	51,500	51,500
05 Rents and utility services	319,475	380,000	380,000
07 Other contractual services	6,587,940	5,809,259	5,809,259
Labor provided by Berlin Magistrat [1]	5,813,056	5,824,700	5,824,700
08 Supplies and materials	1,604,223	1,697,490	1,697,490
09 Equipment	379,542	375,000	375,000
10 Lands and structures	1,862,827	1,800,000	1,800,000
11 Grants, subsidies, and contributions	31,191	476,190	476,190
Total object distribution of goods and services provided by foreign governments without charge to appropriations	16,759,720	16,524,739	16,524,739

[1] Average number of foreign nationals rendering services under contract, June 30, 1959, 3,988; 1960, 3,985; 1961, 3,985.

Allocations Received by Department of Defense From Other Accounts

Note.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriations, as follows:

"Salaries and expenses," Office of Civil and Defense Mobilization.
"Civil defense procurement fund," Office of Civil and Defense Mobilization.
"Research and development, "Office of Civil and Defense Mobilization.
"Mutual security," funds appropriated to the President.
"Operating expenses," Atomic Energy Commission.
"Plant acquisition and construction," Atomic Energy Commission.
"Research and development," Federal Aviation Agency.
"Salaries and expenses," National Aeronautics and Space Administration.
"Research and development," National Aeronautics and Space Administration.
"International Geophysical Year," National Science Foundation.
"Acquisition and construction of radio facilities," United States Information Agency.
"Plant and equipment," National Bureau of Standards, Department of Commerce.
"Refunds, transfers, and expenses of operation, Puerto Rico," Bureau of Customs, Treasury Department.
"Acquisition, construction, and improvements," Coast Guard, Treasury Department.

PROCUREMENT

The procurement appropriations of the Department of Defense finance the acquisition of capital equipment, such as aircraft, missiles, ships, combat vehicles, weapons, and communications; major items of support for the capital equipment when it is in service; the industrial facilities necessary to produce that equipment; and major modification of older equipment where feasible to provide a means of modernization in lieu of buying new equipment. The capital equipment financed by these appropriations is either procured from private contractors or produced in Government arsenals, shipyards, and plants.

The 1960 budget reflected a change in appropriation coverage whereby a substantial portion of the amounts formerly included in procurement appropriations for development, test, and evaluation support were shifted to the research, development, test, and evaluation appropriations. The estimates for 1961 contemplate a further refinement of the content of these appropriations. The remaining items in procurement appropriations identified as development, test, and evaluation support in the 1961 budget are shown separately from the amounts for procurement of items for service use or inventory.

In addition to these Department of Defense-wide changes, Navy appropriations have been realined to meet recent organizational changes made in establishing the Bureau of Naval Weapons. The former appropriations, Aircraft and related procurement, Navy, and Procurement of ordnance and ammunition, Navy, have been realined into two new appropriations: Procurement of aircraft and missiles, Navy, and Other procurement, Navy. The latter appropriation also includes substantial amounts for procurement of capital equipment previously financed in the Operation and maintenance, Navy, and Shipbuilding and conversion, Navy, appropriations.

The 1961 procurement program of the Department of Defense continues the large scale procurement and production of new weapons in support of the basic military missions of the armed services. Direct obligations, adjusted for comparability with the new obligational authority and expenditures for procurement and production, are estimated as follows:

PROCUREMENT AND PRODUCTION

[In millions]

	For service use or inventory			*For development, test, and evaluation support*			*Total*		
	1959 actual	*1960 estimate*	*1961 estimate*	*1959 actual*	*1960 estimate*	*1961 estimate*	*1959 actual*	*1960 estimate*	*1961 estimate*
Aircraft	$6,328	$5,614	$5,682	$675	$325	$331	$7,003	$5,939	$6,013
Missiles	2,781	2,324	2,822	921	1,216	984	3,702	3,540	3,806
Ships	1,846	1,500	1,740	-----	-----	-----	1,846	1,500	1,740
Other	2,244	2,618	2,806	4	6	(*)	2,248	2,624	2,806
Total	13,200	12,058	13,049	1,600	1,547	1,315	14,800	13,605	14,364

*Less than $500 thousand.

Current authorizations:

Procurement of Equipment and Missiles, Army

For expenses necessary for the procurement, manufacture, and modification of missiles, armament, ammunition, equipment, vehicles, vessels, and aircraft for the Army and the Reserve Officers' Training Corps; purchase of not to exceed one thousand [three] *two* hundred and [fifty-nine] *eighty-seven* passenger motor vehicles for replacement only (including twenty at not to exceed $2,900 each); expenses which in the discretion of the Secretary of the Army are necessary in providing facilities for production of equipment and supplies for national defense purposes, including construction, and the furnishing of Government-owned facilities and equipment at privately owned plants; and ammunition for military salutes at institutions to which issue of weapons for salutes is authorized; [$1,407,300,000] *$1,337,000,000*, to remain available until expended. *(5 U.S.C. 78; 10 U.S.C. 2353, 3012, 4386, 4531, 4532, 4683; Department of Defense Appropriation Act, 1960.)*

Appropriated 1960, **$1,407,300,000** Estimate 1961, [a] **$1,337,000,000**

[a] Excludes $32,000,000 for activities transferred in the estimates to appropriations as follows:

"Operations and maintenance, Army" $12,000,000
"Research, development, test, and evaluation, Army" 20,000,000

The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

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PROCUREMENT—Continued

Current authorizations—Continued

PROCUREMENT OF EQUIPMENT AND MISSILES, ARMY—Continued

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations:			
1. Major equipment	$391,107,497	$770,645,400	$856,000,000
2. Ammunition and missiles	595,659,495	538,476,600	598,800,000
3. Industrial mobilization	110,187,538	78,462,000	69,200,000
Total direct obligations	1,096,954,530	1,387,584,000	1,524,000,000
Reimbursable obligations:			
1. Major equipment	185,961,534	247,764,000	145,000,000
2. Ammunition and missiles	371,219,000	350,472,000	167,000,000
Total reimbursable obligations	557,180,534	598,236,000	312,000,000
Total obligations	1,654,135,064	1,985,820,000	1,836,000,000
Financing:			
Comparative transfers to other accounts	452,948,000	28,518,400	
Unobligated balance brought forward	−441,505,585	−503,534,931	−336,896,531
Unobligated balance transferred to "Research, development, test, and evaluation, Army" (73 Stat. 376)		10,000,000	
Unobligated military assistance orders transferred to or from (−) other service accounts	107,880,833	−37,577,083	
Advances and reimbursements from—			
Military assistance orders	−28,041,986	−112,000,000	
Other accounts	−378,683,544	−223,500,000	−203,000,000
Non-Federal sources (5 U.S.C. 172d–1)	−139,380,790	−77,322,917	−109,000,000
Recovery of prior year obligations	−19,338,923		
Unobligated balance carried forward	503,534,931	336,896,531	149,896,531
New obligational authority	1,711,548,000	1,407,300,000	1,337,000,000
New obligational authority:			
Appropriation	$1,669,338,000	$1,407,300,000	$1,337,000,000
Transferred from "Salaries and expenses, Advanced Research Projects Agency, Department of Defense" (72 Stat. 711)	42,210,000		
Appropriation (adjusted)	1,711,548,000	1,407,300,000	1,337,000,000

This appropriation provides the major items of equipment needed to support approved Army forces in performing their assigned mission to meet successfully both atomic and non-atomic requirements of limited and general war. In addition, this appropriation provides production facilities to accelerate rates of production during periods of mobilization.

In 1961, the Army plans to obligate $1,524 million of appropriated funds as compared to $1,388 million and $1,097 million for 1960 and 1959, respectively. With these funds, the Army plans to continue to modernize its combat equipment inventory. Funds provided to the Army have been allocated as follows:

[In millions]

	1959 actual	*1960 estimate*	*1961 estimate*
Firepower	$703.7	$759.3	$876.7
Mobility	105.4	296.8	331.3
Communications—Electronics	110.6	168.7	168.5
Logistical support	177.2	162.8	147.5
Total direct obligations	1,096.9	1,387.6	1,524.0

In addition to new funds appropriated directly for procurement, sales of equipment from stock which do not require replacement in kind provide a source of financing for procurement to modernize Army inventories. While this turnover does not augment the dollar value of the total inventory, it does result in an improvement in the balance among inventory levels for specific items. In addition, the sale of equipment from stock which provides funds to replenish the item inventory further assists in modernizing the Army's inventories by providing a newer model of equipment to replace an older asset.

Firepower.—The 1961 program will continue to produce: the new medium tank providing greater firepower, range, and crew protection; the new lightweight rifle and the new machinegun using the NATO standard ammunition; and the new Davy Crockett system to be used by combat infantry units. A new family of self-propelled field artillery weapons which will provide combat forces with increased firepower, range, and mobility over current equipment is in the final stages of development and will be procured.

The surface-to-air missile program continues to support the air defense mission assigned to the Army and to increase the capability in the Nike-Hercules missile system. Production of the Hawk missile system will continue, and is intended to provide an effective defense against low altitude aircraft and air-breathing missiles. A shoulder-fired guided missile system (Redeye), designed to arm small combat units against low altitude enemy aircraft will be procured in 1961.

The surface-to-surface missile program provides training equipment and missiles for an early operational capability for Pershing, a modern, solid-fueled successor to Redstone. Production will continue for the solid-fueled Sergeant, the Lacrosse, and the improved Honest John and Little John rockets to provide units from Division to Field Army level with an effective missile delivery capability. The new antitank missile system will be produced to provide a reliable and effective means for ground forces to combat enemy armored vehicles.

Mobility.—Effectiveness, even survival on the modern battlefield is dependent upon the ability of ground forces to remain mobile. To provide combat forces with greater battlefield mobility, production of new armored personnel carriers incorporating increased cruising range will be continued. Approximately 18,000 tactical trucks for use in supply and support functions in combat and other areas will be procured to meet the pentomic field army's need for increased mobility. The new tank recovery vehicle will continue in production to provide a rapid and effective means to return combat-damaged tanks to rear echelons for repair.

Aerial mobility contines to receive emphasis to meet the Army's need for battlefield surveillance, troop movement, and rapid logistical support for combat forces. Aircraft programed for procurement total 219 and include Mohawk, a twin engine observation airplane designed for battlefield surveillance and aerial photography; the Caribou, a twin engined transport aircraft to be used in combat zone resupply, transportation of troops, and emergency aeromedical evacuation; Iroquois, a utility helicopter, for the transportation of personnel, special teams and equipment and supplies, and medical evacuation; and the medium transport helicopter, Chinook, designed to carry 32 passengers or 6,000 pounds of normal cargo.

Communications—electronics.—In the area of communications and electronics the major effort is directed toward providing the Army with swift, accurate, target surveillance equipment and light, rugged and mobile, communications equipment to achieve the high degree of mobility and dispersion dictated by modern weapons. For these purposes the 1961 program provides for the procurement of surveillance and navigational equipment for Army aircraft, the additional procurement of a new surveillance drone system, and the modernization and replacement of

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combat radio, telephone, teletype communication and control equipment. Provision is also made for the third increment of a continuing program for the improvement of the missile-master air defense system to insure compatibility with the semi-automatic ground environment (SAGE) system of the North American Air Defense Command.

Logistics support.—Included in this category are items to build and maintain the support roads and airfields which are directly related to the mobility of combat forces. To improve the Army's logistical capability in over-the-beach operations, procurement of the new amphibious lighter as well as the rough terrain fork lift truck is planned. Production of the new mobile assault bridge is planned to provide advancing armored and infantry forces with a means for rapidly crossing inland waters. A variety of generators is planned for continued procurement to provide combat forces with electrical power to operate missile sites and radar stations, as well as for lighting and other uses where local power will not be available.

Machine tools necessary to support production programs will continue to be modernized. Arsenals will continue to be modernized to enable these facilities to meet production and development programs which may be placed with them. The 1961 program continues to support projects which will lead to conservation of critical materials, improvements in production techniques, and the development of mass production methods for new items planned for production.

Object Classification

	1959 actual	1960 estimate	1961 estimate
ARMY			
Total number of permanent positions	4,398	2,028	2,028
Average number of all employees	4,229	1,987	1,987
Number of employees at end of year	3,325	2,028	2,028
Average GS grade and salary	9.0 $7,127	8.8 $7,080	8.8 $7,089
Average salary of ungraded positions	5,409	5,415	5,415
Direct obligations:			
01 Personal services:			
Permanent positions	31,906,002	13,608,487	13,094,521
Other personal services	1,854,295	738,513	618,479
Total personal services	33,760,297	14,347,000	13,713,000
02 Travel	1,045,037	400,000	400,000
03 Transportation of things	18,291,792	16,500,000	15,700,000
04 Communication services	167,178	170,000	170,000
06 Printing and reproduction	9,377	10,000	10,000
07 Other contractual services	265,649,943	319,546,514	327,818,000
08 Supplies and materials	440,008,061	579,922,000	536,745,000
09 Equipment	310,919,899	418,615,000	615,368,000
10 Lands and structures	17,124,586	12,000,000	8,000,000
11 Grants, subsidies, and contributions	1,160,339	1,392,000	1,425,000
15 Taxes and assessments	891,058	500,000	500,000
Total direct obligations	1,089,027,567	1,363,402,514	1,519,849,000
Reimbursable obligations:			
03 Transportation of things	1,045,036	1,255,000	1,284,000
08 Supplies and materials	184,715,206	214,634,000	134,505,000
09 Equipment	361,159,250	362,978,779	167,256,000
Total reimbursable obligations	546,919,492	578,867,779	303,045,000
Total, Army	1,635,947,059	1,942,270,293	1,822,894,000
ALLOCATION TO ATOMIC ENERGY COMMISSION			
07 Other contractual services	18,188,005	43,549,707	13,106,000
Total obligations	1,654,135,064	1,985,820,000	1,836,000,000

Procurement of Aircraft and Missiles, Navy

For construction, procurement, production, modification, and modernization of aircraft, missiles, equipment, including ordnance, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, including the land necessary therefor, without regard to section 3734, Revised Statutes, as amended, and such lands, and interest therein, may be acquired, and construction prosecuted thereon prior to approval of title by the Attorney General as required by section 355, Revised Statutes, as amended; and procurement and installation of equipment, appliances, and machine tools in public or private plants; $2,113,000,000, to remain available until expended: Provided, That during the current fiscal year there may be merged with this appropriation such amounts of the unobligated balances of appropriations previously granted for "Aircraft and related procurement" and "Procurement of ordnance and ammunition", as the Secretary of Defense may determine to be necessary for the accomplishment of the programs for which this appropriation is made. (10 U.S.C. 5012, 5031, 7201, 7341; 31 U.S.C. 718.)

Estimate 1961, [a] **$2,113,000,000**

[a] Estimate is for activities previously carried as follows:

"Aircraft and related procurement, Navy"	$1,781,000,000
"Procurement of ordnance and ammunition, Navy"	330,000,000
"Operation and maintenance, Navy"	2,000,000

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations:			
1. Aircraft and related equipment			$1,044,725,000
2. Missiles, drones, and related equipment			408,504,000
3. Development, test, and evaluation support			155,771,000
Total direct obligations			1,609,000,000
Reimbursable obligations:			
1. Aircraft and related equipment			5,000,000
2. Missiles, drones, and related equipment			10,224,000
Total reimbursable obligations			15,224,000
Total obligations			1,624,224,000
Financing:			
Unobligated balance transferred from—"Aircraft and related procurement, Navy" (1961 appropriation act)			−195,000,000
"Procurement of ordnance and ammunition, Navy" (1961 appropriation act)			−1,000,000
Advances and reimbursements from other accounts			−24,500,000
Unobligated balance carried forward			709,276,000
Appropriation (new obligational authority)			2,113,000,000

This appropriation finances the procurement of 658 new aircraft, guided missiles, and supporting equipment for the Navy and Marine Corps. It also provides for necessary safety-of-flight and operational modifications to service aircraft as well as the procurement of drones and major flight and maintenance training simulators. Aircraft, missiles, and their support equipment provided for in this appropriation have been consolidated for 1961 from the appropriations Aircraft and related procurement, Navy, and Procurement of ordnance and ammunition, Navy. The funds requested permit carrying out a program costing $2,333.5 million.

1. *Aircraft and related equipment.*—This activity finances procurement of new aircraft to support 16 attack carrier air groups; 11 carrier based antisubmarine warfare groups; 30 antisubmarine warfare land and seaplane squadrons; 11 patrol, reconnaissance, lighter-than-air and warning squadrons; and 3 Marine air wings; together with their supporting components and spare parts; the cost of modifying and modernizing inservice aircraft; and other related items such as aircraft production tools and equipment, and aircraft training equipment for simulating operational, tactical, and maintenance problems. Procurement requirements for new aircraft are based on projected aircraft operating programs and replacement of losses caused by attrition and obsolescence. The 1961 procurement program consists of additional quantities of

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PROCUREMENT—Continned

Current authorizations—Continued

Procurement of Aircraft and Missiles, Navy—Continued

aircraft currently in production. The strike capability of the fleet will be increased by the quantities of light attack aircraft and low-level attack aircraft programed for procurement in 1961. Expanded production of supersonic heavy attack aircraft will greatly augment this capability. Carrier task force defense is provided by the continued procurement of supersonic fighter models now in production and increased quantity procurement of an improved all-weather fighter. To fill vital antisubmarine, airborne early warning, and other operational requirements, the Navy will continue production of improved models of turboprop patrol aircraft, search aircraft, utility and antisubmarine warfare helicopters, and a Marine tanker-cargo assault aircraft. The 1961 program for modernization of fleet aircraft places primary emphasis on the installation of the most modern and effective antisubmarine search and detection equipment available and the incorporation of mandatory operational and safety-of-flight improvements. In addition, advanced countermeasures equipment will be placed in operational aircraft.

2. *Missiles, drones, and related equipment.*—The procurement of all Navy missiles for fleet outfitting and training is financed under this activity. Related projects such as powered and unpowered target procurement, antisubmarine drone procurement, and missile industrial facilities also financed under this activity are programed at minimum levels. The funds requested for the production of guided missiles will allow a small improvement in the material readiness position of the Navy. The 1961 program provides for continued delivery of air-to-air Sidewinder (an improved model) and Sparrow missiles and air-to-surface Bullpup missiles to fleet squadrons and training commands. It continues the integration of ship-launched Tartar, Talos, and Terrier missiles into the active fleet in consonance with the construction and conversion of vessels with guided missile capability and provides for the procurement of Polaris missiles for the fleet ballistic missile submarines.

3. *Development, test, and evaluation support.*—This activity pays for that portion of the total production of aircraft, missiles and other equipment used during the final stages of test and evaluation.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions			168
Average number of all employees			162
Number of employees at end of year			162
Average GS grade and salary			6.5 $5,695
Average salary of ungraded positions			$5,303
Direct obligations:			
01 Personal services:			
Permanent positions			$972,000
Other personal services			35,000
Total personal services			1,007,000
03 Transportation of things			4,160,000
07 Other contractual services			178,586,800
08 Supplies and materials			289,644,000
09 Equipment			1,135,492,200
11 Grants, subsidies, and contributions			110,000
Total direct obligations			1,609,000,000
Reimbursable obligations:			
08 Supplies and materials			9,771,000
09 Equipment			5,453,000
Total reimbursable obligations			15,224,000
Total obligations			1,624,224,000

Shipbuilding and Conversion, Navy

For expenses necessary for the construction, acquisition, or conversion of vessels as authorized by law, including armor and armament therefor, plant equipment, appliances, and machine tools, and installation thereof in public or private plants; [procurement, production, and modernization of electronic equipment and material for ships;] procurement of critical long lead time components and designs for vessels to be constructed or converted in the future; and expansion of public and private plants, including land necessary therefor, without regard to section 3734, Revised Statutes, as amended, and such land, and interests therein, may be acquired and construction prosecuted thereon prior to approval of title by the Attorney General as required by section 355, Revised Statutes, as amended; [and departmental salaries necessary for the purposes of this appropriation; $1,330,700,000] *$2,032,000,000,* to remain available until expended. *(5 U.S.C. 46; 10 U.S.C. 5012, 5031, 7296, 7298; 31 U.S.C. 718; Department of Defense Appropriation Act, 1960.)*

Appropriated 1960, **$1,330,700,000** Estimate 1961, [a] **$2,032,000,000**

[a] Excludes $154,792,000 for activities transferred in the estimates to:

"Other procurement, Navy"	$119,467,000
"Operation and maintenance, Navy"	35,325,000

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations:			
1. 1956 and prior programs	$134,593,808	$107,353,000	$52,450,000
2. 1957 program	270,786,533	194,129,000	131,491,000
3. 1958 program	294,695,158	174,004,000	118,296,000
4. 1959 program	1,121,845,479	482,609,000	154,113,000
5. 1960 program	17,692,236	441,860,000	74,300,000
6. 1961 program		88,900,000	1,098,250,000
7. 1962 program			103,600,000
8. Reserve tools and facilities, and production materials	80,372	6,000,000	3,500,000
9. Shipbuilding administrative expenses	35,663,992	36,000,000	
10. Electronics major procurement	114,628,302	141,145,000	
Total direct obligations	1,989,985,880	1,672,000,000	1,736,000,000
Reimbursable obligations:			
4. 1959 program	55,591,440	23,000,000	4,000,000
5. 1960 program		31,500,000	7,000,000
6. 1961 program			3,000,000
10. Electronics major procurement	13,102,740	11,000,000	
Total reimbursable obligations	68,694,180	65,500,000	14,000,000
Total obligations	2,058,680,060	1,737,500,000	1,750,000,000
Financing:			
Comparative transfers to other accounts	23,321,098		
Unobligated balance brought forward	−994,257,720	−1,100,633,697	−746,292,818
Unobligated balance transferred to "Other procurement, Navy" (1961 appropriation act)			6,546,049
Unobligated military assistance orders transferred to or from (−) other accounts	−2,916,208	4,698,879	10,926,061
Advances and reimbursements from—			
Military assistance orders	−103,742,733	−42,658,000	
Other accounts	−11,948,623	−14,200,000	−4,000,000
Non-Federal sources (10 U.S.C. 2481, 2665, 2667; 31 U.S.C. 489a)	−369,571	−300,000	
Unobligated balance carried forward	1,100,633,697	746,292,818	1,014,820,708
Appropriation (new obligational authority)	2,069,400,000	1,330,700,000	2,032,000,000

This appropriation provides for ship construction and conversion programs authorized subsequent to 1951, including machinery, conventional and nuclear propulsion systems, electrical systems, gun, torpedo, and missile armament, communications equipment, and electronic detection, countermeasures, and tactical data systems.

The 1961 shipbuilding program includes 20 new ships and 15 conversions. As in prior years, major emphasis is placed on a versatile fleet composed of ships which are suited to a wide variety of possible missions through the exploitation of proven technological advances in hull design, propulsion, weaponry and electronics. Thus, a conventionally powered attack aircraft carrier, three guided missile frigates, two guided missile destroyers, three nuclear antisubmarine warfare submarines, and two fast underway replenishment ships account for over half the 1961 ship program. Strike forces made up of these ships are adaptable to both limited and all-out nuclear war.

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Three Polaris missile-firing submarines, which serve as deterrents to all-out nuclear war, account for one-fifth of the program. Limited war readiness will be improved by construction of 2 escort vessels and 1 amphibious transport, dock, and 14 antisubmarine warfare conversions of World War II destroyers. Research and experimental ships in the 1961 program include one oceanographic research ship, further conversion of the experimental submarine *Albacore* and new construction of an experimental deep diving submarine and an escort research ship. Approximately half the 1961 shipbuilding program will contribute significantly to antisubmarine warfare capability.

This budget provides for initiation of a new policy in financing shipbuilding programs. Recent practice has been to estimate ship costs initially at current value and to provide for increases over the initial cost estimates by requesting additional funds in subsequent years or by reducing shipbuilding programs. In this budget, construction and conversion costs represent the full amount required to complete all ships in 1961 and prior years' programs, allowing for growth factors such as design and characteristics changes which can reasonably be expected to affect costs during long construction and conversion periods.

In 1961, shipbuilding administrative expenses, formerly included in this appropriation, are provided for in Operation and maintenance, Navy. In addition, major electronics procurement primarily associated with the ship improvement program is transferred to the appropriation Other procurement, Navy.

Object Classification

	1959 actual	1960 estimate	1961 estimate
NAVY			
Total number of permanent positions	3,920	4,184	1,301
Average number of all employees	3,608	3,934	1,219
Number of employees at end of year	3,776	4,110	1,195
Average GS grade and salary	6.7 $5,756	6.8 $5,764	6.8 $5,756
Average salary of ungraded positions	$5,476	$5,584	$5,589
Personal service obligations:			
Permanent positions	$23,242,430	$24,620,000	$4,026,000
Other personal services	791,471	863,000	187,000
Total personal service obligations	24,033,901	25,483,000	4,213,000
Direct obligations:			
01 Personal services	23,580,301	24,261,000	3,135,000
02 Travel	845,955	840,000	
03 Transportation of things	1,584,971	1,500,000	950,000
04 Communication services	259,072	250,000	
05 Rent and utility services	26,512	20,000	
06 Printing and reproduction	1,695,554	1,600,000	
07 Other contractual services	400,134,156	327,692,000	380,000,000
08 Supplies and materials	48,635,753	38,340,000	41,677,000
09 Equipment	1,468,714,395	1,251,000,000	1,295,000,000
11 Grants, subsidies, and contributions	1,401,963	1,450,000	188,000
13 Refunds, awards, and indemnities	38,793	40,000	50,000
15 Taxes and assessments	8,925	7,000	
Total direct obligations	1,946,926,350	1,647,000,000	1,721,000,000
Reimbursable obligations:			
01 Personal services	453,600	1,222,000	1,078,000
02 Travel	10,123	250,000	250,000
07 Other contractual services	44,824,850	42,755,000	9,000,000
08 Supplies and materials	1,251,050	1,200,000	607,000
09 Equipment	22,127,377	20,000,000	3,000,000
11 Grants, subsidies, and contributions	27,180	73,000	65,000
Total reimbursable obligations	68,694,180	65,500,000	14,000,000
Total, Navy	2,015,620,530	1,712,500,000	1,735,000,000
ALLOCATION TO ATOMIC ENERGY COMMISSION			
09 Equipment	43,059,530	25,000,000	15,000,000
Total obligations	2,058,680,060	1,737,500,000	1,750,000,000

OTHER PROCUREMENT, NAVY

For procurement, production, and modernization of support equipment, and materials not otherwise provided for; Navy ordnance and ammunition (except ordnance for new aircraft, new ships, and ships authorized for conversion); purchase of not to exceed one thousand and forty-five passenger motor vehicles (including ten at not to exceed $2,900 each) for replacement only; expansion of public and private plants, including the land necessary therefor, without regard to section 3734, Revised Statutes, as amended, and such lands, and interest therein, may be acquired, and construction prosecuted thereon prior to approval of title by the Attorney General as required by section 355, Revised Statutes, as amended; and procurement and installation of equipment, appliances, and machine tools in public or private plants; $434,000,000, to remain available until expended: Provided, That during the current fiscal year there may be merged with this appropriation such amounts of the unobligated balances of appropriations previously granted for "Aircraft and related procurement", "Procurement of ordnance and ammunition", and "Shipbuilding and conversion", as the Secretary of Defense may determine to be necessary for the accomplishment of the programs for which this appropriation is made. (5 U.S.C. 78; 10 U.S.C. 5012, 5031; 31 U.S.C. 718.)

Estimate 1961, [a] **$434,000,000**

[a] Estimate is for activities previously carried under appropriations as follows:

"Operation and maintenance, Navy"	$171,533,000
"Aircraft and related procurement, Navy"	46,000,000
"Shipbuilding and conversion, Navy"	119,467,000
"Procurement of ordnance and ammunition, Navy"	97,000,000

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations:			
1. Ships support equipment			$175,448,000
2. Weapons, aircraft and weapons support equipment			215,951,000
3. Command support equipment			21,839,000
4. Civil engineering support equipment			10,348,000
5. Supply support equipment			2,768,000
6. Personnel support equipment			646,000
Total direct obligations			427,000,000
Reimbursable obligations:			
1. Ships support equipment			22,300,000
2. Weapons, aircraft and weapons support equipment			3,776,000
4. Civil engineering support eqnipment			13,925,011
6. Personnel support equipment			2,030,271
Total reimbursable obligations			42,031,282
Total obligations			469,031,282
Financing:			
Unobligated balance transferred (1961 appropriation act) from—			
"Shipbuilding and conversion, Navy"			−6,546,049
"Procurement of ordnance and ammunition, Navy"			−1,000,000
"Aircraft and related procurement, Navy"			−1,000,000
Unobligated military assistance orders transferred from (−) other service accounts			−22,478,411
Advances and reimbursements from—			
Other accounts			−26,500,000
Non-Federal sources (10 U.S.C. 2481, 2665, 2667; 31 U.S.C. 489a)			−3,300,000
Unobligated balance carried forward			25,793,178
Appropriation (new obligational authority)			434,000,000

This appropriation represents a consolidation of all major procurement other than ships, aircraft, and guided missiles. The programs proposed for funding in this appropriation were formerly funded in four different accounts for procurement and for operations and maintenance. The management of the proposed programs will continue to be vested in the materiel bureaus in the same manner as has been the case hitherto.

1. *Ships support equipment.*—This activity is to be administered by the Bureau of Ships. The major portion of this program comprises electronic equipment for continuing modernization of the fleet with emphasis on ship

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PROCUREMENT—Continued

Current authorizations—Continued

OTHER PROCUREMENT, NAVY—Continued

communications, detection and countermeasure capability, and data processing; and for completion of procurement of a phase of the Navy's fixed continental and ocean defense program. Provision is also made for miscellaneous support items such as ship components, machine tools and ship equipment including those required for training and for the Military Sea Transportation Service.

2. *Weapons, aircraft and weapons support equipment.*—This activity, to be administered by the Bureau of Naval Weapons, provides for ammunition, weapons, and technical support equipment for ships, aircraft, and the Shore Establishment. Major emphasis in the ammunition program is on the air-launched Zuni rocket, the new high speed and antisubmarine torpedoes, and on missiles for the Asroc antisubmarine weapon. Augmentation of stock positions is generally limited to newly developed items, with particular emphasis on antisubmarine capability, including such items as air dropped submarine detection buoys which are used in antisubmarine operations. Shore station support equipment comprises the ground communication and terminal navigational aids required for naval and Marine Corps air stations.

3. *Command support equipment.*—This activity, to be administered by the Office of the Chief of Naval Operations, provides principally for continued modernization and improvement of the naval communications system; and procurement of cryptographic aids and devices for the Naval Establishment.

4. *Civil engineering support equipment.*—This activity consolidates, under the administration of the Bureau of Yards and Docks, the procurement of passenger-carrying vehicles and both general and special-purpose automotive equipment. The 1961 program provides for the replacement of overage and wornout equipment on a phased basis. Also provided are construction and heavy weight handling equipment, amphibious vehicles, and material for fleet moorings.

5. *Supply support equipment.*—This activity, to be administered by the Bureau of Supplies and Accounts, provides for the procurement of all Navy materials handling equipment common to supply operations such as warehouse tractors, cranes, and fork trucks.

6. *Personnel support equipment.*—This activity to be administered by the Bureau of Naval Personnel provides for training equipment to be used in both Regular Navy and Reserve training programs.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions			992
Average number of all employees			930
Number of employees at end of year			940
Average GS grade and salary			6.5 $5,695
Average salary of ungraded positions			$5,303
Personal service obligations:			
Permanent positions			$5,060,000
Other personal services			39,000
Total personal service obligations			5,099,000
Direct obligations:			
01 Personal services			4,193,000
03 Transportation of things			4,916,000
07 Other contractual services			28,553,000
Services performed by other agencies			710,000
08 Supplies and materials			86,040,000
09 Equipment			302,171,000
10 Lands and structures			[150,000
11 Grants, subsidies, and contributions			[265,000

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
Direct obligations—Continued			
15 Taxes and assessments			$2,000
Total direct obligations			427,000,000
Reimbursable obligations:			
01 Personal services			906,000
07 Other contractual services			13,000
08 Supplies and materials			2,674,000
09 Equipment			38,394,282
11 Grants, subsidies, and contributions			44,000
15 Taxes and assessments			
Total reimbursable obligations			42,031,282
Total obligations			469,031,282

PROCUREMENT, MARINE CORPS

For expenses necessary for the procurement, manufacture, and modification of missiles, armament, ammunition, military equipment, and vehicles for the Marine Corps, including purchase of not to exceed [twenty] *eighteen* passenger motor vehicles which shall be for replacement only, [$133,850,000] *$94,000,000*, to remain available until expended. (*5 U.S.C. 78; 10 U.S.C. 5031, 7201; 31 U.S.C. 718; Department of Defense Appropriation Act, 1960.*)

Appropriated 1960, **$133,850,000** Estimate 1961, [a] **$94,000,000**

[a] Excludes $6,000,000 for activities transferred in the estimates to "Research, development, test, and evaluation, Navy." The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations:			
1. Ammunition and ordnance equipment	$54,482,285	$55,000,000	$54,000,000
2. Guided missiles and equipment	49,707,620	43,000,000	37,000,000
3. Communications and electronics equipment	36,170,771	34,000,000	34,000,000
4. Support vehicles	6,430,119	10,000,000	6,000,000
5. Railroad, engineer, and materials handling equipment	1,504,833	8,000,000	7,000,000
6. Development, test, and evaluation support	1,877,211	3,540,000	3,000,000
Total direct obligations	150,172,839	153,540,000	141,000,000
Reimbursable obligations:			
1. Ammunition and ordnance equipment	3,068,519	5,300,000	3,500,000
3. Communications and electronics equipment	328,609	1,200,000	1,500,000
4. Support vehicles	211,781	500,000	200,000
5. Railroad, engineer, and materials handling equipment	28,870	2,000,000	800,000
Total reimbursable obligations	3,637,779	9,000,000	6,000,000
Total obligations	153,810,618	162,540,000	147,000,000
Financing:			
Comparative transfers to other accounts	17,163,259	6,460,000	
Unobligated balance brought forward	−258,016,398	−157,220,184	−125,900,485
Unobligated military assistance orders transferred from (−) other service accounts	−463,001	−1,757,301	
Advances and reimbursements from—			
Military assistance orders	−5,107,456	−2,073,000	
Other accounts	−11,688		
Recovery of prior year obligations	−39,595,518		
Unobligated balance carried forward	157,220,184	125,900,485	72,900,485
Appropriation (new obligational authority)	25,000,000	133,850,000	94,000,000

This appropriation provides the major items of equipment needed to support approved Marine Corps forces in achieving their assigned mission. The 1961 program will enable the Marine Corps to procure: the second increment of new lightweight 7.62-mm weapons and related ammunition; a variety of ammunition items to augment reserve stocks; the replacement of ammunition consumed during training programs; modifications to landing vehicles to improve over-the-beach capabilities; battery sets for an additional Hawk battalion as well as Hawk missiles to provide an effective defense against low altitude aircraft and air-breathing missiles; a new shoulder-fired

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guided missile system (Redeye), designed to provide combat troops with a means to destroy low altitude aircraft; radar improvements to provide forces with an increased capability for the detection, direction, and control of aircraft; and the replacement and modernization of a variety of equipment items.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Direct obligations:			
03 Transportation of things	$1,982,288	$2,700,000	$2,700,000
08 Supplies and materials	49,884,605	34,500,000	38,500,000
09 Equipment	98,305,946	116,340,000	99,800,000
Total direct obligations	150,172,839	153,540,000	141,000,000
Reimbursable obligations:			
08 Supplies and materials	3,068,519	5,300,000	3,000,000
09 Equipment	569,260	3,700,000	3,000,000
Total reimbursable obligations	3,637,779	9,000,000	6,000,000
Total obligations	153,810,618	162,540,000	147,000,000

Aircraft Procurement, Air Force

For construction, procurement, and modification of aircraft, and equipment, including armor and armament, specialized ground handling equipment, and training devices, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land without regard to section 9774 of title 10, United States Code, for the foregoing purposes, and such land, and interests therein may be acquired and construction prosecuted thereon prior to the approval of title by the Attorney General as required by section 355, Revised Statutes, as amended; reserve plant and equipment layaway; and other expenses necessary for the foregoing purposes, including rents and transportation of things; [$4,284,600,000] *$2,994,000,000,* to remain available until expended[, of which $2,900,000 shall be available solely for procurement for the Air National Guard]: *Provided,* That during the current fiscal year there may be merged with this appropriation such amounts of the unobligated balances of appropriations previously granted for "Aircraft, missiles, and related procurement", and "Procurement other than aircraft and missiles", as the Secretary of Defense may determine to be necessary for the accomplishment of the programs for which this appropriation is made. *(5 U.S.C. 55a; 10 U.S.C. 2271–79, 2353, 2386, 2663, 2672, 8012, 8062, 9501–02, 9505, 9531–32, 9741–42; 31 U.S.C. 649(c), 718; 40 U.S.C. 523; 50 U.S.C. 451–62; Department of Defense Appropriation Act, 1960.)*

Appropriated 1960, **$4,284,600,000** Estimate 1961, **$2,994,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations:			
1. Aircraft procurement and production		$2,624,600,000	$3,202,400,000
2. Ground support equipment		252,400,000	285,000,000
3. Development, test, and evaluation		203,000,000	125,000,000
Total direct obligations		3,080,000,000	3,612,400,000
Reimbursable obligations:			
1. Aircraft procurement and production		110,000,000	50,000,000
Total obligations		3,190,000,000	3,662,400,000
Financing:			
Unobligated balance brought forward			−1,636,000,000
Unobligated balance transferred from "Aircraft, missiles, and related procurement (Air Force)" (73 Stat. 375)		−321,900,000	
Advances and reimbursements from—			
Military assistance orders		−164,500,000	
Other accounts		−55,000,000	−50,000,000
Unobligated balance carried forward		1,636,000,000	1,017,600,000
Appropriation (new obligational authority)		4,284,600,000	2,994,000,000

This appropriation provides for development and procurement of aircraft, components, industrial facilities, direct support ground equipment, and modification of inservice aircraft. It facilitates management of the program by bringing together in a single appropriation, funds for the prime aircraft weapon system and related specialized ground handling and test equipment. The funds requested provide for an aircraft procurement and development program for 1961 of $3,910 million compared to $3,960 million for 1960.

1. *Aircraft procurement and production.*—This activity provides for the procurement of 633 new aircraft and associated guided air-to-air rockets, to continue modernization of the forces comprising 91 aircraft and missile wings by the end of 1961. In the strategic forces, funds in this program complete the procurement of heavy bombers for the equipping of 14 wings; also, procurement is continued to complete the equipping of supersonic strategic bomber wings currently planned for further replacement of obsolescent B–47 medium bombers. Increased reliance is placed upon long-range intercontinental missiles as a strategic deterrent in lieu of larger numbers of strategic aircraft.

Procurement of jet tankers is continued for the support of the heavy and supersonic bombers and to start toward the modernization of the tanker support force for the tactical fighters and bombers to improve their mobility and radius of action. The procurement of increased quantities of supersonic fighter-bomber aircraft with all-weather capability is planned in 1961. These improved tactical mission aircraft will be capable of being rapidly deployed to deliver conventional as well as nuclear munitions and will strengthen capabilities for close support of the ground forces. No production interceptor aircraft are included because of the high priority assigned to procurement of missiles toward meeting this need in the short and intermediate range field.

Provision is made for tactical transport aircraft to improve the mobility of the modernized operational forces needed in the event of localized trouble and for additional quantities of jet training aircraft. In addition, provision is made for modernization of inservice aircraft and their components and for production facilities which cannot be provided by private capital.

2. *Ground support equipment.*—Ground support equipment pertaining to specific aircraft weapons systems will be procured under this activity. The items procured will be of a type and quantity to match the procurement of the planes they are to service, phased to provide needed support upon introduction of the new weapon into the inventory. Included are such items as test and checkout equipment for the component systems of the aircraft being procured and flight simulators for the heavy bomber, fighter-bomber, tanker and tactical transport aircraft.

3. *Development, test, and evaluation support.*—This activity provides for development, testing, and evaluation of aircraft and related equipment expected to be placed in production in subsequent program years. In 1961, funds are provided for the B–70 intercontinental strategic bomber project and for a new aircraft for the modernization of the MATS fleet.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Direct obligations:			
03 Transportation of things		$11,000,000	$13,000,000
07 Other contractual services		229,500,000	321,200,000
09 Equipment		2,838,400,000	3,277,200,000
10 Lands and structures		1,100,000	1,000,000
Total direct obligations		3,080,000,000	3,612,400,000
Reimbursable obligations:			
09 Equipment		110,000,000	50,000,000
Total obligations		3,190,000,000	3,662,400,000

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PROCUREMENT—Continued

Current authorizations—Continued

Missile Procurement, Air Force

For construction, procurement, and modification of missiles, rockets, and related equipment, including spare parts and accessories therefor, ground handling equipment, and training devices; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land without regard to section 9774 of title 10, United States Code, for the foregoing purposes, and such land, and interests therein may be acquired and construction prosecuted thereon prior to the approval of title by the Attorney General as required by section 355, Revised Statutes, as amended; reserve plant and equipment layaway; and other expenses necessary for the foregoing purposes, including rents and transportation of things; [$2,540,550,000] *$3,024,000,000*, to remain available until expended: *Provided*, That during the current fiscal year there may be merged with this appropriation such amounts of unobligated balances of appropriations previously granted for "Aircraft, missiles, and related procurement, Air Force", and "Procurement other than aircraft and missiles, Air Force", as the Secretary of Defense may determine to be necessary for the accomplishment of the programs for which this appropriation is made. *(5 U.S.C. 55a; 10 U.S.C. 2271–79, 2353, 2386, 2663, 2672, 8012, 8062, 9501–02, 9505, 9531–32, 9741–42; 31 U.S.C. 649(c), 718; 40 U.S.C. 523; 50 U.S.C. 451–62; Department of Defense Appropriation Act, 1960.)*

Appropriated 1960, **$2,540,550,000**

Estimate 1961, **$3,024,000,000**

Appropriated (adjusted) 1960, **$2,465,550,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations:			
1. Missile procurement and production		$667,700,000	$1,081,700,000
2. Ground support equipment		614,400,000	802,000,000
3. Development, test, and evaluation support		1,175,900,000	966,300,000
Total obligations		2,458,000,000	2,850,000,000
Financing:			
Unobligated balance brought forward			−219,000,000
Unobligated balance transferred from: "Aircraft, missiles, and related procurement (Air Force)" (73 Stat. 375)		−127,450,000	
Advances and reimbursements from other accounts: Military assistance orders		−84,000,000	
Unobligated balance carried forward		219,000,000	393,000,000
New obligational authority		2,465,550,000	3,024,000,000
New obligational authority:			
Appropriation		$2,540,550,000	$3,024,000,000
Transferred to "Salaries and expenses, Advanced Research Projects Agency, Department of Defense" (73 Stat. 377)		−75,000,000	
Appropriation (adjusted)		2,465,550,000	3,024,000,000

This appropriation provides for development and procurement of missiles and drones, launching and ground support equipment, installation and calibration charges for activation of operational squadrons, and expansion of industrial facilities.

1. *Missile procurement and production.*—This activity provides funds for missiles required for operational squadrons and related training. The 1961 estimates continue accelerated production of the Atlas and Titan intercontinental ballistic missiles to equip the additional operational squadrons as they are activated. Procurement of the Hound Dog air-to-surface missile to increase the effectiveness of the B–52 heavy bombers continues at the same level as in previous years. Procurement of the Quail decoy, used for penetration purposes by the B–52 heavy bomber, will be substantially completed, and the Mace system will be completed, with funds provided in 1961. The Bomarc air defense interceptor missile will be continued at a level slightly higher than in 1960. Provision is also made for procurement of target and drone missiles used in the testing and training of weapon systems.

2. *Ground support equipment.*—The principal amounts required in 1961 are for launching and ground equipment for the Atlas and Titan ballistic missiles, Hound Dog air-to-surface missile, and for the Bomarc interceptor missile. Lesser amounts are also included for launching and ground equipment for other missiles in the program and for training equipment requirements for other Air Force missiles.

3. *Development, test, and evaluation support.*—In addition to amounts for continuing development, test, and evaluation of missiles already under procurement for service use and inventory, this activity provides funds for the continued development of the Minuteman solid propellant intercontinental ballistic missile and a new configuration of the Titan missile.

Object Classification

		1959 actual	1960 estimate	1961 estimate
03	Transportation of things		$4,780,000	$8,705,000
09	Equipment		2,421,584,000	2,824,586,300
10	Lands and structures		31,636,000	16,708,700
	Total obligations		2,458,000,000	2,850,000,000

Other Procurement, Air Force

For procurement and modification of equipment (including ground guidance and electronic control equipment, and ground electronic and communication equipment), and supplies, materials, and spare parts therefor, not otherwise provided for; the purchase of not to exceed [two] *three* thousand [five] *three* hundred and [seventy-seven] *five* passenger motor vehicles, [of which two thousand three hundred and thirty-three (including one at not to exceed $2,900) shall be] for replacement only *including ten at not to exceed $2,900 each*; and expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, without regard to section 9774 of title 10, United States Code, for the foregoing purposes, and such land, and interests therein may be acquired and construction prosecuted thereon prior to the approval of title by the Attorney General as required by section 355, Revised Statutes, as amended; [$1,109,650,000] *$1,057,000,000*, to remain available until expended[, of which $16,100,000 shall be available solely for procurement for the Air National Guard]: *Provided*, That during the current fiscal year there may be merged with this appropriation such amounts of unobligated balances of appropriations previously granted for "Procurement other than aircraft and missiles", as the Secretary of Defense may determine to be necessary for the accomplishment of the programs for which this appropriation is made[: *Provided further*, That such amounts of unexpended balances of the amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955 (31 U.S.C. 200) of the appropriations "Air National Guard", 1958, and "Air National Guard", 1959, as may be determined by the Secretary of Defense to have been made available for procurement activities shall be merged with this appropriation]. *(5 U.S.C. 55a, 78, 78a–1; 10 U.S.C. 2353, 2386, 8012, 9505, 9531–32; 31 U.S.C. 649(c), 718; 50 U.S.C. 491; 73 Stat. 165; Department of Defense Appropriation Act, 1960.)*

Appropriated 1960, **$1,109,650,000** Estimate 1961, **$1,057,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations:			
1. Weapons, ammunition, and propellants		$39,800,000	$58,400,000
2. Vehicular equipment		70,800,000	90,200,000
3. Ground communication-electronic equipment		652,700,000	760,000,000
4. Other base maintenance and support equipment		109,100,000	136,400,000
Total direct obligations		872,400,000	1,045,000,000

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Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
Reimbursable obligations:			
1. Weapons, ammunition, and propellants			
2. Vehicular equipment			
3. Ground communication-electronic equipment		$20,000,000	$20,000,000
4. Other base maintenance and support equipment			
Total reimbursable obligations		20,000,000	20,000,000
Total obligations		892,400,000	1,065,000,000
Financing:			
Unobligated balance brought forward			−323,100,000
Unobligated balance transferred from "Procurement other than aircraft and missiles (Air Force)" (73 Stat. 376)		−27,850,000	
Advances and reimbursements from—			
Military assistance orders		−58,000,000	
Other accounts		−20,000,000	−20,000,000
Unobligated balance carried forward		323,100,000	335,100,000
Appropriation (new obligational authority)		1,109,650,000	1,057,000,000

1. *Weapons, ammunition, and propellants.*—The 1961 program provides for the production of: 20-mm ammunition and air-to-air rockets to provide for the current training program; atomic ordnance materiel for indoctrination of personnel in the latest warfare and bombing techniques; and a variety of other items to augment war reserve inventories.

2. *Vehicular equipment.*—The 1961 estimate will provide for the following procurement programs: The third increment of a 4-year program to modernize inventories of general purpose vehicles and to replace losses due to age; a new family of fire trucks to replace older models which no longer meet operational requirements; passenger-carrying vehicles in accordance with replacement criteria; commercial model trucks to replace inventories of military design vehicles; and supplies and materials to support inventories of vehicular equipment.

3. *Ground communication-electronic equipment.*—The 1961 program will continue the implementation of the ballistic missile early warning system and those electronic systems associated with air defense including the semiautomatic ground environment system and its extension into Canada, the radar improvement program and the fixed and mobile versions of the automatic weapon control systems for air defense in oversea areas. Procurement for improved ground navigational aids for automatic en route and terminal handling of air traffic and support of the worldwide synoptic weather observation program will continue to be provided in the 1961 program. Provision is also made for telecommunications programs including the continued extension and modernization of the worldwide high-frequency and tropospheric scatter communications networks, and for improved intelligence and cryptologic equipment. Funds are included for the initial spare parts required for the 1961 program.

4. *Other base maintenance and support equipment.*—Funds provided cover the equipment, materials, and supplies required for normal base operations, and logistical support activities of the Air Force. The increased estimates for 1961 will provide for such major categories of procurement as communication cable in support of ballistic missile weapon systems, a facility for the calibration of precision measurement equipment, test equipment for electronic and telecommunication systems, airfield lighting equipment, ground photographic equipment and supplies, and newly developed runway barrier systems.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Direct obligations:			
03 Transportation of things		$1,000,000	$5,500,000
08 Supplies and materials		160,300,000	186,000,000
09 Equipment		707,000,000	849,000,000
10 Lands and structures		4,100,000	4,500,000
Total direct obligations		872,400,000	1,045,000,000
Reimbursable obligations:			
08 Supplies and materials		3,200,000	3,200,000
09 Equipment		16,800,000	16,800,000
Total reimbursable obligations		20,000,000	20,000,000
Total obligations		892,400,000	1,065,000,000

[Aircraft and Related Procurement, Navy]

[For construction, procurement, and modernization of aircraft, missiles, and equipment, including ordnance, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, including the land necessary therefor, without regard to section 3734, Revised Statutes, as amended, and such lands, and interest therein, may be acquired, and construction prosecuted thereon prior to approval of title by the Attorney General as required by section 355, Revised Statutes, as amended; procurement and installation of equipment in public or private plants; and departmental salaries necessary for the purposes of this appropriation; $1,961,644,000, to remain available until expended.] *(5 U.S.C. 46; 10 U.S.C. 5012, 5031, 7201, 7341; 31 U.S.C. 718; Department of Defense Appropriation Act, 1960.)*

Appropriated 1960, **$1,961,644,000**

Note.—Estimate of $1,969,539,000 for activities previously carried under this title has been transferred in the estimates as follows:

"Procurement of aircraft and missiles, Navy"	$1,781,000,000
"Other procurement, Navy"	46,000,000
"Research, development, test, and evaluation, Navy"	112,000,000
"Operation and maintenance, Navy"	30,539,000

The amounts obligated for "Research, development, test, and evaluation, Navy," for 1959 and 1960 are shown in the schedule as comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations:			
1. Aircraft and related equipment	$1,500,374,385	$1,470,488,000	$597,776,311
2. Missiles, drones, and related equipment	173,327,687	69,703,000	20,602,041
3. Training equipment	34,238,719	33,500,000	6,383,469
4. Aircraft modernization	148,446,560	151,000,000	51,850,529
5. Ground electronics and detection equipment	22,745,239	51,443,000	8,071,667
6. Development, test, and evaluation support	241,244,551	131,055,000	64,315,983
Total direct obligations	2,120,377,141	1,907,189,000	749,000,000
Reimbursable obligations:			
1. Aircraft and related equipment	28,835,014	33,741,000	24,000,000
2 Missiles, drones, and related equipment	17,499	297,000	
3. Training equipment	94,746		
4. Ground electronics and detection equipment	184,937	191,000	
Total reimbursable obligations	29,132,196	34,229,000	24,000,000
Total obligations	2,149,509,337	1,941,418,000	773,000,000
Financing:			
Comparative transfers to other accounts	32,638,000	89,811,000	
Unobligated balance brought forward	−1,464,696,801	−1,444,258,757	−1,393,053,270
Unobligated balance transferred to—			
"Procurement of aircraft and missiles, Navy" (1961 appropriation act)			195,000,000
"Other procurement, Navy" (1961 appropriation act)			1,000,000
Unobligated military assistance orders transferred from other service accounts	−194,648	−2,716,513	
Advances and reimbursements from—			
Military assistance orders	−48,248,397	−10,663,000	
Other accounts	−5,057,157	−5,000,000	
Non-Federal sources (22 U.S.C. 1816)	−994,146		
Recovery of prior year obligations	−73,457,522		
Unobligated balance carried forward	1,444,258,757	1,393,053,270	424,053,270
Unobligated balance no longer available (69 Stat. 307)	37,577		
Appropriation (new obligational authority)	2,033,795,000	1,961,644,000	

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PROCUREMENT—Continued

Current authorizations—Continued

[AIRCRAFT AND RELATED PROCUREMENT, NAVY]—Continued

This continuing appropriation provided funds in 1960 and prior years for the procurement of aircraft, guided missiles, and supporting equipment for the Navy and Marine Corps. It also financed necessary safety-of-flight and operational modifications to service aircraft as well as the procurement and modernization of ground electronics equipment required for aircraft and missile operations. In 1961 this procurement will be financed in the two new appropriations Procurement of aircraft and missiles, Navy, and Other procurement, Navy. The amounts shown for 1961 represent obligations necessary to continue previously started programs and cover in general costs of short leadtime components, engineering changes, pricing adjustments, and provisioning orders of supporting spare parts. The 1960 and prior year funded programs are fully financed and new appropriations are not required for these purposes.

1. *Aircraft and related equipment.*—The 1960 aircraft procurement program continues the modernization of the attack force with procurement of quantities of light attack planes, initial production of a new high performance low-level attack plane and a new and powerful supersonic heavy attack plane. In addition to continued production of the current models of supersonic fighters, increased quantities of greatly improved all-weather supersonic fighters have been ordered. Further, greatly improved versions of patrol and search aircraft are being provided for increased effectiveness in antisubmarine warfare.

2. *Missiles, drones, and related equipment.*—The 1960 program is providing operational Sparrow III and Bullpup missiles for use against aircraft and surface targets. In addition quantities of drones for use in training exercises and missile testing are on order.

3. *Training equipment.*—Operational flight trainers, specialized maintenance trainers, and other training aids are being procured under this activity in phase with the aircraft and missiles under activities 1 and 2.

4. *Aircraft modernization.*—This activity is funding operational and safety-of-flight modifications to in-service aircraft. Existing programs include incorporating in fleet aircraft the most modern and effective antisubmarine search and detection equipment available, providing safety-of-flight improvements, and installing advanced electronic countermeasures equipment.

5. *Ground electronics and detection equipment.*—Procurement and installation of ground installed communications and terminal navigational aid devices for Naval and Marine Corps air stations are being financed under this activity in phase with Navy and Marine Corps aircraft operational requirements. Also being financed under this activity is the procurement program which provides submarine detecting sonobuoys for operational efficiency training of pilots and crews and for augmentation of mobilization reserves.

6. *Development, test, and evaluation support.*—This activity is continuing the financing of the equipment ordered during 1960 and prior programs for use in test and evaluation prior to quantity procurement for service use.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	3,333	4,709	310
Average number of all employees	2,908	4,168	300
Number of employees at end of year	2,985	4,278	100
Average GS grade and salary	6.5 $5,644	6.5 $5,687	6.5 $5,695
Average salary of ungraded positions	$5,192	$5,303	$5,303
Direct obligations:			
01 Personal services:			
Permanent positions	$18,967,104	$26,500,000	$1,731,000
Other personal services	388,101	636,000	16,000
Total personal services	19,355,205	27,136,000	1,747,000
02 Travel	1,137,036	1,180,500	
03 Transportation of things	3,757,000	3,700,000	
04 Communication services	34,287	35,000	
07 Other contractual services	101,866,674	80,006,400	5,000
Services performed by other agencies	964,335	1,027,000	
08 Supplies and materials	183,434	97,487,300	
09 Equipment	1,989,372,107	1,694,745,600	747,136,000
10 Lands and structures	2,464,815		
11 Grants, subsidies, and contributions	1,226,960	1,853,500	112,000
15 Taxes and assessments	15,288	17,700	
Total direct obligations	2,120,377,141	1,907,189,000	749,000,000
Reimbursable obligations:			
09 Equipment	29,132,196	34,229,000	24,000,000
Total obligations	2,149,509,337	1,941,418,000	773,000,000

[PROCUREMENT OF ORDNANCE AND AMMUNITION, NAVY]

[For expenses necessary for the production and procurement of Navy ordnance and ammunition, including missiles (except ordnance for new aircraft, new ships, and ships authorized for conversion); expansion of public and private plants, including land necessary therefor, without regard to section 3734, Revised Statutes, as amended, and such land, and interests therein, may be acquired and construction prosecuted thereon prior to approval of title by the Attorney General as required by section 355, Revised Statutes, as amended; and procurement of plant equipment, appliances, and machine tools, and installation thereof in public or private plants; $567,719,000, to remain available until expended.] *(10 U.S.C. 5012, 5031, 7201; 31 U.S.C. 718; Department of Defense Appropriation Act, 1960.)*

Appropriated 1960, **$567,719,000**

NOTE.—Estimate of $531,000,000 for activities previously carried under this title has been transferred in the estimates as follows:

"Procurement of aircraft and missiles, Navy"	$330,000,000
"Other procurement, Navy"	97,000,000
"Research, development, test, and evaluation, Navy"	104,000,000

The amounts obligated for "Research, development, test, and evaluation, Navy," for 1959 and 1960 are shown in the schedule as comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations:			
1. Ammunition	$75,033,551	$71,777,000	$23,300,000
2. Ordnance equipment	5,027,601	4,968,000	700,000
3. Ordnance guided missiles	305,409,433	294,557,000	10,000,000
4. Development, test, and evaluation support	28,994,653	33,875,000	1,000,000
Total direct obligations	414,465,238	405,177,000	35,000,000
Reimbursable obligations:			
1. Ammunition	2,172,128	8,217,000	705,000
2. Ordnance equipment	6,384,223	27,440,000	15,358,000
3. Ordnance guided missiles	11,336,463	14,343,000	10,937,000
Total reimbursable obligations	19,892,814	50,000,000	27,000,000
Total obligations	434,358,052	455,177,000	62,000,000
Financing:			
Comparative transfers to other accounts	190,800,715	160,290,000	
Unobligated balance brought forward	−44,341,044	−81,512,483	−71,086,516
Unobligated balance transferred to—			
"Other procurement, Navy" (1961 appropriation act)			1,000,000
"Research, development, test, and evaluation, Navy" (73 Stat. 377)		4,433,077	
"Procurement of aircraft and missiles, Navy" (1961 appropriation act)			1,000,000
Unobligated military assistance orders transferred to other service accounts	842,491	1,243,890	
Advances and reimbursements from—			
Military assistance orders	−41,648,629	−17,999,000	
Other accounts	−18,217,411	−24,200,000	
Non-Federal sources (10 U.S.C. 6011)	−771,657	−800,000	
Unobligated balance carried forward	81,512,483	71,086,516	7,086,516
Appropriation (new obligational authority)	602,535,000	567,719,000	

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This appropriation provided funds in 1960 and prior years for the production and procurement of Navy ordnance and ammunition (except ordnance for new aircraft, new ships, and ships authorized for conversion). Procurement programs previously funded under this appropriation are funded under the Procurement of aircraft and missiles, Navy; Other procurement, Navy; and Research, development, test, and evaluation, Navy, appropriations in 1961. The amounts shown as obligations in 1961 represent continuation of previously approved programs. No new appropriation is requested under this title in 1961.

1. *Ammunition.*—The 1960 procurement program provided for increased emphasis on underwater ordnance items. These include the MK37 and MK44 torpedoes, and the Asroc missile. Funding of conventional ammunition was programed at a lower level with reliance placed upon attainment of a sound production base for mobilization and minimum production to meet peacetime training requirements.

2. *Ordnance equipment.*—Funds in this activity were programed primarily for the procurement of underwater ordnance equipment to meet the requirements of the fleet rehabilitation and modernization program. This program, initiated in 1959, provides for the modernization of selected World War II destroyers with modern antisubmarine warfare equipment.

3. *Ordnance guided missiles.*—The 1960 program continued the integration of ship launched missiles into vessels of the active fleet configured for their use. More than half of the funds programed for Ordnance guided missile procurement in 1960 was required for the fleet ballistic missile. The balance provided for the procurement of ship and air launched guided missiles. Included were initial production quantities of the newer models of the Talos and Terrier guided missiles, and the placing of the first production contract for the improved Tartar missile to provide greatly improved air defense capability to destroyers. Limited quantities of an improved model of the Sidewinder air-to-air missile also were procured.

4. *Development, test, and evaluation support.*—This program covered procurement of production items required for test and evaluation purposes.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	1,159	1,159	206
Average number of all employees	1,084	1,084	195
Number of employees at end of year	1,104	1,104	203
Average GS grade and salary	6.5 $5,644	6.5 $5,687	6.5 $5,695
Average salary of ungraded positions	$5,192	$5,303	$5,303
Personal service obligations:			
Permanent positions	$5,823,186	$5,821,000	$1,094,000
Other personal services	53,406	75,000	9,000
Total personal service obligations	5,876,592	5,896,000	1,103,000
Direct obligations:			
01 Personal services	4,927,592	4,947,000	1,029,000
03 Transportation of things	2,021,583	2,200,000	
07 Other contractual services	229,249,377	177,150,000	514,000
08 Supplies and materials	143,946,035	191,489,000	32,515,000
09 Equipment	34,004,299	29,074,000	877,000
11 Grants, subsidies, and contributions	313,888	315,000	65,000
15 Taxes and assessments	2,464	2,000	
Total direct obligations	414,465,238	405,177,000	35,000,000
Reimbursable obligations:			
01 Personal services	949,000	949,000	74,000
07 Other contractual services	2,909	3,000	1,000
08 Supplies and materials	18,023,377	46,752,000	25,686,000
09 Equipment	856,602	2,236,000	1,234,000
11 Grants, subsidies, and contributions	60,451	60,000	5,000
15 Taxes and assessments	475		
Total reimbursable obligations	19,892,814	50,000,000	27,000,000
Total obligations	434,358,052	455,177,000	62,000,000

Aircraft, Missiles, and Related Procurement (Air Force)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations:			
1. Aircraft	$4,579,942,186	$1,057,284,456	$367,632,545
2. Missiles	1,140,002,538	136,453,061	47,000,000
3. Development, test, and evaluation	1,328,000,000		
Total direct obligations	7,047,944,724	1,193,737,517	414,632,545
Reimbursable obligations:			
1. Aircraft	186,306,873	54,059,711	
2. Missiles	87,200,000		
Total reimbursable obligations	273,506,873	54,059,711	
Total obligations	7,321,451,597	1,247,797,228	414,632,545
Financing:			
Comparative transfers to other accounts	125,137,517	71,262,483	
Unobligated balance brought forward	−2,757,870,280	−2,182,322,750	−414,632,545
Unobligated balance transferred (73 Stat. 375, 377) to—			
"Aircraft procurement, Air Force"		321,900,000	
"Missile procurement, Air Force"		127,450,000	
"Research, development, test, and evaluation, Air Force"		11,875,000	
"Emergency fund, Department of Defense"		15,000,000	
Unobligated military assistance orders transferred from (−) other service accounts	−43,211,396	−27,594,506	
Advances and reimbursements from—			
Military assistance orders	−128,592,700		
Other accounts	−119,762,488		
Unobligated balance carried forward	2,182,322,750	414,632,545	
New obligational authority	6,579,475,000		
New obligational authority:			
Appropriation	$6,643,475,000		
Transferred to—			
"Salaries and expenses, Advanced Research Projects Agency, Department of Defense" (72 Stat. 712)	−8,500,000		
"Emergency fund, Department of Defense" (72 Stat. 713)	−10,400,000		
"Research and development, National Aeronautics and Space Administration" (72 Stat. 713)	−45,100,000		
Appropriation (adjusted)	6,579,475,000		

This appropriation provided funds in 1959 and prior years for the procurement and development of aircraft, missiles, and related equipment, which in 1960 and 1961 will be financed in the three new appropriations. The amounts shown for 1960 and 1961 represent continuation of previously approved programs.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Direct obligations:			
03 Transportation of things	$16,185,003	$13,770,984	$7,100,000
07 Other contractual services	322,332,577	38,773,279	6,200,000
08 Supplies and materials	144,877,972	36,447,130	6,360,000
09 Equipment	6,553,949,195	1,104,746,124	394,972,545
10 Lands and structures	10,599,977		
Total direct obligations	7,047,944,724	1,193,737,517	414,632,545
Reimbursable obligations:			
09 Equipment	273,506,873	54,059,711	
Total obligations	7,321,451,597	1,247,797,228	414,632,545

Procurement Other Than Aircraft and Missiles (Air Force)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations:			
1. Weapons, ammunition, and propellants	$60,179,625	$8,391,759	$4,072,000
2. Vehicular equipment	59,684,709	5,796,000	2,299,000
3. Ground communication-electronic equipment	593,557,560	190,089,657	132,571,000
4. Ground handling equipment	691,556,571	57,947,942	39,126,000

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PROCUREMENT—Continued

Current authorizations—Continued

PROCUREMENT OTHER THAN AIRCRAFT AND MISSILES (AIR FORCE)—Continued

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
Direct obligations—Continued			
5. Training equipment	$109,425,019	$35,124,000	$13,195,000
6. Support equipment and supplies	310,375,426	54,849,087	25,038,000
7. Base maintenance equipment	72,415,926	20,764,156	5,130,042
Total direct obligations	1,897,194,836	372,962,601	221,431,042
Reimbursable obligations:			
1. Weapons, ammunition, and propellants	4,154,639		
2. Vehicular equipment	5,057,822		
3. Ground communication-electronic equipment	17,341,103		
4. Ground handling equipment	144,147,921	30,394,049	
5. Training equipment	2,528,911		
6. Support equipment and supplies	3,251,457		
7. Base maintenance equipment	4,154,639		
Total reimbursable obligations	180,636,492	30,394,049	
Total obligations	2,077,831,328	403,356,650	221,431,042
Financing:			
Comparative transfers to other accounts	72,224,524	25,037,399	
Unobligated balance brought forward	−438,344,049	−707,675,091	−221,431,042
Unobligated balance transferred to "Other procurement, Air Force" (73 Stat. 376)		27,850,000	
Unobligated military assistance orders transferred to other service accounts	51,952,618	30,000,000	
Advances and reimbursements from—			
Military assistance orders	−216,925,463		
Other accounts	−52,894,049		
Unobligated balance carried forward	707,675,091	221,431,042	
New obligational authority	2,201,520,000		
New obligational authority:			
Appropriation	$2,220,020,000		
Transferred to "Emergency fund, Department of Defense" (72 Stat. 713)	−18,500,000		
Appropriation (adjusted)	2 201,520,000		

The amounts shown for 1960 and 1961 obligations in this appropriation represent the continuation of programs approved and funded in 1959 and prior years. Beginning with the 1960 program further procurement of items previously under this appropriation is included under the new appropriations for aircraft procurement, missile procurement, other procurement, and research, development, test, and evaluation. The funds remaining to be obligated in 1961 against the 1959 program are for ground handling and support equipment for aircraft and missile systems, and for various electronic-telecommunication systems.

Object Classification

	1959 actual	1960 estimate	1961 estimate
AIR FORCE			
Direct obligations:			
03 Transportation of things	$10,828,793	$10,900,000	$5,500,000
08 Supplies and materials	279,457,605	66,772,231	36,043,000
09 Equipment	1,604,085,299	294,885,336	179,888,042
Total direct obligations	1,894,371,697	372,557,567	221,431,042
Reimbursable obligations:			
08 Supplies and materials	10,565,429	550,129	
09 Equipment	170,071,063	29,843,920	
Total reimbursable obligations	180,636,492	30,394,049	
Total, Air Force	2,075,008,189	402,951,616	221,431,042

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
ALLOCATION ACCOUNTS			
Average number of all employees	3		
Number of employees at end of year	0		
01 Personal services: Positions other than permanent	$14,696		
07 Other contractual services	2,808,443	$405,034	
Total, allocation accounts	2,823,139	405,034	
Total obligations	2,077,831,328	403,356,650	$221,431,042
Obligations are distributed as follows:			
Air Force	$2,075,008,189	$402,951,616	$221,431,042
Atomic Energy Commission	2,779,665	405,034	
Federal Aviation Agency	43,474		

[CONSTRUCTION OF SHIPS, MILITARY SEA TRANSPORTATION SERVICE]

[The appropriation to the Department of Defense for "Construction of ships, Military Sea Transportation Service", shall not be available for obligation after June 30, 1959.] (*Department of Defense Appropriation Act, 1960.*)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations: Construction of ships	$959,604		
Reimbursable obligations: Construction of ships	390,000		
Total obligations (object class 09)	1,349,604		
Financing:			
Unobligated balance brought forward	−5,610,436		
Advances and reimbursements from other accounts	−390,000		
Unobligated balance rescinded (73 Stat. 376)	4,650,832		
Appropriation (new obligational authority)			

This program provided for the construction of commercial-type ships and high-speed tankers to meet requirements of the Military Sea Transportation Service which could not be satisfied from existing sources.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

The appropriations in this title provide the principal support for the research, development, test, and evaluation activities of the Department of Defense, including basic and applied research, general technical development, development of new weapons and equipment, fabrication and procurement of items under development for test and evaluation, and operation and maintenance of laboratories and test facilities engaged in the conduct of research, development, test, and evaluation. Certain additional amounts for support of development, test, and evaluation remain in procurement appropriations in 1961, particularly in the fields of ballistic missile development in the Air Force and aircraft development in the Air Force and Navy. The amounts in this title together with those identified as development, test, and evaluation support in the procurement appropriations come to the following

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combined total estimates for research, development, test, and evaluation activities:

TOTAL DIRECT OBLIGATIONS

[In millions]

	1959 actual	1960 estimate	1961 estimate
Research, development, test, and evaluation appropriations	$3,543.6	$4,268.4	$3,951.5
Development, test, and evaluation support identified in procurement appropriations	1,600.1	1,547.4	1,315.4
Total research, development, test, and evaluation [1]	5,143.7	5,815.8	5,266.9

[1] Exclusive of military personnel and military construction.

The amounts provided in 1961 will generally continue the present high levels of effort in basic research, applied research, and general technical development. No major change in the level of operation of the laboratories and test installations of the Department is planned in 1961.

The decrease in the totals results largely from the fact that in 1961 many costly development programs are progressing into the stage of production for service use and certain others have been curtailed, transferred, or terminated. Examples of projects in transition to service use are the Army Mohawk aircraft and Sergeant guided missile, the Navy Terrier and Tartar guided missiles and the Air Force Atlas intercontinental ballistic missile. The Air Force B–70 aircraft and command control systems have been curtailed, and the F–108 interceptor aircraft and the improved Lacrosse missile programs have been terminated. Major funding of instrumentation requirements for the Pacific Missile Range was provided in 1960, and 1961 requirements are lower. The Saturn large booster project is being transferred to the National Aeronautics and Space Administration in the 1961 budget estimate and the comparable amounts for 1959 and 1960 have been excluded from the Defense obligation totals.

The estimated obligations under the appropriations in this title for the Army, Navy, Air Force, Advanced Research Projects Agency, and the emergency fund are summarized below:

[In millions]

	1959 actual	1960 estimate	1961 estimate
Summary of program by activities:			
1. Military sciences	$410.7	$549.1	$535.2
2. Aircraft and related equipment	419.5	502.0	446.2
3. Missiles and related equipment	1,343.5	1,498.3	1,481.6
4. Military astronautics and related equipment	324.1	408.0	318.0
5. Ships and small craft and related equipment	163.4	164.4	151.5
6. Ordnance, combat vehicles, and related equipment	197.0	198.9	177.5
7. Other equipment	434.4	558.3	460.5
8. Programwide management and support	251.0	248.4	231.0
9. Emergency fund		141.0	150.0
Total direct obligations	3,543.6	4,268.4	3,951.5

1. *Military sciences.*—This activity includes basic research in the life, physical, and social sciences to add to the store of fundamental scientific knowledge; applied scientific research of importance for military purposes; operations research; and the development of new materials, components, and techniques. Among the many and widely varied problems to be investigated under this activity in 1961 are materials with physical properties superior to those presently available, higher performance rocket fuels, thermoelectric materials, nonlethal chemical and biological agents, neurosensory phenomena, radio astronomy, oceanography, high altitude phenomena, cargo packaging, blood substitutes, nuclear phenomena, advanced radar techniques, more reliable electronic components, underwater sound propagation characteristics, and automatic data processing. In addition to the amounts in this activity, basic and applied research performed within overhead arrangements on some procurement contracts is funded in the procurement accounts. Supporting research associated with development projects is funded under the other activities below. The principal support of such organizations as the Naval Research Laboratory, the Air Force's Cambridge Research Center and Rand Corp. and the Army's Operations Research Office and Human Resources Research Office is provided under this activity in addition to work performed by universities, nonprofit organizations, and industry.

2. *Aircraft and related equipment.*—This activity funds research, development, test, and evaluation related to airframes, engines, armament, electronic devices, and other installed equipment, except that procurement of new types of operational aircraft in quantity for test and evaluation and certain major developments like the Air Force B–70 are funded under the procurement accounts. The 1961 program in this activity emphasizes the development of a variety of tactical aircraft including Army mobility and reconnaissance types; Navy long range search, antisubmarine, and fleet air defense types; and Air Force short or vertical takeoff and landing types. Provision is made for the continuation of the joint Air Force, Navy, and National Aeronautics and Space Administration X–15 hypersonic and very high altitude research aircraft, and for research and development toward a successor vehicle, the manned Dynasoar, which will be ground launched and have near orbital capabilities. The continuing aircraft nuclear propulsion program conducted jointly by the Air Force and the Atomic Energy Commission emphasizes fuel element and materials research. Research and test centers primarily funded under this activity include the Air Force's Arnold Engineering Development Center and Flight Test Center and the Naval Air Test Center.

3. *Missiles and related equipment.*—This activity provides for research, development, test, and evaluation of guided missiles of all types except that procurement funds are used for the major portion of the development work on Air Force ballistic missile systems—Atlas, Titan, and Minuteman—and for completion of development, test, and evaluation of certain other missiles which are already being procured in quantity for operational use. A major research and development effort is being continued in 1961 in the field of defense against ballistic missiles under the Army's Nike-Zeus antimissile project; this is in addition to an extensive research effort on new techniques funded by the Advanced Research Projects Agency within the activity "Military sciences," above. Other Army missile developments include the tactical surface-to-air missiles Redeye, Mauler, and Hawk and the surface-to-surface missiles Sergeant and Pershing. In the strategic field, the high level of funding for the development of the Navy's Polaris system is continued, and provision is made for the development by the Air Force of an air-launched ballistic missile. Other significant Navy missile development projects include advanced components and techniques for fleet air defense and the Subroc antisubmarine system. Funds for Marine Corps applications of missile developments are also included in this activity. In addition to funding industrial participation in the missile research and development program, this activity is the principal source of funds for the operation of such development and test centers as the Atlantic, Pacific, and White Sands Missile Ranges; the Air Proving Ground and Missile Development Centers of the Air Force; the Naval Ordnance Test Station and Applied Physics Laboratory of the Navy; and the Diamond Ordnance Fuze Laboratory of the Army.

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RESEARCH, DEVELOPMENT, TEST, AND EVALUATION—Continued

4. *Military astronautics and related equipment.*—This activity provides for the conduct of programs directed at the improvement of space technology for military purposes and the investigation of specific military applications of space vehicles. Research and development in such areas as upper stage propulsion, secondary power, guidance, navigation components, and payload equipment for space and satellite systems are included under this activity. The Advanced Research Projects Agency continues to sponsor research and development leading to the demonstration of operational feasibility of communications and navigation satellites for possible military applications. During 1960, responsibility for continuing development effort on the Samos reconnaissance satellite, the Discoverer vehicle development system, and the Midas early warning satellite was transferred from the Advanced Research Projects Agency to the Air Force. The Saturn very high thrust booster program is being transferred to the National Aeronautics and Space Administration, and provision is made in that agency's budget for continuing a high rate of development in 1961.

5. *Ships and small craft and related equipment.*—This activity provides for research, development, test, and evaluation related to ships and small craft, except that funds are included in the regular shipbuilding appropriation for the construction of ships of advanced design and ships employed in the development, test, and evaluation of new components and techniques. Funds in this activity will provide in 1961 for the development of advanced engines and propulsion machinery, communications and other shipboard electronic equipment, catapults and arresting gear, and other installed equipment. A significant part of the research and development effort of the Naval Electronics Laboratory and David Taylor Model Basin is funded under this activity.

6. *Ordnance, combat vehicles, and related equipment.*—The Army's program includes improved artillery, rockets, mortars, antitank weapons, tank armament, and small arms. Vehicle development includes tactical carriers and high mobility logistic transporters. Development will be continued on more effective ammunition, mines, and grenades. Among the developments which will be emphasized in 1961 are new division and direct support weapons to provide an advanced capability, giving both atomic and nonatomic firepower. The 1961 Navy program emphasizes antisubmarine weapons and includes mines, depth charges, torpedoes, bombs, rockets, and other types of ammunition. Weapons and support vehicles, including ground effect "air cushion" machines, for the Marine Corps are also provided for in this activity. Air Force effort included under this activity is concerned with the development, test, and evaluation of ammunition, rockets, and bomb components related to Air Force applications. This activity provides the principal support of the Naval Ordnance Laboratory and of research, development, test, and evaluation activities at several Army arsenals.

7. *Other equipment.*—This activity provides for research, development, test, and evaluation of equipment not separately provided under other activities. Examples of the types of equipment under development in 1961 are communications equipment in all three services; mine warfare, combat surveillance, materials handling, obstacle crossing equipment, and protective clothing and equipment for the Army; navigation, detection, and warning equipment, and shore-based antisubmarine and mine countermeasures systems in the Navy; and photographic and personal equipment, and aircraft control and warning, missile detection, and other electronic systems in the Air Force. Much of the support of the research and development effort of the Lincoln Laboratories and the Signal Research and Development Laboratory is provided under this activity by the Air Force and Army, respectively.

8. *Programwide management and support.*—This activity provides for those costs of operation, management, and maintenance of research, development, and test facilities of the Department of Defense which are not distributed directly to the other budget activities, and for certain costs of central administration such as the headquarters of the Air Research and Development Command.

9. *Emergency fund.*—The Emergency fund appropriation enables the Secretary of Defense to supplement appropriations of the departments available for research, development, test, and evaluation in order to defray the cost of preliminary exploitation of new developments and other such contingencies.

Current authorizations:

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY

For expenses necessary for basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law, [$1,035,715,000] *$1,041,700,000*, to remain available until expended: *Provided*, That during the current fiscal year there may be merged with this appropriation such amounts of the unexpended balances of appropriations heretofore made available for research, development, test, and evaluation, as the Secretary of Defense may determine to be necessary for the accomplishment of the programs for which this appropriation is made. (*10 U.S.C. 2353, 4503; Department of Defense Appropriation Act, 1960.*)

Appropriated 1960, **$1,035,715,000** Estimate 1961, ▫ **$1,041,700,000**
Appropriated (adjusted) 1960, $1,036,365,000

▫ Includes $27,495,000 for activities previously carried under appropriations, as follows:
"Procurement of equipment and missiles, Army" $20,000,000
"Operations and maintenance, Army" $7,495,000
The amounts obligated in 1959 and 1960 are shown in the schedule as a part of the comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations:			
1. Military sciences	$123,320,342	$159,107,000	$151,030,000
2. Aircraft and related equipment	54,484,996	36,274,000	36,648,000
3. Missiles and related equipment	423,184,926	495,507,000	494,798,000
5. Ships and small craft and related equipment	2,355,101	916,000	150,000
6. Ordnance, combat vehicles, and related equipment	118,907,302	108,711,000	88,769,000
7. Other equipment	212,244,775	204,703,000	185,978,000
8. Programwide management and support	87,026,790	96,157,000	84,127,000
Total direct obligations	1,021,524,232	1,101,375,000	1,041,500,000
Reimbursable obligations:			
1. Military sciences	496,000	3,326,000	3,553,000
2. Aircraft and related equipment	2,000	2,000	2,000
3. Missiles and related equipment	67,258,446	5,415,000	2,149,000
6. Ordnance, combat vehicles, and related equipment	247,000	208,000	208,000
7. Other equipment	1,019,000	1,221,000	1,191,000
8. Programwide management and support	232,000	250,000	315,000
Total reimbursable obligations	69,254,446	10,422,000	7,418,000
Total obligations	1,090,778,678	1,111,797,000	1,048,918,000
Financing:			
Comparative transfers from (−) other accounts	−469,834,947	−27,490,000	
Unobligated balance brought forward	−55,180,525	−57,441,990	−29,921,990
Unobligated balance transferred from "Procurement of equipment and missiles, Army" (73 Stat. 376)		−10,000,000	
Advances and reimbursements from—			
Other accounts	−61,349,432	−10,366,000	−7,360,000
Non-Federal sources (5 U.S.C. 172d)	−85,014	−56,000	−58,000
Unobligated balance carried forward	57,441,990	29,921,990	30,121,990
New obligational authority	561,770,750	1,036,365,000	1,041,700,000

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Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
New obligational authority:			
Appropriation	$507,345,000	$1,035,715,000	$1,041,700,000
Transferred from—			
"Emergency fund, Department of Defense" (72 Stat. 713; 73 Stat. 377)	43,004,000	650,000	
"Salaries and expenses, Advanced Research Projects Agency, Department of Defense" (72 Stat. 712)	15,500,000		
Transferred to "Research and development," National Aeronautics and Space Administration (72 Stat. 433)	−4,078,250		
Appropriation (adjusted)	561,770,750	1,036,365,000	1,041,700,000

Object Classification

	1959 actual	1960 estimate	1961 estimate
ARMY			
Total number of permanent positions	17,107	13,989	13,994
Full-time equivalent of all other positions	32	31	31
Average number of all employees	15,914	13,183	13,196
Number of employees at end of year	17,747	13,983	14,013
Average GS grade and salary	9.0 $7,127	8.8 $7,080	8.8 $7,089
Average salary of ungraded positions	$5,409	$5,415	$5,415
Personal service obligations:			
Permanent positions	$104,900,881	$84,520,092	$85,181,952
Positions other than permanent	154,480	155,877	159,311
Other personal services	6,104,052	4,613,031	4,031,737
Total personal service obligations	$111,159,413	$89,289,000	$89,373,000
Direct obligations:			
01 Personal services	$99,020,283	$88,473,000	$88,557,000
02 Travel	6,456,133	5,032,000	5,100,000
03 Transportation of things	13,193,466	14,726,000	13,848,000
04 Communication services	440,176	491,000	462,000
05 Rents and utility services	3,485,636	3,890,000	3,658,000
06 Printing and reproduction	142,704	159,000	150,000
07 Other contractual services	499,305,329	546,576,200	515,157,300
Services performed by other agencies	46,772,000	52,206,236	49,093,400
08 Supplies and materials	163,845,564	182,884,200	171,975,300
09 Equipment	161,151,727	179,878,000	169,148,000
10 Lands and structures	18,264,345	20,387,000	19,170,000
11 Grants, subsidies, and contributions	4,553,565	5,083,000	4,780,000
13 Refunds, awards, and indemnities	192,979	215,000	203,000
15 Taxes and assessments	164,970	184,000	173,000
Total direct obligations	1,016,988,877	1,100,184,636	1,041,475,000
Reimbursable obligations:			
01 Personal services	12,139,130	816,000	816,000
02 Travel	415,527	28,000	28,000
03 Transportation of things	1,815	200	200
04 Communication services	13,851	1,600	1,600
05 Rents and utility services	62,329	7,000	7,000
07 Other contractual services	52,819,725	9,162,000	6,158,000
08 Supplies and materials	3,739,740	400,000	400,000
09 Equipment	48,478	5,600	5,600
11 Grants, subsidies, and contributions	13,851	1,600	1,600
Total reimbursable obligations	69,254,446	10,422,000	7,418,000
Total, Army	1,086,243,323	1,110,606,636	1,048,893,000
ALLOCATION ACCOUNTS			
Full-time equivalent of all other positions	1		
Average number of all employees	13		
Number of employees at end of year	2		
Average GS grade and salary	7.1 $5,390		
01 Personal services:			
Permanent positions	$70,116	$285	
Positions other than permanent	6,009		
Other personal services	889		
Total personal services	77,014	285	
02 Travel	1,351		
03 Transportation of things	7		
04 Communication services	36		
07 Other contractual services	3,633,584	1,126,417	$25,000
08 Supplies and materials	4,026		
09 Equipment	1,300		
10 Lands and structures	813,741	63,662	
11 Grants, subsidies, and contributions	4,188		
13 Refunds, awards, and indemnities	10		
15 Taxes and assessments	98		
Total, allocation accounts	4,535,355	1,190,364	25,000
Total obligations	1,090,778,678	1,111,797,000	1,048,918,000
Obligations are distributed as follows:			
Army	$1,086,243,323	$1,110,606,636	$1,048,893,000
Navy	961	5,000	
Atomic Energy Commission	4,444,554	1,185,079	25,000
Federal Aviation Agency	80,438		
Veterans Administration	9,402	285	

Research, Development, Test, and Evaluation, Navy

For expenses necessary for basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law, [$1,015,920,000] *$1,169,000,000*, to remain available until expended: *Provided*, That during the current fiscal year there may be merged with this appropriation such amounts of the unexpended balances of appropriations heretofore made available for research, development, test, and evaluation, as the Secretary of Defense may determine to be necessary for the accomplishment of the programs for which this appropriation is made. *(10 U.S.C. 174, 2352–54, 5150–53, 7201, 7203, 7522; 31 U.S.C. 718; Department of Defense Appropriation Act, 1960.)*

Appropriated 1960, **$1,015,920,000** Estimate 1961, [a] **$1,169,000,000**
Appropriated (adjusted) 1960, **$1,010,420,000**

[a] Includes $222,000,000 for activities previously carried under appropriations as follows:
"Aircraft and related procurement, Navy" $112,000,000
"Procurement of ordnance and ammunition, Navy" 104,000,000
"Procurement, Marine Corps" 6,000,000
The amounts obligated in 1959 and 1960 are shown in the schedule as a part of the comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations:			
1. Military sciences	$105,534,614	$135,116,500	$123,400,000
2. Aircraft and related equipment	91,512,476	95,705,300	96,800,000
3. Missiles and related equipment	628,266,859	685,520,577	668,500,000
4. Military astronautics and related equipment			1,300,000
5. Ships and small craft and related equipment	161,045,797	163,475,100	151,300,000
6. Ordnance, combat vehicles, and related equipment	70,359,452	76,194,523	75,600,000
7. Other equipment	47,055,872	51,387,000	45,100,000
8. Programwide management and support	43,247,557	43,740,000	45,500,000
Total direct obligations	1,147,022,627	1,251,139,000	1,207,500,000
Reimbursable obligations:			
1. Military sciences	6,411,665	7,940,000	8,010,000
2. Aircraft and related equipment	349,626	524,000	524,000
3. Missiles and related equipment	5,284,587	6,352,000	6,352,000
5. Ships and small craft and related equipment	2,218,980	5,089,000	3,493,000
6. Ordnance, combat vehicles, and related equipment	3,206,525	3,650,000	3,650,000
7. Other equipment	697,928	830,000	760,000
8. Programwide management and support	738,291	844,000	844,000
Total reimbursable obligations	18,907,602	25,229,000	23,633,000
Subtotal	1,165,930,229	1,276,368,000	1,231,133,000
Less intrafund obligations		163,000	263,000
Total obligations	1,165,930,229	1,276,205,000	1,230,870,000
Financing:			
Comparative transfers from (−) other accounts	−311,397,934	−256,561,000	
Unobligated balance brought forward	−10,228,978	−44,975,453	−65,250,530
Unobligated balances transferred from "Procurement of ordnance and ammunition, Navy" (73 Stat. 377)		−4,433,077	
Advances and reimbursements from—			
Other accounts	−18,668,278	−24,646,000	−22,950,000
Non-Federal sources (10 U.S.C. 2481)	−422,942	−420,000	−420,000
Unobligated balance carried forward	44,975,453	65,250,530	26,750,530
New obligational authority	870,187,550	1,010,420,000	1,169,000,000
New obligational authority:			
Appropriation	$830,779,300	$1,015,920,000	$1,169,000,000
Transferred to "Emergency fund, Department of Defense" (73 Stat. 377)		−5,500,000	
Transferred from "Emergency fund, Department of Defense" (72 Stat. 713)	39,408,250		
Appropriation (adjusted)	870,187,550	1,010,420,000	1,169,000,000

Object Classification

	1959 actual	1960 estimate	1961 estimate
NAVY			
Total number of permanent positions	24,338	24,870	24,685
Full-time equivalent of all other positions	19	21	21
Average number of all employees	23,137	23,408	23,557
Number of employees at end of year	23,418	24,302	24,228
Average GS grade and salary	9.0 $7,285	9.1 $7,338	9.1 $7,352
Average salary of ungraded positions	$5,518	$5,566	$5,585

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RESEARCH, DEVELOPMENT, TEST, AND EVALUATION—Continued

Current authorizations—Continued

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, NAVY—Con.

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
NAVY—continued			
Personal service obligations:			
Permanent positions	$140,927,635	$143,501,106	$144,820,000
Positions other than permanent	150,943	147,052	147,000
Other personal services	5,079,558	5,899,042	5,334,000
Total personal service obligations	146,158,136	149,547,200	150,301,000
Direct obligations:			
01 Personal services	140,308,244	142,542,200	144,397,000
02 Travel	4,555,909	4,618,690	4,706,000
03 Transportation of things	265,509	199,015	199,000
04 Communication services	1,116,773	1,174,200	1,179,000
05 Rents and utility services	5,624,351	5,839,000	5,822,000
06 Printing and reproduction	357,339	377,070	400,000
07 Other contractual services	780,108,903	811,062,384	775,446,000
Services performed by other agencies	2,157,919	2,744,000	2,895,000
08 Supplies and materials	99,924,673	100,653,861	100,466,000
09 Equipment	104,054,587	174,107,121	164,624,000
10 Lands and structures	47,000	30,000	30,000
11 Grants, subsidies, and contributions	8,440,445	8,792,550	8,873,000
15 Taxes and assessments	57,693	61,914	64,000
Subtotal	1,147,019,345	1,252,202,005	1,209,101,000
Deduct portion of foregoing obligations originally charged to object class 07		1,084,000	1,601,000
Total direct obligations	1,147,019,345	1,251,118,005	1,207,500,000
Reimbursable obligations:			
01 Personal services	5,849,892	7,005,000	5,904,000
02 Travel	104,581	115,000	115,000
03 Transportation of things	500	1,000	1,000
04 Communication services	28,500	29,500	29,000
05 Rents and utility services	793,573	970,000	968,000
06 Printing and reproduction	28,900	29,000	29,000
07 Other contractual services	8,491,585	12,755,800	12,339,000
08 Supplies and materials	802,112	833,000	833,000
09 Equipment	2,475,169	3,036,000	3,031,000
10 Lands and structures	600	1,000	1,000
11 Grants, subsidies, and contributions	331,690	452,700	382,000
15 Taxes and assessments	500	1,000	1,000
Total reimbursable obligations	18,907,602	25,229,000	23,633,000
Subtotal	1,165,926,947	1,276,347,005	1,231,133,000
Less intrafund obligations		163,000	263,000
Total, Navy	1,165,926,947	1,276,184,005	1,230,870,000
ALLOCATION ACCOUNTS			
Total number of permanent positions		2	
Average number of all employees		2	
Number of employees at end of year		2	
Average GS grade and salary		8.0 $6,594	
01 Personal services:			
Permanent positions	$962	$12,900	
Positions other than permanent	616		
Other personal services	173	100	
Total personal services	1,751	13,000	
07 Other contractual services	1,491	3,725	
08 Supplies and materials		3,470	
11 Grants, subsidies, and contributions	40	800	
Total, allocation accounts	3,282	20,995	
Total obligations	1,165,930,229	1,276,205,000	1,230,870,000
Obligations are distributed as follows:			
Navy	$1,165,926,947	$1,276,184,005	$1,230,870,000
Federal Aviation Agency	2,618	3,565	
Library of Congress	656		
Department of Commerce (National Bureau of Standards)	8	60	
Department of the Interior (Bureau of Mines)		17,370	

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AIR FORCE

For expenses necessary for basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law, [$1,159,900,000] *$1,334,000,000,* to remain available until expended: *Provided,* That during the current fiscal year there may be merged with this appropriation such amounts of the unexpended balances of appropriations heretofore made available for research, development, test, and evaluation, as the Secretary of Defense may determine to be necessary for the accomplishment of the programs for which this appropriation is made: *Provided further,* That no part of this appropriation shall be used for construction, maintenance, or rental of missile testing facilities until the fullest practical use is made of testing facilities and equipment at existing installations or those now under construction. *(5 U.S.C. 55a; 10 U.S.C. 174, 1581, 1584, 2271–2279, 2352–2354, 2386, 2663, 2672, 8012, 9503–9504, 9532; 31 U.S.C. 649(c), 718; 40 U.S.C. 523; 50 U.S.C. App. 2093; 72 Stat. 1793; Department of Defense Appropriation Act, 1960.)*

Appropriated 1960, **$1,159,900,000** Estimate 1961, [a] **$1,334,000,000**
Appropriated (adjusted) 1960, **$1,416,150,000**

[a] Includes $16,875,000 for activities previously carried under "Operation and maintenance, Air Force." The amounts obligated in 1959 and 1960 are shown in the schedule as a part of the comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations:			
1. Military sciences	$135,193,731	$122,483,136	$116,817,111
2. Aircraft and related equipment	273,481,597	370,065,661	312,777,032
3. Missiles and related equipment	292,014,360	317,293,761	318,257,455
4. Military astronautics and related equipment	221,067,724	296,131,486	249,740,161
6. Ordnance, combat vehicles, and related equipment	7,774,063	13,980,800	13,092,277
7. Other equipment	175,086,260	302,183,714	229,414,964
8. Programwide management and support	117,595,923	104,536,091	97,401,000
Total direct obligations	1,222,213,658	1,526,674,649	1,337,500,000
Reimbursable obligations:			
1. Military sciences	35,825,635	39,402,892	40,000,000
2. Aircraft and related equipment	297,609	85,000	
6. Ordnance, combat vehicles, and related equipment	30,000		
7. Other equipment	16,094	30,000	
8. Programwide management and support	13,341,258	35,632,108	16,000,000
Total reimbursable obligations	49,510,596	75,150,000	56,000,000
Total obligations	1,271,724,254	1,601,824,649	1,393,500,000
Financing:			
Comparative transfers from (−) other accounts	−455,085,001	−158,348,158	
Unobligated balance brought forward	−72,672,149	−85,532,491	−164,231,000
Unobligated balance transferred to "Salaries and expenses, Advanced Research Projects Agency, Department of Defense" (72 Stat. 712)	170,000		
Unobligated balance transferred (73 Stat. 377) from—			
"Aircraft, missiles, and related procurement (Air Force)"		−11,875,000	
"Salaries and expenses, Advanced Research Projects Agency, Department of Defense"		−19,000,000	
Unobligated military assistance orders transferred to other service accounts	1		
Advances and reimbursements from—			
Other accounts	−47,061,641	−73,910,510	−54,900,000
Non-Federal sources	−2,448,955	−1,239,490	−1,100,000
Unobligated balance carried forward	85,532,491	164,231,000	160,731,000
New obligational authority	780,159,000	1,416,150,000	1,334,000,000
New obligational authority:			
Appropriation	$751,829,000	$1,159,900,000	$1,334,000,000
Transferred from—			
"Emergency fund, Department of Defense" (72 Stat. 713)	41,030,000		
"Salaries and expenses, Advanced Research Projects Agency, Department of Defense" (73 Stat. 377)		256,250,000	
Transferred to "Research and development," National Aeronautics and Space Administration (72 Stat. 433)	−12,700,000		
Appropriation (adjusted)	780,159,000	1,416,150,000	1,334,000,000

Object Classification

AIR FORCE			
Total number of permanent positions	24,121	23,970	24,002
Full-time equivalent of all other positions	18	27	36
Average number of all employees	23,173	23,135	23,173
Number of employees at end of year	23,093	23,221	23,324
Average GS grade and salary	7.6 $6,395	7.7 $6,440	7.7 $6,490
Average salary of ungraded positions	$5,952	$5,981	$6,063

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Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
AIR FORCE—continued			
01 Personal service obligations:			
Permanent positions	$144,277,201	$144,742,133	$146,719,289
Positions other than permanent	152,862	235,400	289,660
Other personal services	3,832,115	4,520,837	4,091,566
Total personal service obligations	148,262,178	149,498,370	151,100,515
Direct obligations:			
01 Personal Services	147,855,944	149,088,645	150,687,190
02 Travel	8,992,000	9,013,000	7,422,000
03 Transportation of things	4,267,956	3,393,000	3,294,000
04 Communication services	2,320,000	3,075,000	2,696,000
05 Rents and utility services	13,590,000	18,378,000	18,999,000
06 Printing and reproduction	709,000	687,000	800,000
07 Other contractual services	694,560,072	994,315,445	860,898,945
Services performed by other agencies	41,513,000	21,500,000	18,200,000
08 Supplies and materials	77,174,915	57,293,101	48,444,325
09 Equipment	221,112,460	259,640,246	216,358,358
11 Grants, subsidies, and contributions	9,736,134	9,882,892	9,346,499
13 Refunds, awards, and indemnities	350,000	399,000	356,000
15 Taxes and assessments	59,429	59,007	56,584
Subtotal	1,222,240,910	1,526,724,336	1,337,558,901
Deduct quarters and subsistence charges	54,588	57,135	58,901
Total direct obligations	1,222,186,322	1,526,667,201	1,337,500,000
Reimbursable obligations:			
01 Personal services	406,234	409,725	413,325
02 Travel	204,000	121,000	131,000
03 Transportation of things	560,000	118,000	116,000
04 Communication services	991,000	1,158,000	1,200,000
05 Rents and utility services	1,413,000	1,606,000	1,668,000
06 Printing and reproduction	8,000	7,000	7,000
07 Other contractual services	40,681,596	62,578,892	43,154,000
08 Supplies and materials	4,742,766	7,830,275	7,974,675
09 Equipment	484,000	1,296,108	1,312,000
11 Grants, subsidies, and contributions	14,000	18,000	17,000
15 Taxes and assessments	6,000	7,000	7,000
Total reimbursable obligations	49,510,596	75,150,000	56,000,000
Total, Air Force	1,271,696,918	1,601,817,201	1,393,500,000
ALLOCATION ACCOUNTS			
Total number of permanent positions	3		
Average number of all employees	3		
Number of employees at end of year	0		
01 Personal services: Permanent positions [1]	$23,689		
02 Travel	692		
04 Communication services	13		
07 Other contractual services	1,412	$7,448	
11 Grants, subsidies, and contributions	1,530		
Total, allocation accounts	27,336	7,448	
Total obligations	1,271,724,254	1,601,824,649	$1,393,500,000
Obligations are distributed as follows:			
Air Force	$1,271,696,918	$1,601,817,201	$1,393,500,000
Department of Commerce	811	7,448	
Library of Congress	531		
Federal Aviation Agency	25,994		

[1] Portion of salaries covered in schedules to be submitted by the Federal Aviation Agency.

SALARIES AND EXPENSES, ADVANCED RESEARCH PROJECTS AGENCY, DEPARTMENT OF DEFENSE

For expenses necessary for such advanced research projects as may be designated and determined by the Secretary of Defense, pursuant to law, [$455,000,000] *$215,000,000*, to remain available until expended: *Provided*, That such amounts as may be determined by the Secretary of Defense to have been made available for related programs in other appropriations available to the Department of Defense during the current fiscal year may be transferred to and merged with this appropriation to be available for the same purposes and time period: *Provided further*, That such amounts of this appropriation as may be determined by the Secretary of Defense may be transferred to carry out the purposes of advanced research to those appropriations for military functions under the Department of Defense which are being utilized for related programs, to be merged with and to be available for the same time period as the appropriation to which transferred. (*Department of Defense Appropriation Act, 1960.*)

Appropriated 1960, **$455,000,000** Estimate 1961, [a] **$215,000,000**
Appropriated (adjusted) 1960, **$293,150,000**

[a] Excludes $140,000,000 for activities transferred in the estimates to appropriations as follows:

"Salaries and expenses, National Aeronautics and Space Administration"	$34,316,000
"Research and development, National Aeronautics and Space Administration"	92,684,000
"Construction and equipment, National Aeronautics and Space Administration"	13,000,000

The amounts obligated in 1959 and 1960 are shown in the schedule as a part of the comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations:			
1. Military sciences	$46,632,193	$132,340,000	$144,000,000
4. Military astronautics and related equipment	103,068,549	111,913,744	67,000,000
8. Programwide management and support	3,170,546	4,000,000	4,000,000
Total direct obligations	152,871,288	248,253,744	215,000,000
Reimbursable obligations:			
4. Military astronautics and related equipment	1,997,000		
Total obligations	154,868,288	248,253,744	215,000,000
Financing:			
Comparative transfers to other accounts	238,161,744	113,246,256	
Unobligated balance brought forward	−67,583,806	−112,145,560	−39,795,560
Unobligated balance transferred to "Research, development, test, and evaluation, Air Force" (73 Stat. 377)		19,000,000	
Unobligated balance transferred from—"Research, development, test, and evaluation, Air Force" (72 Stat. 712)	−170,000		
"Emergency fund, Department of Defense" (73 Stat. 377)		−15,000,000	
Advances and reimbursements from other accounts	−1,997,000		
Unobligated balance carried forward	112,145,560	39,795,560	39,795,560
New obligational authority	435,424,786	293,150,000	215,000,000
New obligational authority:			
Appropriation	$520,000,000	$455,000,000	$215,000,000
Transferred from—"Aircraft, missiles, and related procurement (Air Force)" (72 Stat. 712)	8,500,000		
"Emergency fund, Department of Defense" (72 Stat. 713; 73 Stat. 377)	51,900,000	19,400,000	
"Missile procurement, Air Force" (73 Stat. 377)		75,000,000	
Transferred to—"Military construction, Advanced Research Projects Agency, Department of Defense" (72 Stat. 1096)	−28,065,214		
"Procurement of equipment and missiles, Army" (72 Stat. 712)	−42,210,000		
"Research, development, test, and evaluation, Army" (72 Stat. 712)	−15,500,000		
"Research and development, National Aeronautics and Space Administration" (72 Stat. 433)	−59,200,000		
"Research, development, test, and evaluation, Air Force" (73 Stat. 377)		−256,250,000	
Appropriation (adjusted)	435,424,786	293,150,000	215,000,000

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	44	70	67
Full-time equivalent of all other positions	1	2	2
Average number of all employees	30	62	68
Number of employees at end of year	46	69	69
Average GS grade and salary	8.3 $6,968	9.3 $7,772	9.3 $7,852
Direct obligations:			
01 Personal services:			
Permanent positions	$232,055	$523,410	$582,635
Positions other than permanent	13,793	26,000	26,000
Other personal services	4,284	10,590	8,365
Total personal services	250,132	560,000	617,000
02 Travel	41,219	90,000	90,000
03 Transportation of things	2,383	12,000	12,000
04 Communication services	20,219	25,000	30,000
06 Printing and reproduction	4,296	20,000	20,000
07 Other contractual services	152,478,036	247,465,744	214,162,000
08 Supplies and materials	4,462	9,000	9,000
09 Equipment	55,217	35,000	20,000
11 Grants, subsidies, and contributions	15,046	35,500	38,500
13 Refunds, awards, and indemnities		1,000	1,000
15 Taxes and assessments	278	500	500
Total direct obligations	152,871,288	248,253,744	215,000,000
Reimbursable obligations:			
07 Other contractual services	1,997,000		
Total obligations	154,868,288	248,253,744	215,000,000

EMERGENCY FUND, DEPARTMENT OF DEFENSE

For transfer by the Secretary of Defense, with the approval of the Bureau of the Budget, to any appropriation for military functions under the Department of Defense available for reasearch, development, test, and evaluation, or procurement or production related thereto, to be merged with and to be available for the same purposes,

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RESEARCH, DEVELOPMENT, TEST, AND EVALUATION—Continued

Current authorizations—Continued

EMERGENCY FUND, DEPARTMENT OF DEFENSE—Continued

and for the same time period, as the appropriation to which transferred, $150,000,000, and in addition not to exceed $150,000,000 to be used upon determination by the Secretary of Defense that such funds can be wisely, profitably, and practically used in the interest of national defense and to be derived by transfer from such appropriations available to the Department of Defense for obligation during the current fiscal year as the Secretary of Defense may designate: *Provided*, That any appropriations transferred shall not exceed 7 per centum of the appropriation from which transferred. (*Department of Defense Appropriation Act, 1960.*)

Appropriated 1960, **$150,000,000** Estimate 1961, **$150,000,000**
Appropriated (adjusted) 1960, **$140,950,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Research and development contingencies (reserve for transfer) (undistributed)		$140,950,000	$150,000,000
Financing:			
Unobligated balance transferred to "Salaries and expenses, Advanced Research Projects Agency, Department of Defense" (73 Stat. 377)		15,000,000	
Unobligated balance transferred from "Aircraft, missiles, and related procurement (Air Force)" (73 Stat. 377)		−15,000,000	
Unobligated balance no longer available	$7,806,750		
New obligational authority	7,806,750	140,950,000	150,000,000
New obligational authority:			
Appropriation	$150,000,000	$150,000,000	$150,000,000
Transferred (72 Stat. 713; 73 Stat. 377) from—			
"Reserve personnel, Navy"	2,000,000		
"Operation and maintenance, Air Force"	3,000,000		
"Aircraft, missiles, and related procurement (Air Force)"	10,400,000		
"Procurement other than aircraft and missiles (Air Force)"	18,500,000		
"Military personnel, Army"		5,500,000	
"Research, development, test, and evaluation, Navy"		5,500,000	
Transferred (72 Stat. 713; 73 Stat. 377) to—			
"Salaries and expenses, Secretary of Defense"	−751,000		
"Salaries and expenses, Advanced Research Projects Agency, Department of Defense"	−51,900,000	−19,400,000	
"Research, development, test, and evaluation, Army"	−43,004,000	−650,000	
"Research, development, test, and evaluation, Navy"	−39,408,250		
"Research, development, test, and evaluation, Air Force"	−41,030,000		
Appropriation (adjusted)	7,806,750	140,950,000	150,000,000

UNITED STATES SCIENTIFIC SATELLITE

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Financing:			
Unobligated balance transferred to "Research and development," National Aeronautics and Space Administration (72 Stat. 433)	−$25,541,282		
Recovery of prior year obligations	25,541,282		
Appropriation (new obligational authority)			

This appropriation provided the Secretary of Defense with authority to transfer funds from other appropriations to meet expenses of Defense participation in the Vanguard scientific satellite project, a part of the national scientific effort related to the International Geophysical Year. This project, together with the available funds, has been transferred to the National Aeronautics and Space Administration.

MILITARY CONSTRUCTION

The military construction programs for the Armed Forces, both Regular and Reserve, in terms of dollar obligations shown in the individual schedules of this title are summarized in the following table:

MILITARY CONSTRUCTION OBLIGATIONS

[In thousands]

	1959 actual	*1960 estimate*	*1961 estimate*
Current authorizations:			
Regular Forces	$1,664,395	$1,409,045	$1,307,500
Reserve Forces	66,600	73,398	50,000
Interservice activities	29,527	31,900	40,050
Total	1,760,522	1,514,343	1,397,550

Most of the new appropriations for the military construction accounts are dependent on the enactment of new authorizing legislation. The details of this legislation have been completed and are being submitted to the Congress for early consideration.

1. *Public works construction.*—This program provides for acquisition of land for, and construction of, military public works projects in the United States and overseas as authorized in currently effective military construction acts and the new authorization referred to above.

The 1961 program includes construction for additional Atlas and Titan operational sites through the use of existing funds and the new appropriations. It also provides for the initial deployment of operational Minuteman. Additional support is planned for the Polaris system. Facilities will be provided to increase the readiness of the manned bomber forces.

Continued modernization is planned of the existing warning systems through the provision of facilities for the installation of new radar equipment. There will be further improvement of the Nike-Hercules system.

Waterfront facilities and dredging projects are proposed for direct support of fleet operations and nuclear vessels. Aviation facilities are planned for operation of shore-based aircraft employed for intensive training of carrier pilots. Various airfield and heliport facilities in support of the Army's specialized aviation program as well as operational and maintenance facilities for tactical aircraft are proposed.

Projects required for the research and development effort include construction related to improvement of the ballistic missile systems, development of the Nike-Zeus antimissile missile, other ordnance, aircraft, undersea warfare, electronics, and techniques to promote the efficiency of man and the systems involved.

Provision is made for a limited increment of modernization to the existing inventory of military installations, including maintenance facilities, hospitals, troop housing, and some community facilities.

The facilities required for the training of the Reserve Forces include: armories and training centers; nonarmory facilities such as storage warehouses and barracks and messhalls for summer field training; and aviation facilities such as airfield pavements, maintenance shops and training buildings.

2. *Minor construction.*—Provision is made for construction of permanent and temporary public works that are not otherwise authorized by law but which are determined

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to be urgently required and do not exceed $200,000 per project.

3. *Planning.*—This provides for necessary planning of military construction projects, including design, standards, criteria, studies, appraisals, and other related activities.

4. *Supporting activities.*—Provision is made for activities such as the defense access road program and the architect-engineer services, land and utilities, in support of the privately financed Capehart housing program, and rehabilitation of inadequate public quarters.

Special foreign currency programs.—Foreign currencies accruing from the sale of surplus agricultural commodities are proposed to be purchased with dollar appropriations, restricted for such purchases only, to construct or acquire authorized military family housing and community facilities in foreign countries. Such purchase would effect an earlier reimbursement to the Commodity Credit Corporation as compared to the long-term amortization of such indebtedness by use of quarters allowances of occupants of such housing as presently authorized (68 Stat. 1125, as amended). In addition to the foreign currencies required for such construction, funds are authorized to be provided in the military construction appropriations in an amount not to exceed 25% of the cost of each such project as may be necessary to supplement the foreign currencies to obtain the required facilities.

Current authorizations:

MILITARY CONSTRUCTION, ARMY

For acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, and facilities for the Army as [authorized by section 102 of the Act of September 28, 1951 (Public Law 155), by section 102 of the Act of July 14, 1952 (Public Law 534), sections 101 and 102 of the Act of July 15, 1955 (Public Law 161), sections 101 and 102 of the Act of August 3, 1956 (Public Law 968), the Act of August 30, 1957 (Public Law 85–241), the Act of August 20, 1958 (Public Law 85–685)] *currently authorized in military public works or military construction acts, in sections 2673 and 2675 of title 10 United States Code,* and such additional projects as may be authorized by law during the [first] *second* session of the Eighty-sixth Congress, to remain available until expended, [$263,632,300, including $1,700,000 to be used only for the purchase of foreign currencies to construct military facilities (except housing and community facilities) for the Army Security Agency, location 12] *$209,000,000. (Military Construction Appropriation Act, 1960; authorizing legislation to be proposed for 1961.)*

Appropriated 1960, **$263,632,300** Estimate 1961, **$209,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations:			
1. Public works construction	$214,048,898	$242,000,000	$187,000,000
2. Minor construction	5,066,473	5,000,000	4,000,000
3. Planning	11,464,764	15,000,000	12,500,000
4. Supporting activities	9,234,270	10,000,000	8,500,000
Total direct obligations	239,814,405	272,000,000	212,000,000
Reimbursable obligations:			
4. Supporting activities	4,794,321	8,000,000	6,000,000
Total obligations	244,608,726	280,000 000	218,000,000
Financing:			
Unobligated balance brought forward	−114,878,376	−105,063,971	−96,696,271
Advances and reimbursements from non-Federal sources (69 Stat. 646)	−4,794,321	−8,000,000	−6,000,000
Unobligated balance carried forward	105,063,971	96,696,271	93,696,271
Appropriation (new obligational authority)	230,000,000	263,632,300	209,000,000

Object Classification

	1959 actual	1960 estimate	1961 estimate
ARMY			
Total number of permanent positions	5,304	4,878	4,711
Full-time equivalent of all other positions	160	117	105
Average number of all employees	5,156	4,744	4,574
Number of employees at end of year	5,205	4,735	4,549
Average GS grade and salary	7.8 $6,345	7.8 $6,354	7.8 $6,375
Average salary of ungraded positions	$4,218	$4,044	$4,140
Personal service obligations:			
Permanent positions	$28,091,620	$26,845,284	$26,495,709
Positions other than permanent	172,427	143,000	143,000
Other personal services	2,332,164	1,868,716	1,668,291
Total personal service obligations	30,596,211	28,857,000	28,307,000
Direct obligations:			
01 Personal services	26,398,658	24,852,000	24,482,000
02 Travel	1,116,636	1,300,000	1,000,000
03 Transportation of things	3,171,258	3,200,000	3,000,000
04 Communication services	215,325	225,000	190,000
05 Rents and utility services	205,275	210,000	200,000
06 Printing and reproduction	174,812	180,000	170,000
07 Other contractual services	41,687,716	45,000,000	40,000,000
Services performed by other agencies	50,000	50,000	50,000
Labor contracts with foreign governments [1]	282,650	329,000	329,000
08 Supplies and materials	5,855,183	6,000,000	5,500,000
09 Equipment	5,591,258	5,700,000	5,200,000
10 Lands and structures	151,063,684	177,248,180	125,661,000
11 Grants, subsidies, and contributions	1,533,311	1,675,000	1,643,000
13 Refunds, awards, and indemnities	41,219	45,000	40,000
15 Taxes and assessments	33,713	34,000	35,000
Total direct obligations	237,420,698	266,048,180	207,500,000
Reimbursable obligations:			
01 Personal services	4,197,553	4,005,000	3,825,000
02 Travel	50,000	50,000	45,000
07 Other contractual services	286,563	3,695,000	1,890,000
11 Grants, subsidies, and contributions	260,205	250,000	240,000
Total reimbursable obligations	4,794,321	8,000,000	6,000,000
Total, Army	242,215,019	274,048,180	213,500,000
ALLOCATION ACCOUNTS			
Total number of permanent positions	16	13	6
Full-time equivalent of all other positions	2	2	2
Average number of all employees	15	11	6
Number of employees at end of year	10	4	4
Average GS grade and salary	10.0 $8,547	10.7 $9,233	8.2 $6,771
01 Personal services:			
Permanent positions	$112,221	$72,700	$19,900
Positions other than permanent	9,108	9,100	9,100
Other personal services	1,158	1,200	1,000
Total personal services	122,487	83,000	30,000
02 Travel	11,370	11,200	10,000
04 Communication services	210	1,000	1,000
05 Rents and utility services	2,423	3,000	3,000
06 Printing and reproduction	36		
07 Other contractual services	100,110	1,326,714	1,000
Services performed by other agencies	34,075	70,000	70,000
08 Supplies and materials	11,735	12,000	12,000
10 Lands and structures	2,103,740	4,440,456	4,372,000
11 Grants, subsidies, and contributions	7,293	4,450	1,000
15 Taxes and assessments	228		
Total, allocation accounts	2,393,707	5,951,820	4,500,000
Total obligations	244,608,726	280,000,000	218,000,000
Obligations are distributed as follows:			
Army	$242,215,019	$274,048,180	$213,500,000
Office of Civil and Defense Mobilization	100,379	94,293	
Department of Commerce (Bureau of Public Roads)	2,194,328	4,568,456	4,500,000
Atomic Energy Commission	80,196	254,804	
Department of the Interior (Bureau of Mines)	17,595	16,567	
Panama Canal	1,205	1,017,700	
Department of Commerce (National Bureau of Standards)	4		

[1] Average number of persons—1959, 114; 1960, 183; 1961, 183.

MILITARY CONSTRUCTION, NAVY

For acquisition, construction, installation, and equipment of temporary or permanent public works, naval installations, and facilities for the Navy as [authorized by section 201 of the Act of July 15,

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MILITARY CONSTRUCTION—Continued

Current authorizations—Continued

MILITARY CONSTRUCTION, NAVY—Continued

1955 (Public Law 161), section 201 of the Act of August 3, 1956 (Public Law 968), the Act of August 30, 1957 (Public Law 85-241), the Act of August 20, 1958 (Public Law 85-685)] *currently authorized in military public works or military construction acts, in sections 2673, and 2675 of title 10, United States Code,* and such additional projects as may be authorized by law during the [first] *second* session of the Eighty-sixth Congress, including personnel in the Bureau of Yards and Docks and other personal services necessary for the purposes of this appropriation, to remain available until expended, [$204,112,400] *$190,000,000. (Military Construction Appropriation Act, 1960; authorizing legislation to be proposed for 1961.)*

Appropriated 1960, **$204,112,400** Estimate 1961, **$190,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations:			
1. Public works construction	$324,836,900	$207,025,000	$168,800,000
2. Minor construction	2,913,364	3,475,000	4,000,000
3. Planning	13,077,706	10,500,000	9,500,000
4. Supporting activities	2,566,042	4,000,000	8,200,000
Total direct obligations	343,394,012	225,000,000	190,500,000
Reimbursable obligations:			
4. Supporting activities	2,495,116	5,000,000	5,000,000
Total obligations	345,889,128	230,000,000	195,500,000
Financing:			
Unobligated balance brought forward	−139,101,645	−109,685,118	−88,797,518
Advances and reimbursements from—			
Other accounts	−643,368	−3,000,000	−3,000,000
Non-Federal sources (50 Stat. 888; 42 U.S.C. 1401-1430)	−1,851,748	−2,000,000	−2,000,000
Recovery of prior year obligations	−18,977,485		
Unobligated balance carried forward	109,685,118	88,797,518	88,297,518
Appropriation (new obligational authority)	295,000,000	204,112,400	190,000,000

Object Classification

	1959 actual	1960 estimate	1961 estimate
NAVY			
Total number of permanent positions	3,274	3,105	3,039
Average number of all employees	2,774	2,777	2,680
Number of employees at end of year	2,830	2,774	2,606
Average GS grade and salary	7.3 $6,125	7.3 $6,149	7.3 $6,173
Average salary of ungraded positions	$4,210	$4,280	$4,340
Personal service obligations:			
Permanent positions	$16,268,376	$16,285,000	$15,853,000
Other personal services	432,157	505,000	473,000
Total personal service obligations	16,700,533	16,790,000	16,326,000
Direct obligations:			
01 Personal services	14,946,789	14,489,000	14,189,000
02 Travel	636,710	635,000	455,000
03 Transportation of things	1,315,888	1,000,000	900,000
04 Communication services	95,708	95,000	95,000
05 Rents and utility services	210,846	204,000	200,000
06 Printing and reproduction	350,390	350,000	225,000
07 Other contractual services	4,446,463	3,000,000	2,480,000
Services performed by other agencies	67,221	70,000	70,000
Private foreign labor contracts [1]	198,358	143,000	143,000
08 Supplies and materials	12,977,879	10,000,000	8,500,000
09 Equipment	21,724,730	14,000,000	10,000,000
10 Lands and structures	284,647,141	175,751,646	151,386,000
11 Grants, subsidies, and contributions	669,326	665,000	650,000
15 Taxes and assessments	11,585	8,000	7,000
Total direct obligations	342,299,034	220,410,646	189,300,000
Reimbursable obligations:			
01 Personal services	1,753,744	2,301,000	2,137,000
02 Travel	79,351	171,640	170,000
07 Other contractual services	589,062	2,427,360	2,620,000
Private foreign labor contracts [2]	72,959	100,000	73,000
Total reimbnrsable obligations	2,495,116	5,000,000	5,000,000
Total, Navy	344,794,150	225,410,646	194,300,000

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
ALLOCATION ACCOUNTS			
Total number of permanent positions	11	17	6
Full-time equivalent of all other positions	1	1	1
Average number of all employees	11	14	6
Number of employees at end of year	6	4	4
Average GS grade and salary	7.3 $6,125	7.3 $6,149	7.3 $6,173
01 Personal services:			
Permanent positions	$49,590	$66,084	$25,200
Positions other than permanent	4,240	4,500	4,500
Other personal services	512	916	300
Total personal services	54,342	71,500	30,000
02 Travel	6,132	7,542	6,000
03 Transportation of things	74	100	100
04 Communication services	170	330	100
05 Rents and utility services	1,121	1,100	1,100
06 Printing and reproduction	483	500	500
07 Other contractual services	33,810	82,505	3,000
Services performed by other agencies	19,155	50,000	50,000
08 Supplies and materials	288	372	
09 Equipment	804	2,356	
10 Lands and structures	976,874	4,368,749	1,107,500
11 Grants, subsidies, and contributions	1,619	4,200	1,600
15 Taxes and assessments	106	100	100
Total, allocation accounts	1,094,978	4,589,354	1,200,000
Total obligations	345,889,128	230,000,000	195,500,000
Obligations are distributed as follows:			
Navy	$344,794,150	$225,410,646	$194,300,000
Army	186,212	546,732	
Department of Commerce (Bureau of Public Roads)	894,933	4,042,622	1,200,000
Federal Aviation Agency	13,833		

[1] Average number of persons: 1959, 87; 1960, 65; 1961, 65.
[2] Average number of persons: 1959, 19; 1960, 20; 1961, 20.

MILITARY CONSTRUCTION, AIR FORCE

For acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, and facilities for the Air Force as [authorized by section 302 of the Act of July 14, 1952 (Public Law 534)] *currently authorized in military public works or military construction acts, in sections 2673 and 2675 of title 10, United States Code,* the Act of April 1, 1954 (Public Law 325), [the Act of August 30, 1957 (Public Law 85-241), the Act of February 12, 1958 (Public Law 85-325), the Act of August 20, 1958 (Public Law 85-685),] and such additional projects as may be authorized by law during the [first] *second* session of the Eighty-sixth Congress without regard to section 9774(d) of title 10, United States Code, and section 3734, Revised Statutes, as amended, to remain available until expended, [$776,832,500] *$725,000,000. (Military Construction Appropriation Act, 1960; authorizing legislation to be proposed for 1961.)*

Appropriated 1960, **$776,832,500** Estimate 1961, **$725,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations:			
1. Public works construction	$963,440,427	$800,044,982	$795,000,000
2. Minor construction	16,878,473	15,000,000	15,000,000
3. Planning	64,307,770	55,000,000	45,000,000
4. Supporting activities	23,768,259	25,000,000	25,000,000
5. Reserve forces construction	5,595,454	3,955,018	
Total direct obligations	1,073,990,383	899,000,000	880,000,000
Reimbursable obligations:			
4. Supporting activities	5,501,966	4,000,000	5,000,000
Total obligations	1,079,492,349	903,000,000	885,000,000
Financing:			
Unobligated balance brought forward	−902,601,056	−633,894,667	−511,727,167
Advances and reimbursements from non-Federal sources (69 Stat. 646)	−5,501,966	−4,000,000	−5,000,000
Recovery of prior obligations	−20,283,994		
Unobligated balance carried forward	633,894,667	511,727,167	356,727,167
Appropriation (new obligational authority)	785,000,000	776,832,500	725,000,000

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Object Classification

	1959 actual	1960 estimate	1961 estimate
AIR FORCE			
Direct obligations:			
07 Other contractual services	$64,307,770	$55,000,000	$45,000,000
10 Lands and structures	918,945,712	730,943,999	740,112,800
Total direct obligations	983,253,482	785,943,999	785,112,800
Reimbursable obligations:			
07 Other contractual services	5,501,966	4,000,000	5,000,000
Total, Air Force	988,755,448	789,943,999	790,112,800
ALLOCATION ACCOUNTS			
Total number of permanent positions	9,826	9,474	9,326
Full-time equivalent of all other positions	126	94	82
Average number of all employees	9,595	9,210	9,079
Number of employees at end of year	9,392	9,167	9,167
Average GS grade and salary	7.8 $6,345	7.8 $6,354	7.8 $6,375
Average salary of ungraded positions	$4,218	$4,044	$4,140
01 Personal services:			
Permanent positions	$58,381,427	$56,359,244	$56,005,332
Positions other than permanent	603,312	457,000	386,000
Other personal services	4,648,613	4,316,756	4,098,868
Total personal services	63,633,352	61,133,000	60,490,200
02 Travel	16,727	13,000	13,000
03 Transportation of things	1		
04 Communication services	563	1,000	1,000
05 Rents and utility services	2,780	3,000	3,000
06 Printing and reproduction	193	1,000	1,000
07 Other contractual services	373,176	1,967,936	2,288,000
08 Supplies and materials	943	1,000	1,000
09 Equipment	10		
10 Lands and structures	22,793,641	46,132,065	28,334,000
11 Grants, subsidies, and contributions	3,809,268	3,702,000	3,652,000
13 Refunds, awards, and indemnities	68,306	63,000	63,000
15 Taxes and assessments	37,941	39,000	41,000
Total, allocation accounts	90,736,901	113,056,001	94,887,200
Total obligations	1,079,492,349	903,000,000	885,000,000
Obligations are distributed as follows:			
Air Force	$988,755,448	$789,943,999	$790,112,800
Army	67,714,342	65,091,000	64,887,200
Navy	19,099,517	25,016,936	15,000,000
Department of Commerce	3,923,042	22,948,065	15,000,000

Military Construction, Army Reserve

For construction, acquisition, expansion, rehabilitation and conversion of facilities for the training and administration of the Army Reserve, as authorized by chapter 133 of title 10, United States Code, as amended, the [Act of August 20, 1958 (Public Law 85-685)] *Reserve Forces Facilities Acts*, and *such additional projects* as may be authorized by law during the [first] *second* session of the Eighty-sixth Congress, to remain available until expended, [$20,000,000] *$12,000,000.* (*Military Construction Appropriation Act, 1960; authorizing legislation to be proposed for 1961.*)

Appropriated 1960, **$20,000,000** Estimate 1961, **$12,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations:			
1. Public works construction	$22,926,144	$22,150,000	$11,250,000
2. Minor construction			180,000
3. Planning	950,000	850,000	570,000
Total direct obligations	23,876,144	23,000,000	12,000,000
Reimbursable obligations:			
1. Public works construction	869		
Total obligations	23,877,013	23,000,000	12,000,000
Financing:			
Comparative transfers to other accounts	14,825,458		
Unobligated balance brought forward	−44,517,206	−12,065,604	−2,104,736
Unobligated balance transferred to "Military construction, Army National Guard" (73 Stat. 559)		6,960,868	
Advances and reimbursements from other accounts	−869		
Unobligated balance carried forward	12,065,604	2,104,736	2,104,736
Appropriation (new obligational authority)	6,250,000	20,000,000	12,000,000

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	420	350	196
Full-time equivalent of all other positions	1	1	
Average number of all employees	412	345	190
Number of employees at end of year	337	340	185
Average GS grade and salary	8.3 $6,157	8.3 $6,181	8.2 $6,204
Average salary of ungraded positions	$6,822	$6,822	$6,822
Direct obligations:			
01 Personal services:			
Permanent positions	$2,496,813	$2,114,879	$1,178,972
Positions other than permanent	3,536	3,400	
Other personal services	84,342	52,721	21,028
Total personal services	2,584,691	2,171,000	1,200,000
02 Travel	71,293	71,000	21,000
03 Transportation of things	9,889	10,000	3,000
04 Communication services	13,503	14,000	4,000
05 Rents and utility services	32,211	32,000	10,000
06 Printing and reproduction	29,262	29,000	9,000
07 Other contractual services	808,480	808,000	242,000
08 Supplies and materials	15,935	16,000	5,000
09 Equipment	357,961	358,000	107,000
10 Land and structures	19,840,220	19,350,000	10,322,000
11 Grants, subsidies, and contributions	111,561	139,000	77,000
13 Refunds, awards, and indemnities	525	1,000	
15 Taxes and assessments	613	1,000	
Total direct obligations	23,876,144	23,000,000	12,000,000
Reimbursable obligations:			
08 Supplies and materials	869		
Total obligations	23,877,013	23,000,000	12,000,000

Military Construction, Naval Reserve

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the reserve components of the Navy and Marine Corps, as authorized by chapter 133 of title 10, United States Code, as amended, the [Act of August 20, 1958 (Public Law 85-685)] *Reserve Forces Facilities Acts*, and such additional projects as may be authorized by law during the [first] *second* session of the Eighty-sixth Congress, to remain available until expended, [$8,980,000] *$4,000,000.* (*Military Construction Appropriation Act, 1960; authorizing legislation to be proposed for 1961.*)

Appropriated 1960, **$8,980,000** Estimate 1961, **$4,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations:			
1. Public works construction	$10,080,439	$9,875,000	$6,125,000
2. Minor construction	525,814	600,000	450,000
3. Planning	213,124	525,000	425,000
Total direct obligations	10,819,377	11,000,000	7,000,000
Reimbursable obligations:			
1. Public works construction	518	3,000	
Total obligations	10,819,895	11,003,000	7,000,000
Financing:			
Unobligated balance brought forward	−12,464,441	−9,645,064	−7,625,064
Advances and reimbursements from non-Federal sources	−518	−3,000	
Unobligated balance carried forward	9,645,064	7,625,064	4,625,064
Appropriation (new obligational authority)	8,000,000	8,980,000	4,000,000

Object Classification

	1959 actual	1960 estimate	1961 estimate
NAVY			
Total number of permanent positions	35		
Average number of all employees	35		
Number of employees at end of year	0		
Average GS grade and salary	7.3 $6,125		
Direct obligations:			
01 Personal services: Permanent positions	$223,200		
02 Travel	34,108		
03 Transportation of things	388		
04 Communication services	7,353		
05 Rents and utility services	2,460		
06 Printing and reproduction	5,754		
07 Other contractual services	429,282	$700,000	$650,000

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MILITARY CONSTRUCTION—Continued

Current authorizations—Continued

MILITARY CONSTRUCTION, NAVAL RESERVE—Continued

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
NAVY—continued			
Direct obligations—Continued			
08 Supplies and materials	$226,614	$225,000	$175,000
09 Equipment	193,022	132,000	132,000
10 Lands and structures	9,123,067	9,599,460	6,043,000
11 Grants, subsidies, and contributions	13,844		
15 Taxes and assessments	1,125		
Total direct obligations	10,260,217	10,656,460	7,000,000
Reimbursable obligations:			
07 Other contractual services	518	3,000	
Total, Navy	10,260,735	10,659,460	7,000,000
ALLOCATION TO BUREAU OF PUBLIC ROADS, DEPARTMENT OF COMMERCE			
10 Lands and structures	559,160	343,540	
Total obligations	10,819,895	11,003,000	7,000,000

MILITARY CONSTRUCTION, AIR FORCE RESERVE

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Air Force Reserve as authorized by chapter 133 of title 10, United States Code, as amended, the [Act of August 20, 1958 (Public Law 85-685)] *Reserve Forces Facilities Acts*, and such additional projects as may be authorized by law during the [first] *second* session of the Eighty-sixth Congress, to remain available until expended, $4,000,000: *Provided*, That such portion of the unexpended balance of the appropriation "Military construction, Air Force" as may be determined by the Secretary of Defense to be available for the Air Force Reserve shall be merged with this appropriation. (*Military Construction Appropriation Act, 1960; authorizing legislation to be proposed for 1961.*)

Appropriated 1960, **$4,000,000** Estimate 1961, **$4,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Public works construction		$3,880,000	$3,700,000
2. Minor construction			150,000
3. Planning		120,000	150,000
Total obligations		4,000,000	4,000,000
Financing:			
Appropriation (new obligational authority)		4,000,000	4,000,000

Object Classification

AIR FORCE			
07 Other contractual services		$120,000	$150,000
10 Lands and structures		3,371,500	1,859,400
Total, Air Force		3,491,500	2,009,400
ALLOCATION ACCOUNTS			
Total number of permanent positions		45	45
Average number of all employees		40	40
Number of employees at end of year		35	35
Average GS grade and salary		9.2 $6,497	9.1 $6,520
01 Personal services:			
Permanent positions		$265,065	$266,078
Other personal services		8,935	7,922
Total personal services		274,000	274,000
07 Other contractual services		14,800	87,200
10 Lands and structures		202,400	1,612,000
11 Grants, subsidies, and contributions		17,300	17,400
Total, allocation accounts		508,500	1,990,600
Total obligations		4,000,000	4,000,000

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
Obligations are distributed as follows:			
Air Force		$3,491,500	$2,009,400
Navy		216,200	1,696,000
Army		292,300	294,600

MILITARY CONSTRUCTION, ARMY NATIONAL GUARD

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Army National Guard, and contributions therefor, as authorized by chapter 133 of title 10, United States Code, as amended, the [Act of August 20, 1958 (Public Law 85-685)] *Reserve Forces Facilities Acts*, and *such additional projects* as may be authorized by law during the [first] *second* session of the Eighty-sixth Congress, to remain available until expended, [$23,219,000] *$8,000,000*: *Provided*, That such portion of the unexpended balance of the appropriation "Military Construction, Army Reserve Forces" as may be determined by the Secretary of Defense to be available for the Army National Guard shall be merged with this appropriation. (*Military Construction Appropriation Act, 1960; authorizing legislation to be proposed for 1961.*)

Appropriated 1960, **$23,219,000** Estimate 1961, **$8,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Public works construction:			
Armory construction	$10,937,391	$13,050,000	$15,300,000
Nonarmory construction	3,146,067	1,000,000	3,600,000
2. Minor construction		200,000	300,000
3. Planning	742,000	750,000	800,000
Total obligations (object class 10)	14,825,458	15,000,000	20,000,000
Financing:			
Comparative transfers from (−) other accounts	−14,825,458		
Unobligated balance brought forward			−15,179,868
Unobligated balance transferred from "Military construction, Army Reserve" (73 Stat. 559)		−6,960,868	
Unobligated balance carried forward		15,179,868	3,179,868
Appropriation (new obligational authority)		23,219,000	8,000,000

MILITARY CONSTRUCTION, AIR NATIONAL GUARD

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Air National Guard, and contributions therefor, as authorized by chapter 133 of title 10, United States Code, as amended, the [Act of August 20, 1958 (Public Law 85-685)] *Reserve Forces Facilities Acts*, and such additional projects as may be authorized by law during the [first] *second* session of the Eighty-sixth Congress, to remain available until expended, [$16,440,000] *$7,000,000*: *Provided*, That of the amounts certified pursuant to 1311 of the Supplemental Appropriation Act, 1955 (31 U.S.C. 200), as having been obligated under the appropriations for "Air National Guard," 1958, and "Air National Guard," 1959, such portions thereof as may be determined by the Secretary of Defense to have been obligated for construction may be merged with this appropriation. (*Military Construction Appropriation Act, 1960; authorizing legislation to be proposed for 1961.*)

Appropriated 1960, **$16,440,000** Estimate 1961, **$7,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Public works construction	$10,906,950	$15,667,000	$6,125,000
2. Minor construction			500,000
3. Planning	575,721	773,000	375,000
Total obligations	11,482,671	16,440,000	7,000,000
Financing:			
Comparative transfers from (−) other accounts	−11,482,671		
Appropriation (new obligational authority)		16,440,000	7,000,000

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Object Classification

		1959 actual	1960 estimate	1961 estimate
	AIR FORCE			
07	Other contractual services	$575,721	$773,000	$375,000
10	Lands and structures	9,397,374	14,147,200	5,701,800
	Total, Air Force	9,973,095	14,920,200	6,076,800
	ALLOCATION TO ARMY			
	Total number of permanent positions	198	198	120
	Full-time equivalent of all other positions	1	1	1
	Average number of all employees	193	193	115
	Number of employees at end of year	151	160	95
	Average grade and salary	9.0 $6,988	9.0 $7,012	8.7 $7,036
	Average salary of ungraded positions	$4,576	$4,580	
01	Personal services:			
	Permanent positions	$1,340,233	$1,346,170	$802,419
	Positions other than permanent	4,478	4,500	4,500
	Other personal services	76,432	79,330	63,081
	Total personal services	1,421,143	1,430,000	870,000
07	Other contractual services	4,140	4,800	3,000
11	Grants, subsidies, and contributions	83,077	83,800	49,000
13	Refunds, awards, and indemnities	1,013	1,000	1,000
15	Taxes and assessments	203	200	200
	Total, Army	1,509,576	1,519,800	923,200
	Total obligations	11,482.671	16,440,000	7,000,000

MILITARY CONSTRUCTION, ARMY (SPECIAL FOREIGN CURRENCY PROGRAM)

For purchase of foreign currencies which accrue for the purposes of section 104(f) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), and which are for the construction or acquisition of military family housing and community facilities in foreign countries, as currently authorized by law, $2,000,000, to remain available until expended.

Estimate 1961, **$2,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Military family housing and community facilities (object class 10)			$2,000,000
Financing:			
Appropriation (new obligational authority)			2,000,000

MILITARY CONSTRUCTION, NAVY (SPECIAL FOREIGN CURRENCY PROGRAM)

For purchase of foreign currencies which accrue for the purposes of section 104(f) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), and which are for the construction or acquisition of military family housing and community facilities in foreign countries, as may be authorized by law during the second session of the Eighty-sixth Congress, $3,000,000, to remain available, until expended.

Estimate 1961, **$3,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Military family housing and community facilities (object class 10)			$3,000,000
Financing:			
Appropriation (new obligational authority)			3,000,000

MILITARY CONSTRUCTION, AIR FORCE (SPECIAL FOREIGN CURRENCY PROGRAM)

For purchase of foreign currencies which accrue for the purposes of section 104(f) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), and which are for the construction or acquisition of military family housing and community facilities in foreign countries, as may be authorized by law during the second session of the Eighty-sixth Congress, $4,000,000, to remain available until expended.

Estimate, 1961 **$4,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Military family housing and community facilities (object class 10)			$4,000,000
Financing:			
Appropriation (new obligational authority)			4,000,000

INFORMATIONAL FOREIGN CURRENCY SCHEDULE

Military Family Housing

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Military family housing and community facilities:			
Austria		$1,466,217	
Bermuda		4,004,923	
Finland	$44,439	1,314,436	
Italy	1,311,711	1,607,467	
Japan	78,294	3,443,245	
Korea	1,199,051	800,949	
Portugal (Azores)	14,241	1,509,978	
Spain	1,709,804	8,934,375	
Turkey		1,306,000	
United Kingdom	11,995,589	3,564	
Total obligations (object class 10) [1]	16,353,129	24,391,154	
Financing:			
Unobligated balance brought forward	−21,462,059	−23,085,154	
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents	−150,426		
Unobligated balance no longer available	4,857,444		
Unobligated balance carried forward	23,085,154		
Authorization to expend foreign currency receipts pursuant to 68 Stat. 1125, as amended	22,683,242	1,306,000	

[1] Excludes following amounts derived from barter transactions for facilities in France: 1958 and prior years, $11,511,418; 1959, $31,498,078; 1960, $6,990,504.

Statement of Financing

	Foreign currencies (dollar equivalent)			*Military construction appropriations*			*Total*		
	1959 actual	*1960 estimate*	*1961 estimate*	*1959 actual*	*1960 estimate*	*1961 estimate*	*1959 actual*	*1960 estimate*	*1961 estimate*
Amounts applied on construction:									
Beginning of period	$43,374,505	$89,634,217	$117,308,773	$4,791,108	$5,303,734	$7,923,493	$48,165,613	$94,937,951	$125,232,266
During period	46,259,712	27,674,556	15,500,000	512,626	2,619,759	1,500,000	46,772,338	30,294,315	17,000,000
Balance, end of period	89,634,217	[1] 117,308,773	132,808,773	5,303,734	7,923,493	9,423,493	94,937,951	125,232,266	142,232,266

[1] Includes following amounts derived from barter transactions for facilities in France, for which Army is executive agent: 1958 and prior years, $11,511,418; 1959, $31,498,078; 1960, $6,990,504.

The Department of Defense is authorized (68 Stat. 1125, as amended by 70 Stat. 1017) to construct or otherwise acquire family housing for occupancy as public quarters and community facilities in foreign countries utilizing foreign currencies to a value not to exceed $250 million. The foreign currencies are acquired pursuant to the provisions of the Agricultural Trade Development and Assistance Act of 1954 (68 Stat. 454) or through other commodity transactions of the Commodity Credit Corporation. In addition, the Department is authorized appropriated funds not to exceed 25% of the total cost of each family housing and community facilities project as may be necessary to

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MILITARY CONSTRUCTION—Continued

Current authorizations—Continued

INFORMATIONAL FOREIGN CURRENCY SCHEDULE—Continued

supplement the foreign currencies to obtain the required facilities.

The Department is required to reimburse the Commodity Credit Corporation in a dollar amount equivalent to the value of the foreign currencies utilized. For this purpose, the Department is authorized to utilize appropriations otherwise available for the payment of quarters allowances to personnel who occupy such housing. Amounts chargeable for the maintenance and operation of such housing are authorized (69 Stat. 350) to be deducted from the quarters allowances withheld for reimbursing the Commodity Credit Corporation. Beginning in 1961, it is proposed to purchase all currencies required to construct or acquire such facilities with dollar appropriations restricted solely to such purchases.

Operating results.—The accompanying schedules indicate the indebtedness of the Department to the Commodity Credit Corporation and costs realized and anticipated through 1961 for the construction of housing and community facilities projects in foreign countries for use by Defense personnel.

Debt Retirement and Expenses

	1959 actual	*1960 estimate*	*1961 estimate*
Debt retirement: Payments to Commodity Credit Corporation	$2,564,929	$6,506,100	$7,517,500
Expenses: Operation and maintenance	2,052,103	5,188,300	4,901,000
Total amounts paid from military personnel appropriations	4,617,032	11,694,400	12,418,500

Statement of Indebtedness

Amounts due Commodity Credit Corporation:			
Unpaid balance, start of year	42,075,912	85,770,695	106,939,151
Additional amounts applied on construction	46,259,712	27,674,556	15,500,000
Total amounts due	88,335,624	113,445,251	122,439,151
Payments to Commodity Credit Corporation [1]	−2,564,929	−6,506,100	−7,517,500
Balance due Commodity Credit Corporation	85,770,695	106,939,151	114,921,651

[1] Includes payments in Defense Accounts not taken up in Commodity Credit Corporation accounts at close of year as follows: 1958, $573,298; 1959, $1,086,525; 1960, $2,750,000; 1961, $3,500,000.

Status of Unfunded Allocations

	1959 actual	1960 estimate	1961 estimate
Unfunded balance, start of year	$35,624,118	$42,500,046	$18,806,046
Allocations	22,683,242	1,306,000	
Unobligated balance no longer available	−4,857,444		
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents	317,897		
Unfunded balance, end of year	−42,500,046	−18,806,046	
Transfers into Department of Defense accounts	11,267,767	25,000,000	18,806,046

Analysis of Expenditures

Obligated balance, start of year	$35,019,474	$34,785,887	$30,677,041
Adjustment of prior obligations	−1,246,261		
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents	−578,837		
Obligations incurred during year	16,353,129	24,391,154	
Obligated balance, end of year	−34,785,887	−30,677,041	−7,677,041
Expenditures	14,761,618	28,500,000	23,000,000

LORAN STATIONS, DEPARTMENT OF DEFENSE

For construction of additional loran stations by the Coast Guard, to remain available until expended, [$23,200,000] *$20,000,000*, which shall be transferred on approval of the Secretary of Defense to the appropriation, "Acquisition, construction, and improvements", Coast Guard. (*Military Construction Appropriation Act, 1960.*)

Appropriated 1960, **$23,200,000** Estimate 1961, **$20,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Construction (object class 07)	$20,000,000	$23,200,000	$20,000,000
Financing:			
Appropriation (new obligational authority)	20,000,000	23,200,000	20,000,000

These funds are advanced to the Coast Guard for construction of loran stations in areas essential to the defense of the United States. Loran transmitting stations permit safe and effective operation of ships, submarines, and aircraft of the military services in all kinds of weather, day or night, by an electronic system of navigation which provides continuous navigational positions by means of intersecting lines of position.

[MILITARY CONSTRUCTION, ADVANCED RESEARCH PROJECTS AGENCY, DEPARTMENT OF DEFENSE]

[For construction as authorized by title IV of the Act of August 20, 1958 (Public Law 85–685), $23,545,000, to remain available until expended.] (*73 Stat. 558; Military Construction Appropriation Act, 1960.*)

Appropriated 1960, **$23,545,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Construction (object class 10)	$9,469,862	$8,135,702	$20,000,000
Financing:			
Comparative transfers to other accounts	2,627,702	6,864,298	
Unobligated balance brought forward		−15,967,650	−24,512,650
Unobligated balance carried forward	15,967,650	24,512,650	4,512,650
New obligational authority	28,065,214	23,545,000	
New obligational authority:			
Appropriation		$23,545,000	
Transferred from "Salaries and expenses, Advanced Research Projects Agency, Department of Defense" (72 Stat. 1096)	$28,065,214		
Appropriation (adjusted)	28,065,214	23,545,000	

This program provides for construction as authorized by title IV of the act of August 20, 1958 (Public Law 85–685) of installations and facilities required for advanced research projects. During 1959, a total of $28,065,214 for this purpose was derived by transfer from the appropriation to the Office of the Secretary of Defense for advanced research projects pursuant to the Military Construction Appropriation Act of 1959 (Public Law 85–852). The Military Construction Appropriation Act of 1960 (Public Law 86–275) provided an additional $23,545,000 for construction of installations and facilities for advanced research projects.

CONSTRUCTION, ALASKA COMMUNICATION SYSTEM

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Construction of buildings, quarters, and utilities (total obligations)	$57,471	$564,738	$50,000
Financing:			
Unobligated balance brought forward	−672,209	−614,738	−50,000
Unobligated balance carried forward	614,738	50,000	
Appropriation (new obligational authority)			

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The Alaska Communication System provides telegraph and long distance telephone communications within Alaska and between Alaska and other States for the Department of Defense, other Government agencies, and the general public. Although legislation to authorize the sale of the system has been proposed to the Congress, its disposition is not anticipated until after 1961. This account provides for the construction of operations buildings to house technical equipment, utilities, and supporting facilities for operating personnel. Obligations in 1960 will provide for expansion of boiler facilities, powerplants, and other existing facilities, and improvement of water systems. Obligations in 1961 will permit completion of projects initiated in 1960.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	3		
Average number of all employees	3		
Number of employees at end of year	9		
Average GS grade and salary	6.7 $6,032		
01 Personal services:			
Permanent positions	$18,027		
Positions other than permanent	668		
Other personal services	6,272		
Total personal services	24,967		
07 Other contractual services	68		
10 Lands and structures	31,260	$564,738	$50,000
11 Grants, subsidies, and contributions	1,176		
Total obligations	57,471	564,738	50,000

Capehart Housing

The Secretary of Defense is authorized under title VIII of the National Housing Act (69 Stat. 646) to contract for the construction of family housing on military installations in the United States, its Territories, and possessions, and assume mortgage indebtedness, not to exceed $2.3 billion in principal obligations outstanding at any time, required to fund such construction. The Federal Housing Administration is authorized to insure such mortgages through the Armed Services Housing Mortgage Insurance Fund established for this purpose, for which insurance premiums are charged at the rate of ¼ of 1% per annum on the outstanding principal obligations of the mortgages. The authority to insure such mortgages expires October 1, 1961, except pursuant to a commitment to insure issued before this date (73 Stat. 682).

Mortgage funds are primarily provided through private investment; however, the Federal National Mortgage Association has provided a limited amount of funds under a special assistance fund authorization. The mortgages have a maturity date not to exceed 30 years and bear interest at a rate not to exceed 4½% per annum. No mortgage may involve a principal obligation which exceeds the least of: (*a*) the Federal Housing Administration estimate for replacement cost of the completed housing project; (*b*) an average of $16,500 per family dwelling unit; or (*c*) the lowest acceptable of the bids submitted by eligible bidders seeking award of the construction contract.

Mortgage payments which provide for the reduction of the principal obligation, for interest expense, and for mortgage insurance premiums, are made from the appropriations for military pay and allowances. The amounts required for this purpose are included in the budget schedules for these appropriations. Such payments may not exceed an average of $90 per month per housing unit and total payments for all such housing may not exceed $21 million per month.

Funds are authorized (65 Stat. 365) to be appropriated to acquire land, prepare sites, and install off-site utilities for these housing projects. Expenditures incurred for this purpose may not exceed an average of $1,500 per unit in any housing project nor more than an average of $1,000 per unit in respect of all housing projects for which appropriations are made under this authorization. Costs incurred for architectural and engineering contracts and for inspection of construction are reimbursable from mortgage proceeds.

In accordance with 73 Stat. 323, mortgage proceeds may no longer be used to pay the costs of title search and title insurance. Where a military guarantee of title can be utilized, the cost of obtaining a title search to support such a guarantee is authorized (40 U.S.C. 255) to be paid from funds appropriated for military construction. Where a determination is made that necessary financing cannot be obtained unless commercial title insurance is provided, the cost of such insurance must be paid (73 Stat. 323) from the Wherry Revolving Fund (70 Stat. 1112).

Operating results.—The following schedule indicates the mortgage indebtedness and costs realized and anticipated through 1961 for Capehart housing completed and occupied by defense personnel. The contingent liability of the Department for contracts awarded as of the end of each year is indicated for housing projects under construction. The schedule does not reflect operation and maintenance costs for this housing, which are financed from the military operation and maintenance appropriations, nor depreciation.

PROPERTY ACQUIRED AND FINANCING

	Mortgages			*Amounts included in military construction appropriations*			*Total*		
	1959 actual	*1960 estimate*	*1961 estimate*	*1959 actual*	*1960 estimate*	*1961 estimate*	*1959 actual*	*1960 estimate*	*1961 estimate*
Property acquired:									
Beginning of period	$169,404,235	$529,127,806	$1,132,518,481	$8,395,848	$31,036,799	$54,415,522	$177,800,083	$560,164,605	$1,186,934,003
During period	359,723,571	603,390,675	375,403,266	22,640,951	23,378,723	26,428,900	382,364,522	626,769,398	401,832,166
Balance, end of period	529,127,806	1,132,518,481	1,507,921,747	31,036,799	54,415,522	80,844,422	560,164,605	1,186,934,003	1,588,766,169

Number of housing units acquired at the end of 1959, 34,845; 1960, 72,184; 1961, 95,732.

NOTE.—Statement of property acquired and financing, excludes actual contingent liability for contracts awarded but housing not completed as of June 30, 1959, $647,537,040, imilar liability estimated as of June 30, 1960, $480,355,675, and June 30, 1961, $363,741,126.

DEBT RETIREMENT AND EXPENSE

	1959 actual	*1960 estimate*	*1961 estimate*
Debt retirement: Mortgage payments, principal	$6,211,555	$22,053,730	$33,881,084
Expense:			
Mortgage payments, interest	13,302,223	37,888,143	55,942,207
Mortgage insurance	1,295,223	2,593,576	3,832,532
Other expenses	6,766	21,304	26,540
Total expense	14,604,212	40,503,023	59,801,279
Total amounts paid from military personnel appropriations	20,815,767	62,556,753	93,682,363

STATEMENT OF INDEBTEDNESS

Mortgage indebtedness:	*1959 actual*	*1960 estimate*	*1961 estimate*
Beginning of period	[1] $168,481,449	$521,993,465	$1,103,330,410
Mortgages executed during period	359,723,571	603,390,675	375,403,266
Subtotal	528,205,020	1,125,384,140	1,478,733,676
Payments applied to reduce principal	6,211,555	22,053,730	33,881,084
Mortgage indebtedness, end of period	521,993,465	1,103,330,410	1,444,852,592

[1] Total mortgages assumed beginning of period $169,404,235
Payments made in prior years to reduce principal 922,786
Mortgage indebtedness beginning of period 168,481,449

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MILITARY CONSTRUCTION—Continued

Current authorizations—Continued

OVERSEAS RENTAL GUARANTEE MILITARY FAMILY HOUSING

The Department of Defense is authorized (66 Stat. 622) to guarantee rental payments to private sponsors of family housing projects built in foreign countries for use by Defense personnel. The guarantee may not exceed 95% of the scheduled rentals the sponsors would receive from full occupancy of the housing by Defense personnel over periods ranging from 5 to 10 years depending upon the length of time Defense expects to occupy the housing and the prospect for its eventual use by native populations. The amount of such guarantees outstanding at any time may not exceed $100 million. The housing is wholly owned by the private sponsors who build, operate, and maintain it in accordance with the terms of the rental guarantee agreements. Commanders of the military installations served by the housing projects are responsible for maintaining occupancy by installation personnel at the guaranteed 95% level. Under this program 4,838 housing units have been built at 31 locations in France, and 700 housing units at 3 locations in Morocco.

Operating results.—The following schedule indicates the extent to which the rental guarantee authority has been used and the estimated reduction of the Government's contingent liability under these guarantees through 1961:

SCHEDULE OF RENTALS AND STATEMENT OF CONTINGENT LIABILITY

	1959 actual	*1960 estimate*	*1961 estimate*
Schedule of rentals:			
Number of units	5,538	5,538	5,538
Scheduled rentals	$47,124,480	$47,124,480	$47,124,480
Contingent liability	44,768,256	44,768,256	44,768,256
Reduction of contingent liability:			
Amounts paid in prior years	11,947,569	19,092,813	25,522,177
Rentals paid during year	6,955,244	6,214,364	5,496,724
Losses paid by the Government [1]	190,000	215,000	215,000
Reduction of contingent liability, end of year	19,092,813	25,522,177	31,233,901
Balance of contingent liability	25,675,443	19,246,079	13,534,355

[1] To be paid from the appropriation "Military construction, Air Force," to honor guarantee on 1 project abandoned due to redeployment of personnel.

REVOLVING AND MANAGEMENT FUNDS

Public enterprise funds:

ACQUISITION, REHABILITATION, AND RENTAL OF WHERRY ACT HOUSING, DEPARTMENT OF DEFENSE

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs:			
1. Interest expense (paid to mortgagees)	$15,658,305	$19,800,000	$20,600,000
2. Mortgage insurance payments	2,156,201	2,300,000	2,600,000
3. Other project expense	317,376	200,000	
4. Capehart title insurance premiums		1,000,000	1,000,000
Total operating costs	18,131,882	23,300,000	24,200,000
Capital outlay:			
5. Acquisition of housing:			
(a) Mortgages assumed	112,525,373	57,000,000	38,600,000
(b) Value of sponsors' equity	19,557,167	8,400,000	6,500,000
(c) Other acquisition costs	3,685,823	2,000,000	5,000,000
6. Alterations, improvements, rehabilitation, and repairs	17,776,781	52,000,000	55,257,506
Total capital outlay	153,545,144	119,400,000	105,357,506
Deduct costs included above financed by assumption of mortgage indebtedness and sponsors' equity	106,090,635	48,400,000	28,300,000
Total capital outlay, funded	47,454,509	71,000,000	77,057,506
Total program costs, funded	65,586,391	94,300,000	101,257,506
7. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net	26,303,476	10,700,000	3,742,494
Total program (obligations)	91,889,867	105,000,000	105,000,000

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Financing:			
Amounts becoming available:			
New obligational authority (reappropriation from other Department of Defense accounts (70 Stat. 1112))	$57,000,000	$30,000,000	$30,000,000
Receipts from operations (rentals)	49,809,732	54,975,020	60,000,000
Total amounts becoming available	106,809,732	84,975,020	90,000,000
Unobligated balance brought forward	88,333,664	103,253,529	83,228,549
Total amounts available	195,143,396	188,228,549	173,228,549
Unobligated balance carried forward	−103,253,529	−83,228,549	−68,228,549
Financing applied to program	91,889,867	105,000,000	105,000,000

This fund (70 Stat. 1112) finances the acquisition of privately owned Wherry Act housing projects (63 Stat. 570) which the Secretary of Defense is authorized to acquire when necessary (69 Stat. 652) and must acquire (70 Stat. 1111) when such projects are located at or near military installations where the Secretary approves the construction of Capehart housing (69 Stat. 646). In addition to financing the purchase of the owners' equity in such acquired projects, the fund is available for amortizing mortgages assumed including interest and Federal Housing Administration mortgage insurance premiums, for alteration, improvement, rehabilitation, and repair of acquired units to make them suitable for assignment as public quarters, and for payment of title insurance premiums on any Capehart housing project if the Secretary of Defense determines that the mortgage financing of such project is impossible unless title insurance is provided (73 Stat. 323).

Budget program.—The budget program contemplates acquisition of approximately 72,400 Wherry housing units by end of 1961 at a total cost of $655.1 million, including 8,000 units at a cost of $75.8 million in 1960, and 5,000 units costing $51.5 million in 1961. Approximately 60,000 of these units are planned to be rehabilitated by end of 1961. Funds provided in the budget program for this purpose include $52 million in 1960 and $55.3 million in 1961. An estimate of $1 million is included for Capehart title insurance costs both for 1960 and 1961.

Financing the budget program.—This program is funded from reappropriations of unexpended balances of appropriations and from rental receipts. Mortgage indebtedness assumed in acquiring the housing is reflected in the schedules. The schedules do not reflect depreciation as a matter of established accounting policy nor operating costs which are included in the military operation and maintenance appropriation and the military pay appropriation budget schedules. Reappropriations of $30 million are anticipated both in 1960 and in 1961. Income from rentals is expected to increase from an estimated $55 million in 1960 to approximately $60 million in 1961.

Operating results and financial condition.—Net budget expenditures of $32 million are expected in 1960 and $42 million in 1961, compared to $15 million in 1959, since outlays for acquisition of owners' equities, mortgage payments, rehabilitation, and other capital costs will substantially exceed the amounts anticipated from rental receipts. These receipts, however, are expected to exceed operating expense paid from the fund by an estimated $31.7 million in 1960 and $35.8 million in 1961 as compared to $31.7 million in 1959. Government investment is estimated at $358 million at June 30, 1961, consisting of $247 million in reappropriations and $111 million in retained earnings.

7. *Relation of costs to obligations.*—The relationship is derived from year-end balances of unpaid undelivered

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orders as follows: 1958, $2,924,947; 1959, $29,228,423; 1960, $39,928,423; 1961, $43,670,917.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Expense	$18,131,882	$23,300,000	$24,200,000
Capital outlay	47,454,509	71,000,000	77,057,506
Increase in selected working capital	626		742,494
Total gross expenditures	65,587,017	94,300,000	102,000,000
Receipts from operations (funds provided):			
Revenue	49,809,732	54,975,020	60,000,000
Decrease in selected working capital		7,324,980	
Total receipts from operations	49,809,732	62,300,000	60,000,000
Budget expenditures	15,777,285	32,000,000	42,000,000

Revenue, Expense, and Retained Earnings

Revenue	$49,809,732	$54,975,020	$60,000,000
Expense	18,131,882	23,300,000	24,200,000
Net income for the year	31,677,850	31,675,020	35,800,000
Retained earnings, beginning of year	11,812,384	43,490,234	75,165,254
Retained earnings, end of year	43,490,234	75,165,254	110,965,254

Financial Condition

Assets:			
Cash with Treasury	$131,899,466	$129,899,466	$117,899,466
Accounts receivable, net	4,024,980	4,000,000	4,000,000
Land, structures, and equipment:			
Acquisition cost	517,611,267	594,311,267	655,111,267
Alterations, improvements, rehabilitation, and repair	17,976,508	69,976,508	125,234,014
Total assets	671,512,221	798,187,241	902,244,747
Liabilities:			
Current liabilities	3,442,494	10,742,494	10,000,000
Mortgages and equities	437,579,493	495,279,493	534,279,493
Total liabilities	441,021,987	506,021,987	544,279,493
Government investment:			
Non-interest-bearing capital:			
Start of year	130,000,000	187,000,000	217,000,000
Reappropriation during year	57,000,000	30,000,000	30,000,000
End of year	187,000,000	217,000,000	247,000,000
Retained earnings	43,490,234	75,165,254	110,965,254
Total Government investment	230,490,234	292,165,254	357,965,254

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash with Treasury	$90,676,751	$131,899,466	$129,899,466	$117,899,466
Obligated balance, net:				
Current liabilities	1,931,600	3,442,494	10,742,494	10,000,000
Unpaid undelivered orders	2,924,947	29,228,423	39,928,423	43,670,917
Accounts receivable, net (−)	−2,513,460	−4,024,980	−4,000,000	−4,000,000
Total obligated balance	2,343,087	28,645,937	46,670,917	49,670,917
Unobligated balance	88,333,664	103,253,529	83,228,549	68,228,549

Object Classification

	1959 actual	1960 estimate	1961 estimate
07 Other contractual services	$2,473,577	$3,500,000	$3,600,000
10 Lands and structures	47,454,509	71,000,000	77,057,506
14 Interest	15,658,305	19,800,000	20,600,000
Total accrued expenditures	65,586,391	94,300,000	101,257,506
Increase in unpaid undelivered orders	26,303,476	10,700,000	3,742,494
Total obligations	91,889,867	105,000,000	105,000,000

Defense Housing, Army

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operation and maintenance of housing (total costs—obligations)	$539,367	$600,000	$450,000
Financing:			
Amounts becoming available: Rental receipts	805,737	735,000	735,000
Unobligated balance brought forward	855,654	372,024	57,024
Total amounts available	1,661,391	1,107,024	792,024
Capital transfer (payment of profits to Treasury) (−)	−750,000	−450,000	−275,000
Unobligated balance carried forward	−372,024	−57,024	−67,024
Financing applied to program	539,367	600,000	450,000

This fund finances the maintenance, operation, improvement, and liquidation of temporary family housing units (70 Stat. 1105). Funds are provided by rental receipts. During 1959, a total of 325 units at Fort Rucker and 159 units at Yuma test station were replaced by Capehart housing. Of the 1,791 units available in 1959, a total of 1,600 units were rented. In 1959, $750,000 which was surplus to the operational requirements of the fund was returned to the Treasury. It is anticipated that an additional $450,000 in 1960 and $275,000 in 1961 will become surplus to requirements and will be available for transfer to the Treasury. During 1960 provision has been made for repairs and improvements to 1,439 units at an estimated cost of $141,000 to continue these units as income property. Recurring operation and maintenance costs of $459,000 are estimated for 1960 and $450,000 for 1961.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Expense	$539,367	$600,000	$450,000
Increase in selected working capital			25,000
Total gross expenditures	539,367	600,000	475,000
Receipts from operations (funds provided):			
Revenue	805,737	735,000	735,000
Decrease in selected working capital	29,816	15,000	
Total receipts from operations	835,553	750,000	735,000
Budget expenditures	−296,186	−150,000	−260,000

Revenue, Expense, and Retained Earnings

Revenue	$805,737	$735,000	$735,000
Expense	539,367	600,000	450,000
Net income for the year	266,370	135,000	285,000
Analysis of retained earnings:			
Retained earnings, beginning of year	855,654	372,024	57,024
Payment of profits to Treasury (−)	−750,000	−450,000	−275,000
Retained earnings, end of year	372,024	57,024	67,024

Financial Condition

Assets:			
Cash with Treasury	$429,664	$129,664	$114,664
Accounts receivable, net	47,634	42,634	47,634
Total assets	477,298	172,298	162,298
Liabilities:			
Current	105,274	115,274	95,274
Government investment:			
Retained earnings	372,024	57,024	67,024

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash with the Treasury	$883,478	$429,664	$129,664	$114,664

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REVOLVING AND MANAGEMENT FUNDS—Con.

Public enterprise funds—Continued

DEFENSE HOUSING, ARMY—Continued

Status of Certain Fund Balances—Continued

	1958 actual	1959 actual	1960 estimate	1961 estimate
Obligated balance, net:				
Current liabilities	$93,902	$105,274	$115,274	$95,274
Accounts receivable, net (−)	−66,078	−47,634	−42,634	−47,634
Total obligated balance	27,824	57,640	72,640	47,640
Unobligated balance	855,654	372,024	57,024	67,024

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	22	23	23
Average number of all employees	23	31	31
Number of employees at end of year	10	25	25
Average salary of ungraded positions	$5,213	$5,275	$5,268
01 Personal services:			
Permanent positions	$116,646	$160,400	$162,600
Other personal services	800	1,600	1,000
Total personal services	117,446	162,000	163,600
05 Rents and utility services	8,865	7,800	7,200
07 Other contractual services	230,088	274,000	186,000
08 Supplies and materials	175,850	150,000	90,000
11 Grants, subsidies, and contributions	7,019	6,000	3,000
13 Refunds, awards, and indemnities		100	100
15 Taxes and assessments	99	100	100
Total obligations	539,367	600,000	450,000

DEFENSE HOUSING, NAVY

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operation and maintenance of housing (total costs)	$1,157,118	$1,228,000	$1,150,000
Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−42,868		
Total program (obligations)	1,114,250	1,228,000	1,150,000
Financing:			
Amounts becoming available: Rental receipts	1,201,817	1,250,000	1,250,000
Unobligated balance brought forward	610,212	247,779	119,779
Total amounts available	1,812,029	1,497,779	1,369,779
Capital transfers:			
Repayment of investment to Treasury (−)	−375,000		
Payment of profits to Treasury (−)	−75,000	−150,000	−125,000
Unobligated balance carried forward	−247,779	−119,779	−94,779
Financing applied to program	1,114,250	1,228,000	1,150,000

This fund finances the maintenance, operation, improvement, and liquidation of temporary family housing units (70 Stat. 1105). During 1959 there were 3,900 family units maintained. This number will decline to 3,801 in 1960 and 1961.

Funds were initially provided for this program by a transfer of $375,000 in 1957 from the Housing and Home Finance Agency. This investment, plus $75,000 which was surplus to operational requirements of the fund, was returned to the Treasury in 1959. It is anticipated that in 1960, $150,000, and in 1961, $125,000, will be surplus to requirements and will be available for transfer to the Treasury. Special projects to accomplish nonrecurring maintenance in order to continue certain units as income property are funded as follows: 1959, $197,119; 1960, $277,000; 1961, $200,000.

Relation of costs to obligations.—The relationship is derived by year-end balances of unpaid undelivered orders as follows: 1958, $220,982; 1959, $178,114; 1960, $178,114; 1961, $178,114.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Expense	$1,157,118	$1,228,000	$1,150,000
Receipts from operations (funds provided):			
Revenue	1,201,817	1,250,000	1,250,000
Budget expenditures	−44,699	−22,000	−100,000

Revenue, Expense, and Retained Earnings

Revenue	$1,201,817	$1,250,000	$1,250,000
Expense	1,157,118	1,228,000	1,150,000
Net income for the year	44,699	22,000	100,000
Analysis of retained earnings:			
Retained earnings, beginning of year	456,194	425,893	297,893
Payment of profits to Treasury (−)	−75,000	−150,000	−125,000
Retained earnings, end of year	425,893	297,893	272,893

Financial Condition

Assets:			
Cash with Treasury	$425,893	$297,893	$272,893
Government investment:			
Non-interest-bearing capital:			
Start of year	375,000		
Repayment of investment (−)	−375,000		
End of year			
Retained earnings	425,893	297,893	272,893
Total Government investment	425,893	297,893	272,893

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash with Treasury	$831,194	$425,893	$297,893	$272,893
Obligated balance, net (unpaid undelivered orders)	220,982	178,114	178,114	178,114
Unobligated balance	610,212	247,779	119,779	94,779

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	144	120	120
Average number of all employees	136	120	120
Number of employees at end of year	127	117	120
Average GS grade and salary	5.2 $4,740	5.2 $4,762	5.2 $4,785
Average salary of ungraded positions	$4,940	$5,050	$5,070
01 Personal services:			
Permanent positions	$648,377	$589,782	$595,276
Other personal services	14,955	6,419	3,612
Total personal services	663,332	596,201	598,888
02 Travel	200	200	200
04 Communication services	3,000	3,000	3,000
05 Rents and utility services	27,500	28,000	28,000
06 Printing and reproduction	1,860	2,000	2,000
07 Other contractual services	176,307	300,099	269,412
08 Supplies and materials	246,800	260,000	210,000
09 Equipment	18,000	20,000	20,000
11 Grants, subsidies, and contributions	19,254	18,000	18,000
15 Taxes and assessments	865	500	500
Total costs	1,157,118	1,228,000	1,150,000
Decrease (−) in unpaid undelivered orders	−42,868		
Total obligations	1,114,250	1,228,000	1,150,000

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Laundry Service, Naval Academy

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs:			
Expense	$518,396	$535,000	$559,000
Unfunded adjustment to total operating costs: Depreciation included above (−)	−11,795	−13,500	−16,000
Total operating costs, funded	506,601	521,500	543,000
Capital outlay: Purchase of equipment	44,082	42,500	22,000
Total program costs, funded	550,683	564,000	565,000
Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−7,463		
Total program (obligations)	543,220	564,000	565,000
Financing:			
Amounts becoming available: Revenue	517,021	550,000	555,000
Unobligated balance brought forward	66,886	40,687	26,687
Total amounts available	583,907	590,687	581,687
Unobligated balance carried forward	−40,687	−26,687	−16,687
Financiug applied to program	543,220	564,000	565,000

The Naval Academy laundry is operated for the benefit of midshipmen and other military personnel of the Naval Academy. The charges collected for laundry service are available for operating expenses (10 U.S.C. 6971(b)).

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Supplies	$9,567	$11,362	$11,362	$11,362
Unpaid undelivered orders	14,808	5,550	5,550	5,550
Total selected resources at end of year	24,375	16,912	16,912	16,912
Selected resources at start of year (−)		−24,375	−16,912	−16,912
Costs financed from obligations of other years, net (−)		−7,463		

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Acquisition of equipment	$44,082	$42,500	$22,000
Expense, excluding depreciation	506,601	521,500	543,000
Increase in selected working capital	3,054		
Total gross expenditures	553,737	564,000	565,000
Receipts from operations (funds provided):			
Revenue	517,021	550,000	555,000
Budget expenditures	36,716	14,000	10,000

Revenue, Expense, and Retained Earnings

	1959 actual	1960 estimate	1961 estimate
Revenue	$517,021	$550,000	$555,000
Expense	518,396	535,000	559,000
Net income or loss (−) for the year	−1,375	15,000	−4,000
Retained earnings, beginning of year	177,190	175,815	190,815
Retained earnings, end of year	175,815	190,815	186,815

Financial Condition

	1959 actual	1960 estimate	1961 estimate
Assets:			
Cash with Treasury	$71,587	$57,587	$47,587
Accounts receivable, net	7,981	7,981	7,981
Supplies	11,362	11,362	11,362
Equipment, net	121,001	150,001	156,001
Total assets	211,931	226,931	222,931
Liabilities:			
Current	33,331	33,331	33,331
Government investment:			
Non-interest-bearing capital: Start and end of year	2,785	2,785	2,785
Retained earnings	175,815	190,815	186,815
Total Government investment	178,600	193,600	189,600

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash with Treasury	$108,304	$71,587	$57,587	$47,587
Obligated balance, net:				
Current liabilities	36,230	33,331	33,331	33,331
Unpaid undelivered orders	14,808	5,550	5,550	5,550
Accounts receivable, net (−)	−9,620	−7,981	−7,981	−7,981
Total obligated balance	41,418	30,900	30,900	30,900
Unobligated balance	66,886	40,687	26,687	16,687

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Total number of permanent positions	151	151	151
	Average number of all employees	139	146	146
	Number of employees at end of year	135	140	140
	Average GS grade and salary	5.6 $4,866	5.8 $4,872	5.8 $5,002
	Average salary of ungraded positions	$2,661	$2,632	$2,653
01	Personal services:			
	Permanent positions	$381,595	$401,257	$404,905
	Other personal services	14,450	23,593	22,802
	Excess of annual leave earned over leave taken	572		
	Total personal services	396,617	424,850	427,707
04	Communication services	494	550	550
05	Rents and utility services	35,002	35,000	37,000
06	Printing and reproduction	404	500	500
07	Other contractual services	4,186	4,000	12,000
08	Supplies and materials	45,789	30,000	38,000
09	Equipment	44,082	42,500	22,000
11	Grants, subsidies, and contributions	24,399	25,000	25,643
15	Taxes and assessments	1,505	1,600	1,600
	Total accrued expenditures	552,478	564,000	565,000
	Decrease (−) in unpaid undelivered orders	−9,258		
	Total obligations	543,220	564,000	565,000

Intragovernmental funds:

Army Stock Fund

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Army clothing and equipage	$124,598,023	$115,500,000	$139,600,000
Army subsistence	506,000,207	541,000,000	529,200,000
Engineer supplies	75,331,238	86,400,000	84,200,000
General material	83,827,065	112,300,000	120,800,000
Medical-dental supplies	25,688,595	28,000,000	26,400,000
Ordnance tank-automotive supplies	153,097,333	143,600,000	147,200,000
Other ordnance supplies	80,400,308	73,300,000	77,700,000
Petroleum products	149,325,335	125,600,000	123,800,000
Signal supplies	84,431,884	94,300,000	92,800,000
Single manager clothing and textiles	177,979,832	160,000,000	213,000,000
Single manager subsistence	708,140,385	700,000,000	709,000,000
Total program (obligations)	2,168,820,205	2,180,000,000	2,263,700,000
Financing:			
Sale of goods:			
Army clothing and equipage	139,136,949	141,600,000	143,900,000
Army subsistence	511,962,196	529,200,000	529,200,000
Engineer supplies	86,072,284	91,900,000	94,300,000
General material	102,998,371	134,000,000	138,700,000
Medical-dental supplies	22,942,079	23,800,000	23,800,000
Ordnance tank-automotive supplies	217,106,302	208,400,000	224,600,000
Other ordnance supplies	115,317,475	111,500,000	111,600,000
Petroleum products	145,040,141	123,400,000	123,400,000
Signal supplies	105,024,622	115,200,000	110,200,000
Single manager clothing and textiles	325,145,181	339,000,000	336,800,000
Single manager subsistence	698,934,658	708,000,000	712,000,000
Net sale of goods	2,469,680,258	2,526,000,000	2,548,500,000
Increase or decrease (−) in unfilled customer orders:			
Military assistance orders	8,179,866	17,226,956	−152,800,000
Other	9,715,935	−48,140,263	138,380
Adjustment of prior year revenue	−7,212,846	−32,000,000	
Total amounts becoming available	2,480,363,213	2,463,086,693	2,395,838,380
Unobligated balance brought forward	688,792,141	625,335,149	627,421,842
Total amounts available	3,169,155,354	3,088,421,842	3,023,260,222
Unobligated balance transferred to "Military personnel, Army" (72 Stat. 714; 73 Stat. 366; 1961 appropriation act)	−375,000,000	−281,000,000	−260,000,000
Unobligated balance carried forward	−625,335,149	−627,421,842	−499,560,222
Financing applied to program	2,168,820,205	2,180,000,000	2,263,700,000

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REVOLVING AND MANAGEMENT FUNDS—Con.

Intragovernmental funds—Continued

ARMY STOCK FUND—Continued

This fund finances the procurement and maintenance of inventories of common-use items for resale and for mobilization reserve (5 U.S.C. 172d). Some 665,000 line items are included, about 90% of the line items in the Army's total inventory. This inventory comprises stocks in all depots in the continental United States and the six major oversea commands and at certain stations in the United States.

Supply and financial operations of the fund are centrally directed and controlled by the Department of the Army. For management purposes the 665,000 line items of inventory are organized into 13 material categories. One or more of the 13 material categories are assigned to and managed through each of the Army's 7 technical services and the defense supply service. Among the 13 material categories are 2 single manager assignments covering continental U.S. depot inventories of clothing and subsistence for all the military services. Sales of inventories held by the two single managers are generally made to retail stock funds which are operated by each of the military services to acquire and hold stock in continental U.S. stations and oversea areas for resale to consuming appropriations. On July 1, 1959, a new Zone of Interior installations division was installed at nine stations in the 3d Army area, three of which had not been operated under the stock fund. This new division is operated as a retail station stock fund and is managed through the U.S. Continental Army Command and 3d U.S. Army in lieu of management through the technical services. In order to simplify funding control, accounting, and reporting, it is organized as a single chartered division to provide one fund for the acquisition and holding of inventories of nine categories of material for resale to consuming appropriations. In the statements and schedules the operation of this division is consolidated with the data by material categories.

No significant changes were made in 1959 in the types of material or geographic areas covered by the fund. During 1960, three additional stations were included in the newly organized Zone of Interior installations division. Pending completion of a test period of operation of this new division, plans to extend stock funding to other major posts, camps, and stations have been deferred. The inclusion of consumable spare parts peculiar to aircraft and guided missiles is under consideration. The inclusion of this material is not reflected in the schedules presented here since neither the effective date nor the specific items to be included have been determined.

The net change in capitalized inventories of $177.6 million during 1959 was due principally to the return of $140.9 million of unneeded material from organizations outside the stock fund system. The remaining amount represents the cancellation of sales returns credits, net transfers between the military services, and changes in individual items determined to be eligible or ineligible for inclusion in the stock fund. Lower estimates for 1960 and 1961 of $119.4 million and $88.1 million, respectively, reflect primarily the reduced amounts of unneeded material in the hands of consumers. Changes by category are as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Army clothing and equipage	$38,789,114	$3,691,178	$4,800,000
Army subsistence	1,535,573	22,133,000	----------
Engineer supplies	14,696,354	5,998,581	6,640,000
General material	32,045,531	29,270,699	11,250,000
Medical-dental supplies	3,832,301	1,496,242	1,365,000
Ordnance tank-automotive supplies	40,178,615	30,003,000	26,175,000
Other ordnance supplies	30,042,737	22,123,705	18,085,000
Petroleum products	−3,672,582	−4,326,000	400,000
Signal supplies	$20,678,707	$26,047,816	$14,200,000
Single manager clothing and textiles	−5,917,174	4,500,000	5,000,000
Single manager subsistence	−27,835	−22,200,000	----------
Total inventories capitalized during year (net of decapitalizations)	172,181,341	118,738,221	87,915,000
Decrease (−) in undelivered purchases to be paid from other accounts	−2,098,172	−161,413	----------
Sales return credits canceled	7,562,333	839,076	220,000
Net change in capitalized inventories	177,645,502	119,415,884	88,135,000

Budget program.—Obligations are estimated to increase by $95 million from 1959 to 1961. Of the total obligations, $75 million was used for mobilization reserve stocks in 1959 and $30 million and $35 million, respectively, are reflected for 1960 and 1961 to procure the highest priority combat items to support modernized equipment and produce better balance in the mobilization reserve inventory. Obligations for peacetime stock were 84.7% of sales in 1959. The increased forecast rate of 85.1% in 1960 and 87.7% in 1961 reflects the steady decline in long-supply stocks which can be sold without replacement. The budget program provides for year-end inventories as follows:

[In millions]

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Army clothing and equipage:				
Operating stocks	$89.6	$43.3	$29.1	$25.5
Mobilization reserve stocks	22.6	60.3	60.8	60.8
Excess or surplus stocks awaiting disposal	14.1	21.2	6.0	5.0
Army subsistence:				
Operating stocks	93.1	91.7	91.9	88.2
Mobilization reserve stocks	26.6	24.5	47.6	49.4
Excess or surplus stocks awaiting disposal	.1	-------	-------	-------
Engineer supplies:				
Operating stocks	299.3	222.1	145.7	109.2
Mobilization reserve stocks	193.0	164.0	167.5	177.3
Excess or surplus stocks awaiting disposal	94.8	65.8	61.2	32.5
General material:				
Operating stocks	193.2	157.4	102.7	77.4
Mobilization reserve stocks	130.5	151.6	163.3	168.6
Excess or surplus stocks awaiting disposal	50.0	36.5	20.0	9.4
Medical-dental supplies:				
Operating stocks	13.8	13.0	9.6	8.2
Mobilization reserve stocks	21.9	26.9	31.3	37.2
Excess or surplus stocks awaiting disposal	1.1	1.5	.9	.5
Ordnance tank-automotive supplies:				
Operating stocks	1,414.1	1,170.1	787.7	425.5
Mobilization reserve stocks	155.9	111.4	159.2	164.9
Excess or surplus stocks awaiting disposal	105.0	79.1	75.7	75.7
Other ordnance supplies:				
Operating stocks	813.3	575.6	425.4	328.0
Mobilization reserve stocks	100.7	76.3	85.1	96.6
Excess or surplus stocks awaiting disposal	115.2	44.3	31.0	17.6
Petroleum products:				
Operating stocks	45.8	44.0	34.1	34.1
Mobilization reserve stocks	57.6	61.9	68.3	73.9
Excess or surplus stocks awaiting disposal	.7	.1	.1	-------
Signal supplies:				
Operating stocks	297.5	241.9	165.9	127.9
Mobilization reserve stocks	66.3	67.5	80.2	88.3
Excess or surplus stocks awaiting disposal	78.9	41.4	41.3	36.3
Single manager clothing and textiles:				
Operating stocks	872.3	692.1	434.2	305.7
Mobilization reserve stocks	909.9	973.6	930.5	939.6
Excess or surplus stocks awaiting disposal	147.7	160.7	176.0	85.7
Single manager subsistence:				
Operating stocks	89.5	94.1	91.4	91.4
Mobilization reserve stocks	30.0	32.2	9.5	6.5
Summary:				
Operating stocks	4,221.7	3,345.3	2,317.8	1,621.3
Mobilization reserve stocks	1,715.1	1,750.2	1,803.1	1,863.1
Excess or surplus stocks awaiting disposal	607.5	450.7	412.2	262.7
Total inventories	6,544.3	5,546.2	4,533.0	3,747.1

During the 3 fiscal years shown herein, inventories are forecast to decrease $2,797 million. Of this reduction, $937 million results from sale of peacetime stocks without replacement and $1,921 million results from disposal of surplus and reflects a positive program initiated in 1958 to review more critically the stocks authorized for retention and to eliminate inactive and long-supply stocks from the system. Approximately $221 million of material in long supply will be donated to the military assistance program and $80 million to education, public health, and civil defense activities as authorized by law. Changes in standard prices are expected to reduce the book value of inventory by $97 million. Offsetting these reductions in part are net new capitalization of $378 million and $118 million of receipts for mobilization reserve stocks. Inventory losses and transfers account for the other $37 million.

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Of the $247.5 million reflected as a donation to the military assistance program in 1959, approximately $147.6 million was merely earmarked for donation to the military assistance program in the Army stock fund accounting records. Physical transfer of these amounts was not accomplished during 1959. During 1960, an accounting adjustment of $147.6 million is reflected to restore these amounts to the Army stock fund inventory, from which donations are reflected as amounts are transferred physically.

Financing the budget program.—Funds for financing the budget program are derived from sales to authorized customers. A sales increase of $78 million or approximately 3% is forecast from 1959 to 1961.

Collections exceeded expenditures by $266 million in 1959 and are expected to exceed expenditures by $365 million in 1960 and $286 million in 1961. Accounts receivable are forecast to decline by $50 million in 1960 contributing to the increased negative expenditure. In addition, the 1960 estimate reflects a program to achieve better balance in inventories to result from maximum utilization of stocks on hand and on order at the end of 1959. The major reasons for the forecast decline in the 1961 negative expenditures are increased expenditures for deliveries of mobilization reserve stocks and the progressively diminishing stocks in long supply which can be sold without replacement.

Transfers of $375 million in 1959 and $281 million in 1960 were effected to Military personnel, Army, and an additional transfer of $260 million is proposed in 1961.

Operating results and financial condition.—The net loss in 1959 was $907 million and net losses are forecast at $764 million in 1960 and $582 million in 1961. These net losses result mainly from disposals of surplus stocks and donations of long-supply material to the military assistance program and to education, public health, and civil defense activities. As the program for purging inactive and long-supply stocks from the system is completed these large net losses will decline.

Stock fund prices have not been high enough in the past to provide for recovery of these abnormal losses incident to disposal of property as surplus because these stocks consisted mainly of items which were surplus when capitalized. Some generation of excess stock is inevitable in supply operations, however. Surcharges are, therefore, included in prices charged to customers to avoid unreasonable losses of capital.

Government investment at June 30, 1961, is estimated at $4,535.7 million, including $11,138.2 million in capitalized assets, less a deficit of $3,916.6 million, and less $2,685.9 million of net transfers and rescissions from the fund.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Purchase of goods for sale, net	$2,079,982,486	$2,075,176,000	$2,164,107,000
Transportation	64,461,923	56,000,000	54,500,000
Repair of unserviceable inventory	36,380,853	45,249,000	34,806,000
Other operating expense	2,497,999	3,923,000	6,344,000
Increase (−) in accounts payable	−1,697,704	−1,203,000	−3,691,000
Adjustment of prior year expense	−2,600,722		
Decrease (−) in advances	−685,312		
Total gross expenditures	2,178,339,523	2,179,145,000	2,256,066,000
Receipts from operations (funds provided):			
Reimbursable sales	2,469,680,258	2,526,000,000	2,548,500,000
Increase (−) or decrease in accounts receivable	−17,847,640	50,145,000	−6,234,000
Adjustment of prior year revenue	−7,212,846	−32,000,000	
Total receipts from operations	2,444,619,772	2,544,145,000	2,542,266,000
Budget expenditures	−266,280,249	−365,000,000	−286,200,000

Revenue, Expense, and Retained Earnings

	1959 actual	1960 estimate	1961 estimate
Revenue: Sale of goods	$2,469,680,258	$2,526,000,000	$2,548,500,000
Expense:			
Purchase of goods (at cost)	2,079,982,486	2,075,176,000	2,164,107,000
Transportation	64,461,923	56,000,000	54,500,000
Repair of unserviceable inventory	36,380,853	45,249,000	34,806,000
Other operating expense	2,497,999	3,923,000	6,344,000
Inventory decrease from operations	216,269,533	334,617,790	268,374,000
Inventory gains (−) or losses (net)	−25,518,934	21,004,276	13,626,000
Issues of inventory without reimbursement	22,885,922	4,633,242	115,000
Loss on disposal of inventory at less than standard prices	661,115,306	713,772,008	546,427,000
Total operating expense	3,058,075,088	3,254,375,316	3,088,299,000
Operating loss (−) for the year	−588,394,830	−728,375,316	−539,799,000
Markup or markdown (−) of inventory due to revision of standard prices	−37,308,647	−70,079,000	10,741,000
Donations (−):			
Military assistance program (Mutual Security Act of 1954, as amended, 22 U.S.C. 1751, 1812)	−247,524,396	−81,820,000	−39,700,000
Adjustment of prior year donations to military assistance program		147,629,141	
Education, public health, or civil defense (40 U.S.C. 484(j) (1) and (2)	−33,906,884	−31,889,900	−13,734,000
Net loss (−) for the year	−907,134,757	−764,535,075	−582,492,000
Analysis of deficit (−):			
Deficit (−), beginning of year	−1,625,842,134	−2,537,589,015	−3,334,124,090
Adjustment of prior year revenue and expense	−4,612,124	−32,000,000	
Deficit (−), end of year	−2,537,589,015	−3,334,124,090	−3,916,616,090

Financial Condition

Assets:			
Cash	$526,820,252	$610,820,252	$637,020,252
Accounts receivable, net	295,663,736	245,518,736	251,752,736
Inventories	5,546,185,529	4,533,041,652	3,747,139,652
Advances	1,374,278	1,374,278	1,374,278
Due in from undelivered purchases to be paid from other accounts	161,413		
Total assets	6,370,205,208	5,390,754,918	4,637,286,918
Liabilities:			
Current: Accounts payable	78,205,312	79,408,312	83,099,312
Other liabilities: Unapplied sales return credits	43,831,288	21,297,189	18,495,189
Total liabilities	122,036,600	100,705,501	101,594,501
Government investment:			
Non-interest-bearing capital:			
Start of year:			
Cumulative transfers out (−), net	−1,769,900,000	−2,144,900,000	−2,425,900,000
Capitalized inventory, net	10,753,012,121	10,930,657,623	11,050,073,507
Unobligated balance transferred to "Military personnel, Army" (72 Stat. 714; 73 Stat. 366; 1961 appropriation act)	−375,000,000	−281,000,000	−260,000,000
Net change in capitalized inventory	177,645,502	119,415,884	88,135,000
End of year	8,785,757,623	8,624,173,507	8,452,308,507
Deficit (−)	−2,537,589,015	−3,334,124,090	−3,916,616,090
Total Government investment	6,248,168,608	5,290,049,417	4,535,692,417

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash with Treasury	$635,540,003	$526,820,252	$610,820,252	$637,020,252
Unfilled military assistance orders	209,602,782	217,782,648	235,009,604	82,209,604
Total unexpended balance	845,142,785	744,602,900	845,829,856	719,229,856
Obligated balance, net:				
Accounts payable	76,507,608	78,205,312	79,408,312	83,099,312
Unpaid undelivered orders and unperformed contracts	549,838,679	538,621,657	538,273,657	542,216,657
Accounts receivable, net (−)	−277,816,096	−295,663,736	−245,518,736	−251,752,736
Unfilled customer orders (−)	−192,179,547	−201,895,482	−153,755,219	−153,893,599
Total obligated balance	156,350,644	119,267,751	218,408,014	219,669,634
Unobligated balance	688,792,141	625,335,149	627,421,842	499,560,222

Object Classification

		1959 actual	1960 estimate	1961 estimate
03	Transportation of things	$64,461,923	$56,000,000	$54,500,000
07	Other contractual services	34,564,117	37,100,000	33,100,000
08	Supplies and materials	2,001,604,731	2,008,200,000	2,087,100,000
09	Equipment	68,189,434	78,700,000	89,000,000
	Total obligations	2,168,820,205	2,180,000,000	2,263,700,000

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REVOLVING AND MANAGEMENT FUNDS—Con.

Intragovernmental funds—Continued

NAVY STOCK FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Clothing and textiles	$50,675,645	$49,300,000	$50,400,000
General material	180,481,608	183,600,000	179,600,000
Repair parts	66,982,608	92,500,000	84,100,000
Navy medical and dental material	12,009,564	11,600,000	12,000,000
Subsistence—commissary	377,120,528	385,100,000	376,700,000
Electronics	62,315,656	50,800,000	59,500,000
Fuels	343,196,183	308,600,000	303,600,000
Single manager medical and dental material	65,317,889	74,200,000	66,070,000
Other	4,832,409	3,000,000	3,000,000
Total program (obligations)	1,162,932,090	1,158,700,000	1,134,970,000
Financing:			
Sale of goods:			
Clothing and textiles	55,792,749	56,300,000	54,500,000
General material	201,597,795	202,000,000	202,000,000
Repair parts	80,741,965	106,100,000	105,400,000
Navy medical and dental material	10,367,814	10,000,000	10,400,000
Subsistence—commissary	372,640,977	390,900,000	377,300,000
Electronics	50,401,186	57,600,000	60,900,000
Fuels	329,390,846	320,300,000	304,200,000
Single manager medical and dental material	75,771,539	81,000,000	77,750,000
Other	17,631,959	15,000,000	12,000,000
Total sale of goods	1,194,336,830	1,239,200,000	1,204,450,000
Less withdrawal credit sales	215,329		
Net sale of goods	1,194,121,501	1,239,200,000	1,204,450,000
Increase or decrease (−) in unfilled military assistance orders	1,066,943	1,029,834	−15,494,718
Total amounts becoming available	1,195,188,444	1,240,229,834	1,188,955,282
Unobligated balance brought forward	122,541,818	34,798,172	41,328,006
Total amounts available	1,317,730,262	1,275,028,006	1,230,283,288
Unobligated balance transferred to "Military personnel, Navy" (72 Stat. 716; 73 Stat. 366; 1961 appropriation act)	−120,000,000	−75,000,000	−60,000,000
Unobligated balance carried forward	−34,798,172	−41,328,006	−35,313,288
Financing applied to program	1,162,932,090	1,158,700,000	1,134,970,000

This fund, initially established in 1893, finances the procurement and maintenance of inventories of common-use material and supplies for resale and mobilization reserve (5 U.S.C. 172d). It includes items in all levels of shore-based inventories and in inventories of fleet issue ships afloat.

In 1959 inventories capitalized under the fund increased $60 million, due principally to returns of unneeded material from using activities. This is reflected to a decreasing extent in the 1960 and 1961 estimates, as the quantity of such material in the hands of consumers is expected to decrease. On July 1, 1959, $279 million of ordnance repair parts were capitalized into the fund. Estimates reflect changes in the inventory capitalized under each major supply category of the fund as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Clothing and textiles	−$9,535,366	$60,000	
General material	2,198,066	−2,100,000	
Repair parts	24,201,145	289,510,000	$23,970,000
Navy medical and dental material	−334,806	−60,000	
Subsistence—commissary	−632,924		
Electronics	19,964,118	7,000,000	4,000,000
Fuels	1,497,535	7,170,000	
Single manager medical and dental material	4,438,961		
Other	18,326,716		
Total inventories capitalized during year (net of decapitalizations)	60,123,445	301,580,000	27,970,000
Withdrawal credits established, net (−)	−215,329		
Charges (−) against capital for loss on disposal of inventory surplus at time of capitalization		−80,000,000	
Net change in capitalized inventories	59,908,116	221,580,000	27,970,000

Budget program.—The net decrease in obligations of $28 million reflected from 1959 to 1961 is expected to result principally from greater sale of stocks without replacement. The budget program provides for year-end inventories as follows:

[In millions]

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Clothing and textiles:				
Operating stocks	$49.9	$39.8	$28.8	$24.1
Mobilization reserve stocks	5.0	3.5	5.1	5.1
General material:				
Operating stocks	292.1	267.4	234.4	207.7
Mobilization reserve stocks	161.3	112.1	110.3	102.3
Repair parts:				
Operating stocks	414.3	324.5	383.8	325.6
Mobilization reserve stocks	179.9	215.2	299.7	305.9
Navy medical and dental material:				
Operating stocks	5.5	3.6	4.1	4.0
Mobilization reserve stocks	-------	2.1	4.6	6.2
Subsistence—commissary:				
Operating stocks	57.6	64.2	61.8	61.3
Mobilization reserve stocks	11.9	9.4	9.4	9.4
Electronics:				
Operating stocks	174.7	166.1	140.2	128.9
Mobilization reserve stocks	39.7	39.0	38.7	34.7
Fuels:				
Operating stocks	30.2	33.6	36.3	35.7
Mobilization reserve stocks	97.1	111.8	100.1	100.1
Other:				
Operating stocks	.3	2.0	2.0	2.0
Excess or surplus stocks awaiting disposal	229.9	176.7	91.2	19.2
Single manager medical and dental material:				
Operating stocks	69.1	72.9	66.9	62.3
Mobilization reserve stocks	234.4	212.4	209.5	199.4
Excess or surplus stocks awaiting disposal	3.5	13.3	-------	-------
Summary:				
Operating stocks	1,093.7	974.1	958.3	851.6
Mobilization reserve stocks	729.3	705.5	777.4	763.1
Excess or surplus stocks awaiting disposal	233.4	190.0	91.2	19.2
Total finished goods in store	2,056.4	1,869.6	1,826.9	1,633.9
Material in transit from procurement	58.0	53.2	53.2	53.2
Material in transit between storage locations	51.3	64.3	64.3	64.3
Total inventories	2,165.7	1,987.1	1,944.4	1,751.4

During 1959, total inventory decreased by $179 million, the net of $65 million in increases and $244 million in decreases. The decreases consisted of $213 million in disposals of excess and surplus property, $19 million in authorized donations, and $12 million in inventory losses. In 1959, $60 million in inventory was capitalized, and standard price markups added $5 million to book value of the inventory. During 1960 and 1961, a further decrease in inventory of $236 million is forecast, the net of $330 million in material capitalized and $566 million in reductions. These reductions reflect an estimated $368 million in losses on disposal of surplus inventory, $149 million in sales of stocks without replacement, $28 million in authorized donations, and $21 million in losses and adjustments.

Financing the budget program.—Funds for financing the budget program are derived from sales of material to authorized customers. Sales in 1961 are estimated at $10 million above the 1959 level, the net of a $22.8 million increase resulting from capitalization of ordnance repair parts and $12.8 million in decreases reflecting a slight decrease in customer requirements. In 1960 and 1961 cash receipts are expected to exceed disbursements by $84 million and $85 million, respectively. In 1959 and 1960, transfers from the fund of $120 million and $75 million, respectively, were effected to Military personnel, Navy. An additional $60 million is recommended for transfer to that appropriation in 1961.

Operating results and financial condition.—The statements show substantial net losses of $174.3 million in 1960 and $148.1 million in 1961 compared with a loss of $223.8 million in 1959. These losses are expected to result largely from disposal of excess and surplus inventories at about 7% of standard price.

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Net inventory losses, included in the net operating losses, are forecast at $9.3 million for 1960 and at $12 million for 1961, compared with $12 million in 1959. These losses represent the net from discrepancies in shipments, pilferage, losses in storage, differences disclosed by physical inventories, and accounting adjustments.

The Government investment at June 30, 1961, is estimated at $1,962.4 million, consisting of $351.6 million of appropriations and reappropriations, $2,274.9 million of net capitalized inventory, less $664.1 million deficit.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Purchase of goods for sale, net	$1,114,532,317	$1,094,330,000	$1,077,260,000
Transportation	52,880,369	46,200,000	46,630,000
Repair of unserviceable inventory	2,256,751	3,670,000	3,730,000
Decrease in liabilities	6,245,719		
Profits from sale of ships' stores for transfer to "Ships stores profits, Navy" (trust fund)	9,812,001	5,000,000	4,000,000
Total gross expenditures	1,185,727,157	1,149,200,000	1,131,620,000
Receipts from operations (funds provided):			
Reimbursable sales	1,194,121,501	1,239,200,000	1,204,450,000
Increase (−) or decrease in accounts receivable	−9,787,852	−6,000,000	12,170,000
Total receipts from operations	1,184,333,649	1,233,200,000	1,216,620,000
Budget expenditures	1,393,508	−84,000,000	−85,000,000

Revenue, Expense, and Retained Earnings

Revenue: Sale of goods	$1,194,336,830	$1,239,200,000	$1,204,450,000
Expense:			
Purchase of goods (at cost)	1,114,532,317	1,094,330,000	1,077,260,000
Transportation	52,880,369	46,200,000	46,630,000
Repair of unserviceable inventory	2,256,751	3,670,000	3,730,000
Inventory increase (−) or decrease from operations	−539,435	79,720,000	69,530,000
Inventory losses, net	11,978,825	9,290,000	11,960,000
Loss on disposal of inventory at less than standard prices	213,437,883	237,990,000	129,500,000
Charges (−) to capital for loss on disposal of inventory surplus at time of capitalization		−80,000,000	
Profits from sale of ships stores for transfer to "Ships' stores profits, Navy" (trust fund)	9,812,001	5,000,000	4,000,000
Total operating expense	1,404,358,711	1,396,200,000	1,342,610,000
Operating loss (−) for the year	−210,021,881	−157,000,000	−138,160,000
Markup of inventory due to revision of standard prices	4,940,377	690,000	
Donations for education, public health, or civil defense (40 U.S.C. 484(j) (1), (2))	−18,790,770	−18,000,000	−10,000,000
Net loss (−) for the year	−223,872,274	−174,310,000	−148,160,000
Deficit (−), beginning of year	−117,757,205	−341,629,479	−515,939,479
Deficit (−), end of year	−341,629,479	−515,939,479	−664,099,479

Financial Condition

Assets:			
Cash	$234,936,339	$243,936,339	$268,936,339
Accounts receivable, net	53,762,443	59,762,443	47,592,443
Inventories	1,987,139,604	1,944,409,604	1,751,389,604
Total assets	2,275,838,386	2,248,108,386	2,067,918,386
Liabilities:			
Current: Accounts payable	105,005,603	105,005,603	105,005,603
Other liabilities	486,724	486,724	486,724
Total liabilities	105,492,327	105,492,327	105,492,327
Government investment:			
Non-interest-bearing capital:			
Start of year:			
Appropriations and reappropriations, net	606,587,013	486,587,013	411,587,013
Capitalized inventory, net	1,965,480,409	2,025,388,525	2,246,968,525
Unobligated balance transferred to "Military personnel, Navy" (72 Stat. 716; 73 Stat. 366; 1961 appropriation act)	−120,000,000	−75,000,000	−60,000,000
Net change in capitalized inventory	59,908,116	221,580,000	27,970,000
End of year	2,511,975,538	2,658,555,538	2,626,525,538
Deficit (−)	−341,629,479	−515,939,479	−664,099,479
Total Government investment	2,170,346,059	2,142,616,059	1,962,426,059

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash with Treasury	$356,329,847	$234,936,339	$243,936,339	$268,936,339
Unfilled military assistance orders	20,740,264	21,807,207	22,837,041	7,342,323
Total unexpended balance	377,070,111	256,743,546	266,773,380	276,278,662
Obligated balance, net:				
Accounts payable	111,645,184	105,005,603	105,005,603	105,005,603
Unpaid undelivered orders and unperformed contracts	206,857,700	190,702,214	200,202,214	203,552,214
Accounts receivable, net (−)	−43,974,591	−53,762,443	−59,762,443	−47,592,443
Unfilled customer orders (−)	−20,000,000	−20,000,000	−20,000,000	−20,000,000
Total obligated balance	254,528,293	221,945,374	225,445,374	240,965,374
Unobligated balance	122,541,818	34,798,172	41,328,006	35,313,288

Object Classification

		1959 actual	1960 estimate	1961 estimate
03	Transportation of things	$52,880,369	$46,200,000	$46,630,000
07	Other contractual services	2,256,751	3,670,000	3,730,000
08	Supplies and materials	1,097,982,969	1,103,830,000	1,080,610,000
13	Refunds, awards, and indemnities	9,812,001	5,000,000	4,000,000
	Total obligations	1,162,932,090	1,158,700,000	1,134,970,000

Marine Corps Stock Fund

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Ordnance-tank-automotive	$9,646,256	$16,000,000	$15,800,000
Engineer supplies and construction materials	3,499,249	4,200,000	3,300,000
Communications—electronic	6,889,423	7,100,000	6,700,000
General material	9,578,226	12,600,000	11,500,000
Clothing and textiles	28,206,664	21,000,000	20,400,000
Fuel	4,135,852	4,650,000	5,000,000
Subsistence—commissary	45,850,425	48,900,000	49,900,000
Total program (obligations)	107,806,095	114,450,000	112,600,000
Financing:			
Sale of goods:			
Ordnance-tank-automotive	15,652,810	16,900,000	18,100,000
Engineer supplies and construction materials	3,547,697	5,400,000	5,700,000
Communications—electronic	4,538,775	5,150,000	6,150,000
General material	11,972,199	15,350,000	16,650,000
Clothing and textiles	22,715,716	25,600,000	21,100,000
Fuel	4,860,610	5,000,000	5,000,000
Subsistence—commissary	44,562,322	49,600,000	50,000,000
Net sale of goods	107,850,129	123,000,000	122,700,000
Increase or decrease (−) in unfilled customer orders:			
Military assistance orders	1,201,652	311,000	−550,000
Other		−2,000,000	−2,000,000
Adjustment of prior year revenue	229		
Total amounts becoming available	109,052,010	121,311,000	120,150,000
Unobligated balance brought forward	38,076,706	14,322,621	−2,816,379
Total amounts available	147,128,716	135,633,621	117,333,621
Unobligated balance transferred to "Military personnel, Marine Corps" (72 Stat. 717; 73 Stat. 366)	−25,000,000	−24,000,000	
Unobligated balance carried forward	−14,322,621	2,816,379	−4,733,621
Financing applied to program	107,806,095	114,450,000	112,600,000

This fund commenced operations on July 1, 1953, and finances the procurement and maintenance of inventory levels for resale and mobilization reserve (5 U.S.C. 172d). All inventories except for individual clothing and commissary stores are stored in the United States.

The fund was extended in 1959 and 1960 to include additional items of ordnance and general material, including certain locally procured items in 1960. In 1961, additional communication items will be financed through the fund. Otherwise, changes in capitalized inventories

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REVOLVING AND MANAGEMENT FUNDS—Con.

Intragovernmental funds—Continued

MARINE CORPS STOCK FUND—Continued

result from returns from users without credit. Estimates contemplate changes in capitalized inventory under each category as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Ordnance-tank-automotive	$14,762,930	$4,350,000	$3,100,000
Engineer supplies and construction materials	931,691	1,340,000	1,000,000
Communications—electronic	4,287,737	1,930,000	2,580,000
General material	12,764,664	1,960,000	2,078,000
Clothing and textiles	432,171	----------	----------
Fuel	14,907	2,000	2,000
Subsistence—commissary	−31,717	----------	----------
Total inventories capitalized during year (net of decapitalizations)	33,162,383	9,582,000	8,760,000
Decrease (−) in undelivered purchases to be paid from other accounts	−8,099	−1,250,000	−200,000
Net change in capitalized inventories	33,154,284	8,332,000	8,560,000

Budget program.—The increase for ordnance in 1960 and 1961 results from initial parts requirements for new items. The increase in general material relates to supplying additional items through the fund. The other principal increase, in subsistence—commissary, reflects the increasing use of commissary sales stores by authorized personnel. The budget program is based on year-end inventories as follows:

[In millions]

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Ordnance-tank-automotive:				
Operating stocks	$153.9	$114.5	$127.6	$116.0
Mobilization reserve stocks	31.7	19.7	19.7	19.7
Excess and surplus stocks awaiting disposal	5.7	5.5	12.3	9.5
Engineer supplies and construction materials:				
Operating stocks	22.6	27.7	22.7	15.8
Mobilization reserve stocks	6.1	3.6	3.6	3.6
Excess and surplus stocks awaiting disposal	4.5	1.3	1.4	1.2
Communications—electronic:				
Operating stocks	44.5	46.4	43.7	40.8
Mobilization reserve stocks	6.6	4.6	4.8	6.6
Excess and surplus stocks awaiting disposal	1.6	.9	1.6	2.2
General material:				
Operating stocks	61.4	92.7	54.0	41.2
Mobilization reserve stocks	14.9	25.0	25.1	25.1
Excess and surplus stocks awaiting disposal	9.3	3.6	2.9	3.7
Clothing and textiles:				
Operating stocks	21.7	24.3	14.3	13.8
Mobilization reserve stocks	11.5	10.7	14.2	14.2
Excess and surplus stocks awaiting disposal	1.7	3.1	2.6	------
Fuel:				
Operating stocks	1.3	1.7	.7	.7
Excess and surplus stocks awaiting disposal	.1	.4	.3	.2
Subsistence—commissary:				
Operating stocks	6.0	7.1	7.6	7.6
Summary:				
Operating stocks	311.4	314.4	270.6	235.9
Mobilization reserve stocks	70.8	63.6	67.4	69.3
Excess and surplus stocks awaiting disposal	23.0	15.0	21.1	16.8
Total inventories	405.2	393.0	359.2	322.0

The inventory decrease of $83.2 million from the end of 1958 to the end of 1961 is the net of $51.6 million in capitalized inventories and $134.8 million in decreases. These decreases include $19.7 million in sale of stocks without replacement, $55 million in losses on disposal, $26 million in transfers without reimbursement and $34 million in inventory losses and adjustments. The latter were recorded largely in 1959, and resulted from a number of inventory and accounting corrections effected in that year.

Financing the budget program.—Funds for financing the budget program are derived from sales to authorized customers. Sales in 1961 are estimated to increase about $15 million over 1959, largely in general material, related to new items and in subsistence-commissary reflecting greater use of commissary stores. Cash receipts are expected to exceed expenditures by $8 million and $15 million in 1960 and 1961 respectively, primarily due to sale of stocks without replacement.

Operating results and financial condition.—Net losses of $29.6 and $30.9 million are forecast from 1960 and 1961 operations, respectively. These result largely from the disposal or donation of material in long-supply at the time of capitalization.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Purchase of goods for sale	$102,664,391	$108,652,000	$107,040,000
Transportation	69,091	305,000	360,000
Repair of unserviceable inventory	141,212	300,000	300,000
Increase (−) or decrease in current liabilities	−9,205,161	5,743,000	----------
Increase in advances	13,753	----------	----------
Total gross expenditures	93,683,286	115,000,000	107,700,000
Receipts from operations (funds provided):			
Reimbursable sales	107,850,129	123,000,000	122,700,000
Decrease in accounts receivable	1,144,490	----------	----------
Adjustment of prior year revenue	229	----------	----------
Total receipts from operations	108,994,848	123,000,000	122,700,000
Budget expenditures	−15,311,562	−8,000,000	−15,000,000

Revenue, Expense, and Retained Earnings

Revenue: Sale of goods	$107,850,129	$123,000,000	$122,700,000
Expense:			
Purchase of goods for sale	102,664,391	108,652,000	107,040,000
Transportation	69,091	305,000	360,000
Repair of unserviceable inventory	141,212	300,000	300,000
Inventory increase (−) or decrease from operations	−5,072,537	11,895,000	12,887,000
Inventory losses, net	29,941,936	1,919,000	2,139,000
Issues of inventory without reimbursement	1,628,883	4,360,000	2,475,000
Loss on disposal of inventory at less than standard prices	11,832,687	19,600,000	23,570,000
Total operating expense	141,205,663	147,031,000	148,771,000
Operating loss (−) for the year	−33,355,534	−24,031,000	−26,071,000
Markup or markdown (−) of inventory due to revision of standard prices	−998,103	1,008,000	----------
Donations (−):			
Military assistance program (Mutual Security Act of 1954, as amended, 22 U.S.C. 1751, 1812)	−735,810	−100,000	----------
Education, public health, or civil defense (40 U.S.C. 484(j)(1)(2))	−5,303,309	−6,520,000	−4,830,000
Net loss (−) for the year	−40,392,756	−29,643,000	−30,901,000
Analysis of deficit:			
Deficit (−), beginning of year	−21,090,739	−61,483,266	−91,126,266
Adjustment of prior year revenue	229	----------	----------
Deficit (−), end of year	−61,483,266	−91,126,266	−122,027,266

Financial Condition

Assets:			
Cash	$42,937,132	$26,937,132	$41,937,132
Accounts receivable, net	337,569	337,569	337,569
Inventories	392,970,995	359,166,995	322,025,995
Advances	32,647	32,647	32,647
Due in from undelivered purchases to be paid from other accounts	1,572,554	322,554	122,554
Total assets	437,850,897	386,796,897	364,455,897
Liabilities:			
Current: Accounts payable	20,257,249	14,514,249	14,514,249
Government investment:			
Non-interest-bearing capital:			
Start of year:			
Capitalized inventory, net	538,922,630	572,076,914	580,408,914
Cumulative transfers out (−), net	−68,000,000	−93,000,000	−117,000,000
Transferred to "Military personnel, Marine Corps" (72 Stat. 717; 73 Stat. 366)	−25,000,000	−24,000,000	----------
Net change in capitalized inventory	33,154,284	8,332,000	8,560,000
End of year	479,076,914	463,408,914	471,968,914
Deficit (−)	−61,483,266	−91,126,266	−122,027,266
Total Government investment	417,593,648	372,282,648	349,941,648

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Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash with Treasury	$52,625,570	$42,937,132	$26,937,132	$41,937,132
Unfilled military assistance orders		1,201,652	1,512,652	962,652
Total unexpended balance	52,625,570	44,138,784	28,449,784	42,899,784
Obligated balance, net:				
Current liabilities	11,052,088	20,257,249	14,514,249	14,514,249
Unpaid undelivered orders and unperformed contracts	16,978,835	21,896,483	27,089,483	31,989,483
Accounts receivable, net (−)	−1,482,059	−337,569	−337,569	−337,569
Unfilled customer orders (−)	−12,000,000	−12,000,000	−10,000,000	−8,000,000
Total obligated balance	14,548,864	29,816,163	31,266,163	38,166,163
Unobligated balance	38,076,706	14,322,621	−2,816,379	4,733,621

Object Classification

		1959 actual	1960 estimate	1961 estimate
03	Transportation of things	$69,091	$305,000	$360,000
07	Other contractual services	141,212	300,000	300,000
08	Supplies and materials	107,595,792	113,845,000	111,940,000
	Total obligations	107,806,095	114,450,000	112,600,000

Air Force Stock Fund

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Clothing	$51,723,842	$56,600,000	$50,200,000
Medical-dental	26,894,068	29,200,000	28,900,000
Aviation fuels	755,378,877	748,000,000	701,000,000
Subsistence—commissary	414,778,838	451,000,000	462,000,000
General material	63,916,252	52,000,000	61,800,000
Total program (obligations)	1,312,691,877	1,336,800,000	1,303,900,000
Financing:			
Amounts becoming available:			
Sale of goods:			
Clothing	57,783,028	64,800,000	55,000,000
Medical-dental	25,815,235	27,300,000	26,900,000
Aviation fuels	712,969,532	739,000,000	704,000,000
Subsistence—commissary	421,199,475	444,000,000	461,000,000
General material	60,713,694	63,900,000	66,100,000
Net sale of goods	1,278,480,964	1,339,000,000	1,313,000,000
Increase or decrease (−) in unfilled customer orders:			
Military assistance orders	10,892,386	850,868	−16,143,895
Other	995,416		
Adjustment of prior year revenue	−5,435,385		
Total amounts becoming available	1,284,933,381	1,339,850,868	1,296,856,105
Unobligated balance brought forward	171,892,230	144,133,734	97,184,602
Total amounts available	1,456,825,611	1,483,984,602	1,394,040,707
Unobligated balance transferred to "Military personnel, Air Force" (73 Stat. 367; 1961 appropriation act)		−50,000,000	−30,000,000
Unobligated balance carried forward	−144,133,734	−97,184,602	−60,140,707
Financing applied to program	1,312,691,877	1,336,800,000	1,303,900,000

This fund, established July 1, 1950, finances the procurement of approximately 92,000 items for resale and maintenance of operating and mobilization reserve stocks (5 U.S.C. 172d). These items are stocked and sold at approximately 1,700 locations. No significant changes from the present scope of operations are projected. Changes in capitalized inventory occurred in 1959, primarily attributable to the transfer to the single manager of medical material excess to requirements and by decapitalization of additional general material items directly related to operational capability of weapons systems. These were offset partially by capitalization of returns, mostly in organizational clothing. Additional returns without credit will be capitalized in 1960 and 1961. Changes in capitalized inventory by category are as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Clothing	$3,888,930	$1,654,000	$3,125,000
Medical-dental	−3,392,420		
Aviation fuels	34,655		
Subsistence—commissary	331,088		
General material	−13,350,840	2,916,000	2,894,000
Total inventories capitalized during year (net of decapitalizations)	−12,488,587	4,570,000	6,019,000
Decrease (−) in undelivered purchases to be paid from other accounts	−5,114,861		
Charges (−) against capital for loss on disposal of inventory surplus at time of capitalization	−21,304,386	−5,694,000	
Net change in capitalized inventories	−38,907,834	−1,124,000	6,019,000

Budget program.—Obligations increase by $24 million in 1960, primarily attributable to increased sales in the commissary stores. The decrease of $33 million in 1961 relates primarily to lower sales of aviation fuel products. The budget program provides for year-end inventories as follows:

[In millions]

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Clothing:				
Operating stocks	$39.1	$28.2	$19.9	$18.9
Mobilization reserve stocks	11.6	7.9	7.9	7.9
Excess or surplus stocks awaiting disposal	8.1	9.7	3.6	3.1
Medical-dental:				
Operating stocks	7.3	5.8	5.4	5.4
Mobilization reserve stocks	19.9	16.5	22.0	25.7
Excess or surplus stocks awaiting disposal	1.8	1.9	1.6	.9
Aviation fuels:				
Operating stocks	80.5	86.6	75.9	73.1
Mobilization reserve stocks	174.4	148.6	138.6	142.9
Subsistence—commissary:				
Operating stocks	54.3	49.0	49.8	50.5
Mobilization reserve stocks	5.2	4.7	4.7	4.7
General material:				
Operating stocks	90.6	70.8	64.6	58.7
Mobilization reserve stocks	1.2			
Excess or surplus stocks awaiting disposal	11.0	6.9	3.8	2.2
Summary:				
Operating stocks	271.8	240.4	215.6	206.6
Mobilization reserve stocks	212.3	177.7	173.2	181.2
Excess or surplus stocks awaiting disposal	20.9	18.6	9.0	6.2
Total	505.0	436.6	397.8	394.1

The decrease of $42.5 million from 1959 to 1961 is primarily attributable to reductions in operating stocks of clothing, aviation fuels, and general supplies, partially offset by an increase in mobilization reserve stocks of medical-dental material.

Financing the budget program.—Funds for financing the budget program are derived from sales to authorized customers. A transfer of $50 million will be made during 1960 to military personnel, Air Force, and a transfer of $30 million is proposed for 1961. Collections are estimated to exceed payments by $26.5 million in 1960 and $11 million in 1961, resulting primarily from reduced procurement requirements due to the drawdown of inventory in 1960 and reduction of accounts receivable in 1961.

Operating results and financial condition.—The net loss of $11.4 million in 1959 resulted primarily from downward revision of standard prices. The net losses in 1960 and 1961 result primarily from disposal of inventory at less than standard prices. The deficit of $197.4 million at June 30, 1961, is attributable largely to downward revision of standard prices for items initially capitalized, and losses sustained in the disposal of excess and surplus stocks.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Purchase of goods for sale, net	$1,175,457,671	$1,230,582,099	$1,231,206,600
Transportation	63,389,563	61,707,300	59,511,400
Other operating expense	16,504,341	25,041,000	23,447,000
Decrease in accounts payable	26,502,208	1,169,601	834,000
Increase in advances	150,186		
Total gross expenditures	1,282,003,969	1,318,500,000	1,314,999,000

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REVOLVING AND MANAGEMENT FUNDS—Con.

Intragovernmental funds—Continued

AIR FORCE STOCK FUND—Continued

Sources and Application of Funds (Operations)—Continued

	1959 actual	1960 estimate	1961 estimate
Receipts from operations (funds provided):			
Reimbursable sales	$1,278,480,964	$1,339,000,000	$1,313,000,000
Decrease in accounts receivable	36,950,172	6,000,000	12,999,000
Adjustment of prior year revenue	−5,435,385		
Total receipts from operations	1,309,995,751	1,345,000,000	1,325,999,000
Budget expenditures	−27,991,782	−26,500,000	−11,000,000

Revenue, Expense, and Retained Earnings

Revenue: Sale of goods	$1,278,480,964	$1,339,000,000	$1,313,000,000
Expense:			
Purchase of goods (at cost)	1,175,457,671	1,230,582,099	1,231,206,600
Transportation	63,389,563	61,707,300	59,511,400
Other operating expense	16,504,341	25,041,000	23,447,000
Inventory increase (−) or decrease from operations	19,780,288	19,192,601	−11,097,000
Inventory losses, net	13,977,717	9,001,000	8,525,000
Issues of inventory without reimbursement	419,125		
Loss on disposal of inventory at less than standard prices	4,220,720	14,618,000	11,834,000
Charges (−) to capital for loss on disposal of inventory surplus at time of capitalization	−21,304,386	−5,694,000	
Total operating expense	1,272,445,039	1,354,448,000	1,323,427,000
Operating gain or loss (−) for the year	6,035,925	−15,448,000	−10,427,000
Markdown (−) of inventory due to revision of standard prices	−16,746,317		
Donations (−) for education, public health, or civil defense (40 U.S.C. 484(j)(1)(2))	−689,776	−580,000	−513,000
Net loss (−) for the year	−11,400,168	−16,028,000	−10,940,000
Analysis of deficit (−):			
Deficit (−), beginning of year	−153,591,686	−170,427,239	−186,455,239
Adjustment of prior year revenue	−5,435,385		
Deficit (−), end of year	−170,427,239	−186,455,239	−197,395,239

Financial Condition

Assets:			
Cash	$276,057,769	$252,557,769	$233,557,769
Accounts receivable, net	165,035,067	159,035,067	146,036,067
Inventories	436,644,874	397,823,273	394,067,273
Advances	626,379	626,379	626,379
Total assets	878,364,089	810,042,488	774,287,488
Liabilities:			
Current: Accounts payable	136,962,016	135,792,415	134,958,415
Government investment:			
Non-interest-bearing capital:			
Start of year:			
Reappropriations, net	221,300,000	221,300,000	171,300,000
Capitalized inventory, net	729,437,146	690,529,312	689,405,312
Unobligated balance transferred to "Military personnel, Air Force" (73 Stat. 367; 1961 appropriation act)		−50,000,000	−30,000,000
Net change in capitalized inventory	−38,907,834	−1,124,000	6,019,000
End of year	911,829,312	860,705,312	836,724,312
Deficit (−)	−170,427,239	−186,455,239	−197,395,239
Total Government investment	741,402,073	674,250,073	639,329,073

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Casb with Treasury	$248,065,987	$276,057,769	$252,557,769	$233,557,769
Unfilled military assistance orders	4,400,641	15,293,027	16,143,895	
Total unexpended balance	252,466,628	291,350,796	268,701,664	233,557,769

Status of Certain Fund Balances—Continued

	1958 actual	1959 actual	1960 estimate	1961 estimate
Obligated balance, net:				
Accounts payable	$163,464,224	$136,962,016	$135,792,415	$134,958,415
Unpaid undelivered orders and unperformed contracts	126,405,098	183,595,214	203,064,815	192,799,815
Accounts receivable, net (−)	−201,985,239	−165,035,067	−159,035,067	−146,036,067
Unfilled customer orders (−)	−7,309,685	−8,305,101	−8,305,101	−8,305,101
Total obligated balance	80,574,398	147,217,062	171,517,062	173,417,062
Unobligated balance	171,892,230	144,133,734	97,184,602	60,140,707

Object Classification

		1959 ctual	1960 estimate	1961 estimate
03	Transportation of things	$63,389,563	$61,707,300	$59,511,400
07	Other contractual services	16,504,341	25,041,000	23,447,000
08	Supplies and materials	1,228,862,745	1,246,580,700	1,217,552,600
09	Equipment	3,935,228	3,471,000	3,389,000
	Total obligations	1,312,691,877	1,336,800,000	1,303,900,000

ARMY INDUSTRIAL FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Cost of goods and services produced:			
Printing and pictorial	$8,931,639	$7,709,000	$7,529,000
Depot manufacturing and maintenance divisions	31,755,805	33,093,000	32,691,000
Ordnance arsenals	257,628,202	269,033,000	271,744,000
Ordnance missile command	65,788,328	197,836,000	125,880,000
Ordnance proving ground and research	68,802,952	75,365,000	74,220,000
Chemical arsenals	12,961,043	14,960,000	26,283,000
Chemical proving grounds and research	60,132,160	66,877,000	66,442,000
Transportation terminal commands	91,530,795	88,841,000	87,394,000
Total cost of goods and services produced [1]	597,530,924	753,714,000	692,183,000
Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)			−1,814,000
Obligations incurred for costs of other years, net	7,395,091	22,149,000	
Total program (obligations)	604,926,015	775,863,000	690,369,000
Financing:			
Amounts becoming available: Customer orders received (other than military assistance orders):			
Printing and pictorial	7,754,559	7,544,000	7,529,000
Depot manufacturing and maintenance divisions	33,922,501	32,591,000	32,466,000
Ordnance arsenals	250,201,572	236,046,000	248,330,000
Ordnance missile command	70,169,940	216,181,000	107,154,000
Ordnance proving ground and research	69,358,150	65,478,000	66,000,000
Chemical arsenals	12,847,176	20,196,000	38,970,000
Chemical proving grounds and research	60,826,008	69,129,000	61,661,000
Transportation terminal commands	91,680,135	88,822,000	87,394,000
Total	596,760,041	735,987,000	649,504,000
Military assistance orders	4,062,819	−4,441,114	
Total amounts becoming available	600,822,860	731,545,886	649,504,000
Unobligated balance brought forward	444,686,226	440,583,071	396,265,957
Total amounts available	1,045,509,086	1,172,128,957	1,045,769,957
Unobligated balance carried forward	−440,583,071	−396,265,957	−355,400,957
Financing applied to program	604,926,015	775,863,000	690,369,000

[1] Excludes adjustment of prior year expense.

This revolving fund finances research and limited production of various goods and services needed by the three military services (5 U.S.C. 172d). The things produced are sold to appropriation accounts at cost. The fund is

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basically an accounting device designed to put the Army's industrial-type operations on a more businesslike basis and to create a degree of cost consciousness on the part of both buyer and seller. Activities financed through the fund generally operate at less than full capacity during peacetime. Current employment is about 60,000 civilian and 7,500 military personnel.

The Army's appropriations for Research, development, test, and evaluation; Procurement; and Operation and maintenance buy more than three-fourths of the industrial fund's output; relatively little is sold to Military personnel. The value of the production is not, therefore, directly related in any given year to the Army's troop strength and organizational structure. The program increase estimated for 1960 is the result of new activities being financed through the fund in 1960 rather than from expansion of the activities that were financed through the fund in 1959. The decrease in 1961 comes from transfer of the Army Missile Command's space work to the new National Aeronautics and Space Administration (NASA).

Budget program—Printing and pictorial.—The Army's pictorial center, located in a former movie studio on Long Island, is the source of most of the Army's training and educational films. It also produces the Army's "The Big Picture" television series.

Depot manufacturing and maintenance divisions.—These activities repair parachutes, clothing, jeeps and trucks, cranes, earthmovers, railroad cars, electric generators, pumps, etc. The Philadelphia clothing factory manufactures special and odd-lot textile products. The amount of work done varies with the Army's total equipment requirement, and with the amount of equipment on hand that can be repaired more cheaply than it can be bought new.

Ordnance arsenals, proving grounds, and research.—These activities, accounting for about half of the industrial fund's total employment, do the planning and testing work for practically all of the weapons associated with Army ground troops, including rifles, machineguns, ammunition, tanks, and vehicles. The increased program expected in 1960 and 1961 is tied directly to new atomic weapons and warheads, new rocket-propelled missiles, and the new NATO standard rifle and machinegun. The arsenals are a well established, unique Army system for coordinating American industry's production of ordnance weapons.

Ordnance missile command.—This is the Huntsville, Ala., team working on research, engineering, and basic planning of the Army's big missile programs, including Redstone, Pershing, Nike, Hawk, Corporal, Lacrosse, and Sergeant. They also work on non-Army projects such as NASA's Saturn space vehicle. A portion of these activities, which are new to industrial fund financing in 1960, will be transferred to NASA in 1961.

Chemical arsenals, proving grounds, and research.—These activities develop, test, and make disabling and deadly chemical, biological, and radiological weapons and defensive equipment. They provide much of the free world's capability in this potentially vital area.

Transportation terminal commands.—This includes the operation of Army ports on the Atlantic, Pacific, and gulf coasts. About 8,000 people are employed in peacetime including 1,000 military. Workload is expected to decrease slightly in 1960 and 1961 in line with less new material being needed overseas and less of the material there being shipped back. Estimated workload is:

	1959 actual	*1960 estimate*	*1961 estimate*
Cargo in measurement tons (40 cubic feet)	8,262,771	7,670,555	7,648,746
Passengers	549,870	590,849	590,820

Relation of costs to obligations.—Industrial fund costs, that is, the value of labor and material actually used, will normally be about the same as obligations. In 1959 and 1960, however, obligations are slightly higher than costs because of the additional material and supplies required by the new activities. These obligations will be costs in future years. The following table presents the relationship of costs to obligations in detail:

Selected resources at end of year: Inventory and items on order:	*1958 actual*	*1959 actual*	*1960 estimate*	*1961 estimate*
Materials and supplies	$25,271,870	$24,748,918	$41,653,818	$32,326,434
Advances	1,832,772	1,302,254	1,259,675	1,234,675
Provision for subsequent maintenance, claims, etc (−)	−1,701,829	−956,712	−782,751	−669,751
Unpaid undelivered orders	73,153,717	80,381,311	93,034,993	103,111,377
Total selected resources at end of year	98,556,530	105,475,771	135,165,735	136,002,735
Selected resources at start of year (−)	−98,556,530	−105,475,771	−135,165,735	−135,165,735
Increase in selected resources		6,919,241	29,689,964	837,000
Materials and supplies capitalized (−) or decapitalized		451,750	−11,076,929	
Inventory adjustment credited (−) to prior year revenue		−2,533		
Liabilities assumed or canceled (−): Accrued leave		339,111	3,535,965	−2,651,000
Adjustment of prior year expense		−312,478		
Costs financed from obligations of other years, net (−)				−1,814,000
Obligations incurred for costs of other years, net		7,395,091	22,149,000	

Operating results and financial condition.—The fund experienced a net loss of $1.1 million, 0.2% of total sales, in 1959 due to the impossibility of fixing selling prices at the exact break-even point. No gain or loss is anticipated in 1960 or 1961. Cash receipts exceeded cash expenditures by $573,000 in 1959 and are expected to be equal in 1960 and 1961. The Government's investment in the fund at the end of 1961 is estimated to be $233.2 million, consisting of $206.9 million of reappropriations, $24.4 million of capitalized assets, and $1.9 million of earnings. Of this total, about $160 million is required for working capital for activities currently under the fund and the balance will provide working capital for either expansion of present activities or initial industrial funding of new activities.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Purchase of materials and supplies	$80,166,400	$140,176,031	$103,898,564
Costs, less material and supplies used	517,290,789	619,365,940	578,957,052
Liabilities assumed or canceled (−): Accrued leave	339,111	3,535,965	−2,651,000
Adjustment of prior year expense	−312,478		
Increase (−) or decrease in current liabilities	−3,334,860	−7,257,555	2,458,885
Decrease in provision for subsequent maintenance, claims, etc	745,117	173,961	113,000
Decrease (−) in advances made and deferred charges	−616,884	−29,131	−30,000
Total gross expenditures	594,277,195	755,965,211	682,746,501
Receipts from operations (funds provided):			
Revenue	584,729,071	758,837,000	691,260,000
Sales against withdrawal credits (−)	−251,335		
Adjustment of prior year revenue	−14,777		
Increase (−) or decrease in accounts receivable	10,702,837	−2,856,725	−8,513,499
Decrease (−) in advances from non-Federal sources	−315,592	−15,064	
Total receipts from operations	594,850,204	755,965,211	682,746,501
Budget expenditures	−573,009		

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REVOLVING AND MANAGEMENT FUNDS—Con.

Intragovernmental funds—Continued

Army Industrial Fund—Continued

Revenue, Expense, and Retained Earnings

	1959 actual	1960 estimate	1961 estimate
Revenue:			
Manufacturing and assembly	$130,462,142	$148,513,000	$157,972,000
Overhaul and repair	32,343,595	37,906,000	40,441,000
Research and development	174,828,640	326,263,000	237,088,000
Transportation	71,007,519	66,220,000	65,025,000
Printing	618,848	570,000	600,000
Supply services	28,967,036	31,750,000	33,916,000
Capital additions and improvements	7,893,931	13,437,000	14,918,000
Support of tenants and satellites	22,240,913	29,972,000	30,626,000
Support of reserve industrial capacity	10,089,319	8,975,000	10,816,000
Other revenue	106,277,128	95,231,000	99,858,000
Total revenue	584,729,071	758,837,000	691,260,000
Expense:			
Direct costs incurred:			
Labor	158,000,336	207,145,000	189,550,000
Material used	58,750,656	92,517,000	84,099,000
Contractual services	127,165,485	145,007,000	140,822,000
Other direct costs	26,858,909	41,076,000	37,568,000
Total direct costs	370,775,386	485,745,000	452,039,000
Indirect costs incurred:			
Manufacturing expense	126,582,911	157,575,000	140,353,000
General and administrative expense	100,312,888	110,494,000	99,896,000
Goods manufactured for inventory (−)	−140,261	−100,000	−105,000
Cost of goods and services produced	597,530,924	753,714,000	692,183,000
Increase (−) or decrease in unbilled costs	−11,707,898	5,123,000	−923,000
Cost of goods and services sold	585,823,026	758,837,000	691,260,000
Net loss (−) for the year	−1,093,955		
Analysis of retained earnings:			
Retained earnings, beginning of year	2,661,011	1,867,290	1,867,290
Adjustment of prior year revenue	−14,777		
Adjustment of prior year expense	312,478		
Inventory adjustment credited to prior year revenue	2,533		
Retained earnings, end of year	1,867,290	1,867,290	1,867,290

Financial Condition

Assets:			
Cash with Treasury	$186,619,651	$186,619,651	$186,619,651
Accounts receivable, net	12,665,762	15,522,487	24,035,986
Inventories:			
Work in process	76,929,326	69,766,266	70,574,266
Less progress billings	4,798,230	2,758,170	2,643,170
Net unbilled costs	72,131,096	67,008,096	67,931,096
Materials and supplies	24,748,918	41,653,818	32,326,434
Net inventories	96,880,014	108,661,914	100,257,530
Advances	1,302,254	1,259,675	1,234,675
Deferred charges: Items in transit	16,552	30,000	25,000
Total assets	297,484,233	312,093,727	312,172,842
Liabilities:			
Current	73,109,211	80,366,766	77,907,881
Advances from non-Federal sources	412,691	397,627	397,627
Provision for subsequent maintenance, claims, etc	956,712	782,751	669,751
Total liabilities	74,478,614	81,547,144	78,975,259
Government investment:			
Non-interest-bearing capital:			
Start of year	221,929,190	221,138,329	228,679,293
Assets capitalized or decapitalized (−)	−451,750	11,076,929	
Liabilities assumed (−) or cancelled, net	−339,111	−3,535,965	2,651,000
End of year	221,138,329	228,679,293	231,330,293
Retained earnings	1,867,290	1,867,290	1,867,290
Total Government investment	223,005,619	230,546,583	233,197,583

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash with Treasury	$186,046,642	$186,619,651	$186,619,651	$186,619,651
Unfilled military assistance orders	1,164,544	5,110,425	469,311	269,311
Total unexpended balance	187,211,186	191,730,076	187,088,962	186,888,962

Status of Certain Fund Balances—Continued

	1958 actual	1959 actual	1960 estimate	1961 estimate
Obligated balance, net:				
Current liabilities	$69,774,351	$73,109,211	$80,366,766	$77,907,881
Advances from non-Federal sources	728,283	412,691	397,627	397,627
Unpaid undelivered orders	73,153,717	80,381,311	93,034,993	103,111,377
Accounts receivable, net, and items in transit (−)	−23,471,517	−12,682,314	−15,552,487	−24,060,986
Unbilled balance of customer orders (−)	−377,659,874	−390,073,894	−367,423,894	−325,867,894
Total obligated balance	−257,475,040	−248,852,995	−209,176,995	−168,511,995
Unobligated balance	444,686,226	440,583,071	396,265,957	355,400,957

Object Classification

	1959 actual	1960 estimate	1961 estimate
ARMY			
Total number of permanent positions	56,518	62,200	57,535
Full-time equivalent of all other positions	559	804	698
Average number of all employees	55,496	61,127	56,403
Number of employees at end of year	55,716	61,260	56,211
Average GS grade and salary	7.1 $5,968	7.5 $6,331	7.5 $6,340
Average salary of ungraded positions	$5,237	$5,241	$5,247
01 Personal services:			
Permanent positions	$309,995,307	$341,699,930	$311,173,851
Positions other than permanent	2,550,158	3,678,271	3,194,000
Other personal services	11,105,593	14,771,526	13,022,695
Excess of annual leave earned over leave taken	1,958,212	5,080,378	
Deduct excess of annual leave taken over leave earned			1,506,546
Total personal services	325,609,270	365,230,105	325,884,000
02 Travel	6,419,642	8,723,254	9,393,377
03 Transportation of things	2,785,649	3,721,883	3,798,807
04 Communication services	2,622,905	2,679,087	2,660,250
05 Rents and utility services	6,928,125	7,266,470	7,982,792
06 Printing and reproduction	532,830	467,554	468,452
07 Other contractual services	143,119,746	195,034,004	185,323,635
08 Supplies and materials	80,166,400	140,176,031	103,898,564
09 Equipment	8,481,848	14,675,880	16,780,684
10 Lands and structures	246,067	210,000	150,000
11 Grants, subsidies, and contributions	20,525,711	24,114,111	22,967,679
13 Refunds, awards, and indemnities	444,091	425,941	445,513
15 Taxes and assessments	345,955	527,577	563,863
Total accrued expenditures	598,228,239	763,251,897	680,317,616
Increase in unpaid undelivered orders and advances made	6,697,076	12,611,103	10,051,384
Total, Army	604,925,315	775,863,000	690,369,000
ALLOCATION TO DEPARTMENT OF THE INTERIOR			
01 Personal services: Permanent positions	624		
02 Travel	66		
07 Other contractual services	1		
11 Grants, subsidies, and contributions	9		
Total, Department of the Interior	700		
Total obligations	604,926,015	775,863,000	690,369,000

Navy Industrial Fund

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Cost of goods and services produced:			
Navy printing plants	$11,397,985	$12,300,000	$12,250,000
Naval ordnance plants	133,101,735	155,600,000	153,000,000
Naval shipyards	865,023,136	841,300,000	831,000,000
Military Sea Transportation Service	414,007,691	390,000,000	373,000,000
Marine Corps clothing and equipment factory	5,020,054	6,250,000	6,500,000
Naval research activities	75,107,384	89,150,000	86,750,000
Naval base service activities	22,295,390	33,000,000	32,800,000
Naval aircraft maintenance facilities	3,141,722	19,800,000	19,800,000
Total cost of goods and services produced [1]	1,529,095,097	1,547,400,000	1,515,100,000

[1] Excludes adjustment of prior year expense.

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Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
Relation of costs to obligations:			
Costs financed from obligations of other years, net (—)		—$44,851,557	—$20,951,260
Obligations incurred for costs of other years, net	$128,403,687		
Total program (obligations)	1,657,498,784	1,502,548,443	1,494,148,740
Financing:			
Amounts becoming available: Customer orders received:			
Navy printing plants	11,329,960	12,240,000	12,200,000
Naval ordnance plants	157,060,818	156,190,000	151,060,000
Naval shipyards	1,010,309,228	763,360,000	839,500,000
Military Sea Transportation Service	410,779,527	389,900,000	372,900,000
Marine Corps clothing and equipment factory	6,343,145	7,870,000	6,810,000
Naval research activities	66,740,848	82,100,000	79,700,000
Naval base service activities	22,097,594	32,920,000	32,790,000
Naval aircraft maintenance facilities	3,211,844	19,820,000	19,740,000
Total amounts becoming available	1,687,872,964	1,464,400,000	1,514,700,000
Unobligated balance brought forward	764,356,041	779,730,221	741,581,778
Total amounts available	2,452,229,005	2,244,130,221	2,256,281,778
Unobligated balance transferred to "Military personnel, Navy" (72 Stat. 716)	—15,000,000		
Unobligated balance carried forward (—)	—779,730,221	—741,581,778	—762,133,038
Financing applied to program	1,657,498,784	1,502,548,443	1,494,148,740

This fund finances 58 industrial and commercial type activities on a reimbursable basis (5 U.S.C. 172d).

Budget program—Navy printing plants.—These estimates cover 28 plants including 5 overseas. One plant was established during 1960. Costs increase in 1960 and 1961 because of the additional plant and a slight increase in workload at the other plants. A stable price level for services is reflected in 1960 and 1961.

Naval ordnance plants.—This program includes 8 plants performing work relating to guns and mounts, torpedoes, explosives, fuses, avionics equipment, missile launchers, and other items of ordnance and ammunition. Costs increase in 1960 and 1961 since one activity was financed under the fund during only part of 1959, and because of increased material costs resulting from subcontracting for major torpedo components. Workload is expected to increase slightly in 1960 followed by a slight reduction in 1961.

Naval shipyards.—These include 11 shipyards and 1 ship repair facility. The cost of goods and services produced decreases by $24 million in 1960 and an additional $10 million in 1961, due primarily to increases in overhaul and repair of ships and decreases in shipbuilding and conversion work for 1960, and decreases in overhaul and repair and shipbuilding and conversion work for 1961.

Military Sea Transportation Service.—This organization provides ocean transportation of dry cargo, passengers, and petroleum. Estimates reflect costs of operating Government-owned ships and procuring commercial transportation. Revenue is received from billings to customers on the basis of published tariff rates for point-to-point lift, on a per diem basis for use of ships, or on the basis of costs applied. The number of Government-owned passenger ships operated is reduced from 23 to 17 during 1960, and costs decrease accordingly during 1960 and 1961, since relatively more Army passengers will move by air. Workload and costs for petroleum ships decline in 1960 in comparison with 1959 which reflects the large demands for petroleum caused by the Lebanon and Taiwan incidents. Cargo ship workload and costs decline in 1961 due to reduced requirements for overseas movement of cargo. Workload and cost trends are as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Cargo ships:			
Measurement tons (cargo)	11,933,379	11,600,000	10,930,000
Per diem ship-days	9,429	9,800	9,450
Cost	$243,691,375	$240,800,000	$227,800,000
Passenger ships:			
Cabin passengers	177,787	162,000	144,000
Troop passengers	334,156	309,000	268,000
Total passengers	511,943	471,000	412,000
Per diem ship-days	240		
Cost	$72,463,421	$61,800,000	$55,900,000
Petroleum ships:			
Long tons (petroleum)	16,361,999	13,335,000	13,885,000
Per diem ship-days	2,136	2,250	2,250
Cost	$93,423,251	$84,400,000	$86,300,000
Arctic operations and miscellaneous (cost reimbursable)	$4,429,644	$3,000,000	$3,000,000
Total costs	$414,007,691	$390,000,000	$373,000,000

Marine Corps clothing and equipment factory.—This factory serves as a pilot production plant to test design specifications and production methods, and also manufactures clothing and textile items needed on short notice, in small lots, or under other conditions making commercial procurement impracticable. Increases of $1.2 million in 1960 and an additional $300,000 in 1961 reflect additional labor and material requirements for increased workload.

Naval research activities.—These include the Naval Research Laboratory, the David Taylor Model Basin, and the Naval Ordnance Laboratory, Corona, Calif. Cost increases of $14 million in 1960 consist primarily of increased material costs and contractual services relating to work accomplished by the Naval Research Laboratory, and increased wages and contractual services relating to an increased workload for the Naval Ordnance Laboratory.

Naval base service activities.—These include 3 public works centers which provide maintenance and custodial services, utility services, and transportation services, and a transportation center which provides transportation and vehicle repairs for adjacent commands. Costs increase by $10.7 million in 1960 primarily because an additional activity is reflected in that year. Workload and operating levels are estimated to remain stable through 1960 and 1961.

Naval aircraft maintenance facilities.—This covers the overhaul and repair department of the Naval Air Station, Quonset Point, R.I., which performs rework of aircraft and aircraft accessories, and the manufacture of aircraft parts and assemblies. This activity was financed through the fund for only 2 months in 1959. Workload for 1960 and 1961 is expected to be slightly higher than in 1959 due to increased aircraft, engine and aviation spares rework.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources and applicable adjustments, as reflected in the following table:

Selected resources at end of year: Inventory and items on order:	*1958 actual*	*1959 actual*	*1960 estimate*	*1961 estimate*
Materials and supplies	$100,233,743	$102,193,134	$101,793,134	$101,593,134
Advances and deferred charges	10,021,946	6,435,566	1,935,566	335,566
Provision for subsequent maintenance, claims, etc. (—)	—21,646,465	—17,580,013	—17,180,013	—17,180,013
Unpaid undelivered orders	162,236,737	288,725,577	251,759,242	232,607,982
Total selected resources at end of year	250,845,961	379,774,264	338,307,929	317,356,669
Selected resources at start of year (—)	—250,845,961	—379,774,264	—338,307,929	—338,307,929
Increase or decrease (—) in selected resources		128,928,303	—41,466,335	—20,951,260
Materials and supplies capitalized (—) or decapitalized		750,164	—189,060	
Inventory adjustment credited (—) to prior year income		—140,102		
Liabilities assumed: Accrued leave		2,426,793	403,838	
Adjustment of prior year expense		—3,561,471	—3,600,000	
Costs financed from obligations of other years, net (—)			—44,851,557	—20,951,260
Obligations incurred for costs of other years, net		128,403,687		

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REVOLVING AND MANAGEMENT FUNDS—Con.

Intragovernmental funds—Continued

NAVY INDUSTRIAL FUND—Continued

Obligations exceeded costs by $128 million in 1959, largely because of an increase of $126 million in unpaid undelivered orders. Of this increase, $109 million occurred in the Military Sea Transportation Service, related largely to the execution of long-term charters for commercial petroleum ships in 1959. Costs exceed obligations by $45 million in 1960 and $21 million in 1961, due largely to the trend in unpaid undelivered orders. This also relates primarily to the Military Sea Transportation Service, reflecting reductions in the unperformed balance of the long-term contracts.

Financing the budget program.—This program is financed by orders received from customer appropriations, which authorize industrial fund installations to incur costs in performing the work or services required. Orders received are estimated to decrease by $223 million in 1960 and to increase by $50 million in 1961. Except for shipyards, orders closely follow the cost trends discussed above. The shipyards received, in 1959, a large volume of orders for shipbuilding work, which will finance work undertaken in 1960 and later. New orders received by shipyards are accordingly expected to decline by $247 million in 1960. The increase of $76 million in 1961 also relates to shipbuilding and conversion, and the orders involved will largely finance work after 1961.

Operating results and financial condition.—The following table presents 1959 revenue and expense by activity:

	Revenue	*Expense*	*Gain or loss (−)*
Navy printing plants	$11,373,052	$11,353,307	$19,745
Naval ordnance plants	128,669,036	127,502,975	1,166,061
Naval shipyards	867,361,843	867,912,367	−550,524
Military Sea Transportation Service	411,997,556	414,007,691	−2,010,135
Marine Corps clothing and equipment factory	5,122,427	4,955,802	166,625
Naval research activities	74,746,265	74,503,563	242,702
Naval base service activities	21,793,447	21,990,398	−196,951
Naval aircraft maintenance facilities	1,005,294	937,998	67,296
Total	1,522,068,920	1,523,164,101	−1,095,181

Retained earnings increased by $2.6 million in 1959, the net of $1.1 million net loss for the year, less than 0.1% of sales, plus $3.7 million in adjustments of prior year revenue, expense, and inventory. During 1959, the sum of $15 million was transferred to Military personnel, Navy. The total Government investment at June 30, 1961, is estimated at $293.4 million, which consists of $303.1 million in reappropriations and $25.3 million in retained earnings, less $35 million which represents excess of liabilities assumed over assets capitalized.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures:			
Purchase of materials and supplies	$272,716,254	$280,200,000	$283,200,000
Costs, less materials and supplies used	1,258,948,296	1,266,610,940	1,231,700,000
Liabilities assumed: Accrued leave	2,426,793	403,838	
Adjustment of prior year expense	−3,561,471	−3,600,000	
Increase (−) or decrease in current liabilities	−836,473	6,860,222	4,745,000
Decrease in provision for subsequent maintenance, claims, etc	4,066,452	400,000	
Decrease in advances made and deferred charges (−)	−3,586,380	−4,500,000	−1,600,000
Total gross expenditures	1,530,173,471	1,546,375,000	1,518,045,000
Receipts from operations:			
Revenue	1,522,068,920	1,544,000,000	1,517,000,000
Adjustment of prior year revenue	−48,847		
Increase (−) or decrease in accounts receivable	−$9,023,454	$2,575,000	$1,345,000
Increase or decrease (−) in advances from non-Federal sources	55,101	−100,000	−200,000
Decrease (−) in billings for unterminated voyages	−1,175,137	−100,000	−100,000
Total receipts from operations	1,511,876,583	1,546,375,000	1,518,045,000
Budget expenditures	18,296,888		

Revenue, Expense, and Retained Earnings

Revenue:			
Manufacturing and assembly	$118,575,516	$137,000,000	$131,900,000
Overhaul and repair	355,140,556	387,900,000	386,900,000
Construction and conversion of ships	388,919,889	359,550,000	356,100,000
Research and development	89,084,351	106,200,000	105,900,000
Receipt, stowage, and issue of ammunition	401,779	2,500,000	3,000,000
Transportation	409,112,255	390,000,000	373,000,000
Utilities and sanitation services	6,196,153	9,350,000	9,500,000
Printing	11,301,097	12,150,000	12,150,000
Supply services	36,424,524	34,600,000	34,500,000
Capital additions and improvements	2,932,601	3,200,000	3,250,000
Support of reserve industrial capacity	1,077,828	1,300,000	950,000
Other income	102,902,371	100,250,000	99,850,000
Total revenue	1,522,068,920	1,544,000,000	1,517,000,000
Expense:			
Direct costs incurred:			
Labor	498,351,666	509,000,000	501,700,000
Material used	214,159,929	223,000,000	218,200,000
Contractual services	335,844,341	325,000,000	307,700,000
Other direct costs	67,627,887	66,000,000	68,000,000
Total direct costs	1,115,983,823	1,123,000,000	1,095,600,000
Indirect costs incurred:			
Manufacturing expense	164,173,754	171,700,000	169,700,000
General and administrative expense	261,062,021	261,400,000	258,500,000
Goods manufactured for inventory (−)	−12,124,501	−8,700,000	−8,700,000
Cost of goods and services produced	1,529,095,097	1,547,400,000	1,515,100,000
Increase (−) or decrease in unbilled costs	−5,930,996	−3,400,000	1,900,000
Cost of goods and services sold	1,523,164,101	1,544,000,000	1,517,000,000
Net loss (−) for the year	−1,095,181		
Analysis of retained earnings:			
Retained earnings, beginning of year	19,127,914	21,685,459	25,285,459
Adjustment of prior year revenue	−48,847		
Adjustment of prior year expense	3,561,471	3,600,000	
Inventory adjustment credited to prior year revenue	140,102		
Retained earnings, end of year	21,685,459	25,285,459	25,285,459

Financial Condition

Assets:			
Cash with Treasury	$133,503,203	$133,503,203	$133,503,203
Accounts receivable, net	86,276,276	83,701,276	82,356,276
Inventories:			
Work in process	166,025,251	157,641,331	155,741,331
Less progress billings	29,965,633	18,181,713	18,181,713
Net unbilled costs	136,059,618	139,459,618	137,559,618
Materials and supplies	102,193,134	101,793,134	101,593,134
Net inventories	238,252,752	241,252,752	239,152,752
Advances	812,044	212,044	212,044
Deferred charges	5,623,522	1,723,522	123,522
Total assets	464,467,797	460,392,797	455,347,797
Liabilities:			
Current	151,194,298	144,334,076	139,589,076
Advances from non-Federal sources	2,170,623	2,070,623	1,870,623
Billings for unterminated voyages	3,513,207	3,413,207	3,313,207
Provision for subsequent maintenance, claims, etc	17,580,013	17,180,013	17,180,013
Total liabilities	174,458,141	166,997,919	161,952,919
Government investment:			
Non-interest-bearing capital:			
Start of year	286,501,154	268,324,197	268,109,419
Unobligated balance transferred to "Military personnel, Navy" (72 Stat. 716)	−15,000,000		
Assets capitalized or decapitalized (−)	−750,164	189,060	
Liabilities assumed (−)	−2,426,793	−403,838	
End of year	268,324,197	268,109,419	268,109,419
Retained earnings	21,685,459	25,285,459	25,285,459
Total Government investment	290,009,656	293,394,878	293,394,878

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Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash with Treasury	$166,800,091	$133,503,203	$133,503,203	$133,503,203
Obligated balance, net:				
Current liabilities	150,357,825	151,194,298	144,334,076	139,589,076
Advances from non-Federal sources	2,115,522	2,170,623	2,070,623	1,870,623
Unpaid undelivered orders	162,236,737	288,725,577	251,759,242	232,607,982
Accounts receivable, net (−)	−77,252,822	−86,276,276	−83,701,276	−82,356,276
Unbilled balance of customer orders (−)	−835,013,212	−1,002,041,240	−922,541,240	−920,341,240
Total obligated balance	−597,555,950	−646,227,018	−608,078,575	−628,629,835
Unobligated balance	764,356,041	779,730,221	741,581,778	762,133,038

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	139,926	139,996	137,500
Full-time equivalent of all other positions	473	399	356
Average number of all employees	133,573	136,572	135,120
Number of employees at end of year	136,502	135,635	134,877
Average GS grade and salary	6.7 $5,715	6.7 $5,727	6.7 $5,740
Average salary of ungraded positions	$5,530	$5,619	$5,569
01 Personal services:			
Permanent positions	$740,866,244	$769,449,982	$762,803,214
Positions other than permanent	2,658,255	2,446,290	2,201,432
Other personal services	53,813,851	36,826,935	32,970,827
Excess of annual leave earned over leave taken	3,741,070		
Deduct excess of annual leave taken over leave earned		219,767	806,436
Total personal services	801,079,420	808,503,440	797,169,037
02 Travel	4,297,852	4,500,000	4,500,000
03 Transportation of things	3,098,351	3,100,000	3,100,000
04 Communcation services	2,681,914	3,000,000	3,000,000
05 Rents and utility services	16,635,247	18,100,000	18,200,000
06 Printing and reproduction	2,040,536	2,000,000	2,100,000
07 Other contractual services	371,278,168	352,811,338	344,330,963
08 Supplies and materials	272,716,254	280,200,000	283,200,000
09 Equipment	6,647,756	14,300,000	5,700,000
11 Grants, subsidies, and contributions	49,791,549	52,000,000	50,400,000
12 Pensions, annuities, and insurance claims	260,866	300,000	300,000
13 Refunds, awards, and indemnities	832,738	900,000	900,000
15 Taxes and assessments	397,608	400,000	400,000
Total accrued expenditures	1,531,758,259	1,540,114,778	1,513,300,000
Increase or decrease (−) in undelivered orders and advances made	125,740,525	−37,566,335	−19,151,260
Total obligations	1,657,498,784	1,502,548,443	1,494,148,740

Air Force Industrial Fund

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Cost of goods and services produced:			
Printing and duplicating	$7,861,776	$8,236,000	$8,374,000
Laundry and dry cleaning	7,212,507	7,210,000	7,069,000
Military Air Transport Service	274,340,699	297,907,000	285,963,000
Total cost of goods and services produced [1]	289,414,982	313,353,000	301,406,000
Relation of cost to obligations:			
Costs financed from obligations of other years, net (−)		−2,571,733	−1,000
Obligations incurred for costs of other years, net	14,192,482		
Total program (obligations)	303,607,464	310,781,267	301,405,000
Financing:			
Amounts becoming available: Customer orders received:			
Printing and duplicating	7,878,883	8,236,000	8,374,000
Laundry and dry cleaning	7,494,668	7,210,000	7,069,000
Military Air Transport Service	288,197,045	297,907,000	285,963,000
Total amounts becoming available	303,570,596	313,353,000	301,406,000
Unobligated balance brought forward	80,931,628	72,894,760	73,822,466
Total amounts available	384,502,224	386,247,760	375,228,466
Payment of earnings to Treasury (72 Stat. 729) (−)	−8,000,000	−1,644,027	
Unobligated balance carried forward	−72,894,760	−73,822,466	−73,823,466
Financing applied to program	303,607,464	310,781,267	301,405,000

[1] Excludes adjustment of prior year expense.

This fund finances industrial and commercial type activities on a reimbursable basis (5 U.S.C. 172d).

Budget program—Printing and duplicating service.—These estimates cover nine printing and duplicating plants. Production in 1959 was approximately 1.9 billion printing units and is estimated to increase to 2.1 billion in 1960 and 2.2 billion in 1961. The increases are due to a further consolidation of duplicating workload into the printing plants, a full year's operation under this fund for one plant which was financed through the fund starting October 1, 1958, and increased productivity because of upgrading of equipment.

Laundry and dry cleaning service.—At June 30, 1959, this included 48 plants. One plant will be activated and two plants deactivated during 1960 and two additional plants will be deactivated during 1961. Total production in 1961 is estimated at approximately 101.8 million pieces of laundry and dry cleaning as compared with 103.8 million for 1959 and 1960.

Military Air Transport Service.—The airlift service portion of the Military Air Transport Service was included under this fund on July 1, 1958. The purpose of the airlift service is to insure that the approved D-day and wartime requirements of the Department of Defense are met. This requires that military air transport forces be available for initial emergency combat deployments and other military requirements which cannot be satisfied by surface movement or by nonmilitary airlift efforts. Commercial airlift is relied on to supplement a minimum military force. As an integral part of the combat forces, military transport aircraft and support forces must train and exercise in peacetime at a rate from which they can expand effectively in an emergency, thus producing an airlift capability. Economy dictates use of this military capability in meeting peacetime airlift requirements.

Aircraft will be utilized for air evacuation of patients, special air missions, training of airborne troops, and, as augmented by commercial aircraft, common-user airlift for passengers, cargo, and mail. Airlift service workload and operating data are as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Average number of operating aircraft:			
Common-user	450	440	408
Other	96	87	77
Total	546	527	485
	In millions		
Airlift accomplished (common-user):			
Cargo and mail ton-miles	872.6	855.9	715.9
Passenger-miles	3,864.6	4,018.5	4,136.4

Relation of costs to obligations.—The relationship of costs to obligations is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventory and items on order:				
Materials and supplies	$759,252	$893,395	$912,395	$897,395
Advances		22,702		
Deferred charges	1,782	302,053	322,027	332,027
Unpaid undelivered orders	208,483	12,815,472	10,227,467	10,231,467
Total selected resources at end of year	969,517	14,033,622	11,461,889	11,460,889
Selected resources at start of year (−)	−969,517	−14,033,622	−11,461,889	−11,461,889
Materials and supplies capitalized (−)		−22,115		
Liabilities assumed: Accrued leave		1,058,967		
Adjustment of prior year expense		91,525		
Costs financed from obligations of other years, net (−)			−2,571,733	−1,000
Obligations incurred for costs of other years, net	14,192,482			

Fixed annual contracts for commercial airlift were effective on October 1, 1958, so that approximately one-fourth of the amounts of these contracts were outstanding on June 30, 1959. This caused unpaid undelivered orders to increase in 1959—the principal reason for obligations in

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REVOLVING AND MANAGEMENT FUNDS—Con.

Intragovernmental funds—Continued

AIR FORCE INDUSTRIAL FUND—Continued

excess of costs for that year. The estimates for 1960 and 1961 reflect continuation of fixed annual contracts for commercial airlift to be effective from October 1 to September 30 of each year.

Financing the budget program.—This program is financed by customer orders for services. These orders constitute valid obligations of the ordering appropriations and authorize activities financed through the fund to provide services requested. Costs are charged initially to the working capital of the fund and are billed to customers on the basis of established tariff rates for services provided.

Operating results and financial condition.—For 1959, revenue exceeded expense by $14.1 million, or 4.9%. Section 634 of the 1959 appropriation act (72 Stat. 729) provided that "of the funds made available by this act for the services of the Military Air Transport Service, $80 million shall be available only for procurement of commercial air transportation service." During 1959, a total of $70.4 million in commercial airlift was purchased. The difference between this amount and the $80 million specified has been deposited in the Treasury as miscellaneous receipts.

Expenditures exceeded collections by $31.4 million in 1959, reflecting the initial impact of the operation of airlift service under the fund. This results from a greater time period to effect collections than to liquidate liabilities. There was an unusually low balance of current liabilities at the end of 1959. It is estimated that collections will exceed expenditures by $13.2 million in 1960, and by $1.4 million in 1961, primarily as a result of establishing a normal level of current liabilities at the end of 1960. Government investment is estimated at $85.3 million at June 30, 1961, consisting of $81 million in reappropriations and transfers and $5.1 million in retained earnings less $0.8 million representing the excess of liabilities assumed over assets capitalized.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Purchase of materials and supplies	$87,643,911	$89,523,700	$85,246,400
Costs, less materials and supplies used	201,883,100	223,848,300	216,144,600
Liabilities assumed: Accrued leave	1,058,967		
Adjustment of prior year expense	91,525		
Increase (−) in current liabilities	−17,199,406	−10,891,595	−2,158,000
Increase in deferred charges	300,271	19,974	10,000
Increase or decrease (−) in advances made	22,702	−22,702	
Total gross expenditures	273,801,070	302,477,677	299,243,000
Receipts from operations (funds provided):			
Revenue	303,561,837	313,346,000	301,399,000
Adjustment of prior year revenue	10,398		
Increase (−) or decrease in accounts receivable	−61,157,928	2,331,677	−756,000
Decrease (−) in advances from non-Federal sources	−120		
Total receipts from operations	242,414,187	315,677,677	300,643,000
Budget expenditures	31,386,883	−13,200,000	−1,400,000

Revenue, Expense, and Retained Earnings

	1959 actual	1960 estimate	1961 estimate
Printing and duplicating:			
Revenue	$7,883,152	$8,229,000	$8,367,000
Expense	7,863,416	8,229,000	8,367,000
Net income	19,736		
Laundry and dry cleaning:			
Revenue	$7,481,640	$7,210,000	$7,069,000
Expense	7,212,507	7,210,000	7,069,000
Net income	269,133		
Military Air Transport Service:			
Revenue	288,197,045	297,907,000	285,963,000
Expense	274,340,699	297,907,000	285,963,000
Net income	13,856,346		
Total income for the year	14,145,215		
Analysis of retained earnings:			
Retained earnings, beginning of year	723,175	6,787,263	5,143,236
Adjustment of prior year revenue	10,398		
Adjustment of prior year expense	−91,525		
Payment of earnings to Treasury (72 Stat. 729) (−)	−8,000,000	−1,644,027	
Retained earnings, end of year	6,787,263	5,143,236	5,143,236

Financial Condition

Assets:			
Cash with Treasury	$42,725,831	$54,281,804	$55,681,804
Accounts receivable, net	63,035,837	60,704,160	61,460,160
Inventories:			
Work in process	131,920	138,920	145,920
Materials and supplies	893,395	912,395	897,395
Net inventories	1,025,315	1,051,315	1,043,315
Advances	22,702		
Deferred charges (including items in transit)	302,053	322,027	332,027
Total assets	107,111,738	116,359,306	118,517,306
Liabilities:			
Current	20,183,356	31,074,951	33,232,951
Government investment:			
Non-interest-bearing capital:			
Start of year	81,177,971	80,141,119	80,141,119
Assets capitalized	22,115		
Liabilities assumed (−)	−1,058,967		
End of year	80,141,119	80,141,119	80,141,119
Retained earnings	6,787,263	5,143,236	5,143,236
Total Government investment	86,928,382	85,284,355	85,284,355

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash with Treasury	$82,112,714	$42,725,831	$54,281,804	$55,681,804
Obligated balance, net:				
Current liabilities	2,983,950	20,183,356	31,074,951	33,232,951
Advances from non-Federal sources	120			
Unpaid undelivered orders	208,484	12,815,472	10,227,467	10,231,467
Accounts receivable, net (−)	−1,877,909	−63,035,837	−60,704,160	−61,460,160
Unbilled balance of customer orders (−)	−133,559	−131,920	−138,920	−145,920
Total obligated balance	1,181,086	−30,168,929	−19,540,662	−18,141,662
Unobligated balance	80,931,628	72,894,760	73,822,466	73,823,466

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	4,822	4,904	4,709
Full-time equivalent of all other positions	135	137	137
Average number of all employees	4,830	4,854	4,674
Number of employees at end of year	4,968	4,903	4,977
Average GS grade and salary	4.4 $4,323	4.3 $4,358	4.3 $4,394
Average salary of ungraded positions	$4,174	$4,217	$4,162
01 Personal services:			
Permanent positions	$19,754,011	$20,144,235	$19,150,242
Positions other than permanent	273,057	277,375	277,375
Other personal services	1,349,164	1,188,430	1,115,583
Excess of annual leave earned over leave taken	1,157,580		30,000
Deduct excess of annual leave taken over leave earned		64,840	
Total personal services	22,533,812	21,545,200	20,573,200
02 Travel	7,395,681	7,813,900	7,396,600
03 Transportation of things	368,659	24,800	24,600
04 Communication services	771,055	1,843,400	2,333,400

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Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
05 Rents and utility services	$1,125,997	$1,127,500	$1,166,600
06 Printing and reproduction	154,081	138,000	138,000
07 Other contractual services	78,817,131	91,915,674	81,316,500
Labor contract with foreign governments [1]	2,403,873	2,452,300	2,298,800
Services performed by other agencies	88,441,504	95,674,000	99,686,000
08 Supplies and materials	87,643,911	89,523,700	85,246,400
11 Grants, subsidies, and contributions	1,242,859	1,250,100	1,136,000
13 Refunds, awards, and indemnities	37,657	42,500	48,200
15 Taxes and assessments	41,553	40,900	36,700
Total accrued expenditures	290,977,773	313,391,974	301,401,000
Increase or decrease (−) in unpaid undelivered orders and advances made	12,629,691	−2,610,707	4,000
Total obligations	303,607,464	310,781,267	301,405,000

[1] Man-years of employment: 1959, 1,826; 1960, 1,820, 1961, 1,723.

Army Management Fund

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Defense telephone service, Washington, D.C.	$5,995,499	$6,117,000	$6,241,000
2. Transportation services	250,466,722	254,000,000	244,900,000
3. Construction activity, Europe	2,230,928	2,058,000	1,919,000
4. Interchange fleet		1,000,000	1,000,000
Total obligations	258,693,149	263,175,000	254,060,000
Financing:			
Unobligated balance brought forward	1,063,693	1,072,572	1,000,000
Advances and reimbursements from—			
Other accounts	257,399,324	260,902,428	251,860,000
Non-Federal sources (69 Stat. 350; 63 Stat. 578)	1,302,704	3,000,000	3,000,000
Capital transfer (payment of profits to Treasury) (−)		−800,000	−800,000
Unobligated balance carried forward	−1,072,572	−1,000,000	−1,000,000
Total financing	258,693,149	263,175,000	254,060,000

This fund was created to simplify operations which are financed by two or more appropriations (5 U.S.C. 172e). The corpus of the fund consists of $1 million. Activities presently financed through the fund are as follows:

1. *Defense telephone service, Washington, D.C.*, finances the operations of the telephone service of the Department of Defense in Washington.

2. *Transportation services* provide for the payment centrally of transportation charges for Government bills of lading, transportation requests, meal tickets, and other charges incident to transportation costs by all agencies in the Army.

3. *Construction activity, Europe*, finances certain administrative and overhead expense of the Department of Defense construction programs in Western Europe.

4. *Interchange fleet*, an account established July 1, 1959, is financed by revenue from railway carriers in the form of mileage payments for the use of Government-owned cars of the fleet, and by receipts from commercial contractors for car rentals. Fleet maintenance costs, including repairs and overhauls, are chargeable against revenue; procurement of capital equipment is not. Excess revenue is transferred annually to the Treasury as miscellaneous receipts.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	283	249	237
Average number of all employees	274	230	227
Number of employees at end of year	260	225	223
Average GS grade and salary	6.6 $5,861	6.7 $5,951	6.7 $6,001

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
01 Personal services:			
Permanent positions	$1,621,640	$1,392,800	$1,374,000
Other personal services	300,191	292,000	261,000
Total personal services	1,921,831	1,684,800	1,635,000
02 Travel	62,664,131	63,545,000	61,266,000
03 Transportation of things	187,854,653	190,775,300	183,932,000
04 Communication services	5,056,716	5,244,000	5,362,000
05 Rents and utility services	67,764	179,000	179,000
06 Printing and reproduction	209,525	213,000	203,000
07 Other contractual services	130,162	805,000	793,000
Services performed by other agencies	671,946	619,200	587,300
08 Supplies and materials	10,554	10,200	9,000
09 Equipment	3,096	1,000	1,000
11 Grants, subsidies, and contributions	100,909	95,000	91,000
13 Refunds, awards, and indemnities	1,361	3,000	1,300
15 Taxes and assessments	501	500	400
Total obligations	258,693,149	263,175,000	254,060,000

Navy Management Fund

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Electronic production resources agency	$256,598	$298,000	$324,000
2. Interdepartmental activities	651,694	650,000	650,000
3. Navy industrial exhibits	290,878		
4. Inspection of naval material	29,267,266	30,278,000	30,707,000
5. Departmental administrative services	2,487,946	2,512,000	2,643,000
6. Incentive awards	1,729,138	1,922,000	1,850,000
7. Transportation of things	178,021,910	178,300,000	178,000,000
8. Spanish base construction		10,800,000	13,500,000
9. Special projects	957,660,380	912,596,900	918,683,700
10. Prior year advances returned	39,271,318	4,000,000	3,500,000
Total obligations	1,209,637,128	1,141,356,900	1,149,857,700
Financing:			
Unobligated balance bronght forward	181,814,366	199,711,260	190,140,260
Advances and reimbursements from—			
Other accounts	1,216,870,545	1,131,769,900	1,159,139,700
Non-Federal sources (22 U.S.C. 1816)	16,501	16,000	18,000
Recovery of prior year obligations	10,698,593		
Unobligated balance carried forward	−199,711,260	−190,140,260	−199,440,260
Unobligated balance no longer available	−51,617		
Total financing	1,209,637,128	1,141,356,900	1,149,857,700

This fund was created to facilitate the financing of operations supported by two or more appropriations (5 U.S.C. 172e). The principal activity financed through the fund is the Polaris ballistic missile program. Obligational authority for the Polaris program is advanced to the fund from Navy appropriations for procurement, Operation and maintenance, and Research, development, test, and evaluation. Other operations financed are construction of Army, Navy, and Air Force bases and stations in Spain; material inspection services; incentive award payments; departmental telephone and maintenance services; transportation of the supplies, materials, and equipment of the Navy; the Electronics Production Resources Agency which coordinates the production and allocation of electronics equipment for the Department of Defense; and certain interdepartmental activities involving the Navy and either or both of the other military departments.

Object Classification

	1959 actual	1960 estimate	1961 estimate
NAVY			
Total number of permanent positions	6,619	6,591	6,571
Average number of all employees	6,286	6,397	6,404
Number of employees at end of year	6,210	6,481	6,413
Average GS grade and salary	6.5 $5,642	6.6 $5,665	6.6 $5,689
Average salary of ungraded positions	$5,326	$5,350	$5,361

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REVOLVING AND MANAGEMENT FUNDS—Con.

Intragovernmental funds—Continued

Navy Management Fund—Continued

Object Classification—Continued

		1959 actual	1960 estimate	1961 estimate
	NAVY—continued			
01	Personal services:			
	Permanent positions	$36,695,830	$38,060,292	$38,433,341
	Other personal services	2,006,446	2,148,208	1,948,659
	Total personal services	38,702,276	40,208,500	40,382,000
02	Travel	1,665,213	1,780,000	1,868,600
03	Transportation of things	178,245,235	181,426,800	183,075,500
04	Communication services	2,716,939	2,738,000	2,915,000
05	Rents and utility services	205,536	243,600	210,700
06	Printing and reproduction	299,184	448,950	425,950
07	Other contractual services	452,851,885	340,298,050	395,568,750
	Services performed by other agencies	1,406,478	10,324,400	697,600
08	Supplies and materials	203,526,794	205,353,800	201,410,800
09	Equipment	259,539,102	304,626,400	285,354,200
10	Lands and structures	65,131,698	29,074,000	21,694,800
11	Grants, subsidies, and contributions	2,303,689	2,453,400	2,468,500
13	Refunds, awards, and indemnities	1,750,777	1,957,000	1,885,000
15	Taxes and assessments	35,398	24,000	20,300
	Total, Navy	1,208,380,204	1,120,956,900	1,137,977,700
	ALLOCATION TO ATOMIC ENERGY COMMISSION			
07	Other contractual services	1,256,924	20,400,000	11,880,000
	Total obligations	1,209,637,128	1,141,356,900	1,149,857,700

Air Force Management Fund

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Armed Forces Supply Support Center	$5,012,657	$5,946,000	$5,794,000
2. Prior year advances returned	3,743,577	446,919	
Total obligations	8,756,234	6,392,919	5,794,000
Financing:			
Unobligated balance brought forward	3,036,920	1,446,919	1,000,000
Recovery of prior year obligations	4,193,921		
Advances and reimbursements from other accounts	5,063,683	5,946,000	5,794,000
Unobligated balance carried forward	−1,446,919	−1,000,000	−1,000,000
Unobligated balance no longer available	−2,091,371		
Total financing	8,756,234	6,392,919	5,794,000

This fund was created to facilitate the financing of activities supported by two or more appropriations (5 U.S.C. 172e). The corpus of the fund consists of $1 million. Amounts required for activities financed are provided through advances or reimbursements.

The Armed Forces Supply Support Center administers the defense standardization program, the interservice supply support program, the defense materiel utilization and excess screening program, and centralized operations for the Federal Catalog System. The Center also conducts management analyses in promoting more effective administration of common supply functions among the military services. This project is financed jointly by the three military departments, with certain cataloging services performed for the General Services Administration on a reimbursable basis.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	423	432	432
Full-time equivalent of all other positions	1	1	1
Average number of all employees	404	427	431
Number of employees at end of year	411	432	432
Average GS grade and salary	7.3 $6,256	7.3 $6,320	7.3 $6,398

Object Classification—Continued

		1959 actual	1960 estimate	1961 estimate
01	Personal services:			
	Permanent positions	$2,481,068	$2,686,020	$2,747,380
	Positions other than permanent	10,550	11,000	11,000
	Other personal services	145,098	123,980	113,620
	Total personal services	2,636,716	2,821,000	2,872,000
02	Travel	51,254	115,500	115,000
03	Transportation of things	5,236	5,000	5,000
04	Communication services	30,227	41,000	41,000
05	Rents and utility services	1,055,463	1,176,600	1,506,900
06	Printing and reproduction	577,804	586,000	508,900
07	Other contractual services	346,348	847,600	390,700
08	Supplies and materials	54,675	123,000	123,000
09	Equipment	95,875	52,000	50,000
11	Grants, subsidies, and contributions	157,513	175,800	179,000
13	Refunds, awards, and indemnities	3,743,577	447,919	1,000
15	Taxes and assessments	1,546	1,500	1,500
	Total obligations	8,756,234	6,392,919	5,794,000

Naval Working Fund

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Other Government agencies	$2,318,701	$2,316,000	$2,138,000
2. Special deposits	23,637,965	23,617,000	21,800,000
3. Foreign governments	67,593	67,000	62,000
Total obligations	26,024,259	26,000,000	24,000,000
Financing:			
Unobligated balance brought forward	9,677,458	7,890,274	4,890,274
Advances and reimbursements from—			
Other accounts	310,165	294,000	294,000
Non-Federal sources (31 U.S.C. 643)	23,926,910	22,706,000	22,706,000
Unobligated balance carried forward	−7,890,274	−4,890,274	−3,890,274
Total financing	26,024,259	26,000,000	24,000,000

This fund was established to account for advances received by the Navy for the cost of work or services to be furnished other Government agencies, foreign governments, and private parties (31 U.S C. 643). Obligations against special deposits relate primarily to: (*a*) utilities, repairs, and maintenance furnished to morale, welfare, and recreation activities; (*b*) utilities furnished to tenants of Navy housing projects; and (*c*) utilities, sale of material, equipment rental, and other services for contractors and other private parties, primarily in oversea locations. The private individuals and organizations involved advance amounts to cover the estimated costs to this fund, which amounts are used to pay the costs involved. Work performed for foreign governments consists primarily of ship repairs. From the advances made, this fund finances the Navy activity performing the work.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	559	545	545
Average number of all employees	547	535	535
Number of employees at end of year	541	535	535
Average GS grade and salary	5.2 $4,783	5.2 $4,852	5.2 $4,876
Average salary of ungraded positions	$4,773	$5,010	$5,010
01 Personal services:			
Permanent positions	$2,440,990	$2,391,000	$2,391,000
Other personal services	197,955	207,000	198,000
Total personal services	2,638,945	2,598,000	2,589,000
03 Transportation of things	470,961	471,000	431,000
04 Communication services	1,494	2,000	2,000
05 Rents and utility services	5,341,007	5,346,000	4,886,000
07 Other contractual services	4,644,354	4,649,000	4,258,000
08 Supplies and materials	12,763,953	12,774,000	11,674,000
11 Grants, subsidies, and contributions	158,664	155,000	155,000
15 Taxes and assessments	4,881	5,000	5,000
Total obligations	26,024,259	26,000,000	24,000,000

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Consolidated Working Funds, Army

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Communication services	$149,474	$252,292	$254,692
2. Extraordinary expense	4,148,800	3,427,313	706,800
3. Research and development	2,606,719	536,240	1,195,000
4. Prior year advances returned	415,024		
Total obligations	7,320,017	4,215,845	2,156,492
Financing:			
Unobligated balance brought forward	3,897,101	2,601,909	600,000
Advances and reimbursements from other accounts	6,031,067	2,213,936	1,556,492
Recovery of prior year obligations	1,288		
Unobligated balance carried forward	−2,601,909	−600,000	
Unobligated balance no longer available	−7,530		
Total financing	7,320,017	4,215,845	2,156,492

Object Classification

Total number of permanent positions		85		73		35
Average number of all employees		86		75		38
Number of employees at end of year		55		67		35
Average GS grade and salary	8.4	$6,558	8.1	$6,508	3.9	$4,038
Average salary of ungraded positions		$5,891		$5,565		$4,587
01 Personal services:						
Permanent positions		$415,892		$349,156		$97,911
Other personal services		6,002		3,887		282
Total personal services		421,894		353,043		98,193
02 Travel		6,094		5,900		
03 Transportation of things		571		50		
04 Communication services		134,074		137,017		134,692
06 Printing and reproduction		504		390		
07 Other contractual services		2,938,826		1,857,257		1,465,260
08 Supplies and materials		471,730		439,801		412,500
09 Equipment		1,487,470		84,048		40,000
10 Lands and structures		1,420,216		1,316,443		
11 Grants, subsidies, and contributions		23,566		21,889		5,847
13 Refunds, awards, and indemnities		415,024				
15 Taxes and assessments		48		7		
Total obligations		7,320,017		4,215,845		2,156,492

MILITARY ASSISTANCE

For expenses as authorized by section 103(a) of the Mutual Security Act of 1954, as amended, necessary to enable the President to carry out the purposes of chapter I of such Act (including administrative expenses as authorized by section 103(b) of such Act, which shall not exceed $25,000,000 for the fiscal year 1961, and purchase for replacement only of passenger motor vehicles for use outside the United States), $2,000,000,000, to remain available until expended: Provided, That unexpended balances of funds heretofore made available for purposes of chapter I of such Act, and available as of June 30, 1960, are hereby merged with this appropriation.

[Military assistance: For assistance authorized by section 103(a) to carry out the purposes of Chapter I (including administrative expenses as authorized by section 103(b), which shall not exceed $25,000,000 for the fiscal year 1960, and purchase for replacement only of passenger motor vehicles for use abroad), $1,300,000,000;] (*Mutual Security Appropriation Act, 1960.*)

Appropriated 1960, **$1,300,000,000** Estimate 1961, **$2,000,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Grant aid operations:			
Reservations for requirements ordered from U.S. military services (69 Stat. 438):			
1. Aircraft	$295,548,153	$143,175,200	$363,000,000
2. Ships	103,062,736	38,154,500	82,000,000
3. Tanks, other vehicles, and weapons	−2,926,841	45,146,900	194,000,000
4. Ammunition	39,517,363	34,557,300	62,000,000
5. Missiles	253,444,972	160,408,000	262,000,000
6. Electronic equipment	18,338,153	72,370,500	165,000,000
7. Military public works	1,187,000	3,109,200	10,000,000
8. Other	210,419,935	318,678,400	255,150,000
Subtotal	918,591,471	815,600,000	1,393,150,000

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
Grant aid operations—Continued			
Obligations for requirements other than through reservations:			
9. Offshore procurement	$93,210,323	$55,447,925	$71,000,000
10. Supply operations	177,100,495	168,375,800	162,400,000
11. Training	88,490,590	85,200,000	120,000,000
12. Administration	23,216,706	25,000,000	25,000,000
13. Contributions to international military headquarters and agencies	7,620,283	8,000,000	11,000,000
14. Contributions to construction of facilities in other countries:			
(a) Infrastructure	89,960,560	70,000,000	90,000,000
(b) Military public works	47,455,613	19,349,700	59,000,000
15. Research and development	45,519,316	24,410,000	40,000,000
16. Other activities	13,706,462	34,250,000	18,450,000
Subtotal	586,280,348	490,033,425	596,850,000
Total grant aid operations	1,504,871,819	1,305,633,425	1,990,000,000
Sales operations: Reservations for requirements ordered from U.S. military services (69 Stat. 438)	10,557,068	49,400,000	50,000,000
Total program	1,515,428,887	1,355,033,425	2,040,000,000
Increase (−) or decrease in outstanding reservations for requirements ordered from military services (69 Stat. 438)	496,676,769	392,888,759	−243,150,000
Total obligations	2,012,105,656	1,747,922,184	1,796,850,000
Financing:			
Comparative transfers to other accounts	3,135,663	26,166	
Balance brought forward: Unobligated and unreserved:			
Grant aid	−21,464,531	−30,607,500	−25,000,000
Military sales receipts		−21,452,091	−10,000,000
Recovery of prior year obligations	−6,319,858		
Collections of mutual security military sales	−27,839,752	−38,000,000	−40,000,000
Increase or decrease (−) in outstanding reservations for requirements ordered from military services (69 Stat. 438)	−496,676,769	−392,888,759	243,150,000
Balance carried forward: Unobligated and unreserved:			
Grant aid	30,607,500	25,000,000	25,000,000
Military sales receipts	21,452,091	10,000,000	10,000,000
Appropriation (new obligational authority)	1,515,000,000	1,300,000,000	2,000,000,000

The military assistance program is designed to strengthen the mutual security of the free world by contributing to the development, maintenance, and training of modern military forces, to deter or resist external aggression, combat internal subversion, and protect valuable overseas military bases. Appropriations to further these objectives in 1961 were authorized in the Mutual Security Act of 1959. For the first time, the 1961 program estimates show distribution by materiel category and activity. This distribution, however, is only tentative since the institution of new program management procedures has made it impossible to include refined figures at this time. These will be submitted later in the regular presentation of the program to the Congress.

More than 40 free-world countries are receiving grant aid under this program, and others are eligible to buy modern military equipment on cash or credit terms. Their combined military forces are numerically much greater than the U.S. Armed Forces, and provide free-world striking power, depth in reserves, and flexibility. Many of these countries have joined in regional defense pacts, such as NATO, SEATO, and CENTO, or in bilateral defense arrangements with the United States. The military assistance program includes funds to cover the U.S. contribution to these regional organizations.

Most of the military equipment and supplies which the United States provides to its foreign allies are obtained by placing orders with the U.S. military services. Military assistance funds are reserved when the orders are placed, and the military services are paid when the items are delivered. When the materiel ordered is not on hand,

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MILITARY ASSISTANCE—Continued

the military services take procurement action in anticipation of reimbursement.

The kind of materiel supplied by the United States varies with our mutual security objective in each area and the internal capabilities of the individual countries. In Europe, the emphasis is on newer weapons which are not yet within the production or financial capability of our NATO allies. In less-developed areas, modernization of conventional equipment is emphasized. Whenever possible, materiel already on hand but excess to the needs of U.S. forces is supplied, at only the cost of rehabilitation and transportation.

Grant-aid reservations for orders placed with U.S. military services—

1. *Aircraft.*—Increasing numbers of advanced aircraft are being supplied, primarily to NATO forces. At the same time, the air forces of many less-developed countries are replacing their obsolete planes with later model aircraft, now becoming excess to the United States and NATO.

2. *Ships.*—Most of the major ship requirements of our allies are being met by reactivation and rehabilitation of ships from the U.S. "mothball" fleet under authority of ship loan legislation, i.e., Public Law 86–57 (June 23, 1959), Public Law 85–532 (July 18, 1958), and Public Law 85–220 (Aug. 29, 1957). A few important requirements are being met from new construction.

3. *Tanks, other vehicles, and weapons.*—Included is combat and support equipment ranging from tanks, artillery, and trucks to small arms and jeeps. Many of these items are supplied from existing U.S. stocks, and through a program of rebuilding vehicles which Far Eastern countries have returned to the military assistance program. The 1961 program includes continuing replacement of wornout or obsolete equipment in the forces of less-developed countries.

4. *Ammunition.*—Most of the ammunition to be supplied as grant aid in 1961 will be used for training allied troops.

5. *Missiles.*—An increasing number and variety of guided and ballistic missiles are being supplied, primarily to NATO forces, in keeping with the technological capabilities of our allies. The missiles to be provided in 1961 will add to free-world land, sea, and air defense capabilities.

6. *Electronic equipment.*—The 1961 program continues the modernization of military communications systems in less-developed countries and also provides ground control equipment in conjunction with guided missiles and modern aircraft primarily in Europe.

7. *Military public works.*—Materiel and equipment supplied by the United States for military assistance construction are also procured through the military service supply systems. Other U.S. costs for this construction are met initially by the military assistance program and are cited in paragraph 14 below.

8. *Other.*—A variety of special purpose equipment, petroleum, medical and other supplies, and repair and rehabilitation of used equipment not covered above are also provided through orders placed with the U.S. services.

The following table reflects the unfilled orders placed with the military services in prior years, the new items ordered and the deliveries made (detail table appears on pp. 518–519).

[In millions]

	1959 actual	*1960 estimate*	*1961 estimate*
Unfilled orders at beginning of year	$2,232	$1,735	$1,343
New items ordered	929	865	1,443
Deliveries	1,426	1,258	1,200
Unfilled orders at end of year	1,735	1,343	1,586

Because of the time lag or "pipeline" inherent in a complex, worldwide supply operation, a large proportion of the items delivered by the U.S. services in any year result from orders placed in previous years. The increase in new items ordered in 1961 will replenish the pipeline, which has been reduced in the past few years by deliveries in excess of new orders.

Other grant-aid operations—

9. *Offshore procurement.*—The reduction in the procurement of equipment and supplies abroad for the military assistance program reflects declining U.S. purchases in individual European countries. U.S. overseas procurement in prior years helped these countries establish a defense production base, which they are now capable of maintaining as a source of supply for their own forces. NATO countries have joined in a program of coordinated procurement of certain follow-on spares, and production of advanced weapons, with technical support from the United States.

10. *Supply operations.*—The annual cost of packing, handling, and transporting military assistance materiel varies in proportion to the types, volume, and destination of goods delivered.

11. *Training.*—Increased training programs in free-world countries are required to insure effective use of the new weapons and equipment supplied through the military assistance program.

12. *Administration.*—The administrative expenses of the U.S. military assistance advisory groups overseas and the departmental costs of the program are included.

13. *Contributions to international military headquarters and agencies.*—Included are the assessments levied against the United States in accordance with cost-sharing agreements for administrative support of North Atlantic Treaty Organization, Southeast Asia Treaty Organization, and the Central Treaty Organization.

14. *Contributions to construction of facilities in other countries.*—Included are (*a*) construction of military and logistical facilities under the jointly financed NATO infrastructure program, and (*b*) contract expenses, architect-engineering services and other overhead items for military assistance construction in other areas.

15. *Research and development.*—This program assists in the research and development of weapons by our allies and aids in combining their scientific capability with U.S. weapons technology.

16. *Other activities.*—These include support for some of the UN forces in Korea, the U.S. support for coordinated production of weapons in Europe and nutritional surveys of forces in underdeveloped areas.

Sales of military materiel—

Many countries which do not receive grant aid may purchase military materiel in the United States. Most sales on a credit basis are initially financed by military assistance appropriations. Depending on the circumstances, repayment of credit sales may be in dollars or in local currency.

The following table shows the repayments and their reuse for new credit sales:

[In millions]

	1959 actual	*1960 estimate*	*1961 estimate*
Unused collections, beginning of year	-----	$21.4	$10.0
Collection of credit sales	$27.8	38.0	40.0
Collections reused	6.4	49.4	40.0
Unused collections, end of year	21.4	10.0	10.0

Local currency repayments may be used to finance additional sales or grants of military assistance. It is anticipated that any local currency repayments used will be converted to dollars to finance additional credit sales. Dollar conversions so made are included in the above table.

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Object Classification

	1959 actual	1960 estimate	1961 estimate
Grant aid operations:			
DEPARTMENT OF DEFENSE			
Reservations:			
07 Other contractual services	$31,418,400	$18,001,300	
08 Supplies and materials	290,261,371	333,688,000	
09 Equipment	596,911,700	463,910,700	
Undistributed			$1,393,150,000
Subtotal	918,591,471	815,600,000	1,393,150,000
Obligations:			
Total number of permanent positions	6,341	4,845	4,718
Full-time equivalent of all other positions	4	6	9
Average number of all employees	4,886	4,698	4,641
Number of employees at end of year	4,660	4,754	4,659
Average GS grade and salary	7.2 $5,963	7.6 $6,270	7.6 $6,325
01 Personal services:			
Permanent positions	$18,269,838	$19,950,403	$20,238,829
Positions other than permanent	58,206	58,630	73,680
Other personal services	7,363,654	8,852,640	8,276,512
Total personal services	25,691,698	28,861,673	28,589,021
02 Travel	34,379,155	34,660,535	38,102,639
03 Transportation of things	106,698,159	85,780,700	87,676,800
04 Communication services	150,483	169,840	290,840
05 Rents and utility services	1,127,502	1,321,380	1,102,240
06 Printing and reproduction	91,065	152,350	152,460
07 Other contractual services	207,271,861	163,856,214	215,222,803
08 Supplies and materials	22,966,823	16,034,184	27,088,619
09 Equipment	64,587,044	64,409,060	74,316,755
10 Lands and structures	16,202,676	6,944,000	13,800,000
11 Grants, subsidies, and contributions	97,718,879	78,120,069	100,682,948
13 Refunds, awards, and indemnities	1,219	24,050	25,650
15 Taxes and assessments	22,929	22,370	22,225
Subtotal	576,909,493	480,356,425	587,073,000
ALLOCATIONS TO OTHER AGENCIES			
Total number of permanent positions	731	842	859
Full-time equivalent of all other positions	7	8	2
Average number of all employees	698	834	844
Number of employees at end of year	675	829	859
Average FSR grade and salary	4.3 $10,134	4.2 $10,143	4.3 $10,203
Average FSS grade and salary	11.1 $4,728	10.9 $4,954	10.7 $4,898
Average salary of ungraded positions	$1,427	$1,551	$1,588
01 Personal services:			
Permanent positions	$1,306,221	$1,610,147	$1,641,155
Positions other than permanent	9,754	12,318	3,250

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
Grant aid operations—Continued			
ALLOCATIONS TO OTHER AGENCIES—con.			
01 Personal services—Continued			
Other personal services	$176,994	$241,535	$197,545
Total personal services	1,492,969	1,864,000	1,841,950
02 Travel	146,968	233,500	363,800
03 Transportation of things	159,290	182,350	238,000
04 Communication services	146,794	180,500	145,500
05 Rents and utility services	1,001,679	1,155,500	1,107,500
06 Printing and reproduction	5,862	11,500	11,100
07 Other contractual services	681,878	748,500	738,500
Services performed by other agencies	3,742,689	3,721,000	3,663,400
Expenses, Inspector General and Comptroller, Mutual Security, State		50,000	300,000
08 Supplies and materials	476,243	456,000	442,000
09 Equipment	754,315	507,000	359,300
11 Grants, subsidies, and contributions	761,398	565,750	564,550
13 Refunds, awards, and indemnities	37	300	300
15 Taxes and assessments	733	1,100	1,100
Subtotal	9,370,855	9,677,000	9,777,000
Total grant aid operations	1,504,871,819	1,305,633,425	1,990,000,000
Sales operations: Reservations:			
07 Other contractual services	301,714	1,400,000	
08 Supplies and materials	3,202,169	10,570,000	
09 Equipment	7,053,185	37,430,000	
Undistributed			50,000,000
Total, sales operations	10,557,068	49,400,000	50,000,000
Total program	1,515,428,887	1,355,033,425	2,040,000,000
Increase (−) or decrease in outstanding reservations for requirements ordered from military services (69 Stat. 438)	496,676,769	392,888,759	−243,150,000
Total obligations	2,012,105,656	1,747,922,184	1,796,850,000
Obligations are distributed as follows:			
Secretary of Defense	$136,454,243	$101,680,000	$139,798,000
Army	807,600,041	741,688,325	709,791,000
Navy	199,655,395	221,176,100	212,572,000
Air Force	859,025,122	673,700,759	430,912,000
Undistributed 1961 fund reservations			294,000,000
Other agencies:			
Department of State	6,668,468	6,950,000	7,050,000
International Cooperation Administration	2,702,387	2,727,000	2,727,000

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SUMMARY OF MILITARY ASSISTANCE ORDERS

	Balance of reservations, July 1, 1958	1959 fund reservations	Adjustments, 1959	Deliveries in 1959	Balance of reservations, July 1, 1959	1960 fund reservations
Military personnel:						
Military personnel, Marine Corps		$600,900		$108,500	$492,400	$59,000
Operation and maintenance:						
Operation and maintenance, Army	$43,210,191	72,083,289	$103,818,014	99,894,443	119,217,051	70,000,000
Operation and maintenance, Navy	28,423,455	13,026,902	2,172	22,209,612	19,242,917	5,014,000
Operation and maintenance, Marine Corps	4,008,129	7,986,691	−2,262,851	760,663	8,971,306	5,170,000
Operation and maintenance, Air Force	1,325,095	35,614,577	−993,177	17,884,092	18,062,403	8,500,000
Total, operation and maintenance	76,966,870	128,711,459	100,564,158	140,748,810	165,493,677	88,684,000
Procurement:						
Procurement of equipment and missiles, Army	825,623,262	28,041,986	−107,880,833	286,511,566	459,272,849	112,000,000
Shipbuilding and conversion, Navy	8,046,901	103,742,733	2,916,208	32,166,059	82,539,783	42,658,000
Other procurement, Navy						
Procurement, Marine Corps	11,726,674	5,107,456	463,001	4,903,375	12,393,756	2,073,000
Aircraft procurement, Air Force						164,500,000
Missile procurement, Air Force						84,000,000
Other procurement, Air Force						58,000,000
Aircraft and related procurement, Navy	159,020,821	48,248,397	194,648	58,182,012	149,281,854	10,663,000
Procurement of ordnance and ammunition, Navy	30,155,417	41,648,629	−842,491	13,994,089	56,967,466	17,999,000
Aircraft, missiles and related procurement, Air Force	525,381,663	128,592,700	43,211,396	449,712,523	247,473,236	
Procurement other than aircraft and missiles, Air Force	359,238,879	216,925,463	−51,952,618	223,929,754	300,281,970	
Total, procurement	1,919,193,617	572,307,364	−113,890,689	1,069,399,378	1,308,210,914	491,893,000
Research, development, test, and evaluation:						
Research, development, test, and evaluation, Air Force	1		−1			
Revolving and management funds:						
Army stock fund	209,602,782	187,686,204		179,506,338	217,782,648	253,000,000
Navy stock fund	20,740,264	19,946,112	−1,345,687	17,533,482	21,807,207	15,566,000
Marine Corps stock fund		525,000	875,000	198,348	1,201,652	798,000
Air Force stock fund	4,400,641	19,371,500	9,734,400	18,213,514	15,293,027	15,000,000
Army industrial fund	1,164,544		4,062,819	116,938	5,110,425	
Total, revolving and management funds	235,908,231	227,528,816	13,326,532	215,568,620	261,194,959	284,364,000
Undistributed 1961 fund reservations						
Total, Department of Defense—Military	2,232,068,719	929,148,539		1,425,825,308	1,735,391,950	865,000,000
Recapitulation by military department:						
Army	$1,079,600,779	$287,811,479		$566,029,285	$801,382,973	$435,000,000
Navy	262,121,661	240,832,820		150,056,140	352,898,341	100,000,000
Air Force	890,346,279	400,504,240		709,739,883	581,110,636	330,000,000
Undistributed 1961 fund reservations						
Total, Department of Defense—Military	2,232,068,719	929,148,539		1,425,825,308	1,735,391,950	865,000,000

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SUMMARY OF MILITARY ASSISTANCE ORDERS—continued

Adjustments, 1960	Deliveries in 1960	Balance of reservations, July 1, 1960	1961 fund reservations	Adjustments, 1961	Deliveries in 1961	Balance of reservations, July 1, 1961	
							Military personnel:
	$551,400						Military personnel, Marine Corps.
							Operation and maintenance:
−$23,162,925	75,000,000	$91,054,126			$65,000,000	$26,054,126	Operation and maintenance, Army.
722,105	13,426,672	11,552,350		−$11,552,350			Operation and maintenance, Navy.
402,825	7,454,737	7,089,394			6,000,000	1,089,394	Operation and maintenance, Marine Corps.
2,405,494	14,939,627	14,028,270			14,028,270		Operation and maintenance, Air Force.
−19,632,501	110,821,036	123,724,140		−11,552,350	85,028,270	27,143,520	Total, operation and maintenance.
							Procurement:
37,577,083	220,000,000	388,849,932			215,000,000	173,849,932	Procurement of equipment and missiles, Army.
−4,698,879	45,000,000	75,498,904		−10,926,061	40,000,000	24,572,843	Shipbuilding and conversion, Navy.
				22,478,411	13,955,282	8,523,129	Other procurement, Navy.
1,757,301	4,000,000	12,224,057			5,000,000	7,224,057	Procurement, Marine Corps.
	105,000,000	59,500,000			56,478,123	3,021,877	Aircraft procurement, Air Force.
	54,000,000	30,000,000			25,000,000	5,000,000	Missile procurement, Air Force.
	29,000,000	29,000,000			22,000,000	7,000,000	Other procurement, Air Force.
2,716,513	60,000,000	102,661,367			50,000,000	52,661,367	Aircraft and related procurement, Navy.
−1,243,890	18,000,000	55,722,576			19,000,000	36,722,576	Procurement of ordnance and ammunition, Navy.
27,594,506	93,700,000	181,367,742			181,367,742		Aircraft, missiles, and related procurement, Air Force.
−30,000,000	262,300,000	7,981,970			7,981,970		Procurement other than aircraft and missiles, Air Force.
33,702,634	891,000,000	942,806,548		11,552,350	635,783,117	318,575,781	Total, procurement.
							Research, development, test, and evaluation:
							Research, development, test, and evaluation, Air Force.
							Revolving and management funds:
−9,973,044	225,800,000	235,009,604			152,800,000	82,209,604	Army stock fund.
281,025	14,817,191	22,837,041			15,494,718	7,342,323	Navy stock fund.
63,000	550,000	1,512,652			550,000	962,652	Marine Corps stock fund.
	14,149,132	16,143,895			16,143,895		Air Force stock fund.
−4,441,114	200,000	469,311			200,000	269,311	Army industrial fund.
−14,070,133	255,516,323	275,972,503			185,188,613	90,783,890	Total, revolving and management funds.
			$1,443,150,000		294,000,000	1,149,150,000	**Undistributed 1961 fund reservations.**
	1,257,888,759	1,342,503,191	1,443,150,000		1,200,000,000	1,585,653,191	Total, Department of Defense—Military.
							Recapitulation by military department:
	$521,000,000	$715,382,973			$433,000,000	$282,382,973	Army.
	163,800,000	289,098,341			150,000,000	139,098,341	Navy.
	573,088,759	338,021,877			323,000,000	15,021,877	Air Force.
			1,443,150,000		294,000,000	1,149,150,000	**Undistributed 1961 fund reservations.**
	1,257,888,759	1,342,503,191	1,443,150,000		1,200,000,000	1,585,653,191	Total, Department of Defense—Military.

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GENERAL PROVISIONS

SEC. 601. During the current fiscal year, the Secretary of Defense and the Secretaries of the Army, Navy, and Air Force, respectively, if they should deem it advantageous to the national defense, and if in their opinions, the existing facilities of the Department of Defense are inadequate, are authorized to procure services in accordance with section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), under regulations prescribed by the Secretary of Defense, and to pay in connection therewith travel expenses of individuals, including actual transportation and per diem in lieu of subsistence while traveling from their homes or places of business to official duty station and return as may be authorized by law: *Provided*, That such contracts may be renewed annually.

SEC. 602. During the current fiscal year, provisions of law prohibiting the payment of compensation to, or employment of, any person not a citizen of the United States shall not apply to personnel of the Department of Defense.

SEC. 603. Appropriations contained in this Act shall be available for insurance of official motor vehicles in foreign countries, when required by laws of such countries; payments in advance of expenses determined by the investigating officer to be necessary and in accord with local custom for conducting investigations in foreign countries incident to matters relating to the activities of the department concerned; reimbursement of General Services Administration for security guard services for protection of confidential files; reimbursement of the Federal Bureau of Investigation for expenses in connection with investigation of defense contractor personnel; and all necessary expenses, at the seat of Government of the United States of America or elsewhere, in connection with communication and other services and supplies as may be necessary to carry out the purposes of this Act[: *Provided*, That no appropriation contained in this Act, and no funds available from prior appropriations to component departments and agencies of the Department of Defense, shall be used to pay tuition or to make other payments to educational institutions in connection with the instruction or training of file clerks, stenographers, and typists receiving, or prospective file clerks, stenographers, and typists who will receive compensation at a rate below the minimum rate of pay for positions allocated to grade GS–5 under the Classification Act of 1949, as amended].

SEC. 604. Any appropriation available to the Army, Navy, or the Air Force may, under such regulations as the Secretary concerned may prescribe, be used for expenses incident to the maintenance, pay, and allowances of prisoners of war, other persons in Army, Navy, or Air Force custody whose status is determined by the Secretary concerned to be similar to prisoners of war, and persons detained in such custody pursuant to Presidential proclamation.

SEC. 605. Appropriations available to the Department of Defense for the current fiscal year for maintenance or construction shall be available for acquisition of land as authorized by section [406 of the Act of August 3, 1956 (70 Stat. 1015), as amended] *2672 of title 10, United States Code.*

SEC. 606. Appropriations for the Department of Defense for the current fiscal year shall be available, (a) except as authorized by the Act of September 30, 1950 (20 U.S.C. 236–244), for primary and secondary schooling for minor dependents of military and civilian personnel of the Department of Defense residing on military or naval installations or stationed in foreign countries, as authorized for the Navy by section 7204 of title 10, United States Code, in amounts not exceeding an average of [$265] *$280* per student, when the Secretary of the Department concerned finds that schools, if any, available in the locality, are unable to provide adequately for the education of such dependents; (b) for expenses in connection with administration of occupied areas; (c) for payment of rewards as authorized for the Navy by section 7209(a) of title 10, United States Code, for information leading to the discovery of missing naval property or the recovery thereof; (d) for payment of deficiency judgments and interests thereon arising out of condemnation proceedings; (e) for payment of rentals at the seat of government or elsewhere, and, in administering the provisions of 43 U.S.C. 315q, rentals may be paid in advance.

SEC. 607. Appropriations for the Department of Defense for the current fiscal year shall be available for: (a) donations of not to exceed $25 to each prisoner upon each release from confinement in military or contract prison (except disciplinary barracks) and to each person discharged for fraudulent enlistment; (b) authorized issues of articles to prisoners (except those in disciplinary barracks); (c) subsistence of selective service registrants called for induction, applicants for enlistment while held under observation, prisoners (except those in disciplinary barracks), and supernumeraries when necessitated by emergent military circumstances; (d) reimbursement for subsistence of enlisted personnel while sick in hospitals; and (e) expenses of prisoners confined in nonmilitary facilities: *Provided*, That section 212 of the Act of June 30, 1932 (5 U.S.C. 59a), shall not apply to retired military personnel on duty at the United States Soldiers' Home.

SEC. 608. Insofar as practicable, the Secretary of Defense shall assist American small business to participate equitably in the furnishing of commodities and services financed with funds appropriated under this Act by making available or causing to be made available to suppliers in the United States, and particularly to small independent enterprises, information, as far in advance as possible, with respect to purchases proposed to be financed with funds appropriated under this Act, and by making available or causing to be made available to purchasing and contracting agencies of the Department of Defense information as to commodities and services produced and furnished by small independent enterprises in the United States, and by otherwise helping to give small business an opportunity to participate in the furnishing of commodities and services financed with funds appropriated by this Act.

SEC. 609. No appropriation contained in this Act shall be available for expenses of operation of messes (other than organized messes the operating expenses of which are financed principally from nonappropriated funds) at which meals are sold to officers or civilians except under regulations approved by the Secretary of Defense, which shall (except under unusual or extraordinary circumstances) establish rates for such meals sufficient to provide reimbursement of operating expenses and food costs to the appropriations concerned: *Provided*, That officers and civilians in a travel status receiving a per diem allowance in lieu of subsistence shall be charged at the rate of not less than $2.25 per day: *Provided further*, That for the purposes of this section payments for meals at the rates established hereunder may be made in cash or by deductions from the pay of civilian employees.

SEC. 610. No part of any appropriation contained in this Act shall be available until expended unless expressly so provided elsewhere in this or some other appropriation Act.

SEC. 611. Appropriations of the Department of Defense available for operation and maintenance, may be reimbursed during the current fiscal year for all expenses involved in the preparation for disposal and for the disposal of military supplies, equipment, and materiel, from amounts received as proceeds from the sale of any such property: *Provided*, That a report of receipts and disbursements under this limitation shall be made quarterly to the Committees on Appropriations of the Congress: *Provided further*, That no funds available to agencies of the Department of Defense shall be used for the operation, acquisition, or construction of new facilities or equipment for new facilities in the continental limits of the United States for metal scrap baling or shearing or for melting or sweating aluminum scrap unless the Secretary of Defense or an Assistant Secretary of Defense designated by him determines, with respect to each facility involved, that the operation of such facility is in the national interest.

SEC. 612. (a) During the current fiscal year, the President may exempt appropriations, funds, and contract authorizations, available for military functions under the Department of Defense, from the provisions of subsection (c) of section 3679 of the Revised Statutes, as amended, whenever he deems such action to be necessary in the interest of national defense.

(b) Upon determination by the President that such action is necessary, the Secretary of Defense is authorized to provide for the cost of an airborne alert as an excepted expense in accordance with the provisions of R.S. 3732 (41 U.S.C. 11).

SEC. 613. No appropriation contained in this Act shall be available in connection with the operation of commissary stores of the agencies of the Department of Defense for the cost of purchase (including commercial transportation in the United States to the place of sale but excluding all transportation outside the United States *and to Alaska and Hawaii*) and maintenance of operating equipment and supplies, and for the actual or estimated cost of utilities as may be furnished by the Government and of shrinkage, spoilage, and pilferage of merchandise under the control of such commissary stores, except as authorized under regulations promulgated by the Secretaries of the military departments concerned, with the approval of the Secretary of Defense, which regulations shall provide for reimbursement therefor to the appropriations concerned and, notwithstanding any other provision of law, shall provide for the adjustment of the sales prices in such commissary stores to the extent necessary to furnish sufficient gross revenue from sales of commissary stores to make such reimbursement: *Provided*, That under such regulations as may be issued pursuant to this section all utilities may be furnished without cost to the commissary stores outside the continental United States and in Alaska *and Hawaii*: *Provided further*, That no appropriation contained in this Act shall be available in connection with the operation of commissary stores

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within the continental United States unless the Secretary of Defense has certified that items normally procured from commissary stores are not otherwise available at a reasonable distance and a reasonable price in satisfactory quality and quantity to the military and civilian employees of the Department of Defense.

SEC. 614. Notwithstanding any other provision of law, Executive order, or regulation, no part of the appropriations in this Act shall be available for any expenses of operating aircraft under the jurisdiction of the Armed Forces for the purpose of proficiency flying except in accordance with the regulations issued by the Secretaries of the Departments concerned and approved by the Secretary of Defense which shall establish proficiency standards and maximum and minimum flying hours for this purpose: *Provided,* That without regard to any provision of law or Executive order prescribing minimum flight requirements, such regulations may provide for the payment of flight pay at the rates prescribed in section 204(b) of the Career Compensation Act of 1949 (63 Stat. 802) as amended, to certain members of the Armed Forces otherwise entitled to receive flight pay during the fiscal year [1960] *1961* (1) who have held aeronautical ratings or designations for not less than twenty years, or (2) whose particular assignment outside the United States or in Alaska makes it impractical to participate in regular aerial flights.

SEC. 615. No part of any appropriation contained in this Act shall be available for expense of transportation, packing, crating, temporary storage, drayage, and unpacking of household goods and personal effects in excess of eleven thousand pounds net in any one shipment: *Provided,* That the limitations imposed herein shall not be applicable in the case of members transferred to or serving in stations outside the continental United States or in Alaska under orders relieving them from a duty station within the United States prior to July 10, 1952, and who are returned to the United States under orders relieving them from a duty station beyond the United States or in Alaska on or after July 1, 1953.

SEC. 616. Vessels under the jurisdiction of the Department of Commerce, the Department of the Army, the Department of the Air Force, or the Department of the Navy may be transferred or otherwise made available without reimbursement to any such agencies upon the request of the head of one agency and the approval of the agency having jurisdiction of the vessels concerned.

SEC. 617. None of the funds provided in this Act shall be available for training in any legal profession nor for the payment of tuition for training in such profession: *Provided,* That this limitation shall not apply to the off-duty training of military personnel as prescribed by section 621 of this Act.

SEC. 618. Not more than 20 per centum of the appropriations in this Act which are limited for obligation during fiscal year [1960] *1961* shall be obligated during the last two months of the fiscal year: *Provided,* That this section shall not apply to obligations for support of active duty training of civilian components or summer camp training of the Reserve Officers' Training Corps.

SEC. 619. During the fiscal year [1960] *1961* the agencies of the Department of Defense may accept the use of real property from foreign countries for the United States in accordance with mutual defense agreements or occupational arrangements and may accept services furnished by foreign countries as reciprocal international courtesies or as services customarily made available without charge; and such agencies may use the same for the support of the United States forces in such areas without specific appropriation therefor.

In addition to the foregoing, agencies of the Department of Defense may accept real property, services, and commodities from foreign countries for the use of the United States in accordance with mutual defense agreements or occupational arrangements and such agencies may use the same for the support of the United States forces in such areas, without specific appropriation therefor: *Provided,* That within thirty days after the end of each quarter the Secretary of Defense shall render to the Committees on Appropriations of the Senate and the House of Representatives and to the Bureau of the Budget a full report of such property, supplies, and commodities received during such quarter.

SEC. 620. During the current fiscal year, appropriations available to the Department of Defense for research and development may be used for the purposes of section 2353 of title 10, United States Code, and for purposes related to research and development for which expenditures are specifically authorized in other appropriations of the service concerned.

SEC. 621. No appropriation contained in this Act shall be available for the payment of more than 75 per centum of charges of educational institutions for tuition or expenses for off-duty training of military personnel, nor for the payment of any part of tuition or expenses for such training for commissioned personnel who do not agree to remain on active duty for two years after completion of such training.

SEC. 622. No part of the funds appropriated herein shall be expended for the support of any formally enrolled student in basic courses of the senior division, Reserve Officers' Training Corps, who has not executed a certificate of loyalty or loyalty oath in such form as shall be prescribed by the Secretary of Defense.

SEC. 623. No [part of any appropriation contained in this Act shall be available for the procurement of any article of food, clothing, cotton, spun silk yarn for cartridge cloth, or wool (whether in the form of fiber or yarn or contained in fabrics, materials, or manufactured articles) not grown, reprocessed, reused, or produced in the United States or its possessions, except to the extent that the Secretary of the department concerned shall determine that a satisfactory quality and sufficient quantity of any articles of food or clothing or any form of cotton, spun silk yarn for cartridge cloth, or wool grown, reprocessed, reused, or produced in the United States or its possessions cannot be procured as and when needed at United States market prices and except procurements outside the United States in support of combat operations, procurements by vessels in foreign waters and emergency procurements or procurements of perishable foods by establishments located outside the United States for the personnel attached thereto: *Provided,* That nothing herein shall preclude the procurement of foods manufactured or processed in the United States or its possessions: *Provided further,* That no] funds herein appropriated shall be used for the payment of a price differential on contracts hereafter made for the purpose of relieving economic dislocations.

[SEC. 624. None of the funds appropriated in this Act shall be used for the construction, replacement, or reactivation of any bakery, laundry, or dry-cleaning facility in the United States, its Territories or possessions, as to which the Secretary of Defense does not certify in writing, giving his reasons therefor, that the services to be furnished by such facilities are not obtainable from commercial sources at reasonable rates.]

SEC. [625] *624.* During the current fiscal year, appropriations of the Department of Defense shall be available for reimbursement to the Post Office Department for payment of costs of commercial air transportation of military mail between the United States and foreign countries.

SEC. [626] *625.* Appropriations of the Department of Defense available for the payment of rental allowances shall be available for the leasing of quarters in foreign countries constructed under the authority of section 302 of Public Law 534, approved July 14, 1952, for assignment as public quarters to military personnel of the Department of Defense.

SEC. [627] *626.* Appropriations contained in this Act shall be available for providing furnishings, without charge, in other than public quarters occupied by military or civilian personnel of the Department of Defense on duty outside the continental United States or in Alaska, upon a determination, under regulations approved by the Secretary of Defense, that such action is advantageous to the Government.

SEC. [628] *627.* During the current fiscal year appropriations available to the Department of Defense for pay of civilian employees shall be available for uniforms, or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131).

SEC. [629] *628.* During the current fiscal year, the Secretary of Defense shall, upon requisition of the National Board for the Promotion of Rifle Practice, and without reimbursement, transfer from agencies of the Department of Defense to the Board ammunition from stock or which has been procured for the purpose in such amounts as he may determine.

Such appropriations of the Department of Defense available for obligation during the current fiscal year as may be designated by the Secretary of Defense shall be available for the travel expenses of military and naval personnel, including the reserve components, and members of the Reserve Officers' Training Corps attending regional, national or international rifle matches.

[SEC. 630. Funds provided in this Act for legislative liaison activities of the Department of the Army, the Department of the Navy, the Department of the Air Force, and the Office of the Secretary of Defense shall not exceed $2,650,000: *Provided,* That this amount shall be available for apportionment to the Department of the Army, the Department of the Navy, the Department of the Air Force, and the Office of the Secretary of Defense as determined by the Secretary of Defense.]

[SEC. 631. Of the funds made available by this Act for the services of the Military Air Transport Service, $85,000,000 shall be available only for procurement of commercial air transportation service; and the Secretary of Defense shall utilize the services of civil air carriers which qualify as small businesses to the fullest extent found practicable.]

[SEC. 632. Not to exceed $7,000,000 of the funds made available in this Act for the purpose shall be available for the hire of motor vehicles.]

SEC. [633] *629.* During the current fiscal year, the Secretary of Defense should he deem it advantageous to the national defense to

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GENERAL PROVISIONS—Continued

accelerate any strategic or tactical missile program, may transfer under the authority and terms of the Emergency Fund, an additional $150,000,000 for the acceleration of such missile program or programs: *Provided,* That the transfer authority made available under the terms of the Emergency Fund appropriation contained in this Act is hereby broadened to meet the requirements of this section: *Provided further,* That the Secretary of Defense shall notify the Appropriations Committees of the Congress promptly of all transfers made pursuant to this authority. (*Department of Defense Appropriation Act, 1960.*)

GENERAL PROVISIONS—MILITARY CONSTRUCTION

SEC. 101. Funds appropriated to the military departments for construction in prior years are hereby made available for construction authorized for each such department by the authorizations enacted into law during the [first] *second* session of the Eighty-sixth Congress.

SEC. 102. None of the funds appropriated in this Act shall be expended for payments under a cost-plus-a-fixed-fee contract for work where cost estimates exceed $25,000 to be performed within the United States, except Alaska, without the specific approval in writing of the Secretary of Defense setting forth the reasons therefor.

SEC. 103. None of the funds appropriated in this Act shall be expended for additional costs involved in expediting construction unless the Secretary of Defense certifies such costs to be necessary to protect the national interest and establishes a reasonable completion date for each project, taking into consideration the urgency of the requirement, the type and location of the project, the climatic and seasonal conditions affecting the construction and the application of economical construction practices.

SEC. 104. None of the funds appropriated [in this Act] *to the Department of Defense* shall be used for the construction, replacement, or reactivation of any bakery, laundry, or drycleaning facility in the United States, its Territories or possessions, as to which the Secretary of Defense does not certify, in writing, giving his reasons therefor, that the services to be furnished by such facilities are not obtainable from commercial sources at reasonable rates.

SEC. 105. Funds appropriated to the military departments for construction are hereby made available for: [(1) advance planning, construction design and architectural services, as authorized by section 504 of the Act of September 28, 1951, as amended (69 Stat. 352), (2) acquisition of land, installation of outside utilities, and site preparation for housing projects to be constructed under title VIII of the National Housing Act, as amended, as authorized by section 505 of the Act of September 28, 1951 (65 Stat. 365), (3)] *(1)* hire of passenger motor vehicles, and [(4)] *(2)* the construction, or acquisition by lease or otherwise, of family housing and community facilities projects in foreign countries as authorized by section 407(b) of the Act of September 1, 1954 (68 Stat. 1119), as amended.

SEC. 106. Appropriations to the military departments for construction may be charged for the cost of administration, supervision and inspection of family housing authorized pursuant to title IV of the Act of August 11, 1955 (Public Law 345), as amended, in an amount not to exceed three and one-half per centum of the cost of each such project: *Provided,* That such appropriations shall be reimbursed from the proceeds of any mortgage executed on each such project.

SEC. 107. Funds appropriated to the military departments for construction may be used for advances to the Bureau of Public Roads, Department of Commerce, for the purposes of section 210 of title 23, United States Code, when projects authorized therein are certified as important to the national defense by the Secretary of Defense.

SEC. 108. None of the funds appropriated in this Act may be used to begin construction on new bases for which specific appropriations have not been made.

SEC. 109. During the current fiscal year, appropriations available for construction of family quarters for personnel shall not be obligated for such construction at a cost per family unit in excess of $22,000 on housing units for generals or equivalent; $19,800 on housing units for colonels or equivalent; $17,600 on housing units for majors and lieutenant colonels, or equivalent; $15,400 on housing units for second lieutenants, lieutenants, captains, and warrant officers, or equivalent; or $13,200 on housing units for enlisted personnel, except that when such units are constructed outside the continental United States or in Alaska, the average cost per unit of all such units shall not exceed $32,000 and in no event shall the individual cost exceed $40,000, and except that the Secretary of the Army may provide 156 units of family housing for company grade officers at the United States Military Academy at a unit cost of not more than $20,300 per family unit[; the family unit costs for family housing including land authorized to be purchased by section 103 of the Act of August 30, 1957 (Public Law 85–241), may exceed by not more than 15 per centum the respective limitations on such costs contained in this Act].

SEC. 110. No part of the funds contained in this Act shall be used to incur obligations for the planning, design, or construction of facilities for an Air Force Academy the total cost of which will be in excess of $139,797,000.

SEC. 111. No part of the funds provided in this Act shall be used for purchase of land or land easements in excess of 100 per centum of the value as determined by the Corps of Engineers or the Bureau of Yards and Docks, except: (a) where there is a determination of value by a Federal court, (b) purchases negotiated by the Attorney General or his designee, and (c) where the estimated value is less than $25,000.

SEC. 112. None of the funds appropriated in this Act may be used to make payments under contracts for any project in a foreign country unless the Secretary of Defense or his designee, after consultation with the Secretary of the Treasury or his designee, certifies to the Congress that the use, by purchase from the Treasury, of currencies of such country acquired pursuant to law is not feasible for the purpose, stating the reason therefor.

[SEC. 113. None of the funds appropriated in this Act shall be used for the construction of a combat operations center for the North American Air Defense Command at a cost in excess of $29,000,000.]

SEC. 113. The unexpended balance of amounts heretofore made available under the heading "Military construction, foreign countries" shall be merged with appropriations available during fiscal year 1961 for military assistance authorized by chapter I of the Mutual Security Act, 1954, as amended. (*Military Construction Appropriation Act, 1960.*)

GENERAL PROVISIONS—MILITARY ASSISTANCE

SEC. —. Funds appropriated in this Act for military assistance shall not be subject to other general provisions of this Act, except that, when pursuant to section 522 of the Mutual Security Act of 1954, as amended, authority granted in such other general provisions is utilized with respect to such funds, they may be utilized only in accordance with the terms and conditions applicable to such authority.

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for fiscal year 1961

Appropriation	Number of vehicles to be purchased		Old vehicles to be exchanged [1]		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
OPERATION AND MAINTENANCE								
Salaries and expenses, Secretary of Defense.	5	$10,300	5		$10,300	20	[2] $1,500	Civilian officials, other employees, and assigned military personnel: Transportation to and from official meetings and conferences, and for other official business.
Operation and maintenance, Army							[3] 575,000	Civilian and military personnel of the Army, and other authorized persons: Transportation associated with meetings and conferences and for other official business. Instructors and personnel of the Army National Guard, Army Reserve, and Reserve Officers' Training Corps: Training and instruction.
Bus							[4] 1,110,000	Do.
Station wagon							[5] 65,000	Do.
Ambulance	140	400,000	140		400,000	1,066		Hospitals, dispensaries, and infirmaries: Transportation of patients.
Operation and maintenance, Navy							[6] 445,000	Civilian and military personnel of the Navy: Motor vehicles will be hired in the Washington area and certain field areas where rental from commercial facilities is determined feasible and economically advantageous to the Government.
Bus							[2] 937,000	Do.
Operation and maintenance, Marine Corps.							[2] 2,900	Commandant, Assistant Commandant, and Chief of Staff of the Marine Corps: Transportation to and from official meetings and conferences and for other official business.
Operation and maintenance, Air Force.							[7] 640,914	Civilian and military personnel of the Air Force: Transportation associated with meetings and conferences and other official business.
Bus							[8] 5,314,266	Do.
Station wagon							[9] 837,462	Do.
Operation and maintenance, Alaska Communications System.						8		Officials, electronics specialists and field inspectors: Transportation to and from stations and other inspection points of the system.
Total, operation and maintenance.	145	410,300	145		410,300	1,094	9,929,042	
PROCUREMENT								
Procurement of equipment and missiles, Army.	1,247	1,898,500	1,247		1,898,500	15,204		Civilian officials, other employees and military personnel of the Army and other authorized persons: Transportation to and from official meetings and conferences, and for other official business. Instructors and personnel of the Army National Guard, Army Reserve, and Reserve Officers' Training Corps: Training and instruction. State adjutants general, division commanders, U.S. property and fiscal officers of the several States, District of Columbia, Puerto Rico, and possessions: Transportation in connection with training administration and operation of the Army National Guard. Civilian officials, other employees, and military personnel assigned to the Defense Atomic Support Agency: Transportation in connection with official business.
Bus	24	106,000	24		106,000	4,742		Do.
Station wagon	[10] 16	31,200	1		31,200	956		Do.
Other procurement, Navy	437	669,500	437		669,500	3,631		Civilian officials, other employees and military personnel of the Navy: Transportation to and from official meetings and conferences and for other official business.
Bus	407	2,169,310	407		2,169,310	982		Do.
Station wagon	[11] 123	239,850	22		239,850	1,625		Do.
Ambulance	78	403,260	78		403,260	425		Hospitals and dispensaries: Transportation of patients.
Procurement, Marine Corps						995		Civilian and military personnel of the Marine Corps: Transportation to and from official meetings and conferences and for other official business.
Bus	18	368,200	18		368,200	148		Do.
Station wagon						166		Do.
Other procurement, Air Force	1,181	1,785,500	[12] 1,181		1,785,500	3,889		Civilian and military personnel of the Air Force: Transportation associated with meetings and conferences and for other official business. Instructors and personnel of the Air National Guard: In connection with training and instruction.
Bus	875	3,710,000	[13] 875		3,710,000	2,834		Do.
Station wagon	[14] 1,014	1,977,300	318		1,977,300	4,251		Do.
Ambulance	[15] 235	1,114,370	142		1,114,370	417		Hospitals, dispensaries and infirmaries: Transportation of patients.
Total, procurement	5,655	14,472,990	4,750		14,472,990	40,265		
REVOLVING AND MANAGEMENT FUNDS								
Navy industrial fund							[2] 30,000	Civilian and military personnel of the Navy: For use in motor pools at naval shipyards.
Bus							[2] 59,000	Civilian and military personnel of the Navy: For use in motor pools at naval shipyards and for bus service to adjacent naval facilities.
Total, revolving and management funds.							89,000	
Total, Department of Defense—Military.	5,800	14,883,290	4,895		14,883,290	41,359	10,018,042	

[1] Items shown without an exchange allowance represent over-age and wornout vehicles which will not be exchanged but will be disposed of as surplus.
[2] All of this amount is for payments other than to motor pools.
[3] Includes $486,850 for payments other than to motor pools.
[4] Includes $1,109,152 for payments other than to motor pools.
[5] Includes $56,981 for payments other than to motor pools.
[6] Includes $363,000 for payments other than to motor pools.
[7] Includes $108,241 for payments other than to motor pools.
[8] Includes $5,299,946 for payments other than to motor pools.
[9] Includes $60,585 for payments other than to motor pools.
[10] 15 of these are to replace carryalls which are being used as substitute vehicles to fill station wagon allowances.
[11] 101 of these are to replace carryalls.
[12] In addition, it is estimated that 127 sedans will be transferred to GSA interagency motor pools.
[13] In addition, it is estimated that 33 buses will be transferred to GSA interagency motor pools.
[14] 696 of these are to replace carryalls.
[15] 93 of these are to replace military design ambulances.

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Statement of proposed obligations for purchase, maintenance, and operation of aircraft for the fiscal year 1961

Appropriation	Aircraft to be purchased		Aircraft to be exchanged		Net cost of aircraft to be purchased	Old aircraft still to be used	Cost of maintenance and operation of aircraft	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
OPERATION AND MAINTENANCE								
Operation and maintenance, Army						88	$1,638,196	Military and civilian personnel and other Government officials: Air transportation of personnel for special missions and administrative purposes.
Operation and maintenance, Navy						280	21,724,000	Military and civilian personnel and other Government officials: Primarily for air transportation of personnel, special air missions, and for administrative use at naval air stations and facilities.
Operation and maintenance, Air Force						685	46,001,780	Military and civilian personnel and other Government officials: Air transportation of personnel, cargo, and mail, special air missions, and other administrative uses.
Operation and maintenance, Air National Guard						52	837,000	Military and civilian personnel and other Government officials: Air transportation of personnel for administrative purposes.
PROCUREMENT								
Aircraft procurement, Air Force	52	$64,500,000			$64,500,000			Military and civilian personnel and other Government officials: Combat readiness and navigational training, airways route check, air transportation of personnel, cargo, and mail, special air missions, and other administrative uses.
REVOLVING AND MANAGEMENT FUNDS								
Air Force industrial fund						202	82,660,000	Do.
Total, Department of Defense—Military	52	64,500,000			64,500,000	1,307	152,860,976	

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DEPARTMENT OF DEFENSE—CIVIL

New obligational authority of $978 million recommended for civil functions of the Department of Defense for 1961 will finance the rivers and harbors and flood control activities of the Corps of Engineers—Army; transportation and general government activities for the Panama Canal; administration of the Ryukyu Islands; and the national cemetery system administered by the Army Quartermaster Corps. Appropriations of $936 million recommended for the water resources and related programs of the Corps of Engineers make up 96% of the new obligational authority recommended for 1961.

An increase of $63 million over the 1960 appropriations is requested for the Corps of Engineers, including $21 million for starting some new water resources projects. This increase will be partly offset by reductions in appropriations for capital outlays for the Ryukyu Islands. These and smaller changes result in a net increase of $51 million in 1961 over the total new obligational authority for 1960.

Expenditures for the civil programs of the Department of Defense are estimated to increase by $65 million to a total of $972 million in 1961. This total includes $910 million for the Corps of Engineers, an amount higher than that of any previous year. Most of the increase for the Department's civil programs will be for construction activities of the Corps of Engineers, including $10 million for the proposed new water resources projects. Other increases include those for widening sections of the Panama Canal and construction of the Panama Canal (Balboa) Bridge, alteration and additions to the Gorgas Hospital in the Canal Zone, and construction of a powerplant in the Ryukyu Islands.

New obligational authority and expenditures for Department of Defense—Civil are shown by function in the table below:

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
International affairs and finance:						
152 Economic and technical development				−$99		
Veterans services and benefits:						
106 Other veterans' services and administration	$7,450	$8,964	$9,400	7,284	$8,500	$9,560
Natural resources:						
401 Conservation and development of land and water resources	815,816	873,172	936,422	778,544	860,000	910,000
404 Conservation and development of fish and wildlife	21	26	26	21	30	30
Total, natural resources	815,837	873,198	936,448	778,565	860,030	910,030
Commerce and housing:						
510 Promotion of water transportation	19,250			6,924	4,391	14,466
518 Other aids to business				−9,573	5,521	−437
Total, commerce and housing	19,250			−2,649	9,912	14,029
General government:						
609 Territories and possessions, and the District of Columbia	24,630	45,052	32,354	23,929	27,773	37,943
610 Other general government	244			420	905	710
Total, general government	24,874	45,052	32,354	24,349	28,678	38,653
Total, Department of Defense—Civil	867,411	927,214	978,202	807,450	907,120	972,272

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
							1961 estimate		
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	Total	From new obligational authority	From prior authority
DEPARTMENT OF THE ARMY									
CEMETERIAL EXPENSES									
Current authorizations:									
Salaries and expenses	106	$7,450	$8,964	$9,400	$7,283	$8,500	$9,560	$8,320	$1,240
Entombment of unknown Americans of World War II and Korea	106				1				
Total, cemeterial expenses		7,450	8,964	9,400	7,284	8,500	9,560	8,320	1,240
RIVERS AND HARBORS AND FLOOD CONTROL									
Current authorizations:									
General investigations	401	10,188	10,481	9,500	10,865	11,000	10,500	8,500	2,000
Construction, general	401	608,247	661,356	718,424	562,953	640,716	689,717	539,717	150,000
Operation and maintenance, general	401	114,521	114,935	125,000	113,576	118,000	124,500	110,500	14,000
General expenses	401	12,739	12,324	12,120	12,880	12,350	12,200	11,513	687
Flood control, Mississippi River and tributaries	401	68,347	69,069	69,500	73,178	70,000	70,000	59,000	11,000
United States section, Saint Lawrence River Joint Board of Engineers	401	100	39	30	32	39	30	28	2
International navigation congresses	401			180			35	35	
Niagara remedial works	401				2	155			
Claims, Lake of the Woods flood damage (indefinite)	610	244			244				
Permanent authorizations:									
Payments to States, Flood Control Act of 1954 (indefinite special fund)	401	1,504	1,500	1,500	1,472	1,435	1,500		1,500
Rivers and harbors and flood control, special expense funds:									
Hydraulic mining in California, debris fund (indefinite special fund)	401	18	18	18	21	32	18	18	
Maintenance and operation of dams and other improvements of navigable waters (indefinite special fund)	401	152	150	150	152	152	150		150
Intragovernmental funds:									
Revolving fund, Corps of Engineers	401				3,413	2,971	1,200		1,200
Proposed for later transmission:									
Under existing legislation: Operation and maintenance, general	401		3,300			3,150	150		150
Total, rivers and harbors and flood control		816,060	873,172	936,422	778,788	860,000	910,000	729,311	180,689
UNITED STATES SOLDIERS' HOME									
Current authorizations:									
Limitation on operation and maintenance and capital outlay (trust fund)		(5,762)	(10,948)	(5,664)					
Proposed for later transmission:									
Under existing legislation: Limitation on operation and maintenance and capital outlay (trust fund)			(96)						
Total, United States Soldiers' Home		(5,762)	(11,044)	(5,664)					
RYUKYU ISLANDS, ARMY									
Current authorizations:									
Administration	609	2,860	5,282	6,704	2,688	5,193	6,600	6,300	300
Construction of power systems	609		18,000		1,146	414	7,400		7,400
Construction of water system	609	600			7	593			
Total, Ryukyu Islands, Army		3,460	23,282	6,704	3,841	6,200	14,000	6,300	7,700
THE PANAMA CANAL									
Current authorizations:									
Canal Zone Government:									
Operating expenses	609	18,070	18,900	18,850	17,989	18,370	18,850	15,990	2,860
Capital outlay	609	3,100	2,870	6,800	2,099	3,203	5,093	3,126	1,967
Panama Canal Company: Panama Canal Bridge	510	19,250			1,384	3,838	5,876		5,876
Public enterprise funds:									
Panama Canal Company:									
Panama Canal Company fund	510				5,540	553	8,590		8,590
Limitation on general and administrative expenses		(8,229)	(8,486)	(8,680)					
Total, The Panama Canal		40,420	21,770	25,650	27,012	25,964	38,409	19,116	19,293

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
							1961 estimate		
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	Total	From new obligational authority	From prior authority
MISCELLANEOUS ACCOUNTS									
Current authorizations:									
Civilian relief in Korea, Army	152				−$99				
Permanent authorizations:									
Payments to claimants, disaster at Texas City, Texas, Army (indefinite)	610				176	$905	$710		$710
Wildlife conservation, etc., Eglin Field Reservation, Air Force (indefinite special fund)	404	$21	$26	$26	21	30	30	$26	4
Public enterprise funds:									
Defense production guarantees, Army	518				−515	−260	−70		−70
Defense production guarantees, Navy	518				−8,195	6,564	−158		−158
Defense production guarantees, Air Force	518				−863	−783	−209		−209
Total, miscellaneous accounts		21	26	26	−9,475	6,456	303	26	277
Total new obligational authority and budget expenditures		867,411	927,214	978,202	807,450	907,120	972,272	763,073	209,199
RECAPITULATION									
Enacted or recommended in this document:									
Current authorizations:									
Appropriations		$865,716	$922,220	$976,508	$807,450	$903,970	$972,122	$763,073	$209,049
Permanent authorizations:									
Appropriations		1,695	1,694	1,694					
Proposed for later transmission:									
Appropriations			3,300			3,150	150		150
Total new obligational authority and budget expenditures		867,411	927,214	978,202	807,450	907,120	972,272	763,073	209,199

EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

[In thousands]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1959	1960	1961	1959	1960	1961	1959	1960	1961
THE PANAMA CANAL										
Panama Canal Company fund	510	$95,043	$92,497	$99,785	$89,503	$91,944	$91,195	$5,540	$553	$8,590
MISCELLANEOUS ACCOUNTS										
Defense production guarantees, Army	518	110	110	75	625	370	145	−515	−260	−70
Defense production guarantees, Navy	518	52	9,062	5,045	8,248	2,498	5,203	−8,195	6,564	−158
Defense production guarantees, Air Force	518	14,399	14,139	10,120	15,263	14,922	10,329	−863	−783	−209
Total, public enterprise funds		109,604	115,808	115,025	113,639	109,734	106,872	−4,033	6,074	8,153

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ANALYSIS OF UNEXPENDED BALANCES

[In thousands]

Description	Balance, start of 1959		Balance, start of 1960		Balance, start of 1961		Balance, start of 1962	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document:								
Appropriations:								
General investigations, rivers and harbors and flood control, Department of the Army	$2,107	$3,386	$1,634	$2,709	$808	$2,191		$1,191
Construction, general, rivers and harbors and flood control, Department of the Army	61,934	145,839	62,402	191,133	14,643	211,773		240,480
Operation and maintenance, general, rivers and harbors and flood control, Department of the Army	3,499	17,060	3,877	18,006		14,940		15,440
Flood control, Mississippi River and tributaries, rivers and harbors and flood control, Department of the Army	10	18,483	1,270	13,116	58	12,185		11,685
International navigation congresses, rivers and harbors and flood control, Department of the Army							$25	145
Niagara remedial works, rivers and harbors and flood control, Department of the Army	158	158	158	155				
Payments to States, Flood Control Act of 1954, rivers and harbors and flood control, Department of the Army (indefinite special fund)	1,403	1,403	1,435	1,435	1,500	1,500	1,500	1,500
Hydraulic mining in California, debris fund, rivers and harbors and flood control, Department of the Army (indefinite special fund)	18	18	15	15		1		1
Maintenance and operation of dams and other improvements of navigable waters, rivers and harbors and flood control, Department of the Army (indefinite special fund)	152	152	152	152	150	150	150	150
Construction of power systems, Ryukyu Islands, Army	266	1,460	180	314	17,800	17,900		10,500
Construction of water system, Ryukyu Islands, Army			354	593				
Panama Canal Bridge, Panama Canal Company	133	591	14,134	18,457	759	14,619	523	8,743
Panama Canal Company fund	10,000	10,000	10,000	10,000				
Canal Zone Government: Capital outlay	1,155	2,064	1,463	3,065	765	2,732	697	4,439
Payments to claimants, disaster at Texas City, Texas, Army (indefinite)	11,626	11,626	11,450	11,450	10,545	10,545	9,835	9,835
Wildlife conservation, etc., Eglin Field Reservation, Air Force (indefinite special fund)	18	19	18	19	12	15	6	11
Other		4,505		4,338		5,265		5,105
Total, appropriations	92,479	216,764	108,542	274,957	47,040	293,816	12,736	309,225
Authorizations to expend from debt receipts: Panama Canal Company fund					5,261	10,000		10,000
Revolving and management funds:								
Revolving fund, Corps of Engineers, rivers and harbors and flood control, Department of the Army	1,709	27,683	5,735	24,271	1,931	21,300	431	20,100
Panama Canal Company fund	10,657	30,755	3,894	25,215		24,662		16,072
Other	11,300	10,937	20,511	20,511	14,990	14,990	15,427	15,427
Total, revolving and management funds	23,666	69,375	30,140	69,997	16,921	60,952	15,858	51,599
Proposed for later transmission:								
Appropriations						150		
Total, Department of Defense—Civil	116,145	286,139	138,682	344,954	69,222	364,918	28,594	370,824

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

Description	1959 actual	1960 estimate	1961 estimate
Balances brought forward at start of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	$216,764	$274,957	$293,816
Authorization to expend from debt receipts			10,000
Revolving and management funds	69,375	69,997	60,952
Proposed for later transmission: Appropriations			150
Total balances brought forward	286,139	344,954	364,918
New obligational authority:			
Enacted or recommended in this document:			
Current authorizations: Appropriations	865,716	922,220	976,508
Permanent authorizations: Appropriations	1,695	1,694	1,694
Total new obligational authority enacted or recommended	867,411	923,914	978,202
Proposed for later transmission: Appropriations		3,300	
Total new obligational authority	867,411	927,214	978,202
Other amounts available: Appropriations available in prior year	−541		
Total budget authorizations available	1,153,009	1,272,168	1,343,120
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	807,450	903,970	763,073
Out of balances of prior obligational authority			209,049
Total expenditures from obligational authority enacted or recommended	807,450	903,970	972,122
From obligational authority proposed for later transmission:			
Out of new obligational authority		3,150	
Out of balances of prior obligational authority			150
Total budget expenditures	807,450	907,120	972,272
Amounts no longer available:			
Unobligated balances expiring and lapsing	355	90	
Adjustment of balances downward in expired accounts, net	251	40	24
Total amounts no longer available	606	130	24
Balances carried forward at close of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	274,957	293,816	309,225
Authorizations to expend from debt receipts		10,000	10,000
Revolving and management funds	69,997	60,952	51,599
Proposed for later transmission: Appropriations		150	
Total balances carried forward at close of year	344,954	364,918	370,824
Obligations incurred, net	$843,978	$996,584	$1,018,830

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DEPARTMENT OF THE ARMY

Cemeterial Expenses

Current authorizations:

SALARIES AND EXPENSES

For necessary cemeterial expenses as authorized by law, including maintenance, operation, and improvement of national cemeteries, and purchase of headstones and markers for unmarked graves; purchase of one passenger motor vehicle [for replacement only]; maintenance of that portion of Congressional Cemetery to which the United States has title, Confederate burial places under the jurisdiction of the Department of the Army, and graves used by the Army in commercial cemeteries; [$8,964,150] *$9,400,000*: *Provided,* That this appropriation shall not be used to repair more than a single approach road to any national cemetery: *Provided further,* That this appropriation shall not be obligated for construction of a superintendent's lodge or family quarters at a cost per unit in excess of $17,000, but such limitation may be increased by such additional amounts as may be required to provide office space, public comfort rooms, or space for the storage of Government property within the same structure: *Provided further,* That reimbursement shall be made to the applicable military appropriation for the pay and allowances of any military personnel performing services [exclusively] *primarily* for the purposes of this appropriation. (*24 U.S.C. 271, 273–276, 278–279, 279a–b, 282, 288, 290; Public Works Appropriation Act, 1960.*)

Appropriated 1960, **$8,964,150** Estimate 1961, **$9,400,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Operation and maintenance	$3,936,703	$4,543,500	$4,960,000
2. Construction	230,137	902,850	400,000
3. Headstone procurement	2,643,584	2,886,000	3,359,000
4. Administration	630,100	631,800	681,000
Total obligations	7,440,524	8,964,150	9,400,000
Financing:			
Advances and reimbursements from non-Federal sources (31 U.S.C. 489a)	−6,249		
Unobligated balance no longer available	15,725		
Appropriation (new obligational authority)	7,450,000	8,964,150	9,400,000

This appropriation pays to operate and maintain the national cemetery system, and provides free headstones and markers for the graves of eligible persons. The workload consists of three main factors: gravesites maintained, interments, and headstone applications. Each of these has increased steadily over the last decade as the death rate of the veteran population has increased. This rate will continue to increase through the year 2000.

1. *Operation and maintenance.*—The national cemetery system consists of 85 national cemeteries and 33 smaller burial plots and monument sites. Major workload factors are:

	1959 actual	*1960 estimate*	*1961 estimate*
Interments	30,446	32,563	34,854
Gravesites maintained	897,850	953,877	983,999

2. *Construction.*—Funds are included for 2 gravesite development projects, 4 landscaping projects, 1 road project, and future planning and engineering investigations.

3. *Headstone procurement.*—Headstones are provided for graves in national cemeteries and for graves of military personnel and veterans buried in private cemeteries. The 1961 program is based on an increase of 7% in new applications, 1,000 replacements, and 1,000 memorial markers for persons whose remains are not recoverable.

HEADSTONE PROCUREMENT REQUIREMENTS

	1959 actual	*1960 estimate*	*1961 estimate*
Applications from previous year	10,555	15,172	20,074
Applications received	115,986	124,174	132,726
Less applications carried forward	15,172	20,074	13,000
Total procurement	111,369	119,272	139,800

4. *Administration.*—This item provides for processing applications for headstones and markers, determination of eligibility for interment, and management of the national cemetery system.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	683	737	795
Full-time equivalent of all other positions	44	44	37
Average number of all employees	706	755	807
Number of employees at end of year	801	924	970
Average GS grade and salary	5.7 $5,156	6.0 $5,196	6.0 $5,200
Average salary of ungraded positions	$4,477	$4,681	$4,681
01 Personal services:			
Permanent positions	$3,149,778	$3,504,870	$3,754,500
Positions other than permanent	157,695	169,879	147,417
Other personal services	98,468	90,787	113,869
Total personal services	3,405,941	3,765,536	4,015,786
02 Travel	34,771	37,740	38,492
03 Transportation of things	372,640	396,749	440,998
04 Communication services	50,725	52,500	54,300
05 Rents and utility services	79,197	82,000	84,200
07 Other contractual services	395,598	568,873	662,110
08 Supplies and materials	242,073	282,100	308,000
09 Equipment	2,501,212	2,766,481	3,223,510
10 Lands and structures	189,217	816,118	362,870
11 Grants, subsidies, and contributions	193,846	229,412	242,590
13 Refunds, awards, and indemnities	7,351		
15 Taxes and assessments	6,419	6,927	7,430
Subtotal	7,478,990	9,004,436	9,440,286
Deduct quarters and subsistence charges	38,466	40,286	40,286
Total obligations	7,440,524	8,964,150	9,400,000

Rivers and Harbors and Flood Control

The Corps of Engineers, Army—Civil, improves and maintains rivers and harbors throughout the United States, Puerto Rico, and the Virgin Islands in the interest of navigation, control of floods, related hydroelectric power development, and allied water uses.

The total appropriation requested amounts to $936.4 million, representing an increase of $66.5 million compared with the amount appropriated for 1960 and an increase of $120.3 million compared with the appropriation for 1959. The increased funds are made necessary by the large number of new projects initiated during the past several years. Funds in the amount of $21 million are requested for new construction starts. Approximately 82% of the requested appropriations will be applied to construction and 15% to operation and maintenance activities.

Current authorizations:

The following appropriations shall be expended under the direction of the Secretary of the Army and the supervision of the Chief of Engineers for authorized civil functions of the Department of the Army pertaining to rivers and harbors, flood control, beach erosion, and related purposes:

GENERAL INVESTIGATIONS

For expenses necessary for the collection and study of basic information pertaining to river and harbor, flood control, shore protection, and related projects, and when authorized by law, [preliminary examinations,] surveys and studies (including cooperative beach erosion studies as authorized in Public Law [Numbered] 520, [Seventy-first Congress,] approved July 3, 1930, as amended and

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DEPARTMENT OF THE ARMY—Continued

RIVERS AND HARBORS AND FLOOD CONTROL—Continued

Current authorizations—Continued

GENERAL INVESTIGATIONS—continued

supplemented), of projects prior to authorization for construction, *$9,500,000*, to remain available until expended[, $10,481,250]: *Provided*, That [$48,750] *$50,000* of this appropriation shall be transferred to the United States Fish and Wildlife Service for studies, investigations, and reports thereon as required by the Fish and Wildlife Coordination Act of 1958 (72 Stat. 563–565) to provide that wildlife conservation shall receive equal consideration and be coordinated with other features of water-resource development programs of the Department of the Army. (*33 U.S.C. 426–426c, 540, 541, 701; Public Works Appropriation Act, 1960.*)

Appropriated 1960, **$10,481,250** Estimate 1961, **$9,500,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Surveys and studies:			
(*a*) Navigation studies	$987,723	$1,095,000	$1,250,000
(*b*) Flood control studies	3,189,693	3,290,000	2,825,000
(*c*) Beach erosion cooperative studies	102,846	130,000	155,000
(*d*) Special studies:			
(1) San Francisco Bay area survey	819,735	485,000	403,000
(2) Ohio River Basin review	331,297	400,000	407,000
(3) Great Lakes Harbor survey	295,229	265,000	111,000
(4) Columbia River review	19,970	3,637	
(5) Delaware River review	476,532	365,000	26,130
(6) Coordination studies with other agencies	93,649	114,026	155,000
(7) Hurricane studies	1,035,002	1,100,000	902,000
(8) Hudson River siltation study	100,290	140,000	101,000
(9) Potomac River review	243,451	385,000	406,000
(10) Colorado River, Tex., review	47,884	70,000	120,000
(11) Trinity River, Tex	83,179	240,000	255,000
(12) Great Lakes water levels	4,699	1,351	
(13) Rampart Canyon, Alaska		44,000	75,000
2. Collection and study of basic data:			
(*a*) Stream gaging	201,725	219,375	235,000
(*b*) Precipitation studies	353,200	321,750	340,000
(*c*) Fish and wildlife studies	47,339	53,000	50,000
(*d*) International water studies	42,816	51,700	60,000
3. Research and development:			
(*a*) Beach erosion development studies	189,307	200,000	200,000
(*b*) Hydrologic studies	122,220	150,000	152,000
(*c*) Civil works investigations	1,217,492	1,175,000	1,220,000
(*d*) Mississippi basin model:			
(1) Construction	615,817	682,000	700,000
(2) Mississippi River comprehensive study	72,831	102,000	150,000
4. Tennessee-Tombigbee Waterway restudy	8,510	13	
5. Alaska pierhead line survey	7,463	130,000	2,537
6. Arkansas-Red River pollution		70,000	3,125
Total program costs	10,709,899	11,282,852	10,303,792
7. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)	−48,478		
Obligations incurred for costs of other years, net		23,729	4,687
Total program (obligations)	10,661,421	11,306,581	10,308,479
Financing:			
Unobligated balance brought forward	−2,106,731	−1,633,810	−808,479
Unobligated balance carried forward	1,633,810	808,479	
Appropriation (new obligational authority)	10,188,500	10,481,250	9,500,000

1. *Surveys and studies.*—Surveys are made to determine the need and economic justification of proposed navigation and flood control improvements. These surveys are made in cooperation with appropriate Federal and State agencies and will be restricted to a limited number of high-priority investigations.

In addition, cooperative beach erosion control studies are conducted at specific localities. These cooperative studies are paid for equally by the Federal Government and by State and local agencies.

Special studies are made in cooperation with State and other Federal agencies in the interest of navigation, flood control, power and related purposes.

NUMBER OF REPORTS

Status	*1959 actual*	*1960 estimate*	*1961 estimate*
Navigation and flood control surveys:			
Completed	104	86	89
Continued	127	106	65
Initiated	67	59	[1] 11
Beach erosion control cooperative studies:			
Completed	4	6	9
Continued	0	3	0
Initiated	8	2	0
Special studies:			
Completed	0	1	1
Continued	6	8	9
Initiated	3	2	0

[1] Excludes 8 surveys initiated and shown as completed and 7 surveys resumed and shown as continued—making a total of 26 surveys initiated or resumed in 1961.

Completed reports are those acted upon by the Board of Engineers for Rivers and Harbors or the Beach Erosion Board.

2. *Collection and study of basic data.*—Funds will be made available in the amounts of $340,000 to the Weather Bureau for hydrometeorological studies and precipitation stations, $235,000 to the Geological Survey for installation, operation, and maintenance of stream gaging stations, and $50,000 to the Fish and Wildlife Service for preauthorization studies of the effect of proposed navigation and flood control projects upon fish and wildlife. Also, members of the Corps of Engineers will participate in a number of engineering and control boards to study and control international streams and watersheds which mutually affect the United States and bordering nations.

3. *Research and development.*—General beach erosion development studies deal with physical phenomena, techniques, basic principles, and remedial or control measures related to shore protection and improvement. The results of these studies are disseminated to interested other Federal, State, and local agencies and individuals.

Hydrologic studies include investigations of such phenomena as storms, rainfall, streamflow, and sedimentation to provide basic data used in the design, construction, and operation of water control structures.

Civil works investigations assist in the solution of engineering problems. The solutions are widely applicable to the design, construction, and operation and maintenance of civil works projects. This item also provides for the operation of the research center at the Waterways Experiment Station, Vicksburg, Miss.

Construction of the Mississippi basin model at the Waterways Experiment Station will be continued. In addition, funds are requested to continue the initial phase of a Mississippi River comprehensive study on the completed portion of the Mississippi basin model. The primary objectives of this initial basin-wide testing program are to improve the operation of the reservoir system in the Mississippi River Basin, to assure optimum operation of the reservoir system, and to study potential flood levels on the lower Mississippi River.

5. *Alaska pierhead line survey.*—This activity will be completed with prior year funds.

6. *Arkansas-Red River pollution.*—Prior year funds will be used to conduct studies to determine the geologic origin of saline contamination of water resources in the Arkansas-Red River Basins and remedial measures to be taken. The study is conducted in cooperation with the Public Health Service and other agencies.

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7. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	--------	$52,748	$50,000	$50,000
Unpaid undelivered orders (appropriation balauce obligated for goods and services on order not yet received)	$558,238	455,691	483,489	488,176
Advances (payments for goods and services on order not yet received)	--------	1,321	--------	--------
Total selected resources at end of year	558,238	509,760	533,489	538,176
Selected resources at start of year (−)	----------	−558,238	−509,760	−533,489
Costs financed from obligations of other years, net (−)	----------	−48,478	--------	--------
Obligations incurred for costs of other years, net	----------	--------	23,729	4,687

Object Classification

	1959 actual	1960 estimate	1961 estimate
CORPS OF ENGINEERS, ARMY—CIVIL			
Total number of permanent positions	1,038	1,055	1,025
Full-time equivalent of all other positions	13	13	13
Average number of all employees	1,019	1,029	1,000
Number of employees at end of year	1,050	1,060	1,015
Average GS grade and salary	7.4 $6,135	7.4 $6,158	7.4 $6,176
Average salary of ungraded positions	$5,269	$5,295	$5,322
01 Personal services:			
Permanent positions	$6,438,825	$6,591,825	$6,427,518
Positions other than permanent	42,966	42,450	42,700
Other personal services	301,524	260,725	234,782
Pay and allowances to commissioned officers	15,000	15,000	15,000
Total personal services	6,798,315	6,910,000	6,720,000
02 Travel	109,490	120,000	100,000
03 Transportation of things	13,817	15,000	15,000
04 Communication services	884	1,000	1,000
05 Rents and utility services	25,161	25,000	25,000
06 Printing and reproduction	26,514	25,000	25,000
07 Other contractual services	937,889	1,200,000	990,000
Services performed by—			
Other agencies	1,304,348	1,400,000	940,000
"Revolving fund, Corps of Engineers,"	865,706	964,272	868,929
08 Supplies and materials	123,358	125,000	125,000
09 Equipment	23,366	25,000	20,000
10 Lands and structures	2,500	5,000	5,000
11 Grants, subsidies, and contributions	380,527	430,000	415,000
13 Refunds, awards, and indemnities	3,176	3,200	3,200
15 Taxes and assessments	3,690	5,150	5,350
Total, Corps of Engineers, Army—Civil	10,618,741	11,253,622	10,258,479
ALLOCATION TO BUREAU OF SPORT FISHERIES AND WILDLIFE, DEPARTMENT OF THE INTERIOR			
Total number of permanent positions	5	5	5
Full-time equivalent of all other positions	1	1	1
Average number of all employees	7	6	6
Number of employees at end of year	5	6	6
Average GS grade and salary	7.7 $5,935	7.9 $6,065	7.9 $6,088
01 Personal services:			
Permanent positions	$34,077	$31,540	$31,540
Positions other than permanent	2,230	6,030	3,071
Other personal services	80	240	240
Total personal services	36,387	37,810	34,851
02 Travel	2,348	5,700	5,700
03 Transportation of things	48	200	200
04 Communication services	327	186	186
05 Rents and utility services	21	----------	----------
06 Printing and reproduction	26	175	175
07 Other contractual services	756	4,250	4,250
08 Supplies and materials	544	2,409	2,409
09 Equipment	33	197	197
11 Grants, subsidies, and contributions	2,142	2,027	2,027
15 Taxes and assessments	48	5	5
Total, Bureau of Sport Fisheries and Wildlife	42,680	52,959	50,000
Total obligations	10,661,421	11,306,581	10,308,479

CONSTRUCTION, GENERAL

For the prosecution of river and harbor, flood control, shore protection, and related projects authorized by law; detailed studies, and plans and specifications, of projects (including those for development with participation or under consideration for participation by States, local governments, or private groups) authorized or made eligible for selection by law (but such studies shall not constitute a commitment of the Government to construction); and not to exceed [$1,170,000] *$1,400,000* for transfer to the Secretary of the Interior for conservation of fish and wildlife as authorized by law; *$718,424,000*, to remain available until expended[, $661,356,247]: *Provided*, That no part of this appropriation shall be used for projects not authorized by law or which are authorized by a law limiting the amount to be appropriated therefor, except as may be within the limits of the amount now or hereafter authorized to be appropriated: *Provided further*, That none of the funds appropriated for "Construction, General", in this Act shall be used on the project "Missouri River, Kansas City to mouth", for any purpose other than bank stabilization work: [*Provided further*, That $1,365,000 of the amount herein appropriated shall be available for the Allegheny River Reservoir:] *Provided further*, That [$487,500] *$500,000* of this appropriation shall be transferred to the United States Fish and Wildlife Service for studies, investigations, and reports thereon as required by the Fish and Wildlife Coordination Act of 1958 (72 Stat. 563–565) to provide that wildlife conservation shall receive equal consideration and be coordinated with other features of water-resource development programs of the Department of the Army.

[Not to exceed $180,000 of the funds heretofore provided under this heading shall be available to complete riprap protection of the Saint Joseph Indian School property located along the Fort Randall Reservoir, South Dakota pool.] (*16 U.S.C. 661–666, 756; 33 U.S.C. 511–523, 540, 701; 55 Stat. 638; 66 Stat. 635, 732; Public Works Appropriation Act, 1960; Supplemental Appropriation Act, 1960.*)

Appropriated 1960, **$661,356,247** Estimate 1961, **$718,424,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Advance engineering and design	$9,140,872	$11,000,000	$10,926,806
2. Navigation projects:			
(a) Channels and harbors:			
(1) Dillingham Harbor, Alaska	----------	396,000	----------
(2) Dry Pass, Alaska	820,440	96,774	----------
(3) Gastineau Channel, Alaska	489,078	110,922	----------
(4) Homer Harbor, Alaska	----------	----------	542,000
(5) Seldovia Harbor, Alaska	----------	----------	548,000
(6) Arkansas River and tributaries (bank stabilization and channel rectification), Arkansas and Oklahoma	2,627,207	4,898,465	5,000,000
(7) Half Moon Bay (Pillar Point), Calif	960,648	1,065,352	1,800,000
(8) Playa del Rey Inlet and Harbor, Calif	379,334	798,600	569,311
(9) Port Hueneme Harbor, Calif	615,755	2,374,245	2,422,000
(10) Redwood City Harbor, Calif	----------	1,254,000	----------
(11) Sacramento River, Calif	6,474,887	6,412,025	8,000,000
(12) San Joaquin River (Stockton Channel), Calif	614,440	249,912	----------
(13) Santa Cruz Harbor, Calif	----------	----------	300,000
(14) Bridgeport Harbor, Conn	----------	----------	750,000
(15) Inland Waterway, Delaware River to Chesapeake Bay, Del. aud Md. (Summit Bridge)	3,271,949	2,829,510	----------
(16) Apalachicola Bay:			
East Point Channel, Fla	----------	38,000	----------
St. George Island, Fla	----------	42,000	----------
(17) Intracoastal Waterway, Jacksonville to Miami, Fla. (Eau Gallie to Fort Pierce)	1,222,918	1,104,012	----------
(18) Intracoastal Waterway, Caloosahatchee River to Anclote River, Fla	----------	546,000	2,000,000
(19) Port Everglades Harbor, Fla	----------	----------	750,000
(20) St. Joseph Bay, Fla	397,097	1,052,903	----------
(21) Tampa Harbor, Fla	3,307,813	3,355,017	117,000
(22) Brunswick Harbor, Ga	170,714	1,048,170	----------
(23) Savannah River below Augusta, Ga	1,039,232	919,472	900,000
(24) Honolulu Harbor, Hawaii	907,007	1,626,993	1,216,000
(25) Kahului Harbor, Hawaii	----------	137,000	----------
(26) Kawaihae Harbor, Hawaii	751,237	69,694	----------
(27) Nawiliwili Harbor, Hawaii	25,958	168,556	----------
(28) Mississippi River between Ohio and Missouri Rivers (regulating works)	1,073,474	1,469,641	1,500,000
(29) Mississippi River between St. Louis, Mo., and lock and dam 26, Illinois and Missouri	448,673	875,327	1,500,000
(30) Missouri River:			
Sioux City, Iowa, to Omaha, Nebr	5,966,092	5,380,278	5,600,000
Omaha, Nebr., to Kansas City, Mo	3,331,036	2,695,776	2,800,000
Kansas City, Mo., to mouth	3,728,987	3,300,009	3,475,000
(31) Barataria Bay, La	----------	479,000	1,116,000
(32) Gulf Intracoastal Waterway between Apalachee Bay, Fla., and Mexican border (New Orleans district):			
Algiers lock and canal, Louisiana	501,555	256,948	----------
Plaquemine-Morgan City alternate route, Louisiana	6,558,338	5,803,412	4,166,000
Jefferson-Plaquemine drainage district, Louisiana	----------	1,385,000	----------

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DEPARTMENT OF THE ARMY—Continued

RIVERS AND HARBORS AND FLOOD CONTROL—Continued

Current authorizations—Continued

CONSTRUCTION, GENERAL—continued

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
2. Navigation projects—Continued			
(a) Channels and harbors—Con.			
(33) Mississippi River, Baton Rouge to the Gulf of Mexico, La		$904,000	$2,000,000
(34) Mississippi River-Gulf outlet, Louisiana	$3,438,524	5,505,219	8,750,000
(35) Aquatic plant control in the waters of the Gulf and South Atlantic States	92,944	580,170	700,000
(36) Rockland Harbor, Maine	199,506	54,500	
(37) Baltimore Harbor, Md			1,500,000
(38) Boston Harbor (extension to 40-foot channel), Mass	2,010,706	842,497	
(39) Boston Harbor (reserve channel), Massachusetts		804,000	
(40) Salem Harbor, Mass	894,976	325,024	
(41) Weymouth Fore River, Mass	1,618,079	3,008,000	750,000
(42) Big Bay Harbor, Mich	12,576	329,424	
(43) Grand Marais Harbor, Mich		273,000	732,000
(44) Great Lakes connecting channels, Michigan	24,217,376	24,641,085	30,000,000
(45) Harrisville Harbor, Mich	657,238	482,405	
(46) Manistique Harbor, Mich	1,925	438,351	
(47) Port Austin Harbor, Mich	329,941	33,146	
(48) Saginaw River, Mich	1,515	522,763	
(49) St. Marys River, Mich	2,151,383	2,276,307	
(50) Whitefish Point Harbor, Mich	282,150	118,045	
(51) Minnesota River, Minn			500,000
(52) Pascagoula Harbor, Miss		1,211,000	
(53) Delaware River, Philadelphia to Trenton, Pa., N.J., and Del	10,837,659	11,310,030	11,700,000
(54) New York and New Jersey channels, New Jersey and New York	5,126,487	2,489,800	
(55) New York Harbor-New Jersey pierhead line channel, New Jersey		455,000	886,000
(56) Barcelona Harbor, N.Y	193,756	503,859	
(57) Buffalo Harbor, N.Y	1,871,937	1,972,255	1,900,000
(58) Buttermilk Channel, N.Y		1,463,000	
(59) Hudson River, 32-foot channel to Albany, N.Y		455,000	1,880,000
(60) Irondequoit Bay, N.Y	9,335	97,700	5,965
(61) Oswego Harbor, N.Y	958,959	657,770	
(62) Manteo, N.C	584,617	138,813	
(63) Morehead City Harbor, N.C		546,000	942,000
(64) Ashtabula Harbor, Ohio	1,154,646	207,200	
(65) Cleveland Harbor, Ohio	240,214	463,038	
(66) Columbia River between Vancouver, Wash., and The Dalles, Oreg	757,569	1,971,295	
(67) Columbia River at mouth, Oregon and Washington	123,528	118,014	
(68) Rogue River at Gold Beach, Oreg	657,289	1,510,711	2,018,000
(69) Brazos Island Harbor, Tex	1,508,667	1,476,398	100,000
(70) Freeport Harbor, Tex			899,000
(71) Galveston seawall, Texas	1,437,921	1,972,345	2,700,000
(72) Gulf Intracoastal Waterway: Channel to Port Mansfield, Tex		146,000	1,600,000
Colorado River Channel, Tex		390,000	956,000
Guadalupe River, channel to Victoria, Tex	614,039	838,370	1,400,000
Realined route, vicinity of Aransas Pass, Tex	1,602,951	942,659	
(73) Houston ship channel, Texas	862,563	1,370,987	
(74) Pass Cavallo-Port Lavaca, Tex	218,042	121,258	
(75) Port Aransas-Corpus Christi Waterway, Tex.:			
36-foot channel	1,219,254	1,282,713	1,500,000
Channel to LaQuinta, Tex		930,000	
(76) Sabine-Neches Waterway, Tex	1,390,437	1,465,635	1,800,000
(77) Texas City Channel, Tex. (36-foot channel)	505,109	892,591	
(78) Norfolk Harbor, Va. (widening 40-foot channel)	1,270,491	3,592,131	
(79) Grays Harbor and Chehalis River, Wash. (Point Chehalis)	3,485	122,689	
(80) Port Angeles Harbor, Wash	130,647	7,300	
(81) Bayfield Harbor, Wis	9,053	205,947	
(82) Milwaukee Harbor, Wis			7,000
(83) Minor completion items	3,821,698	307,666	
Total, channels and harbors	118,703,061	135,012,123	120,297,276

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
2. Navigation projects—Continued			
(b) Locks and dams:			
(1) Jackson lock and dam, Alabama	$6,546,483	$7,789,359	$4,409,000
(2) Columbia lock and dam, Alabama and Georgia	517,409	948,091	3,325,000
(3) Warrior lock and dam, Alabama	175,723	19,767	
(4) Illinois Waterway, Ill. (Calumet-Sag modification, Lake Calumet to Sag junction)	8,055,396	7,565,546	9,500,000
(5) Mississippi River between the Missouri River and Minneapolis, Minn.:			
St. Anthony Falls, Minn	706,505	2,705,111	4,900,000
Lock No. 19, Keokuk, Iowa	55,476	54,102	
Rectification of damages	65,848	63,480	2,660,000
(6) Markland lock and dam, Indiana, Kentucky, and Ohio	7,409,301	9,448,678	12,600,000
(7) Ohio River locks and dams: New Cumberland locks and dam, Ohio and West Virginia	8,803,374	5,323,000	6,408,044
Greenup locks and dam, Kentucky and Ohio	11,084,934	9,099,701	9,959,000
Louisville lock and dam 41, Kentucky and Indiana	6,655,783	10,073,478	9,215,000
(8) Capt. Anthony Meldahl (New Richmond) locks and dam, Kentucky and Ohio	3,754,012	9,078,873	15,000,000
(9) New Poe lock, Michigan			1,350,000
(10) Great Lakes-Hudson River Waterway, N.Y	970,864	441,452	400,000
(11) Pike Island lock and dam, Ohio and West Virginia	965,650	3,437,350	9,000,000
(12) Dam 8, Monongahela River, Pa	1,911,059	715,082	
(13) Maxwell locks and dam Pennsylvania			1,400,000
(14) Hildebrand lock and dam, West Virginia	2,410,401	1,411,864	
(15) Minor completion items	149,281	353,428	
Total, locks and dams	60,237,499	68,528,362	90,126,044
3. Alteration of bridges over navigable waters:			
(1) Removal of West Basin Bridge, Los Angeles, Calif	3,318		
(2) Chicago, Burlington and Quincy RR. Bridge, Quincy, Ill	336,797	2,145,203	752,000
(3) Wabash Railroad bridges at Meredosia and Valley City, Ill	1,472,239	440,299	
(4) Houghton-Hancock Bridge, Michigan	1,641,988	2,386,392	
(5) Ohio Street Bridge, Buffalo Harbor, N.Y		1,510,000	800,000
(6) Staten Island Rapid Transit Bridge, New York and New Jersey	2,420,786	1,787,866	
(7) Interstate Bridge, Oregon and Washington	41,615	1,107,385	
(8) Corpus Christi Bridge, Texas	1,852,653	531,020	512,000
(9) Norfolk and Portsmouth Belt Line RR. Bridge, Norfolk Harbor, Va	216,706	40,869	
Total, alteration of bridges	7,986,102	9,949,034	2,064,000
4. Beach erosion control projects:			
(1) Sherwood Island State Park, Conn	430		
(2) Rehoboth Beach to Indian River Inlet, Del			75,000
(3) Palm Beach County, Fla			118,200
(4) Kenilworth, Ill			5,200
(5) Quincy Shore, Mass			645,000
(6) Winthrop Beach, Mass	16,662	14,399	
(7) Atlantic City, N.J	108,158	43,970	
(8) Ocean City, N.J			50,000
(9) Fire Island Inlet, N.Y	819,425	222,575	
(10) Selkirk Shores State Park, N.Y			18,700
(11) Sand Hill Cove Beach, R.I	291		
Total, beach erosion control	944,966	280,944	912,100
5. Flood control projects:			
(a) Local protection:			
(I) Projects specifically authorized by Congress:			
(1) McKinney Bayou and Barkman Creek, Ark. and Tex	207,715	488,285	668,000
(2) Walnut Bayou, Ark	253,024	39,176	
(3) Devil, East Twin, Warm, and Lytle Creeks, Calif	978,810	1,407,497	1,300,000
(4) Eel River, Calif	346,000	283,000	
(5) Los Angeles County drainage area, California (exclusive of Whittier Narrows Reservoir)	16,057,372	15,038,356	13,100,000

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Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
5. Flood control projects—Continued			
(a) Local protection—Continued			
(I) Projects specifically authorized by Congress—Continued			
(6) Lower San Joaquin River and tributaries, California	$921,102	$666,534	$1,260,000
(7) Middle Creek, Calif	521,054	643,451	403,000
(8) Mill Creek levees, California		300,000	503,000
(9) Sacramento River flood control, California	3,291,917	2,463,407	2,200,000
(10) Sacramento River and major and minor tributaries, California	807,691	1,016,658	1,000,000
(11) San Antonio and Chino Crecks, Calif	1,371,180	2,165,219	1,336,000
(12) San Jacinto River and Bautista Creek, Calif		219,000	1,300,000
(13) San Lorenzo Creek, Calif	1,310,117	1,961,507	1,608,000
(14) San Lorenzo River, Calif	2,474,774	267,000	
(15) Santa Clara River, Calif	400,720	1,289,280	305,000
(16) Santa Maria Valley levees, California	336,397	1,818,603	1,850,000
(17) Truckee River and tributaries, California and Nevada	43,523	410,699	154,000
(18) Norwich, Conn	3,784	46,367	
(19) Anacostia River, D.C. and Md	226,790	211,671	
(20) Central and southern Florida	6,186,760	8,247,373	10,000,000
(21) Hanapepe River, Hawaii	181,762	225,238	
(22) Kawainui Swamp, Hawaii			500,000
(23) Little Wood River, Idaho	13,289	44,711	
(24) Beardstown, Ill	777,994	637,135	700,000
(25) Campbells Island, Ill			175,000
(26) Clear Creek drainage and levee district, Illinois	237,912	207,629	270,000
(27) Drury drainage and levee district, Illinois		1,000	490,000
(28) East St. Louis and vicinity, Illinois	1,200,525	2,281,516	2,476,000
(29) Henderson River, Ill		20,000	480,000
(30) Hunt and Lima Lake drainage district, Illinois		610,000	1,200,000
(31) The Sny Basin, Ill	377,745	466,200	2,150,055
(32) Wilson and Wenkel and Prairie du Pont drainage and levee district, Illinois	1,205,950	335,311	
(33) Wood River drainage and levee district, Illinois	732,272	1,104,507	1,180,000
(34) Evansville, Ind	120,469	197,585	450,000
(35) New Harmony Bridge, Indiana	7	82,376	
(36) Vincennes, Ind	57,032	514,000	170,150
(37) Floyd River, Iowa			791,900
(38) Little Sioux River, Iowa	2,084,464	2,416,403	2,300,000
(39) Missouri River, Kenslers' Bend, Nebr., to Sioux City, Iowa	1,367,629	887,437	770,000
(40) Muscatine, Iowa	672,940	123,481	
(41) Muscatine Island levee district and Muscatine-Louisa County Drainage District No. 13, Iowa	32,166	1,095,034	1,400,000
(42) Upper Iowa River, Iowa	169,248	14,333	
(43) Abilene, Kans	534,460	343,460	
(44) Kansas Cities on the Missouri and Kansas Rivers, Kans. and Mo		310,100	281,449
(45) Manhattan, Kans	48,407	433,593	800,000
(46) Missouri River agricultural levees, Kansas, Missouri, Iowa, and Nebraska	973,981	500,000	1,583,254
(47) Ottawa, Kans	787,206	1,420,200	1,089,958
(48) Salina, Kans	1,092,955	2,001,797	
(49) Topeka, Kans	1,721,340	2,918,400	2,728,032
(50) Barbourville, Ky	179,968	18,928	
(51) Catlettsburg, Ky	840,084	42,179	
(52) Covington, Ky	119,266	193,441	
(53) Louisville, Ky	54,323	5,310	
(54) Amite River and tributaries, Louisiana	533,478	1,442,882	
(55) Bayou Chevreuil, La			502,000
(56) Red River levees and bank stabilization below Denison Dam, La., Tex., and Ark	516,571	639,666	700,000
(57) Cumberland, Md., and Ridgeley, W. Va	2,036,857	72,039	
(58) Adams, Mass	85,245	46,799	
(59) North Adams, Mass	4,179,641	2,870,458	
(60) Worcester, Mass	1,926,467	614,729	
(61) Battle Creek, Mich	866,440	353,600	1,192,230
(62) Lost River and Ruffy Brook, Minn	52,190	310,810	
(63) Red River of the North, Minn., S. Dak., and N. Dak	476,905	456,159	368,000
(64) Bear Creek, Mo	76,837	1,076,163	500,000
(65) Canton, Mo	72,092	800,445	484,000
(66) Cape Girardeau, Mo	1,168,934	395,646	
(67) Des Moines and Mississippi levee district No. 1, Missouri		25,000	430,000
(68) Fabius River drainage and levee district, Missouri	$24,040	$1,135,960	$471,000
(69) St. Louis, Mo	1,483,707	4,143,293	6,250,000
(70) Gering and Mitchell Valleys, Nebr		341,000	530,000
(71) Albuquerque, N. Mex		153,000	
(72) Rio Grande floodway, Cochiti to Rio Puerco, N. Mex		780,000	1,000,000
(73) Two Rivers, N. Mex		73,000	400,000
(74) Pantego and Cucklers Creek, N. C			473,000
(75) Endicott, Johnson City, and Vestal, N. Y	1,564,145	1,589,252	335,000
(76) Lower Heart River, N. Dak	527,263	701,655	836,000
(77) Mandan, N. Dak	25,667	8,962	
(78) Marmarth, N. Dak	142,487	43,083	
(79) Roseville, Ohio	41,181	612,556	
(80) Enid, Okla	212,648	607,352	
(81) Amazon Creek, Oreg	21,852	33,035	
(82) Johnson Creek, Oreg	3,280	3,997	99,000
(83) Lower Columbia River bank protection, Oregon and Washington			400,000
(84) Malheur River, Vale unit, Oregon		25,000	331,000
(85) Multnomah County drainage district No. 1, Oregon	466,184	590,086	590,000
(86) Pendleton, Oreg	231,171	37,483	
(87) Willamette River Basin (bank protection), Oregon	525,515	492,922	500,000
(88) Allentown, Pa	898,291	602,066	
(89) Bethlehem, Pa	143,000	700,000	1,500,000
(90) Bradford, Pa	2,549,605	1,489,391	1,377,000
(91) Brookville, Pa		488,000	500,000
(92) Washington, Pa			400,000
(93) Fox Point hurricane barrier, Rhode Island			800,000
(94) Woonsocket, R.I	1,230,539	361,000	
(95) Sioux Falls, S. Dak	2,004,688	1,136,038	
(96) Lake City, Tenn	369,623	134,125	
(97) Memphis, Wolf River and Nonconnah Creek, Tenn	357,706	17,182	
(98) Buffalo Bayou, Tex	3,399,471	2,199,724	2,500,000
(99) Dallas floodway, Tex	138,879	4,185	
(100) Navidad and Lavaca Rivers at Halletsville, Tex	162,681	170,319	
(101) San Antonio Channel, Tex	1,073,778	786,512	1,100,000
(102) Salt Lake City, Utah	147,403	1,480,817	
(103) Colfax, Wash			425,000
(104) East Rainelle, W. Va		488,000	404,000
(105) Princeton, W. Va		488,000	598,000
(106) Williamson, W. Va			300,000
(107) Greybull, Wyo	19,683	11,417	
(108) Jackson Hole, Wyo	326,917	552,228	150,000
(109) Sheridan, Wyo	51,768	585,595	340,000
(110) Minor completion items	1,323,029	232,233	
(II) Projects not specifically authorized by Congress	3,039,198	5,000,000	4,259,738
(III) Emergency bank protection	331,934	450,000	327,417
(IV) Snagging and clearing	554,240	1,000,000	544,356
Total, local protection	86,705,354	97,287,251	90,889,539
(b) Reservoirs:			
(1) Painted Rock Reservoir, Ariz	7,804,943	5,055,131	
(2) Whitlow Ranch Reservoir, Ariz	494,529	1,198,051	
(3) Black Butte Reservoir, Calif	502,161	2,328,488	5,900,000
(4) Carbon Canyon Reservoir, Calif	606,472	2,868,458	1,207,000
(5) Pine Flat Reservoir, Calif	43,985	78,498	500,000
(6) New Hogan Reservoir, Calif		1,200,000	1,800,000
(7) Russian River Reservoir, Calif	1,613,920	247,197	400,000
(8) Success Reservoir, Calif	4,303,727	3,922,750	2,588,000
(9) Terminus Reservoir, Calif	4,763,119	5,419,586	6,300,000
(10) Hall Meadow Brook Reservoir, Conn		244,000	1,000,000
(11) Mad River Reservoir, Conn		268,000	870,000
(12) Thomaston Reservoir, Conn	5,274,303	4,527,144	1,547,000
(13) Carlyle Reservoir, Ill	850,839	2,575,176	3,500,000
(14) Mansfield Reservoir, Ind	2,640,930	1,936,278	
(15) Monroe Reservoir, Ind			275,000
(16) Red Rock Reservoir, Iowa		1,013,000	3,600,000
(17) John Redmond Reservoir, Kans	357,684	1,286,316	3,800,000
(18) Council Grove Reservoir, Kans		293,000	2,000,000
(19) Milford Reservoir, Kans			1,000,000
(20) Pomona Reservoir, Kans	608,010	1,483,990	3,500,000
(21) Toronto Reservoir, Kans	2,056,614	392,151	
(22) Tuttle Creek Reservoir, Kans	16,358,584	17,024,204	16,500,000
(23) Wilson Reservoir, Kans		644,000	2,300,000
(24) Buckhorn Reservoir, Ky	4,510,396	3,377,446	
(25) Nolin Reservoir, Ky	524,127	1,778,873	2,600,000
(26) No. 2 Barren River Reservoir, Ky		975,000	2,175,000
(27) Rough River Reservoir and channel, Ky	2,925,469	2,795,076	
(28) East Brimfield Reservoir, Mass	3,232,817	1,179,982	

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DEPARTMENT OF THE ARMY—Continued

RIVERS AND HARBORS AND FLOOD CONTROL—Continued

Current authorizations—Continued

CONSTRUCTION, GENERAL—continued

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
5. Flood control projects—Continued			
(b) Reservoirs—Continued			
(29) Hodges Village Reservoir, Mass	$1,794,168	$450,911	
(30) West Hill Reservoir, Mass	247,139	1,010,861	$733,000
(31) Westville Reservoir, Mass		1,640,000	2,660,000
(32) Pomme de Terre Reservoir, Mo	3,083,706	3,920,057	3,600,000
(33) Hopkinton-Everett Reservoir, N.H	1,488,671	3,777,583	8,370,000
(34) Chamita (Abiquiu) Reservoir, N. Mex	980,228	3,247,691	4,600,000
(35) Wilkesboro Reservoir, N.C		910,000	3,300,000
(36) Dillon Reservoir, Ohio	4,460,888	8,940,092	4,223,000
(37) West Branch Mahoning River Reservoir, Ohio		512,000	2,200,000
(38) Muskingum River Reservoir, Ohio	4,598	493,389	
(39) Keystone Reservoir, Okla	7,309,090	10,580,264	17,400,000
(40) Oologah Reservoir, Okla	11,887,734	12,594,763	3,700,000
(41) Allegheny River Reservoir, Pa. and N.Y	72,064	1,380,900	5,821,000
(42) Bear Creek Reservoir, Pa	1,988,942	3,106,717	1,067,000
(43) Dyberry Reservoir, Pa	1,555,699	439,089	
(44) Kettle Creek Reservoir, Pa	675,701	1,870,299	2,200,000
(45) Prompton Reservoir, Pa	863,260	1,252,651	
(46) Shenango River Reservoir, Pa. and N.Y		488,000	2,200,000
(47) Stillwater Reservoir, Pa	1,228,974	1,478,309	455,000
(48) Canyon Reservoir, Tex	1,483,911	1,975,780	2,900,000
(49) Cooper Reservoir and channels, Texas	572,468	1,372,301	2,000,000
(50) Navarro Mills Reservoir, Tex	132,335	983,665	3,100,000
(51) Proctor Reservoir, Tex		293,000	1,600,000
(52) Waco Reservoir, Tex	1,013,809	3,920,191	11,000,000
(53) Ball Mountain Reservoir, Vt	2,536,932	1,886,290	2,223,000
(54) East Barre Reservoir, Vt	797,871	78,251	
(55) North Hartland Reservoir, Vt	2,409,182	2,593,801	735,000
(56) North Springfield Reservoir, Vt	2,146,995	1,996,905	531,000
(57) Townshend Reservoir, Vt	1,446,997	1,914,065	1,554,000
(58) Pound Reservoir, Va		1,400,000	3,100,000
(59) Howard A. Hansen (Eagle Gorge) Reservoir, Wash	6,900,000	5,850,000	4,400,000
(60) Summersville Reservoir, W. Va		1,950,000	4,400,000
(61) Sutton Reservoir, W. Va	11,224,400	3,368,948	
(62) Minor completion items	1,437,578	1,550,931	
Total, reservoirs	129,215,969	153,339,499	163,434,000
6. Multiple-purpose projects, including power:			
(1) Walter F. George lock and dam, Alabama and Georgia	9,330,198	13,105,347	20,178,000
(2) Beaver Reservoir, Ark	329,210	1,838,790	2,800,000
(3) Bull Shoals Reservoir, Ark. and Mo	258,830	1,473,181	3,200,000
(4) Bull Shoals Reservoir (units 7 and 8), Ark. and Mo			100,000
(5) Dardanelle lock and dam, Arkansas	924,695	4,529,084	6,478,000
(6) Greers Ferry Reservoir, Ark	3,501,481	7,871,000	14,643,012
(7) Buford Dam, Ga., part of Apalachicola, Chattahoochee, and Flint Rivers system, Alabama, Florida and Georgia	2,601,190	596,272	
(8) Jim Woodruff lock and dam, Florida and Georgia	244,136	1,934,244	
(9) Hartwell Reservoir, Ga. and S.C	16,833,472	24,059,888	21,375,000
(10) Barkley Dam, Ky. and Tenn	9,842,547	16,673,655	17,100,000
(11) Table Rock Reservoir, Mo. and Ark	9,225,529	3,477,300	1,199,973
(12) Fort Peck Dam, Mont. (2d powerplant)	5,747,017	8,059,133	4,500,000
(13) Gavins Point Reservoir, Nebr. and S. Dak	534,911	634,980	
(14) Garrison Reservoir, N. Dak	10,234,913	4,368,796	4,000,000
(15) Eufaula Reservoir, Okla	$5,488,353	$11,155,322	$20,700,000
(16) Cougar Reservoir, Oreg	4,701,530	8,145,750	12,300,000
(17) Green Peter Reservoir, Oreg			1,400,000
(18) Hills Creek Reservoir, Oreg	13,440,621	8,268,721	10,500,000
(19) John Day lock and dam, Oregon and Washington	7,644,317	19,526,369	41,800,000
(20) Lookout Point Reservoir, Oreg	439,966	553,139	
(21) McNary lock and dam, Oregon and Washington	627,043	1,255,397	
(22) The Dalles lock and dam, Oregon and Washington	12,849,654	6,650,803	1,900,000
(23) Big Bend Reservoir, S. Dak	675,392	1,800,908	10,000,000
(24) Fort Randall Reservoir, S. Dak	2,276,145	781,700	494,324
(25) Oahe Reservoir, S. Dak	44,973,814	39,614,039	53,500,000
(26) Cheatham lock and dam, Tennessee, part of Cumberland River system, Kentucky and Tennessee	537,200	308,509	
(27) Old Hickory lock and dam, Tennessee, part of Cumberland River system, Kentucky and Tennessee	819,951	744,726	
(28) Denison Reservoir (Lake Texoma), Tex. and Okla.: (Highway Bridge at Willis Site)	2,359,851	451,235	
(29) McGee Bend Dam, Tex	5,193,222	6,209,890	6,000,000
(30) Chief Joseph Dam, Wash	1,530,106	653,654	300,000
(31) Ice Harbor lock and dam, Washington	19,328,407	28,030,380	30,000,000
(32) Minor completion items	1,027,631	1,000,241	
Total, multiple-purpose projects	193,521,332	223,772,453	284,468,309
7. Recreation on completed projects	747,577	2,450,000	2,529,189
8. Small authorized projects	3,274,407	5,300,000	3,019,576
9. Lower Columbia River fish sanctuary program (Fish and Wildlife Service)	1,354,835	1,708,585	1,400,000
10. Fish and wildlife studies (Fish and Wildlife Service)		487,500	500,000
11. Rehabilitation of existing projects:			
(a) Advance engineering and design			500,000
(b) Construction—Small rehabilitation projects under $400,000			2,000,000
12. Undistributed reduction based on anticipated delays and savings			−40,000,000
Total obligations	611,831,974	709,115,751	733,066,839
Financing:			
Unobligated balance brought forward	−61,934,266	−62,402,343	−14,642,839
Recovery of prior year obligations	−4,053,551		
Unobligated balance carried forward	62,402,343	14,642,839	
Appropriation (new obligational authority)	608,246,500	661,356,247	718,424,000

The requested appropriation of $718.4 million represents an increase of $57 million compared with the amount appropriated for 1960 and an increase of $110.2 million compared with 1959. An analysis of the costs to this appropriation and the resources available to complete the projects in the various activities are set forth in the tabulations under the appropriate activity heading. Of the appropriations requested, about 70% will be applied to 36 major projects in amounts of $5 million or more each.

The monetary authorization available for appropriation after 1961 for projects in this program amounts to $3,285.4 million. The status of the overall construction program excluding projects classified as inactive or deferred for restudy but including projects completed in prior years is summarized in the following table.

NUMBER AND ESTIMATED COST OF AUTHORIZED PROJECTS [1]

	Number of authorized projects				*Estimated cost in millions*				
	Total	*Completed* [2]	*Underway* [3]	*Balance authorized* [4]	*Total*	*To June 30, 1959*	*1960*	*1961*	*Balance to complete*
Activity:									
Navigation [5]	2,380	2,094	178	108	$5,190.2	$2,387.0	$197.6	$211.8	$2,393.8
Alteration of bridges	17	8	8	1	36.8	21.4	9.7	2.1	3.6
Beach erosion control	69	13	18	38	33.1	5.9	.7	.9	25.6
Flood control [6]	808	381	185	242	5,899.7	2,188.6	227.5	248.1	3,235.5
Multiple-purpose projects, including power	60	21	26	13	5,800.3	2,952.1	212.3	284.0	2,351.9
Total	3,334	2,517	415	402	16,960.1	7,555.0	647.8	[7] 746.9	8,010.4

[1] Excludes projects classified as inactive or deferred for restudy.
[2] Also includes projects essentially complete.
[3] Uncompleted projects in the active program for which construction funds have been appropriated. Includes 20 projects or project modifications that do not have funds presently available for expenditure.
[4] Includes projects not yet funded and parts of approved comprehensive basin plans for which funds are not yet available.
[5] Includes authorized modifications of original projects.
[6] Excludes snagging and clearing and emergency flood control projects.
[7] Program total: Actual appropriation request is $706.9 million.

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1. *Advance engineering and design.*—Design studies establish project features and cost estimates required for preparation of contract plans. The funds requested will bring designs and plans for a number of high priority projects to the stage where they will be ready for construction, and will permit continuation or initiation of planning on other needed projects. The program of restudy of projects classified as deferred for restudy will be continued.

2. *Navigation projects.*—This activity includes improvement of channels and harbors for navigation by dredging and by construction of breakwaters, jetties, and dikes and construction of locks, dams, and canals.

With the funds requested, work will be continued on 35 channel and harbor projects, of which 12 will be completed, and on 12 lock, dam, and canal projects, of which 4 will be completed in 1961. Construction will be initiated on eight channel and harbor and two lock and dam projects or project modifications and reimbursement will be made to compensate local interests on one channel and harbor project as follows:

CHANNEL AND HARBOR PROJECTS

1. Homer Harbor, Alaska [1]
2. Seldovia Harbor, Alaska [1]
3. Santa Cruz Harbor, Calif.
4. Bridgeport Harbor, Conn.
5. Port Everglades Harbor, Fla.
6. Baltimore Harbor—42-foot channel, Maryland
7. Minnesota River, Minn.
8. Freeport Harbor, Tex.[1]
9. Milwaukee Harbor—Outer Harbor, Wis. (reimbursement)

LOCK AND DAM PROJECTS

1. New Poe lock, Michigan
2. Maxwell locks and dam, Pennsylvania

[1] To be completed with funds recommended for 1961.

[In thousands]

	Costs to this appropriation					Analysis of 1961 financing				
	Total estimate	To June 30, 1958	1959 actual	1960 estimate	1961 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources, end of year	Appropriation required for 1961	Appropriation required to complete	Percent cost complete through 1961
NAVIGATION PROJECTS										
(a) Channels and harbors:										
(4) Homer Harbor, Alaska	$550	[1] $8	--------	--------	$542	--------	--------	$542	--------	100.0
(5) Seldovia Harbor, Alaska	568	[1] 20	--------	--------	281	--------	$267	548	--------	53.0
(6) Arkansas River and tributaries (bank stabilization and channel rectification), Arkansas and Oklahoma	37,258	24,515	$1,903	$5,227	5,000	$520	520	5,000	$93	98.4
(7) Half Moon Bay (Pillar Point), Calif	5,210	[1] 117	408	1,424	1,800	200	200	1,800	1,261	72.0
(8) Playa del Rey Inlet and Harbor, Calif	2,970	537	379	799	569	415	--------	154	686	76.9
(9) Port Hueneme Harbor, Calif	5,500	[1] 88	219	2,571	2,422	200	200	2,422	--------	96.4
(11) Sacramento River, Calif	43,400	6,300	7,264	6,805	8,000	--------	--------	8,000	15,031	65.4
(13) Santa Cruz Harbor, Calif	1,860	[1] 35	[1] 28	[1] 26	321	21	--------	300	1,450	22.2
(14) Bridgeport Harbor, Conn	3,513	[1] 15	--------	--------	750	--------	--------	750	2,748	21.8
(18) Intracoastal Waterway, Caloosahatchee River to Anclote River, Fla	8,800	[1] 234	[1] 153	548	2,000	--------	--------	2,000	5,865	33.3
(19) Port Everglades Harbor, Fla	8,330	[1] 28	[1] 38	--------	750	--------	--------	750	7,514	9.8
(21) Tampa Harbor, Fla	13,689	6,720	3,428	3,424	117	--------	--------	117	--------	100.0
(23) Savannah River below Augusta, Ga	3,710	114	636	1,223	900	100	100	900	737	77.4
(24) Honolulu Harbor, Hawaii	3,810	34	184	1,978	1,514	398	100	1,216	--------	97.4
(28) Mississippi River between Ohio and Missouri Rivers (regulating works)	62,500	42,826	1,102	1,370	1,500	100	100	1,500	15,602	74.9
(29) Mississippi River between St. Louis, Mo., and lock and dam 26, Illinois and Missouri	6,640	[1] 21	406	237	1,980	681	201	1,500	3,795	39.8
(30) Missouri River:										
Sioux City, Iowa, to Omaha, Nebr	112,000	53,935	5,939	5,248	5,600	800	300	5,600	40,978	63.2
Omaha, Nebr., to Kansas City, Mo	115,000	97,094	3,489	2,644	2,800	100	100	2,800	8,873	92.2
Kansas City, Mo., to mouth	123,000	107,800	3,954	3,241	3,475	100	100	3,475	4,430	96.3
(31) Barataria Bay, La	1,680	[1] 15	[1] 62	487	1,116	--------	--------	1,116	--------	100.0
(32) Gulf Intracoastal Waterway between Apalachee Bay, Fla., and Mexican border (New Orleans district): Plaquemine-Morgan City alternate route, Louisiana	27,027	10,471	6,580	5,810	4,166	--------	--------	4,166	--------	100.0
(33) Mississippi River, Baton Rouge to Gulf of Mexico, Louisiana	9,700	[1] 613	[1] 77	911	1,700	--------	300	2,000	6,099	34.1
(34) Mississippi River-gulf outlet, Louisiana	106,000	1,450	3,182	5,262	8,250	500	1,000	8,750	86,856	17.1
(35) Aquatic plant control in the waters of the Gulf and South Atlantic States	6,196	168	90	583	700	--------	--------	700	4,655	24.9
(37) Baltimore Harbor, Md	30,000	[1] 28	--------	--------	1,500	--------	--------	1,500	28,472	5.1
(41) Weymouth Fore River, Mass	6,034	249	2,027	3,008	750	--------	--------	750	--------	100.0
(43) Grand Marais Harbor, Mich	1,010	[1] 5	--------	273	732	--------	--------	732	--------	100.0
(44) Great Lakes connecting channels, Michigan	152,900	21,171	23,144	24,728	30,000	1,000	1,000	30,000	52,857	65.4
(51) Minnesota River, Minn	2,860	[1] 23	[1] 17	[1] 45	500	--------	--------	500	2,275	20.5
(53) Delaware River, Philadelphia to Trenton, Pa., N.J. and Del	87,000	16,510	7,703	13,989	11,700	500	500	11,700	36,598	57.4
(55) New York Harbor-New Jersey pierhead line channel, New Jersey	5,769	4,428	--------	455	786	--------	100	886	--------	98.3
(57) Buffalo Harbor, N.Y	11,500	4,555	671	2,467	2,407	707	200	1,900	1,200	87.8
(59) Hudson River—32-ft. channel to Albany, N.Y	37,200	[1] 65	--------	455	1,580	--------	300	1,880	34,800	5.6
(63) Morehead City Harbor, N.C	1,500	[1] 12	--------	546	942	--------	--------	942	--------	100.0
(68) Rogue River at Gold Beach, Oreg	4,220	[1] 24	261	1,817	2,018	100	100	2,018	--------	97.6
(69) Brazos Island Harbor, Tex	4,539	1,454	1,508	1,477	100	--------	--------	100	--------	100.0
(70) Freeport Harbor, Tex	920	[1] 21	--------	--------	899	--------	--------	899	--------	100.0
(71) Galveston seawall, Texas	9,230	68	1,220	2,048	2,700	200	200	2,700	2,994	65.4
(72) Gulf Intracoastal Waterway:										
Channel to Port Mansfield, Tex	3,446	[1] 15	--------	146	1,300	--------	300	1,600	1,685	42.4
Colorado River channel, Texas	1,400	[1] 46	6	392	856	--------	100	956	--------	92.9
Guadalupe River, channel to Victoria, Tex	8,240	452	516	947	1,200	--------	200	1,400	4,925	37.8
(75) Port Aransas-Corpus Christi Waterway, Tex.: 36-ft. channel	6,320	924	1,035	1,283	1,500	200	200	1,500	1,378	78.2
(76) Sabine-Neches Waterway, Tex	11,600	1,007	1,562	1,265	1,800	200	200	1,800	5,766	50.3
(82) Milwaukee Harbor, Wis	132	[1] 2	--------	--------	7	--------	--------	7	123	6.8
Projects not budgeted in 1961	323,734	208,824	33,691	35,094	3,268	3,268	--------	--------	41,957	87.0
Total, channels and harbors	1,418,467	613,042	112,880	141,153	122,799	9,811	6,888	119,876	421,705	69.8
(b) Locks and dams:										
(1) Jackson lock and dam, Alabama	21,200	2,398	6,567	7,326	4,409	500	500	4,409	--------	97.6
(2) Columbia lock and dam, Alabama and Georgia	14,400	[1] 342	297	1,169	2,825	--------	500	3,325	9,267	32.2
(4) Illinois Waterway, Ill. (Calumet-Sag modification, Lake Calumet to Sag Junction)	89,600	11,497	8,473	10,451	9,641	2,141	2,000	9,500	47,538	44.7
(5) Mississippi River between the Missouri River and Minneapolis, Minn.:										
St. Anthony Falls, Minn	36,700	12,199	861	2,309	4,800	500	600	4,900	15,931	54.9
Rectification of damages	5,123	2,334	66	63	2,660	--------	--------	2,660	--------	100.0

[1] Advance engineering and design only.

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DEPARTMENT OF THE ARMY—Continued

Rivers and Harbors and Flood Control—Continued

Current authorizations—Continued

CONSTRUCTION, GENERAL—continued

[In thousands]

	Costs to this appropriation					Analysis of 1961 financing				
	Total estimate	To June 30, 1958	1959 actual	1960 estimate	1961 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources, end of year	Appropriation required for 1961	Appropriation required to complete	Percent cost complete through 1961
NAVIGATION PROJECTS—continued										
(b) Locks and dams—Continued										
(6) Markland lock and dam, Indiana, Kentucky, and Ohio	$65,300	$18,022	$6,526	$9,324	$13,136	$1,062	$526	$12,600	$17,766	72.0
(7) Ohio River locks and dams:										
New Cumberland locks and dam, Ohio and West Virginia	40,150	18,368	7,949	6,879	6,354	774	600	6,180	--------	98.5
Greenup locks and dam, Kentucky and Ohio	54,600	22,035	9,954	12,118	9,993	534	500	9,959	--------	99.1
Louisville lock and dam 41, Kentucky and Indiana	48,000	2,050	7,673	9,349	9,240	825	800	9,215	18,888	59.0
(8) Capt. Anthony Meldahl (New Richmond) locks and dam, Kentucky and Ohio	77,100	837	3,643	8,553	14,797	726	929	15,000	48,341	36.1
(9) New Poe lock, Michigan	42,300	[1] 8	[1] 250	[1] 467	1,350	--------	--------	1,350	40,225	4.9
(10) Great Lakes-Hudson River Waterway, N.Y	38,950	23,161	221	691	900	500	--------	400	13,977	64.1
(11) Pike Island lock and dam, Ohio and West Virginia	66,600	[1] 119	552	3,267	8,893	593	700	9,000	53,069	19.3
(13) Maxwell locks and dam, Pennsylvania	32,200	[1] 109	[1] 195	[1] 159	1,400	--------	--------	1,400	30,337	5.8
Projects not budgeted in 1961	131,212	122,149	5,308	3,208	--------	--------	--------	--------	547	99.6
Total, locks and dams	763,436	235,628	58,535	75,335	89,898	8,155	8,155	89,898	295,885	60.2
Total, navigation projects	2,181,903	848,670	171,415	216,488	212,697	17,966	15,043	209,774	717,590	66.4

[1] Advance engineering and design only.

3. *Alteration of bridges.*—Obstructive bridges over navigable waterways are altered in accordance with an apportionment of the costs of alteration between the United States and the bridge owners.

The funds requested will finance the Federal share of the cost of altering three bridges, one of which will be completed in 1961.

[In thousands]

	Costs to this appropriation					Analysis of 1961 financing				
	Total estimate	To June 30, 1958	1959 actual	1960 estimate	1961 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources, end of year	Appropriation required for 1961	Appropriation required to complete	Percent cost complete through 1961
ALTERATION OF BRIDGES OVER NAVIGABLE WATERS										
(2) Chicago, Burlington & Quincy RR. Bridge, Quincy, Ill	$3,420	$35	$263	$2,219	$752	--------	--------	$752	$151	96.6
(5) Ohio Street Bridge, Buffalo Harbor, N.Y	3,000	10	--------	800	1,210	$710	$300	800	680	67.3
(8) Corpus Christi Bridge, Tex	4,866	1,796	1,002	1,556	512	--------	--------	512	--------	100.0
Projects not budgeted in 1961	18,767	4,668	8,200	5,871	--------	--------	--------	--------	28	100.0
Total, alteration of bridges	30,053	6,509	9,465	10,446	2,474	710	300	2,064	859	96.2

4. *Beach erosion control projects.*—The Federal Government assists in the construction of works for the restoration and protection against erosion by waves and currents of the shores of the United States and possessions. Federal contributions may not exceed one-third of the construction costs of such projects.

With the funds requested, reimbursements will be made to compensate local interests on 6 projects as follows:

1. Rehoboth Beach to Indian River Inlet, Del.
2. Lake Worth Inlet to South Lake Worth Inlet, Fla.
3. Kenilworth, Ill.
4. Quincy Shore, Mass. [1]
5. Ocean City, N.J.
6. Selkirk Shores State Park, N.Y.

[1] To be completed with funds recommended for 1961.

[In thousands]

	Costs to this appropriation					Analysis of 1961 financing				
	Total estimate	To June 30, 1958	1959 actual	1960 estimate	1961 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources, end of year	Appropriation required for 1961	Appropriation required to complete	Percent cost complete through 1961
BEACH EROSION CONTROL PROJECTS										
(2) Rehoboth Beach to Indian River Inlet, Delaware	$519	$5	--------	--------	$75	--------	--------	$75	$439	15.4
(3) Palm Beach County, Fla	410	27	--------	--------	118	--------	--------	118	265	35.4
(4) Kenilworth, Ill	12	1	--------	--------	5	--------	--------	5	6	51.7
(5) Quincy Shore, Mass	649	4	--------	--------	645	--------	--------	645	--------	100.0
(8) Ocean City, N.J	223	103	--------	--------	50	--------	--------	50	70	68.5
(10) Selkirk Shores State Park, N.Y	160	3	--------	--------	19	--------	--------	19	138	13.8
Projects not budgeted in 1961	5,317	1,160	$161	$1,065	--------	--------	--------	--------	2,931	44.9
Total, beach erosion control projects	7,289	1,301	161	1,065	912	--------	--------	912	3,850	47.2

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5. *Flood control projects.*—This activity includes local protection projects and flood control reservoirs without power installations. Local protection projects consist of channel improvements, levees, and floodwalls. Provision is made for emergency bank protection; for snagging and clearing work on navigable streams and tributaries when such work is necessary in the interest of flood control; and for the construction of small flood control projects not specifically authorized by Congress.

With the funds requested, work will be continued on 52 local protection projects, 17 of which will be completed, and on 46 reservoir projects, 11 of which will be completed in 1961. Ten new local protection projects and two new reservoir projects will be initiated as shown below.

The administration has recommended legislation to provide for a more equitable sharing of the cost of flood control works between the Federal and local interests. Its adoption and application to new starts proposed herein would reduce the Federal Government's cost for these projects by as much as $5 million.

LOCAL PROTECTION PROJECTS

1. Kawainui Swamp, Hawaii
2. Campbells Island, Ill.
3. Floyd River, Iowa
4. Bayou Chevreuil, La.[1]
5. Pantego and Cucklers Creek, N.C.[1]
6. Lower Columbia River bank protection, Oregon and Washington.
7. Washington, Pa.
8. Fox Point hurricane barrier, Rhode Island.
9. Colfax, Wash.
10. Williamson, W. Va.

RESERVOIR PROJECTS

1. Monroe Reservoir, Ind.
2. Milford Reservoir, Kans.

[1] To be completed with funds recommended for 1961.

[In thousands]

FLOOD CONTROL PROJECTS	Costs to this appropriation: Total estimate	To June 30, 1958	1959 actual	1960 estimate	1961 estimate	Analysis of 1961 financing: Deduct selected resources and unobligated balance, start of year	Add selected resources, end of year	Appropriation required for 1961	Appropriation required to complete	Percent cost complete through 1961
(a) Local protection:										
(I) Projects specifically authorized by Congress:										
(1) McKinney Bayou and Barkman Creek, Ark., and Tex	$1,390	[1] $22	$91	$609	$668	--------	--------	$668	--------	100.0
(3) Devil, East Twin, Warm, and Lytle Creeks, Calif.	8,200	2,420	927	1,261	1,300	$200	$200	1,300	$2,092	72.0
(5) Los Angeles County drainage area, California (exclusive of Whittier Narrows Reservoir)	318,000	175,985	15,521	14,462	14,281	1,684	503	13,100	97,248	69.3
(6) Lower San Joaquin River and tributaries, California	13,100	1,819	1,194	820	1,060	--------	200	1,260	8,007	37.4
(7) Middle Creek, Calif.	1,898	141	638	716	403	--------	--------	403	--------	100.0
(8) Mill Creek levees, California	910	[1] 64	[1] 41	302	503	--------	--------	503	--------	100.0
(9) Sacramento River flood control, California	78,200	57,463	3,864	2,223	2,200	500	500	2,200	11,950	84.1
(10) Sacramento River and major and minor tributaries, California	24,200	2,828	811	1,077	800	--------	200	1,000	18,484	22.8
(11) San Antonio and Chino Creeks, Calif.	10,900	5,994	1,068	2,302	1,336	200	200	1,336	--------	98.2
(12) San Jacinto River and Bautista Creek, Calif.	4,040	[1] 77	[1] 81	276	1,100	--------	200	1,300	2,306	38.0
(13) San Lorenzo Creek, Calif.	5,150	263	587	2,692	1,608	--------	--------	1,608	--------	100.0
(15) Santa Clara River, Calif.	2,140	129	128	1,578	305	--------	--------	305	--------	100.0
(16) Santa Maria Valley levees, California	7,190	210	179	1,360	2,180	630	300	1,850	2,961	54.6
(17) Truckee River and tributaries, California and Nevada	1,200	70	44	411	154	--------	--------	154	521	56.6
(20) Central and southern Florida	241,700	41,907	5,691	9,214	10,000	500	500	10,000	174,388	27.6
(22) Kawainui Swamp, Hawaii	1,090	[1] 84	--------	--------	500	--------	--------	500	506	53.6
(24) Beardstown, Ill.	5,970	1,485	645	630	740	140	100	700	2,370	58.6
(25) Campbells Island, Ill.	512	[1] 57	[1] 1	[1] 2	130	--------	45	175	277	37.1
(26) Clear Creek drainage and levee district, Illinois	5,240	3,851	345	188	290	20	--------	270	566	89.2
(28) East St. Louis and vicinity, Illinois	23,700	9,918	1,085	1,838	2,668	692	500	2,476	7,691	65.4
(30) Hunt and Lima Lake drainage district, Illinois	5,680	[1] 150	[1] 17	343	1,270	570	200	900	3,700	31.3
(31) The Sny Basin, Illinois	22,500	657	181	570	1,958	458	300	1,800	18,834	15.0
(33) Wood River drainage and levee district, Illinois	15,600	10,519	532	1,224	1,296	116	--------	1,180	2,029	87.0
(34) Evansville, Ind.	13,600	2,303	118	152	398	54	106	450	10,523	21.8
(37) Floyd River, Iowa	9,600	[1] 70	[1] 66	[1] 153	792	--------	--------	792	8,519	11.3
(38) Little Sioux River, Iowa	15,500	4,248	1,164	3,436	2,450	350	200	2,300	4,002	72.9
(39) Missouri River, Kenslers' Bend, Nebr. to Sioux City, Iowa	11,300	8,222	1,417	891	770	--------	--------	770	--------	100.0
(41) Muscatine Island levee district and Muscatine Louisa County drainage district, No. 13, Iowa	4,000	[1] 95	42	995	1,400	100	100	1,400	1,368	63.3
(45) Manhattan, Kans.	3,100	[1] 39	66	244	890	190	100	800	1,761	40.0
(47) Ottawa, Kans.	4,660	207	585	1,622	990	150	100	940	1,156	73.0
(49) Topeka, Kans.	18,400	1,621	1,150	3,442	2,651	251	200	2,600	9,336	48.2
(55) Bayou Chevreuil, La.	556	[1] 13	--------	[1] 41	233	--------	269	502	--------	51.6
(56) Red River levees and bank stabilization below Denison Dam, La., Tex., and Ark.	10,000	6,688	801	640	700	--------	--------	700	1,171	88.3
(61) Battle Creek, Mich.	6,930	832	1,394	694	1,092	1,278	436	250	2,482	57.9
(63) Red River of the North, Minn., S. Dak., and N. Dak.	6,200	4,899	206	727	368	--------	--------	368	--------	100.0
(64) Bear Creek, Mo.	2,320	243	79	496	980	580	100	500	422	77.5
(65) Canton, Mo.	1,470	114	72	636	648	164	--------	484	--------	100.0
(68) Fabius River drainage and levee district, Missouri	1,740	[1] 101	32	801	806	335	--------	471	--------	100.0
(69) St. Louis, Mo.	126,000	1,360	1,504	3,689	6,295	545	500	6,250	112,652	10.2
(70) Gering and Mitchell Valleys, Nebr.	1,470	45	--------	191	580	150	100	530	554	55.5
(72) Rio Grande floodway, Cochiti to Rio Puerco, N. Mex.	4,400	[1] 39	[1] 41	789	900	--------	100	1,000	2,531	40.2
(73) Two Rivers, N. Mex.	6,900	[1] 300	[1] 69	94	400	--------	--------	400	6,037	12.5
(74) Pantego and Cucklers Creek, N.C.	536	[1] 13	--------	[1] 50	473	--------	--------	473	--------	100.0
(75) Endicott, Johnson City, and Vestal, N.Y.	6,000	2,201	1,437	2,027	335	--------	--------	335	--------	100.0
(76) Lower Heart River, N. Dak.	2,200	135	140	1,020	905	69	--------	836	--------	100.0
(83) Lower Columbia River bank protection, Oregon and Washington	8,600	[1] 51	[1] 13	[1] 1	400	--------	--------	400	8,135	5.4
(84) Malheur River, Vale unit, Oregon	423	[1] 32	[1] 17	43	331	219	--------	112	--------	100.0
(85) Multnomah County drainage district No. 1, Oregon	1,740	94	48	1,008	590	--------	--------	590	--------	100.0
(87) Willamette River Basin (bank protection), Oregon	12,400	6,694	634	493	500	--------	--------	500	4,079	67.1
(89) Bethlehem, Pa.	9,300	189	166	753	1,300	--------	200	1,500	6,692	25.9
(90) Bradford, Pa.	8,000	2,583	2,061	1,859	1,397	120	100	1,377	--------	98.8
(91) Brookville, Pa.	1,420	[1] 52	[1] 23	268	725	225	--------	500	352	75.2
(92) Washington, Pa.	1,540	[1] 37	[1] 24	[1] 79	400	--------	--------	400	1,000	35.1
(93) Fox Point hurricane barrier, Rhode Island	12,861	[1] 100	[1] 273	[1] 522	800	--------	--------	800	11,166	13.2
(98) Buffalo Bayou, Tex.	52,100	16,915	3,053	2,456	2,500	200	200	2,500	26,976	47.8
(101) San Antonio Channel, Tex.	16,800	948	559	1,305	1,100	--------	--------	1,100	12,888	23.3
(103) Colfax, Wash.	3,200	[1] 138	[1] 52	[1] 61	435	10	--------	425	2,514	21.4
(104) East Rainelle, W. Va.	950	28	5	513	404	--------	--------	404	--------	100.0
(105) Princeton, W. Va.	1,160	34	21	507	598	--------	--------	598	--------	100.0

[1] Advance engineering and design only.

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DEPARTMENT OF THE ARMY—Continued

RIVERS AND HARBORS AND FLOOD CONTROL—Continued

Current authorizations—Continued

CONSTRUCTION, GENERAL—continued

[In thousands]

FLOOD CONTROL PROJECTS—continued	Costs to this appropriation: Total estimate	To June 30, 1958	1959 actual	1960 estimate	1961 estimate	Analysis of 1960 financing: Deduct selected resources and unobligated balance, start of year	Add selected resources, end of year	Appropriation required for 1961	Appropriation required to complete	Percent cost complete through 1961
(a) Local projection—Continued										
(I) Projects specifically authorized by Congress—Con.										
(106) Williamson, W. Va	$723	[1] $4	--------	[1] $69	$300	--------	--------	$300	$350	51.6
(108) Jackson Hole, Wyo	2,700	557	$277	602	150	--------	--------	150	1,114	58.7
(109) Sheridan, Wyo	1,800	103	52	522	394	$63	$9	340	720	59.5
Projects not budgeted in 1961	577,062	343,724	27,187	20,520	5,219	6,219	1,000	--------	179,412	68.7
(II) Projects not specifically authorized by Congress	12,984	--------	2,172	4,500	4,300	4,312	2,012	2,000	--------	84.5
(III) Emergency bank protection	1,157	--------	317	425	330	115	85	300	--------	92.7
(IV) Snagging and clearing	2,135	--------	470	900	600	465	165	300	--------	92.3
Total, local protection	1,784,447	722,181	81,475	104,338	94,579	21,874	10,030	82,735	771,844	56.2
(b) Reservoirs:										
(3) Black Butte Reservoir, Calif	18,000	630	318	2,514	5,400	--------	500	5,900	8,638	49.2
(4) Carbon Canyon Reservoir, Calif	5,150	459	204	2,500	1,251	780	736	1,207	--------	85.7
(5) Pine Flat Reservoir, Calif	40,850	39,008	44	78	500	--------	--------	500	1,220	97.0
(6) New Hogan Reservoir, Calif	17,600	[1] 508	[1] 222	910	1,800	300	300	1,800	13,860	19.5
(7) Russian River Reservoir, Calif	14,002	9,512	1,764	253	400	--------	--------	400	2,073	85.2
(8) Success Reservoir, Calif	14,200	3,277	4,378	3,757	2,588	200	200	2,588	--------	98.6
(9) Terminus Reservoir, Calif	21,500	1,231	2,998	6,958	6,300	300	300	6,300	3,713	81.3
(10) Hall Meadow Brook Reservoir, Conn	2,210	[1] 20	--------	244	900	--------	100	1,000	946	52.7
(11) Mad River Reservoir, Conn	5,970	[1] 18	--------	268	870	--------	--------	870	4,814	19.4
(12) Thomaston Reservoir, Conn	14,400	2,569	5,277	4,507	1,547	500	500	1,547	--------	96.5
(13) Carlyle Reservoir, Ill	40,700	949	832	2,459	3,465	140	175	3,500	32,820	18.9
(15) Monroe Reservoir, Ind	5,260	[1] 30	[1] 28	[1] 76	275	--------	--------	275	4,851	7.8
(16) Red Rock Reservoir, Iowa	75,200	[1] 1,545	[1] 130	1,055	3,400	--------	200	3,600	68,870	8.2
(17) John Redmond Reservoir, Kans	32,800	[1] 433	354	1,375	3,600	--------	200	3,800	26,838	17.6
(18) Council Grove Reservoir, Kans	13,700	[1] 86	[1] 76	400	1,800	--------	200	2,000	11,138	17.2
(19) Milford Reservoir, Kans	60,600	[1] 113	[1] 241	[1] 168	900	--------	100	1,000	59,078	2.4
(20) Pomona Reservoir, Kans	14,100	[1] 289	557	1,562	3,200	--------	300	3,500	8,192	39.8
(22) Tuttle Creek Reservoir, Kans	85,900	23,558	16,852	17,078	16,557	590	533	16,500	11,322	86.2
(23) Wilson Reservoir, Kans	18,800	[1] 82	[1] 160	661	1,960	--------	340	2,300	15,597	15.2
(25) Nolin Reservoir, Ky	14,800	233	494	1,848	2,298	14	316	2,600	9,611	32.9
(26) No. 2 Barren River Reservoir, Ky	20,700	[1] 98	[1] 115	870	1,996	121	300	2,175	17,321	14.9
(30) West Hill Reservoir, Mass	2,230	[1] 237	137	1,123	733	--------	--------	733	--------	100.0
(31) Westville Reservoir, Mass	7,080	[1] 126	[1] 183	1,659	2,460	--------	200	2,660	2,452	62.5
(32) Pomme de Terre Reservoir, Mo	16,700	2,724	3,345	3,643	3,821	422	201	3,600	2,966	81.0
(33) Hopkinton-Everett Reservoir, N.H	30,800	705	1,303	3,727	8,170	300	500	8,370	16,395	45.1
(34) Chamita (Abiquiu) Reservoir, N. Mex	17,900	5,551	638	3,530	4,600	200	200	4,600	3,381	80.0
(35) Wilkesboro Reservoir, N.C	8,500	[1] 231	[1] 133	933	3,000	--------	300	3,300	3,903	50.6
(36) Dillon Reservoir, Ohio	30,600	11,970	4,589	9,604	4,237	214	200	4,223	--------	99.3
(37) West Branch Mahoning River Reservoir, Ohio	11,917	[1] 61	[1] 174	525	2,000	--------	200	2,200	8,957	23.2
(39) Keystone Reservoir, Okla	135,000	2,714	5,984	11,075	17,402	1,068	1,066	17,400	96,759	27.5
(40) Oologah Reservoir, Okla	35,100	5,364	8,865	14,647	4,703	1,320	317	3,700	1,204	95.7
(41) Allegheny River Reservoir, Pa., and N.Y	119,000	1,273	151	1,033	5,171	1,641	1,000	4,530	110,372	6.4
(42) Bear Creek Reservoir, Pa	11,100	4,274	2,650	3,109	1,067	--------	--------	1,067	--------	100.0
(44) Kettle Creek Reservoir, Pa	6,600	[1] 393	711	1,703	2,200	200	200	2,200	1,393	75.9
(46) Shenango River Reservoir, Pa. and N.Y	29,400	[1] 274	[1] 127	511	2,000	--------	200	2,200	26,288	9.9
(47) Stillwater Reservoir, Pa	5,678	1,459	2,054	1,710	455	--------	--------	455	--------	100.0
(48) Canyon Reservoir, Tex	16,700	1,254	1,458	2,099	2,700	10	210	2,900	8,979	45.0
(49) Cooper Reservoir and channels, Tex	15,200	501	521	1,550	1,800	--------	200	2,000	10,628	28.7
(50) Navarro Mills Reservoir, Tex	10,100	[1] 115	144	984	2,800	--------	300	3,100	5,757	40.0
(51) Proctor Reservoir, Tex	18,000	[1] 152	[1] 146	318	1,500	--------	100	1,600	15,784	11.8
(52) Waco Reservoir, Tex	39,500	475	878	3,850	10,800	221	421	11,000	23,076	40.5
(53) Ball Mountain Reservoir, Vt	10,300	3,279	1,788	2,710	2,223	300	300	2,223	--------	97.1
(55) North Hartland Reservoir, Vt	6,610	869	2,222	2,784	735	------	------	735	--------	100.0
(56) North Springfield Reservoir, Vt	6,500	1,430	2,371	2,168	531	------	------	531	--------	100.0
(57) Townshend Reservoir, Vt	7,150	2,121	1,265	2,210	1,554	------	------	1,554	--------	100.0
(58) Pound Reservoir, Va	19,200	[1] 61	[1] 270	1,401	2,800	------	300	3,100	14,368	23.6
(59) Howard A. Hansen (Eagle Gorge) Reservoir, Wash	35,500	16,262	6,207	5,973	4,684	595	311	4,400	2,063	93.3
(60) Summersville Reservoir, W. Va	50,800	[1] 477	[1] 93	2,064	4,100	------	300	4,400	43,766	13.3
Projects not budgeted in 1961	546,176	472,172	42,296	28,636	1,050	1,050	------	--------	2,022	99.6
Total, reservoirs	1,785,784	621,171	125,746	164,822	160,303	10,485	12,325	162,143	701,417	60.7
Total, flood control projects	3,570,231	1,343,352	207,221	269,160	254,882	32,359	22,355	244,878	1,473,261	58.7

[1] Advance engineering and design only.

6. *Multiple-purpose projects including power.*—With the funds requested, work will be continued on 21 multiple-purpose projects with power installations. Construction will be initiated on the installation of power units 7 and 8 at Bull Shoals Reservoir, Ark. and Mo., and on Green Peter Reservoir, Oreg.

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[In thousands]

MULTIPLE-PURPOSE PROJECTS, INCLUDING POWER	Costs to this appropriation: Total estimate	To June 30, 1958	1959 actual	1960 estimate	1961 estimate	Analysis of 1961 financing: Deduct selected resources and unobligated balance, start of year	Add selected resources, end of year	Appropriation required for 1961	Appropriation required to complete	Percent cost complete through 1961
(1) Walter F. George lock and dam, Alabama and Georgia	$87,000	$11,966	$9,102	$13,019	$20,178	$500	$500	$20,178	$32,235	62.4
(2) Beaver Reservoir, Ark	56,100	[1] 563	348	1,280	2,528	563	835	2,800	50,546	8.4
(3) Bull Shoals Reservoir, Ark. and Mo	6,830	23	245	1,487	2,900	----	300	3,200	1,875	68.2
(4) Bull Shoals Reservoir (Units 7 and 8), Ark	7,900	----	----	----	100	----	----	100	7,800	1.3
(5) Dardanelle lock and dam, Arkansas	94,600	1,456	836	4,568	5,448	939	1,591	6,100	80,701	13.1
(6) Greers Ferry Reservoir, Ark	50,300	1,821	3,218	8,205	14,329	744	558	14,143	22,169	54.8
(9) Hartwell Reservoir, Ga. and S.C	94,600	13,166	17,172	23,957	21,475	447	347	21,375	18,483	80.1
(10) Barkley Dam, Ky. and Tenn	182,000	4,992	9,395	17,362	17,508	951	543	17,100	132,200	27.1
(11) Table Rock Reservoir, Mo. and Ark	66,100	50,622	9,075	4,472	1,269	696	27	600	635	99.0
(12) Fort Peck Dam, Mont. (2d powerplant)	26,000	4,006	4,965	8,981	4,416	27	111	4,500	3,521	86.0
(14) Garrison Reservoir, N. Dak	294,000	269,002	10,268	4,835	3,987	405	418	4,000	5,490	98.0
(15) Eufaula Reservoir, Okla	153,000	4,236	4,640	11,592	21,008	855	547	20,700	110,977	27.1
(16) Cougar Reservoir, Oreg	49,200	6,277	4,679	8,012	12,167	527	660	12,300	17,405	63.3
(17) Green Peter Reservoir, Oreg	64,000	[1] 839	[1] 185	[1] 81	988	----	12	1,400	61,895	3.9
(18) Hills Creek Reservoir, Oreg	46,100	9,467	14,621	8,373	10,270	447	677	10,500	2,692	92.7
(19) John Day lock and dam, Oregon and Washington	418,000	3,135	3,334	16,644	40,835	7,232	8,197	41,800	345,855	15.3
(22) The Dalles lock and dam, Oregon and Washington	250,000	225,572	12,836	7,044	1,900	44	44	1,900	2,604	98.9
(23) Big Bend Reservoir, S. Dak	137,500	508	664	1,300	9,400	513	1,113	10,000	124,515	8.6
(24) Fort Randall Reservoir, S. Dak	193,000	185,238	2,013	758	862	462	----	400	4,129	97.9
(25) Oahe Reservoir, S. Dak	380,000	120,342	44,960	41,082	52,250	2,011	3,261	53,500	118,105	68.1
(29) McGee Bend Dam, Tex	57,400	3,945	4,158	7,666	6,097	108	11	6,000	35,523	39.1
(30) Chief Joseph Dam, Wash	148,000	141,956	1,266	1,113	354	155	101	300	3,210	97.8
(31) Ice Harbor lock and dam, Washington	130,000	37,937	15,326	27,521	32,017	5,203	3,186	30,000	14,013	86.8
Projects not budgeted in 1961	1,382,689	1,361,414	8,659	8,867	93	111	18	----	3,638	99.7
Total, multiple-purpose projects	4,374,319	2,458,484	181,963	228,217	282,777	22,941	23,060	282,896	1,199,818	72.0

[1] Advance engineering and design only.

7. *Recreation on completed projects.*—Public use facilities will be provided at about 69 completed projects to accommodate a rapidly increasing number of visitors.

8. *Small authorized projects.*—The Federal Government assists in the construction of authorized channel and harbor, shore protection, and flood control projects, each of which has a total estimated Federal cost of $400,000 or less.

9. *Lower Columbia River fish sanctuary program.*—A program to counteract damages to fisheries resulting from the construction of major dams and other obstructions in the lower Columbia River has been developed by the Fish and Wildlife Service together with the fisheries departments of the States of Oregon and Washington.

10. *Fish and wildlife studies.*—This program provides for detailed studies and reports by the Fish and Wildlife Service to determine the effects on fish and wildlife resources of water-control projects of the Corps of Engineers. Prior to 1960, this activity was financed by charges against individual projects.

11. *Rehabilitation of existing projects.*—Provision is made for the preparation of cost estimates and plans and specifications for major rehabilitation work on completed projects and for work on small rehabilitation projects each of which has an estimated Federal cost of $400,000 or less.

The various activities in the construction program are summarized in the following cost tabulation:

[In thousands]

PROGRAM BY ACTIVITIES	Costs to this appropriation: Total estimate	To June 30, 1958	1959 actual	1960 estimate	1961 estimate	Analysis of 1961 financing: Deduct selected resources and unobligated balance, start of year	Add selected resources, end of year	Appropriation required for 1961	Appropriation required to complete	Percent cost complete through 1961
1. Advance engineering and design	$73,062	$28,259	$8,921	$11,446	$10,927	$1,927	----	$9,000	$13,509	----
Deduct amounts reflected under named projects	22,251	14,878	4,659	2,652	62	62	----	----	----	----
Total	50,811	13,381	4,262	8,794	10,865	1,865	----	9,000	13,509	----
2. Navigation:										
(a) Channels and harbors	1,418,467	613,042	112,880	141,153	122,799	9,811	$6,888	119,876	421,705	69.8
(b) Locks and dams	763,436	235,628	58,535	75,335	89,898	8,155	8,155	89,898	295,885	60.2
3. Alteration of bridges over navigable waters	30,053	6,509	9,465	10,446	2,474	710	300	2,064	859	96.2
4. Beach erosion control projects	7,289	1,301	161	1,065	912	----	----	912	3,850	47.2
5. Flood control projects:										
(a) Local protection:										
(I) Projects specifically authorized by Congress	1,768,171	722,181	78,516	98,513	89,349	16,982	7,768	80,135	771,844	55.9
(II) Projects not specifically autborized by Congress	12,984	----	2,172	4,500	4,300	4,312	2,012	2,000	----	84.5
(III) Emergency bank protection	1,157	----	317	425	330	115	85	300	----	92.7
(IV) Snagging and clearing	2,135	----	470	900	600	465	165	300	----	92.3
(b) Reservoirs	1,825,784	621,171	125,746	164,822	160,303	10,485	12,325	162,143	701,417	60.7
6. Multiple-purpose projects, including power	4,374,319	2,458,484	181,963	228,217	282,777	22,941	23,060	282,896	1,199,818	72.0
7. Recreation on completed projects	6,180	312	858	2,400	2,500	110	110	2,500	----	98.2
8. Small authorized projects	14,539	1,840	2,858	4,800	3,500	3,041	1,541	2,000	----	89.4
9. Lower Columbia River fish sanctuary program (Fish and Wildlife Service)	28,000	12,863	1,874	1,800	1,500	1,574	1,474	1,400	8,489	64.4
10. Fish and wildlife studies (Fish and Wildlife Service)	987	----	----	487	500	----	----	500	----	100.0
11. Rehabilitation of existing projects:										
(a) Advance engineering and design	500	----	----	----	500	----	----	500	----	100.0
(b) Construction—small rehabilitation projects under $400,000	2,000	----	----	----	2,000	----	----	2,000	----	100.0
12. Flood emergency (disaster relief)	----	3,544	−3,544	----	----	----	----	----	----	----
13. Undistributed reduction based on anticipated delays and savings	----	----	----	----	−40,000	----	----	−40,000	40,000	----
Total program costs	10,266,812	4,690,256	576,533	743,657	735,107	80,566	63,883	718,424	3,457,376	----
13. Relation of costs to obligations:										
Costs financed from obligations of other years, net (−)			----	−34,541	−2,040					
Obligations incurred for costs of other years, net			35,299	----	----					
Total program (obligations)			611,832	709,116	733,067					

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DEPARTMENT OF THE ARMY—Continued

RIVERS AND HARBORS AND FLOOD CONTROL—Continued

Current authorizations—Continued

CONSTRUCTION, GENERAL—continued

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

Selected resources at end of year:	*1958 actual*	*1959 actual*	*1960 estimate*	*1961 estimate*
Inventories and items on order:				
Stores (goods unconsumed by projects)	$160,147	$190,809	$100,727	$60,727
Unpaid undelivered orders (appropriation balance obligated for goods and services on order not yet received)	61,281,347	85,547,786	47,765,444	48,956,973
Advances (payments for goods and services not yet received)	1,819,521	3,361,672	3,612,033	993,400
Construction facilities (acquisition value of facilities less depreciation charged to project cost)	5,957,328	11,363,165	14,444,656	13,872,104
Total selected resources at end of year	69,218,343	100,463,432	65,922,860	63,883,204
Selected resources at start of year (−)		−69,218,343	−100,463,432	−65,922,860
Adjustment of selected resources reported at start of year		4,053,551		
Costs financed from obligations of other years, net (−)			−34,540,572	−2,039,656
Obligations incurred for costs of other years, net		35,298,640		

Object Classification

	1959 actual	1960 estimate	1961 estimate
CORPS OF ENGINEERS, ARMY—CIVIL			
Total number of permanent positions	9,956	10,421	10,597
Full-time equivalent of all other positions	217	232	232
Average number of all employees	9,847	10,264	10,459
Number of employees at end of year	10,561	11,062	11,350
Average GS grade and salary	7.4 $6,135	7.4 $6,158	7.4 $6,176
Average salary of ungraded positions	$5,269	$5,295	$5,322
01 Personal services:			
Permanent positions	$56,565,524	$59,730,569	$61,221,410
Positions other than permanent	903,477	978,700	981,500
Other personal services	3,286,047	2,930,731	2,707,090
Pay and allowances to commissioned officers	354,973	590,000	590,000
Total personal services	61,110,021	64,230,000	65,500,000
02 Travel	1,105,764	1,400,000	1,500,000
03 Transportation of things	342,485	400,000	425,000
04 Communication services	141,829	155,000	160,000
05 Rents and utility services	153,953	175,000	180,000
06 Printing and reproduction	192,038	210,000	220,000
07 Other contractual services	29,788,375	37,000,000	39,100,000
Services performed by—			
Other agencies	1,117,820	1,500,000	1,600,000
"Revolving fund, Corps of Engineers, Army"	9,934,493	11,500,000	12,000,000
08 Supplies and materials	2,542,449	3,000,000	3,100,000
09 Equipment	912,753	1,000,000	1,050,000
10 Lands and structures	499,231,159	582,447,827	600,013,839
11 Grants, subsidies, and contributions	3,515,162	3,737,000	3,800,000
13 Refunds, awards, and indemnities	380,822	150,000	2,500,000
15 Taxes and assessments	78,431	100,000	108,000
Subtotal	610,547,554	707,004,827	731,256,839
Deduct quarters and subsistence charges	89,999	90,000	90,000
Total, Corps of Engineers, Army—Civil	610,457,555	706,914,827	731,166,839
ALLOCATION ACCOUNTS			
Total number of permanent positions	18	61	61
Full-time equivalent of all other positions	2	4	4
Average number of all employees	18	64	64
Number of employees at end of year	18	61	67
Average GS grade and salary	8.5 $6,458	8.2 $5,861	8.2 $5,950
01 Personal services:			
Permanent positions	$105,568	$351,657	$354,191
Positions other than permanent	9,264	13,400	13,400
Other personal services	1,110	5,469	7,784
Total personal services	115,942	370,526	375,375
02 Travel	5,015	55,800	60,500
03 Transportation of things	297	2,050	2,550
04 Communication services	2,686	6,500	7,000
05 Rents and utility services	783	4,800	4,800
06 Printing and reproduction	56	1,600	1,600
07 Other contractual services	1,221,209	1,716,170	1,403,200
Services performed by other agencies	83		
08 Supplies and materials	10,806	12,019	12,150
09 Equipment	10,855	8,400	9,000
11 Grants, subsidies, and contributions	6,681	22,984	23,750
15 Taxes and assessments	177	75	75
Subtotal	1,374,590	2,200,924	1,900,000

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
ALLOCATION ACCOUNTS—continued			
Deduct quarters and subsistence charges	$171		
Total, allocation accounts	1,374,419	$2,200,924	$1,900,000
Total obligations	611,831,974	709,115,751	733,066,839
Obligations are distributed as follows:			
Corps of Engineers, Army—Civil	$610,457,555	$706,914,827	$731,166,839
Department of the Interior (Bureau of Commercial Fisheries)	1,354,835	1,708,585	1,400,000
Department of Agriculture (Forest Service)	19,584	4,839	
Department of the Interior (Bureau of Sport Fisheries and Wildlife)		487,500	500,000

OPERATION AND MAINTENANCE, GENERAL

For expenses necessary for the preservation, operation, maintenance, and care of existing river and harbor, flood control, and related works, including such sums as may be necessary for the maintenance of harbor channels provided by a State, municipality, or other public agency, outside of harbor lines, and serving essential needs of general commerce and navigation; financing the United States share of the cost of operation and maintenance of remedial works in the Niagara River; *activities of the California Debris Commission; administration of laws pertaining to preservation of navigable waters;* surveys and charting of northern and northwestern lakes and connecting waters; clearing and straightening channels; removal of obstructions to navigation; rescue work, and repair, or restoration of flood control projects threatened or destroyed by flood; and not to exceed [$1,706,250] *$1,915,000* for transfer to the Secretary of the Interior for conservation of fish and wildlife as authorized by law; *$125,000,000,* to remain available until expended[, $114,934,950]. *(16 U.S.C. 661–666, 756; 33 U.S.C. 1, 414, 415, 441–451, 540, 603a, 661, 678, 683, 701, 701n, 705; 66 Stat. 596; 72 Stat. 301, 302; Public Works Appropriation Act, 1960.)*

Appropriated 1960, **$114,934,950** Estimate 1961, [a] **$125,000,000**

[a] Includes $732,000 for activities previous carried under "General expenses." The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Navigation:			
(*a*) Channels and harbors	$53,930,570	$56,470,000	$59,400,000
(*b*) Locks, dams, and canals	23,456,184	23,725,000	25,470,000
(*c*) Survey of northern and northwestern lakes	645,883	618,000	650,000
(*d*) Protection of navigation	3,318,448	3,279,000	3,355,000
2. Flood control:			
(*a*) Reservoirs	5,013,090	5,180,000	6,225,000
(*b*) Channel improvements, inspections, and miscellaneous maintenance	897,835	875,000	860,000
3. Multiple-purpose projects including power	17,361,233	18,575,000	20,050,000
4. Lower Columbia River fish sanctuary program	1,443,856	1,735,000	1,915,000
5. Niagara remedial works	61,509	74,000	75,000
6. Emergency flood control activities	10,132,473	8,900,000	7,000,000
Total program costs	116,261,081	119,431,000	125,000,000
7. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)	−1,063,614		
Obligations incurred for costs of other years, net		65,002	
Total program (obligations)	115,197,467	119,496,002	125,000,000
Financing:			
Comparative transfers from (−) other accounts	−1,054,172	−684,450	
Unobligated balance brought forward	−3,498,797	−3,876,602	
Unobligated balance carried forward	3,876,602		
Appropriation (new obligational authority)	114,521,100	114,934,950	125,000,000

The appropriation requested is $125 million. This represents an increase of $10.1 million compared with 1960 and an increase of $10.5 million compared with 1959. This appropriation finances the operation of existing facilities and the accomplishment of essential maintenance work

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designed to hold costly repair and rehabilitation work in the future to a minimum. A supplemental appropriation for wage-board increases for 1960 in amount of $3.3 million is anticipated under Proposed for later transmission.

1. *Navigation.*—This provides for operation and maintenance of 123 channel and harbor projects and 32 canals and canalized waterways. Provision is also made for surveys of the northern and northwestern lakes to obtain data for charts and bulletins for safe navigation; for the prevention of obstructions and injurious deposits in the harbors of New York, Baltimore, and Hampton Roads; for marking and removal of wrecks and obstructions to safe navigation; and for clearing and straightening channels of navigable waters.

Provision is made for the administration of laws for the protection and preservation of the navigable waters of the United States, regulation of hydraulic mining, inspection of bridges and approval of bridge plans, investigation of wrecks and oil pollution, control of dumping, and establishment of fish stake limits and harbor lines. This was formerly financed under General expenses.

2. *Flood control.*—In 1961, 134 flood control reservoirs will be operated and maintained. Provision is also made for the minimum regular maintenance of 18 local flood protection projects, rehabilitation work, and inspection of completed flood control projects to determine adequacy of compliance by local interests with prescribed maintenance requirements.

3. *Multiple-purpose projects including power.*—At the end of 1961, 36 multiple-purpose projects with an installed capacity of 6,924,000 kilowatts will be operated and maintained.

4. *Lower Columbia River fish sanctuary program.*—Funds are allocated to the Fish and Wildlife Service for operation and maintenance of hatcheries and related facilities.

5. *Niagara remedial works.*—The costs of operation and maintenance of works to preserve and enhance the scenic beauty of Niagara Falls are divided equally between the United States and Canada.

6. *Emergency flood control activities.*—The amount requested will replenish the authorized emergency flood control fund for expenses in connection with flood emergency preparation, flood fighting and rescue operations and emergency repair and restoration of flood control works such as the relief of the flood threat by possible breaching of the natural dam created by an earthquake slide on the Madison River, Mont., in August 1959.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$646,167	$625,173	$625,000	$625,000
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	7,402,368	6,358,599	6,424,599	6,424,599
Advances (payments for goods and services on order not yet received)	280	825		
Total selected resources at end of year	8,048,815	6,984,597	7,049,599	7,049,599
Selected resources at start of year (−)		−8,048,815	−6,984,597	−7,049,599
Adjustment of selected resources reported at start of year		604		
Costs financed from obligations of other years, net (−)		−1,063,614		
Obligations incurred for costs of other years, net			65,002	

Object Classification

		1959 actual	1960 estimate	1961 estimate
CORPS OF ENGINEERS, ARMY—CIVIL				
Total number of permanent positions		10,480	10,620	10,780
Full-time equivalent of all other positions		335	339	339
Average number of all employees		10,504	10,639	10,818
Number of employees at end of year		10,900	11,061	11,470
Average GS grade and salary		7.4 $6,135	7.4 $6,158	7.4 $6,176
Average salary of ungraded positions		$5,269	$5,295	$5,322
01	Personal services:			
	Permanent positions	$56,152,613	$57,262,425	$58,472,366
	Positions other than permanent	1,386,801	1,407,800	1,413,100
	Other personal services	4,206,553	4,339,775	4,124,534
	Pay and allowances to commissioned officers	137,428	390,000	390,000
	Total personal services	61,883,395	63,400,000	64,400,000
02	Travel	593,972	650,000	650,000
03	Transportation of things	169,379	200,000	200,000
04	Communication services	296,325	300,000	300,000
05	Rents and utility services	820,103	850,000	850,000
06	Printing and reproduction	30,671	30,000	30,000
07	Other contractual services	31,435,250	32,500,000	36,000,000
	Services performed by—			
	Other agencies	702,136	800,000	800,000
	"Revolving fund, Corps of Engineers"	7,906,516	9,047,176	9,824,500
08	Supplies and materials	4,859,889	5,000,000	5,000,000
09	Equipment	639,836	650,000	650,000
10	Lands and structures	902,113	1,000,000	1,000,000
11	Grants, subsidies, and contributions	3,480,650	3,560,000	3,625,000
13	Refunds, awards, and indemnities	355,499	60,000	60,000
15	Taxes and assessments	84,211	112,300	120,500
	Subtotal	114,159,945	118,159,476	123,510,000
	Deduct quarters and subsistence charges	378,328	400,000	425,000
	Total, Corps of Engineers, Army—Civil	113,781,617	117,759,476	123,085,000
ALLOCATION TO BUREAU OF COMMERCIAL FISHERIES, DEPARTMENT OF THE INTERIOR				
Total number of permanent positions		46	10	10
Full-time equivalent of all other positions		5		
Average number of all employees		56	10	11
Number of employees at end of year		4	10	10
Average GS grade and salary		8.3 $6,128	9.1 $7,197	9.1 $7,226
Average salary of ungraded positions		$4,163		
01	Personal services:			
	Permanent positions	$265,184	$74,719	$77,888
	Positions other than permanent	18,620	500	600
	Other personal services	11,837	561	292
	Total personal services	295,641	75,780	78,780
02	Travel	17,452	12,000	14,000
03	Transportation of things	1,699	1,000	1,000
04	Communication services	4,232	3,600	3,600
05	Rents and utility services	7,703	8,210	2,210
06	Printing and reproduction	444	125	125
07	Other contractual services	927,005	1,627,865	1,807,165
08	Supplies and materials	64,340	2,205	2,205
09	Equipment	79,117	1,000	1,000
11	Grants, subsidies, and contributions	17,063	4,726	4,900
13	Refunds, awards, and indemnities	375		
15	Taxes and assessments	779	15	15
	Total, Bureau of Commercial Fisheries	1,415,850	1,736,526	1,915,000
	Total obligations	115,197,467	119,496,002	125,000,000

GENERAL EXPENSES

For expenses necessary for general administration and related functions in the Office of the Chief of Engineers and offices of the Division Engineers; activities of the Board of Engineers for Rivers and Harbors[,] *and* the Beach Erosion Board[, and the California Debris Commission; administration of laws pertaining to preservation of navigable waters]; commercial statistics; and miscellaneous investigations; [$12,324,000] *$12,120,000. (22 U.S.C. 266; 33 U.S.C. 426–426h, 541, 701, 703, 704; Public Works Appropriation Act, 1960.)*

Appropriated 1960, **$12,324,000** Estimate 1961, [a] **$12,120,000**

[a] Excludes $732,000 for activities transferred in the estimates to "Operation and maintenance, general." The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

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DEPARTMENT OF THE ARMY—Continued

RIVERS AND HARBORS AND FLOOD CONTROL—Continued

Current authorizations—Continued

GENERAL EXPENSES—continued

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Executive direction and management:			
(a) Office, Chief of Engineers	$3,899,348	$3,950,000	$4,089,000
(b) Division offices	6,149,719	6,120,000	6,412,000
2. Review boards:			
(a) River and Harbor Board	448,996	470,000	476,000
(b) Beach Erosion Board	151,887	145,000	149,000
3. Commercial statistics	870,640	855,000	833,000
4. Special investigations	127,620	137,500	161,000
Total program costs	11,648,210	11,677,500	12,120,000
5. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−1,950	−37,950	
Total program (obligations)	11,646,260	11,639,550	12,120,000
Financing:			
Comparative transfers to other accounts	1,054,172	684,450	
1959 appropriation available in 1958	3,887		
Unobligated balance no longer available	34,381		
New obligational authority	12,738,700	12,324,000	12,120,000

1. *Executive direction and management.*—In addition to the Office, Chief of Engineers, there are 9 division offices supervising work decentralized in 38 district offices which are financed from other appropriations.

2. *Review boards.*—The River and Harbor Board reviews reports on proposed projects and makes advisory recommendations to the Chief of Engineers. The Beach Erosion Board, in cooperation with the States, studies the prevention of shore erosion, develops standards, and reviews reports.

3. *Commercial statistics.*—Data on waterborne commerce are collected, compiled, and published.

4. *Special investigations.*—Investigations are made and reports prepared pursuant to congressional and other special requests for current information pertaining to the civil works program.

5. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Unpaid undelivered orders (appropriation balance obligated for goods and services on order not yet received)	$87,888	$73,932	$39,689	$39,689
Advances (payments of goods and services on order not yet received)	1,800	3,707		
Total selected resources at end of year	89,688	77,639	39,689	39,689
Selected resources at start of year (−)		−89,688	−77,639	−39,689
Adjustment of selected resources reported at start of year		10,099		
Costs financed from obligations of other years, net (−)		−1,950	−37,950	

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	1,237	1,286	1,290
Full-time equivalent of all other positions	3	3	3
Average number of all employees	1,218	1,212	1,242
Number of employees at end of year	1,207	1,223	1,238
Average GS grade and salary	7.4 $6,135	7.4 $6,158	7.4 $6,176
Average salary of ungraded positions	$5,269	$5,295	$5,322
01 Personal services:			
Permanent positions	$9,125,909	$9,136,563	$9,491,977
Positions other than permanent	5,808	10,080	10,080
Other personal services	65,606	101,457	67,543
Pay and allowances to commissioned officers	387,679	369,500	379,500
Total personal services	9,585,002	9,617,600	9,949,100
02 Travel	$509,948	$510,000	$530,000
03 Transportation of things	18,878	18,000	20,000
04 Communication services	171,254	170,000	172,000
05 Rents and utility services	68,002	68,000	70,000
06 Printing and reproduction	67,889	57,000	60,000
07 Other contractual services	125,627	120,000	190,000
Services performed by—Other agencies	127,895	125,000	125,000
"Revolving fund, Corps of Engineers, Army"	286,789	266,950	278,400
08 Supplies and materials	71,266	70,000	70,000
09 Equipment	23,571	23,000	25,000
11 Grants, subsidies, and contributions	576,424	575,000	611,000
13 Refunds, awards, and indemnities	13,447	14,500	14,500
15 Taxes and assessments	4,155	4,500	5,000
1959 program obligated in 1958	−3,887		
Total obligations	11,646,260	11,639,550	12,120,000

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES

For expenses necessary for prosecuting work of flood control, and rescue work, repair, restoration, or maintenance of flood control projects threatened or destroyed by flood, as authorized by law (33 U.S.C. 702a, 702g–1), *$69,500,000,* to remain available until expended[, $69,068,512]. (*Public Works Appropriation Act, 1960.*)

Appropriated 1960, **$69,068,512** Estimate 1961, **$69,500,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. General investigations:			
(a) Examination and surveys	$394,325	$87,659	$60,000
(b) Collection and study of basic data:			
(1) Surveys, gages, and observations	49,036	55,000	55,000
(2) Fish and wildlife studies	9,495	549	
2. Advance engineering and design	75,572	220,947	
3. Construction:			
(a) Mississippi River levees	2,867,624	2,771,200	2,760,000
(b) Channel improvement	19,458,062	22,631,172	22,000,000
(c) Memphis Harbor, Tenn	635,623	485,379	640,000
(d) Vicksburg Harbor, Miss	941,361	1,468,550	1,370,000
(e) Old River control, Louisiana	8,531,537	9,058,411	8,400,000
(f) St. Francis Basin	3,523,561	3,915,591	4,600,000
(g) Reelfoot Lake area, Tennessee and Kentucky	33,301	114,765	
(h) Lower Arkansas River, Ark	474,555	561,062	530,000
(i) Tensas Basin, Ark. and La	1,167,254	834,513	1,115,000
(j) Yazoo Basin, Miss	4,191,005	3,691,519	4,390,000
(k) Baton Rouge Harbor, La	146,323	28,000	58,288
(l) Atchafalaya Basin, La	5,321,962	5,822,520	6,000,000
(m) Lake Pontchartrain, La	600,927	552,756	660,000
(n) Lower White River	13,319	134,685	150,000
(o) Sec. 6, Flood Control Act, 1928	39,257	212,914	
(p) West Tennessee tributaries		100,000	400,000
(q) Wolf River and tributaries		200,000	500,000
(r) Undistributed reduction based on anticipated delays and savings			−1,380,000
4. Maintenance	18,607,428	17,321,731	17,250,000
5. Flood control emergencies	5,694	11,624	
6. 1959 program obligated in 1958	−536,796		
Total obligations	66,550,425	70,280,547	69,558,288
Financing:			
1959 appropriation available in 1958	536,796		
Unobligated balance brought forward	−10,044	−1,270,323	−58,288
Unobligated balance carried forward	1,270,323	58,288	
Appropriation (new obligational authority)	68,347,500	69,068,512	69,500,000

The Corps of Engineers, Army—Civil, is responsible for the flood control program for the lower Mississippi Valley from Cape Girardeau, Mo., to the Gulf of Mexico, including the main alluvial stream, the basins of the St. Francis and White, Lower Arkansas, Yazoo, Tensas, and Atchafalaya Rivers, and Bayou La Fourche, and the alluvial lands around Lake Pontchartrain. The adopted plan calls for raising and strengthening about 1,600 miles of existing levees along the main river, for enlarging or constructing some 1,700 miles of levees on tributaries and in side basins, for channel improvement and bank stabiliza-

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tion on the main river, for dredging of the main river to provide a navigation channel 12 feet deep and 300 feet wide from Baton Rouge, La., to Cairo, Ill., and for five flood-detention reservoirs on minor tributaries.

The following tabulation sets forth the program, in terms of costs, reconciled to fund requirements, for each activity. Percentages of completion at the end of 1961 are shown for construction features.

[In thousands]

PROGRAM BY ACTIVITIES	Costs to this appropriation: Total estimate	To June 30, 1958	1959 actual	1960 estimate	1961 estimate	Analysis of 1961 financing: Deduct selected resources and unobligated balance, start of year	Add selected resources, end of year	Appropriation required for 1961	Appropriation required to complete	Percent cost complete through 1961
1. General investigations:										
(a) Examinations and surveys	----------	----------	$369	$113	$60	----------	----------	$60	----------	----------
(b) Collection and study of basic data:										
(1) Surveys, gages and observations	----------	----------	49	55	55	----------	----------	55	----------	----------
(2) Fish and wildlife studies	----------	----------	8	2	----------	----------	----------	----------	----------	----------
2. Advance engineering and design	$522	$224	76	221	----------	----------	----------	----------	$1	----------
Deduct amounts included in named projects below	462	224	76	162	----------	----------	----------	----------	----------	----------
Total, advance engineering and design	60	----------	----------	59	----------	----------	----------	----------	1	----------
3. Construction:										
(a) Mississippi River levees	221,000	189,801	3,413	3,095	3,264	$549	$45	2,760	21,382	90.3
(b) Channel improvement	472,000	369,172	20,687	22,397	22,058	623	565	22,000	37,121	92.0
(c) Memphis Harbor, Tenn	18,200	13,025	570	455	822	182	----------	640	3,328	81.7
(d) Vicksburg Harbor, Miss	4,790	263	1,482	1,675	1,370	----------	----------	1,370	----------	100.0
(e) Old River control, Louisiana	70,000	21,692	8,083	8,314	9,184	1,200	416	8,400	22,311	67.5
(f) St. Francis Basin	86,700	26,804	3,727	5,049	5,812	1,212	----------	4,600	45,308	47.7
(h) Lower Arkansas River, Ark	25,400	18,555	735	549	550	60	40	530	4,971	80.3
(i) Tensas Basin, Ark. and La	31,700	21,324	1,668	1,094	1,115	40	40	1,115	6,459	79.5
(j) Yazoo Basin, Miss	195,000	91,206	4,891	4,323	4,473	363	280	4,390	89,827	53.8
(l) Atchafalaya Basin, La	120,000	87,896	6,279	6,015	6,375	375	--------	6,000	13,435	88.8
(m) Lake Pontchartrain, La	6,340	2,354	978	576	675	15	--------	660	1,757	72.3
(n) Lower White River	13,000	9,233	27	312	150	--------	--------	150	3,278	74.8
(p) West Tennessee tributaries, Tennessee	8,400	[1] 55	[1] 36	59	480	80	--------	400	7,770	7.5
(q) Wolf River and tributaries, Tennessee	2,050	[1] 43	--------	86	614	114	--------	500	1,307	36.2
Features not budgeted in 1961	4,004	603	530	292	133	133	--------	--------	2,446	----------
Undistributed reduction based on anticipated delays and savings	----------	----------	----------	----------	-1,380	----------	----------	-1,380	1,380	----------
Total construction	1,278,584	852,026	53,106	54,291	55,695	4,946	1,386	52,135	262,080	----------
4. Maintenance	----------	----------	19,310	17,744	17,250	----------	----------	17,250	----------	----------
5. Flood control emergencies	----------	----------	6	11	----------	----------	----------	----------	----------	----------
Total program costs	----------	----------	72,848	72,275	73,060	4,946	1,386	69,500	----------	----------
6. Relation of costs to obligations: Costs financed from obligations of other years, net (-)			-6,298	-1,995	-3,502					
Total program (obligations)			66,550	70,280	69,558					

[1] Advance engineering and design only.

1. *General investigations.*—Provision is made for three studies, two of which will be completed in 1961, and the collection of basic data which are subsequently used in planning and designing projects.

3. *Construction.*—The estimated total cost of flood control and related improvements in the lower Mississippi River and its alluvial valley is estimated at $1,492 million, of which $1,110 million has been appropriated through 1960. Improvements estimated to cost $144 million have been completed and improvements estimated at $69 million have not been started. The funds requested will be applied to continuation of 14 features of the project which by the end of 1961 will have been brought to respective percents of completion shown in the tabulation above.

4. *Maintenance.*—Provision is made for operation and ordinary maintenance of the major features of the project.

6. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources as reflected in the following table:

Selected resources at end of year: Inventories and items on order:	1958 actual	1959 actual	1960 estimate	1961 estimate
Stores (goods unconsumed by projects)	$33,662	$21,745	----------	----------
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet delivered)	13,035,992	6,703,272	$4,512,725	$1,010,935
Construction facilities (acquisition value of facilities less depreciation charged to projects)	110,500	157,100	374,700	374,700
Total selected resources at end of year	13,180,154	6,882,117	4,887,425	1,385,635
Selected resources at start of year (-)	----------	-13,180,154	-6,882,117	-4,887,425
Costs financed from obligations of other years, net (-)	----------	-6,298,037	-1,994,692	-3,501,790

Object Classification

	1959 actual	1960 estimate	1961 estimate
CORPS OF ENGINEERS, ARMY—CIVIL			
Total number of permanent positions	3,008	3,100	3,100
Full-time equivalent of all other positions	559	563	563
Average number of all employees	3,404	3,480	3,480
Number of employees at end of year	2,830	2,900	2,900
Average GS grade and salary	7.4 $6,135	7.4 $6,158	7.4 $6,176
Average salary of ungraded positions	$5,269	$5,295	$5,322
01 Personal services:			
Permanent positions	$15,062,443	$15,596,121	$15,701,605
Positions other than permanent	1,790,534	1,822,400	1,831,400
Other personal services	1,888,155	1,921,479	1,861,995
Pay and allowances to commissioned officers	66,696	85,000	85,000
Total personal services	18,807,828	19,425,000	19,480,000
02 Travel	463,391	475,000	475,000
03 Transportation of things	65,077	80,000	80,000
04 Communication services	14,001	15,000	15,000
05 Rents and utility services	290,724	200,000	200,000
06 Printing and reproduction	4,064	5,000	5,000
07 Other contractual services	6,352,902	7,500,000	7,500,000
Services performed by—			
Other agencies	21,989	25,000	25,000
"Revolving fund, Corps of Engineers,"	5,100,411	5,005,198	5,008,888
08 Supplies and materials	7,232,716	7,400,000	7,110,000
09 Equipment	27,154	25,000	25,000
10 Lands and structures	27,632,501	29,000,000	28,500,000
11 Grants, subsidies, and contributions	982,800	1,020,000	1,025,000
13 Refunds, awards, and indemnities	14,350	14,500	14,500
15 Taxes and assessments	70,990	93,500	98,100
1959 program obligated in 1958	-536,796	----------	----------
Subtotal	66,544,102	70,283,198	69,561,488
Deduct quarters and subsistence charges	3,172	3,200	3,200
Total, Corps of Engineers, Army—Civil	66,540,930	70,279,998	69,558,288

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DEPARTMENT OF THE ARMY—Continued

RIVERS AND HARBORS AND FLOOD CONTROL—Continued

Current authorizations—Continued

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES—continued

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
ALLOCATION TO BUREAU OF SPORT FISHERIES AND WILDLIFE, DEPARTMENT OF THE INTERIOR			
Total number of permanent positions	1		
Average number of all employees	1		
Number of employees at end of year	1		
Average GS grade and salary	7.7 $5,935		
01 Personal services:			
Permanent positions	$6,828		
Other personal services	26		
Total personal services	6,854		
02 Travel	1,146		
04 Communication services	87		
06 Printing and reproduction	2		
07 Other contractual services	490	$549	
08 Supplies and materials	486		
11 Grants, subsidies, and contributions	430		
Total, Bureau of Sport Fisheries and Wildlife	9,495	549	
Total obligations	66,550,425	70,280,547	$69,558,288

UNITED STATES SECTION, SAINT LAWRENCE RIVER JOINT BOARD OF ENGINEERS

For necessary expenses of the United States section of the Saint Lawrence River Joint Board of Engineers, established by Executive Order 10500, dated November 4, 1953, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), at rates not to exceed $100 per day for individuals; [$39,000] *$30,000*: *Provided*, That no part of these funds shall be obligated until agreement has been entered into, by the United States Government and the United States entity authorized to construct the power works in the International Rapids section of the Saint Lawrence River, providing for the reimbursement of the expenditures of the United States section of this Board by the construction entity. (*Public Works Appropriation Act, 1960.*)

Appropriated 1960, **$39,000** Estimate 1961, **$30,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Review of designs, plans and specifications (total program costs)	$27,889	$39,000	$30,000
2. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−878		
Total program (obligations)	27,011	39,000	30,000
Financing:			
Unobligated balance no longer available	72,989		
Appropriation (new obligational authority)	100,000	39,000	30,000

The U.S. section of the Saint Lawrence River Joint Board of Engineers reviews plans and coordinates construction, in conjunction with the Canadian section of the Joint Board, of power facilities being constructed in the International Rapids section of the Saint Lawrence River by the Power Authority of the State of New York jointly with the Hydro-Electric Power Commission of Ontario. These expenditures will be repaid to the general fund by the Power Authority of the State of New York.

2. *Relation of costs to obligations.*—Recovery of prior year obligations in 1959 was $878.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	1	1	1
Average number of all employees	1	1	1
Number of employees at end of year	1	1	1
Average GS grade and salary	7.4 $6,135	7.4 $6,158	7.4 $6,176
01 Personal services:			
Permanent positions	$5,170	$6,450	$6,475
Other personal services		50	25
Total personal services	5,170	6,500	6,500
02 Travel	206	300	300
03 Transportation of things	28		
04 Communication services	122		
05 Rents and utility services	400		
07 Other contractual services	10,239	19,075	10,075
Services performed by—			
Other agencies	10,197	12,500	12,500
"Revolving fund, Corps of Engineers"	225	225	225
08 Supplies and materials	88		
11 Grants, subsidies, and contributions	336	400	400
Total obligations	27,011	39,000	30,000

INTERNATIONAL NAVIGATION CONGRESSES

For necessary expenses of the meeting of the Permanent International Association of Navigation Congresses to be held in the United States in 1961, as authorized by law (72 Stat. 513), $180,000, to remain available until June 30, 1963.

Estimate 1961, **$180,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Conference arrangements (total costs—obligations)			$155,000
Financing:			
Unobligated balance carried forward			25,000
Appropriation (new obligational authority)			180,000

The United States will be host for the 20th meeting of the International Association of Navigation Congresses to be held in Baltimore, Md., in September 1961. Funds requested will finance essential expenditures in connection with the planning and holding of the meeting and for subsequent publication of papers and proceedings.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions			5
Average number of all employees			5
Number of employees at end of year			5
Average GS grade and salary			7.4 $6,176
01 Personal services:			
Permanent positions			$34,866
Other personal services			134
Total personal services			35,000
07 Other contractual services			118,000
11 Grants, subsidies, and contributions			2,000
Total obligations			155,000

NIAGARA REMEDIAL WORKS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Remedial works (total costs—obligations) (object class 07)	$52	$157,515	
Financing:			
Unobligated balance brought forward	−157,567	−157,515	
Unobligated balance carried forward	157,515		
Appropriation (new obligational authority)			

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Remedial works.—Construction of remedial works in the Niagara River was completed in 1958. Available funds will be used to finance final payment to the Dominion of Canada in 1960 for costs determined to be a responsibility of the United States.

CLAIMS, LAKE OF THE WOODS FLOOD DAMAGE

(Indefinite)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Payment of claims (total costs—obligations) (object class 13)	$243,583		
Financing:			
Appropriation (new obligational authority)	243,583		

ADMINISTRATIVE PROVISIONS

Appropriations in this title shall be available for *expenses of attendance by military personnel at meetings in the manner authorized by section 19(b) of the Act of July 7, 1958 (72 Stat. 336)*, uniforms, or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131), and for printing, either during a recess or session of Congress, of survey reports authorized by law, and such survey reports as may be printed during a recess of Congress shall be printed, with illustrations, as documents of the next succeeding session of Congress; and during the current fiscal year the revolving fund, Corps of Engineers, shall be available for purchase (not to exceed one hundred and [seventy-six] *sixty* for replacement only) and hire of passenger motor vehicles. (*Public Works Appropriation Act, 1960.*)

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriation as follows:
"Construction of hospital and domiciliary facilities," Veterans Administration.
"Capital outlay," United States Soldiers' Home.
"Disaster relief," funds appropriated to the President.
"Salaries and expenses," National Science Foundation.
"Construction," Bureau of Sport Fisheries and Wildlife, Department of the Interior.
"Passamaquoddy tidal power survey," Department of State.
"United States dollars advanced from foreign governments, United States educational exchange program," Department of State.
"Mutual security," funds appropriated to the President.
"Construction," Bureau of Indian Affairs, Department of the Interior.
"Salaries and expenses," Office of Civil and Defense Mobilization.
"Operating expenses, Washington Aqueduct," District of Columbia.

Permanent authorizations:

PAYMENTS TO STATES, FLOOD CONTROL ACT OF 1954

(Indefinite special fund)

Appropriated (est.) 1960, **$1,500,000** Estimate 1961, **$1,500,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Payments to States (total costs—obligations) (object class 11)	$1,471,951	$1,435,101	$1,500,000
Financing:			
Unobligated balance brought forward	−1,402,860	−1,435,101	−1,500,000
Unobligated balance carried forward	1,435,101	1,500,000	1,500,000
Appropriation (new obligational authority)	1,504,192	1,500,000	1,500,000

Three-fourths of the moneys received from lease of Federal lands acquired for flood control, navigation, and allied purposes is paid to the State in which such property is situated for public schools, roads, or other expense of county government (33 U.S.C. 701c–3).

RIVERS AND HARBORS AND FLOOD CONTROL, SPECIAL EXPENSE FUNDS

(Indefinite special funds)

Appropriated (est.) 1960, **$168,000** Estimate 1961, **$168,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Hydraulic mining in California, debris fund	$21,262	$32,739	$18,000
2. Maintenance and operation of dams and other improvements of navigable waters	152,127	152,376	150,000
Total program costs	173,389	185,115	168,000
3. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)		−136	
Obligations incurred for costs of other years, net	136		
Total program (obligations)	173,525	184,979	168,000
Financing:			
Unobligated balance brought forward	−170,128	−166,979	−150,000
Unobligated balance carried forward	166,979	150,000	150,000
Appropriation (new obligational authority)	170,376	168,000	168,000

1. *Hydraulic mining in California, debris fund.*—Fees paid by mine operators in the Sacramento and San Joaquin Basins for depositing mine debris in restraining works are used for maintenance of restraining reservoirs (33 U.S.C. 683).

2. *Maintenance and operation of dams and other improvements of navigable waters.*—Half of the proceeds from certain licenses issued by the Federal Power Commission for constructing, operating, and maintaining dams, conduits, reservoirs, etc., are used for maintenance and operation of Federal dams and other navigation structures and for improvement of navigable waters (16 U.S.C. 810; 31 U.S.C. 725c).

3. *Relation of costs to obligations.*—Year-end balance of unpaid undelivered orders for 1959 was $136.

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Total number of permanent positions	17	17	16
	Full-time equivalent of all other positions	9	9	9
	Average number of all employees	25	25	24
	Number of employees at end of year	24	25	23
	Average GS grade and salary	7.4 $6,135	7.4 $6,158	7.4 $6,176
	Average salary of ungraded positions	$5,269	$5,295	$5,322
01	Personal services:			
	Permanent positions	$129,684	$130,482	$126,912
	Positions other than permanent	11,875	12,150	12,000
	Other personal services	2,636	2,968	2,088
	Total personal services	144,195	145,600	141,000
02	Travel	377	400	400
03	Transportation of things	238	200	200
04	Communication services	335	400	400
05	Rents and utility services	171	200	200
07	Other contractual services	3,426	5,000	3,500
	Services performed by "Revolving fund, Corps of Engineers"	3,494	10,749	3,770
08	Supplies and materials	12,486	13,000	10,000
09	Equipment	532	1,000	500
11	Grants, subsidies, and contributions	8,444	8,600	8,200
13	Refunds, awards, and indemnities	83	100	100
15	Taxes and assessments	78	80	80
	Subtotal	173,859	185,329	168,350
	Deduct quarters and subsistence charges	334	350	350
	Total obligations	173,525	184,979	168,000

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DEPARTMENT OF THE ARMY—Continued

RIVERS AND HARBORS AND FLOOD CONTROL—Continued

Intragovernmental funds:

REVOLVING FUND, CORPS OF ENGINEERS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs:			
1. Plant and equipment services	$46,323,929	$47,110,711	$47,720,000
2. Warehousing	2,102,065	2,120,349	2,020,000
3. Shop and facility services	37,866,098	38,367,849	38,500,000
4. General administrative services	146,824,458	147,497,411	148,300,000
5. Net loss on sale of fixed assets	34,404	26,507	20,000
Total operating costs	233,150,954	235,122,827	236,560,000
6. Unfunded adjustment to total operating costs:			
Depreciation (−)	−7,514,973	−7,800,000	−7,900,000
Decrease in reserve for insurance	16,121	12,494	
Net loss on sale of fixed assets (−)	−34,404	−26,507	−20,000
Total operating costs, funded	225,617,698	227,308,814	228,640,000
Capital outlay (plant, properties, and equipment):			
7. Land and structures	1,818,984	1,900,000	1,810,000
8. Dredges	8,136,205	3,580,000	950,000
9. Other floating plant	972,169	3,300,000	4,400,000
10. Land-based equipment	2,824,826	3,190,000	3,210,000
11. Tools, office furniture, and equipment	1,969,639	2,030,000	1,930,000
Total capital outlay, funded	15,721,823	14,000,000	12,300,000
Total program costs, funded [1]	241,339,521	241,308,814	240,940,000
12. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−8,442,974	−2,998,906	−1,100,000
Total program (obligations)	232,896,547	238,309,908	239,840,000
Financing:			
Amounts becoming available:			
Sale of fixed assets	1,779,132	1,455,461	2,070,000
Operating revenue	234,445,099	233,000,000	236,200,000
Nonoperating revenue	698,007	50,000	70,000
Total amounts becoming available	236,922,238	234,505,461	238,340,000
Unobligated balance brought forward	1,709,353	5,735,044	1,930,597
Total amounts available	238,631,591	240,240,505	240,270,597
Unobligated balance carried forward	5,735,044	1,930,597	430,597
Financing applied to program	232,896,547	238,309,908	239,840,000

[1] Excludes property transferred in without reimbursement, net, as follows: June 30, 1959, $148,252; 1960, $114,109; 1961, $100,000.

The fund provides for expenses necessary for the acquisition, operation, and maintenance of plant and equipment of the Corps of Engineers used in civil works functions, for temporary financing of services finally chargeable to appropriations for civil works functions, and for furnishing of facilities and services for the military functions of the Department of the Army and other governmental agencies and private persons (67 Stat. 199).

Budget program—Operating costs.—Plant and equipment services include operating costs of such items of plant as dredges, other floating plant, and land-based equipment. Warehousing covers cost of receipt, storage, and issue of inventories. Shop and facility services include operating costs of repair and maintenance shops, boatyards, and printing and reproduction plants. General administrative services include engineering and support functions of Corps of Engineers district and area offices. Operating costs of these activities are expected to increase in 1960 and 1961 principally due to increased plant operation costs.

Capital outlay.—Land and structures includes replacement and improvement costs of buildings, facilities, and related land. Dredges and other floating plant include replacement and improvement costs for dredges and dredging equipment, and such other vessels as tugs, tenders, and towboats. Of the 1959 costs $7.2 million was for acquisition of a replacement hopper dredge for use on the Great Lakes. Remaining acquisition costs for this vessel of $2.8 million are expected to accrue in 1960 bringing total costs to $10.5 million. The increase for other floating plant in 1960 and 1961 includes accrual of $0.75 million in each year for a replacement towboat expected to cost $1.5 million, and the resumption of replacements and improvements which have been deferred because of expenditures for the replacement hopper dredge. Land-based equipment includes replacement and improvement costs of transportation and construction equipment and fixed land equipment such as shop tools and fixed power driven equipment.

Financing.—Operations are financed from reimbursements or advances from the appropriations or individuals who utilize the services or facilities, at rates to cover all operating costs.

Operating results and financial condition.—The decrease in net operating income between 1959 and 1961 is attributable to adjustments in rates charged for cost of services furnished, thereby resulting in a decrease in retained earnings from $3.1 million to $0.7 million. Earnings, if any, are retained and reduced by adjustments to rates charged for services in subsequent years.

The initial capital of the fund was provided by assumption of the assets, liabilities, and obligations of the plant accounts, as carried on the records of the Corps of Engineers as of June 30, 1953, and by an appropriation of $100. Capital of the fund is limited to $140 million (67 Stat. 199). In 1959, capital of the fund was reduced $4.4 million and liabilities were increased to reflect the value of accrued annual leave due additional employees whose labor costs have been authorized to be initially financed through this fund. Capital was increased $0.1 million in 1959 because of a net transfer of assets from other agencies without reimbursement.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Inventories and items on order:				
Inventories	$8,590,124	$8,282,987	$7,900,000	$7,800,000
Unpaid undelivered orders	14,770,103	6,735,918	4,500,000	3,900,000
Deferred and undistributed items	1,281,653	1,180,001	800,000	400,000
Total selected resources at end of year	24,641,880	16,198,906	13,200,000	12,100,000
Selected resources at start of year (−)		−24,641,880	−16,198,906	−13,200,000
Costs financed from obligations of other years, net (−)		−8,442,974	−2,998,906	−1,100,000

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Acquisition of assets: Plant, properties, and equipment	$15,721,823	$14,000,000	$12,300,000
Expenses:			
Purchases of supplies and materials	6,342,007	6,500,000	6,490,000
Direct operating expense	218,735,072	220,183,333	221,810,000
Restoration of damage to property	233,482	242,494	240,000
Gross expenditures	241,032,384	240,925,827	240,840,000
Receipts from operations (funds provided):			
Realization of assets: Proceeds of sales: Plant, properties, and equipment	1,779,132	1,455,461	2,070,000
Operating revenue	234,445,099	233,000,000	236,200,000
Nonoperating revenue	698,007	50,000	70,000
Decrease in selected working capital	697,294	3,449,765	1,300,000
Total receipts from operations	237,619,532	237,955,226	239,640,000
Budget expenditures	3,412,852	2,970,601	1,200,000

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Revenue, Expense, and Retained Earnings

	1959 actual	1960 estimate	1961 estimate
Revenue	$234,445,099	$233,000,000	$236,200,000
Expense	233,111,660	235,113,333	236,550,000
Net operating income or loss (−)	1,333,439	−2,113,333	−350,000
Nonoperating income or loss (−):			
Proceeds of sale of fixed assets	1,779,132	1,455,461	2,070,000
Net book value of assets sold (−)	1,813,536	1,481,968	2,090,000
Net loss (−) on sale of fixed assets	−34,404	−26,507	−20,000
Other nonoperating revenue	698,007	50,000	70,000
Net nonoperating income	663,603	23,493	50,000
Net gain or loss (−) for the year	1,997,042	−2,089,840	−300,000
Retained earnings, beginning of year	1,092,798	3,089,840	1,000,000
Retained earnings, end of year	3,089,840	1,000,000	700,000

Financial Condition

Assets:			
Cash with Treasury	$24,270,601	$21,300,000	$20,100,000
Accounts receivable, net	22,645,130	19,200,000	17,800,000
Inventories	8,282,987	7,900,000	7,800,000
Deferred and undistributed items	1,180,001	800,000	400,000
Plant, properties, and equipment, net	112,767,472	117,582,600	119,982,600
Total assets	169,146,191	166,782,600	166,082,600
Liabilities and reserves:			
Current liabilities	34,444,769	34,069,403	33,569,403
Unfunded liability for accrued annual leave	13,730,597	13,730,597	13,730,597
Reserve for self-insurance	2,612,494	2,600,000	2,600,000
Total liabilities and reserves	50,787,860	50,400,000	49,900,000
Government investment:			
Non-interest-bearing capital:			
Start of year	119,538,035	115,268,491	115,382,600
Adjustment of prior year charges to capital for accrued annual leave	−61,906		
Additional liability assumed for accrued leave	−4,355,890		
Donated assets, net	148,252	114,109	100,000
End of year	115,268,491	115,382,600	115,482,600
Retained earnings	3,089,840	1,000,000	700,000
Total Government investment	118,358,331	116,382,600	116,182,600

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash	$27,683,453	$24,270,601	$21,300,000	$20,100,000
Obligated balance, net:				
Current liabilities	34,995,101	34,444,769	34,069,403	33,569,403
Obligations other than liabilities:				
Unpaid undelivered orders	14,770,103	6,735,918	4,500,000	3,900,000
Accounts receivable, net (−)	−23,791,104	−22,645,130	−19,200,000	−17,800,000
Total obligated balance	25,974,100	18,535,557	19,369,403	19,669,403
Unobligated balance	1,709,353	5,735,044	1,930,597	430,597

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	16,120	16,620	17,090
Full-time equivalent of all other positions	651	635	625
Average number of all employees	16,263	16,658	17,165
Number of employees at end of year:			
Distributed to other accounts	16,383	16,734	17,216
Undistributed	600	600	600
Average GS grade and salary	7.4 $6,135	7.4 $6,158	7.4 $6,176
Average salary of ungraded positions	$5,269	$5,295	$5,322
01 Personal services:			
Permanent positions	$89,870,148	$93,226,520	$96,762,830
Positions other than permanent	2,334,500	2,259,000	2,267,100
Other personal services	7,126,015	6,914,480	6,570,070
Pay and allowances to commissioned officers	621,576	1,111,500	1,114,500
Total personal services	99,952,239	103,511,500	106,714,500
02 Travel	$7,489,819	$7,500,000	$7,500,000
03 Transportation of things	466,925	470,000	470,000
04 Communication services	2,192,478	2,200,000	2,200,000
05 Rents and utility services	1,520,448	1,550,000	1,550,000
06 Printing and reproduction	946,521	1,000,000	1,000,000
07 Other contractual services	89,811,247	87,434,327	86,325,500
08 Supplies and materials	18,641,255	18,300,000	18,000,000
09 Equipment	12,309,354	11,000,000	9,300,000
10 Lands and structures	1,500,333	1,500,000	1,100,000
11 Grants, subsidies, and contributions	5,570,703	5,800,000	6,000,000
13 Refunds, awards, and indemnities	340,662	350,000	350,000
15 Taxes and assessments	290,400	310,000	330,000
Total accrued expenditures	241,032,384	240,925,827	240,840,000
Decrease (−) in undelivered orders and deferred and undistributed items	−8,135,837	−2,615,919	−1,000,000
Total obligations	232,896,547	238,309,908	239,840,000

ADVANCES AND REIMBURSEMENTS, RIVERS AND HARBORS AND FLOOD CONTROL

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Sale of property, supplies, materials, and utilities:			
Other Army	$40,306	$40,000	$35,000
Non-Federal agencies	1,035,407	1,020,000	1,125,000
Other	25,530	40,000	40,000
Total, sale of property, supplies, materials, and utilities	1,101,243	1,100,000	1,200,000
2. Operation of powerplant (Department of the Interior)	423,235	300,000	300,000
3. Damage to property (non-Federal agencies)	238,851	300,000	300,000
4. Improvements and betterments:			
Other Federal agencies	749,595	1,080,000	
Non-Federal agencies	100,656	200,000	1,180,000
Total, improvements and betterments	850,251	1,280,000	1,180,000
5. Miscellaneous services to other accounts	20,268	20,000	20,000
Total obligations	2,633,848	3,000,000	3,000,000
Financing:			
Advances and reimbursements from—			
Other accounts	1,258,934	1,480,000	395,000
Non-Federal sources (33 U.S.C. 558, 559, 571, 701, 701k)	1,374,914	1,520,000	2,605,000
Total financing	2,633,848	3,000,000	3,000,000

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	86	96	96
Average number of all employees	82	93	93
Number of employees at end of year	0	0	0
Average GS grade and salary	7.4 $6,135	7.4 $6,158	7.4 $6,176
01 Personal services:			
Permanent positions	$423,608	$481,000	$483,000
Other personal services	10,977	14,000	12,000
Total personal services	434,585	495,000	495,000
02 Travel	4,315	5,000	3,000
03 Transportation of things		500	500
04 Communication services	25	500	500
05 Rents and utility services	309,946	310,000	286,000
06 Printing and reproduction	2,910	3,000	3,000
07 Other contractual services	299,089	300,000	250,000
08 Supplies and materials	99,193	180,000	190,000
09 Equipment	74,179	100,000	140,000
10 Lands and structures	1,381,922	1,574,000	1,600,000
11 Grants, subsidies, and contributions	27,640	32,000	32,000
13 Refunds, awards, and indemnities	44		
Total obligations	2,633,848	3,000,000	3,000,000

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DEPARTMENT OF THE ARMY—Continued

RIVERS AND HARBORS AND FLOOD CONTROL—Continued

Proposed for later transmission:

OPERATION AND MAINTENANCE

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Navigation:			
(a) Channels and harbors		$1,350,000	
(b) Locks, dams, and canals		1,220,000	
2. Flood control:			
(a) Reservoirs		240,000	
(b) Channel improvements, inspections, and miscellaneous maintenance		20,000	
3. Multiple-purpose projects including power		470,000	
Total program (costs—obligations)		3,300,000	
Financing:			
Proposed supplemental appropriation		3,300,000	

Under existing legislation, 1960.—A supplemental appropriation is anticipated to meet the costs of wage-board rate increases unbudgeted for 1960 occurring during the period of October 1, 1958, through June 1960.

UNITED STATES SOLDIERS' HOME

LIMITATION ON OPERATION AND MAINTENANCE AND CAPITAL OUTLAY

(Trust fund)

For maintenance and operation of the United States Soldiers' Home, to be paid from the Soldiers' Home permanent fund, [$10,948,000, of which $5,587,000 shall remain available until expended, for construction of buildings and facilities, including plans and specifications] *$5,664,000*: *Provided*, That this appropriation shall not be available for the payment of hospitalization of members of the Home in United States Army hospitals at rates in excess of those prescribed by the Secretary of the Army, upon the recommendation of the Board of Commissioners of the Home and the Surgeon General of the Army. *(5 U.S.C. 59b; 24 U.S.C. 41-60; 31 U.S.C. 711(12), 725s(a); Departments of Labor, and Health, Education, and Welfare Appropriation Act, 1960.)*

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Medical care	$2,295,187	$2,390,256	$2,444,605
2. Domiciliary activities	1,206,247	1,229,457	1,273,511
3. Administration and central services	1,668,655	1,741,287	1,945,884
4. Permanent improvements	383,070	5,316,293	231,000
Total obligations	5,553,159	10,677,293	5,895,000
Financing:			
Unobligated balance brought forward	532,913	709,472	980,179
Receipts transferred from Soldiers' Home permanent fund	5,761,500	10,948,000	5,664,000
Unobligated balance carried forward	−709,472	−980,179	−749,179
Unobligated balance no longer available	−31,782		
Total financing	5,553,159	10,677,293	5,895,000

The United States Soldiers' Home provides medical and domiciliary care and other authorized benefits for the relief and support of certain old, invalid, or disabled soldiers of the Regular Army and airmen of the Air Force. Funds for operation and maintenance of the home are appropriated from the Soldiers' Home permanent fund (trust fund) and not from the general funds of the Treasury.

1. *Medical care.*—A hospital operated as a part of the home cares for the daily average patient loads shown below. In addition, certain members receive specialized care at other hospitals.

	1959 actual	*1960 estimate*	*1961 estimate*
Patients in home hospital	358	365	375
Patients in other hospitals	70	75	75

2. *Domiciliary activities.*—The daily average number of members receiving domiciliary care is shown below.

	1959 actual	*1960 estimate*	*1961 estimate*
Members present	1,424	1,465	1,530

3. *Administration and central services.*—Included in this activity are service functions such as administration, supply, utility services, maintenance, transportation, and laundry.

4. *Permanent improvements.*—No new obligational authority is requested for 1960.

A proposed supplemental increase in limitation for wage board salary increases for 1960 is shown under Proposed for later transmission.

Object Classification

	1959 actual	1960 estimate	1961 estimate
UNITED STATES SOLDIERS' HOME			
Total number of permanent positions	994	1,015	1,015
Full-time equivalent of all other positions	10	11	11
Average number of all employees	981	1,005	1,005
Number of employees at end of year	1,027	1,048	1,048
Average GS grade and salary	3.6 $4,166	3.6 $4,120	3.6 $4,125
Average salary of ungraded positions	$3,159	$3,162	$3,162
01 Personal services:			
Permanent positions	$3,368,000	$3,418,681	$3,514,681
Positions other than permanent	54,885	59,083	59,083
Other personal services	100,789	116,536	104,236
Total personal services	3,523,674	3,594,300	3,678,000
02 Travel	718	565	565
03 Transportation of things	1,723	24,500	500
04 Communication services	14,899	15,000	15,000
05 Rents and utility services	86,943	88,560	88,560
06 Printing and reproduction	3,102	3,650	3,650
07 Other contractual services	433,798	494,717	699,447
08 Supplies and materials	951,561	1,028,496	1,043,066
09 Equipment	99,198	149,860	78,046
10 Lands and structures	55,352	286,164	
11 Grants, subsidies, and contributions	202,825	209,909	209,909
15 Taxes and assessments	1,222	1,500	1,500
Subtotal	5,375,015	5,897,221	5,818,243
Deduct quarters, subsistence, and laundry charges	143,983	154,243	154,243
Total, United States Soldiers' Home	5,231,032	5,742,978	5,664,000
ALLOCATION TO RIVERS AND HARBORS AND FLOOD CONTROL, ARMY—CIVIL			
Total number of permanent positions	7	9	8
Average number of all employees	6	8	8
Number of employees at end of year	4	8	8
Average GS grade and salary	7.4 $6,135	7.4 $6,158	7.4 $6,176
Average salary of ungraded positions	$5,269	$5,295	$5,322
01 Personal services:			
Permanent positions	$37,675	$55,100	$53,800
Other personal services	661	1,100	1,000
Total personal services	38,336	56,200	54,800
02 Travel	54	50	50
06 Printing and reproduction	170	9,000	
07 Other contractual services	119,646	165,965	52,650
08 Supplies and materials	197		
09 Equipment	225		
10 Lands and structures	161,263	4,699,700	120,000
11 Grants, subsidies, and contributions	2,236	3,400	3,500
Total, Rivers and harbors and flood control, Army—Civil	322,127	4,934,315	231,000
Total obligations	5,553,159	10,677,293	5,895,000

Proposed for later transmission:

LIMITATION ON OPERATION AND MAINTENANCE AND CAPITAL OUTLAY

Under existing legislation, 1960.—An increase in limitation of $96,000 is anticipated to cover the cost of wage board salary increases which were approved subsequent to submission of the 1960 budget.

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RYUKYU ISLANDS, ARMY

Current authorizations:

ADMINISTRATION

For expenses, not otherwise provided for, necessary to meet the responsibilities and obligations of the United States in connection with the government of the Ryukyu Islands, including, subject to such authorizations and limitations as may be prescribed by the Secretary of the Army, tuition, travel expenses, and fees incident to instruction in the United States or elsewhere of such persons as may be required to carry out the provisions of this appropriation; travel expenses and transportation; services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), of individuals not to exceed ten in number; not to exceed [$3,000] *$4,000* for contingencies for the High Commissioner, to be expended in his discretion; translation rights, photographic work, educational exhibits, and dissemination of information, including preview and review expenses incident thereto; hire of passenger motor vehicles and aircraft; purchase of three passenger motor vehicles for replacement only; construction, repair, and maintenance of buildings, utilities, facilities, and appurtenances; and such supplies, commodities, and equipment as may be essential to carry out the purposes of this appropriation; [$5,282,000] *$6,704,000*, of which not to exceed [$1,633,000] *$1,744,000* shall be available for administrative and information expenses: *Provided*, That the general provisions of the Appropriation Act for the current fiscal year for the military functions of the Department of the Army shall apply to expenditures made from this appropriation: *Provided further*, That expenditures from this appropriation may be made outside continental United States when necessary to carry out its purposes, without regard to sections 355, 3648, and 3734, Revised Statutes, as amended, section 4774(d) of title 10, United States Code, civil service or classification laws, or provisions of law prohibiting payment of any person not a citizen of the United States: *Provided further*, That expenditures may be made hereunder for the purposes of economic rehabilitation in the Ryukyu Islands in such manner as to be consistent with the general objectives of titles II and III of the Mutual Security Act of 1954, and in the manner authorized by sections 505(a) and 522(e) thereof: *Provided further*, That funds appropriated hereunder may be used, insofar as practicable, and under such rules and regulations as may be prescribed by the Secretary of the Army to pay ocean transportation charges from United States ports, including Territorial ports, to ports in the Ryukyus for the movement of supplies donated to, or purchased by, United States voluntary nonprofit relief agencies registered with and recommended by the Advisory Committee on Voluntary Foreign Aid or of relief packages consigned to individuals residing in such areas: *Provided further*, That under the rules and regulations to be prescribed, the Secretary of the Army shall fix and pay a uniform rate per pound for the ocean transportation of all relief packages of food or other general classification of commodities shipped to the Ryukyus regardless of methods of shipment and higher rates charged by particular agencies of transportation, but this proviso shall not apply to shipments made by individuals to individuals: *Provided further*, That the President may transfer to any other department or agency any function or functions provided for under this appropriation, and there shall be transferred to any such department or agency without reimbursement and without regard to the appropriation from which procured, such property as the Director of the Bureau of the Budget shall determine to relate primarily to any function or functions so transferred. (*Mutual Security Appropriation Act, 1960.*)

Appropriated 1960, **$5,282,000** Estimate 1961, **$6,704,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Administration	$1,529,046	$1,633,000	$1,744,000
2. Construction of administrative facilities		300,000	50,000
3. Exchange of persons	202,150	264,000	280,000
4. Aid to Ryukyuan economy	1,087,985	3,085,000	4,630,000
Total obligations	2,819,181	5,282,000	6,704,000
Financing:			
Advances and reimbursements from non-Federal sources	−5,183		
Unobligated balance no longer available	46,402		
Appropriation (new obligational authority)	2,860,400	5,282,000	6,704,000

This appropriation provides for administering the Ryukyu Islands through a civil administration headed by a High Commissioner. The United States is empowered by the treaty of peace with Japan to exercise jurisdiction over the territory and its 850,000 inhabitants. Pursuant to Executive Order 10713 of June 5, 1957, the Army is charged with developing an effective and responsible Ryukyuan Government, based on democratic principles and supported by a sound financial structure and with improving the welfare and well-being of the inhabitants of the Ryukyu Islands. Since a system of military bases and other installations pertinent to the defense of the Pacific areas has been developed in these islands which are of critical strategic importance to the security of the free world, it is expected that the United States will be responsible for their administration for an indefinite period.

2. *Construction of facilities.*—Replacement of one cultural center initiated in 1960 will be completed and reconstruction of another is planned for 1961.

3. *Exchange of persons.*—Provision is made for visits of Ryukyuan leaders and for a program of advanced study by Ryukyuan students in the United States and Hawaii.

4. *Aid to Ryukyuan economy.*—Technical assistance is furnished for the education program in the Ryukyus. Grants are made to supplement revenues of the local government in meeting costs of essential public safety and public health services, and in constructing public facilities. Grants were $1,000,000 in 1959; $3,000,000 in 1960; and $4,500,000 is proposed in 1961.

Additional economic aid is furnished by the United States through the general fund of the civil administration and through other programs. In 1959, the latter included $300,000 made available from the military construction project for resettlement of persons displaced from land taken for military use, approximately 9.0 million pounds of surplus foodstuffs furnished through voluntary relief organizations, and $543,000 derived from foreign currency and surplus rice allocated by the International Cooperation Administration, without reimbursement, to assist in typhoon relief and reconstruction. In 1960, an additional $400,000 of resettlement project funds will be allocated and $880,000 derived from prior years typhoon relief allocations of surplus agricultural products are available for expenditure. In addition, surplus rice and feed corn with an approximate value in the Ryukyus of $1,000,000 has been made available under title II, Public Law 480, to assist in relieving damage from a series of typhoons which swept the islands in the late fall of 1959. Some 13.7 million pounds of additional surplus commodity aid is expected to be furnished through voluntary relief organizations. No further economic aid from these latter two sources is programed for 1961.

In addition to this appropriation the general fund of the civil administration is available for economic assistance and development in the Ryukyus. It receives income from business-type instrumentalities and from investments in financial and public utility organizations. Summary statements of assets and cash receipts and expenditures of the general fund of the U.S. civil administration follow:

FINANCIAL CONDITION

	1959 actual	*1960 estimate*	*1961 estimate*
Assets:			
Current assets:			
Cash	$5,554,795	$2,200,495	$1,623,995
Accrued interest receivable	45,820	14,507	----------
Investments:			
Petroleum distribution fund	400,210	400,140	403,732
Ryukyu reconstruction finance fund	23,682,015	26,904,315	29,204,315
Okinawa Housing Corp	1,965,538	1,685,538	1,410,538
Ryukyu Domestic Water Corp	175,986	2,366,886	2,741,686
Ryukyu Electric Power Corp	8,370,913	10,510,913	11,284,813
Ryukyu Warehouse Corp	364,938	289,938	387,968
Bank of the Ryukyus	127,500	127,500	127,500
Ryukyu Life Insurance Co	5,555	----------	----------
Fixed assets:			
Petroleum facilities, net	1,064,726	1,010,451	994,062
Refrigeration plant	991,456	991,456	----------
Net worth, U.S. civil administration	42,749,452	46,502,139	48,178,609

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RYUKYU ISLANDS, ARMY—Continued

Current authorizations—Continued

ADMINISTRATION—Continued

The investments in business enterprises represent the total net worth of these organizations except the bank and the life insurance company in each of which the U.S. civil administration holds 51% of the outstanding stock. In these two organizations, the investment is stated at cost but has a substantially higher actual value because of accumulated earnings and established earning capacity. The housing corporation operates at a loss. When disposal of this enterprise is feasible on reasonable terms, its liquidation is planned. Disposal of U.S. civil administration investment in the life insurance company will be accomplished in 1960. The investment in a refrigeration plant, presently leased for a nominal rental return, also is planned to be liquidated.

CASH RECEIPTS AND EXPENDITURES

	1959 actual	*1960 estimate*	*1961 estimate*
Receipts:			
Income from operations	$3,066,998	$3,038,000	$2,993,200
Liquidation of investments	4,901,676	130,000	349,000
Other	439,099	6,000	
Total receipts	8,407,773	3,174,000	3,342,200
Expenditures:			
Investments:			
Fixed assets: Petroleum facilities	82,357	6,300	70,000
Capital, Ryukyu reconstruction finance fund	2,665,969	3,222,300	2,300,000
Capital, Ryukyu Domestic Water Corp	174,409	1,590,700	374,800
Capital, Ryukyu Electric Power Corp	694,219	809,000	773,900
Total investments	3,616,954	5,628,300	3,518,700
Economic aid programs:			
Grants to government, Ryukyu Islands		500,000	
Grants to municipalities	468,169	200,000	200,000
Typhoon relief program	147,237		
Disaster contingency reserve		200,000	200,000
Total aid programs	615,406	900,000	400,000
Total expenditures	4,232,360	6,528,300	3,918,700
Net increase or decrease (−) in cash balance	4,175,413	−3,354,300	−576,500

Income from operations is derived primarily from the net earnings of the electric power and water corporations and the reconstruction finance fund, from the purchase and resale of petroleum products and from interest, rent, and dividend receipts.

Receipts from liquidation of investments primarily represent reductions in the working capital used in financing petroleum products and, in 1959 alone, inventories of imported rice. The earnings of the electric power and water corporations and the reconstruction finance fund are being reinvested within the respective corporations each year. In addition, the investment in the water corporation is being increased both by the cost of completed facilities constructed from a 1959 appropriation and by the investment of additional civil administration general fund capital in the corporation each year for the expansion of the water system for central Okinawa. Capital is being invested each year in the reconstruction finance fund, a major source of long-term credit to assist in continued economic development by local enterprise and in financing the construction of typhoon-resistant private housing. Grants are made to the local central government and to municipalities for essential public facilities and programs. The cash balance retained in the fund is available to meet contingent requirements, including relief and reconstruction measures in the event of a serious emergency, such as a typhoon.

The government of the Ryukyu Islands was created by the U.S. civil administration on April 1, 1952. In addition to local revenue derived primarily from income and excise taxes, this government receives grants to cover expenses related to the requirements of the U.S. forces and for assistance in the development of public facilities and services. This government has not been authorized by the United States to incur deficits in its fiscal operations or to borrow for any purpose, and it must, therefore, maintain a minimum working balance in its treasury. A financial statement follows:

RECEIPTS AND EXPENDITURES AND BALANCES AVAILABLE, GOVERNMENT OF THE RYUKYU ISLANDS

	1959 actual	*1960 estimate*	*1961 estimate*
Unexpended cash balance brought forward	$3,521,357	$1,549,072	$747,437
Receipts:			
Income taxes	5,969,560	8,487,000	7,993,000
Excise taxes	11,279,344	11,997,000	12,349,000
Other receipts	2,254,656	1,939,167	1,980,000
U.S. assistance:			
Grants from appropriations	1,000,000	3,000,000	4,500,000
Other U.S. funds	861,290	500,000	
Total receipts	21,364,850	25,923,167	26,822,000
Total receipts and balance	24,886,207	27,472,239	27,569,437
Expenditures:			
Education	7,199,142	8,235,055	8,573,008
Public health and welfare	3,868,636	3,853,250	4,154,442
Public safety	1,653,227	1,948,698	1,780,353
Public work and services	3,387,703	3,883,716	4,536,045
Economic development	3,327,224	4,072,525	3,551,205
General government	3,901,203	4,731,558	4,220,494
Total expenditures	23,337,135	26,724,802	26,815,547
Balance carried forward:			
Obligated	2,459,355	3,238,786	3,245,239
Unobligated (−)	−910,283	−2,491,349	−2,491,349
Total cash balance carried forward	1,549,072	747,437	753,890

Object Classification

		1959 actual	1960 estimate	1961 estimate
	RYUKYU ISLANDS, ARMY			
	Total number of permanent positions	400	409	427
	Full time equivalent of all other positions	1	1	1
	Average number of all employees	375	399	422
	Number of employees at end of year	381	405	420
	Average GS grade and salary	9.0 $7,149	9.2 $7,163	9.2 $7,188
01	Personal services:			
	Permanent positions	$1,118,795	$1,258,820	$1,321,864
	Positions other than permanent	7,375	4,000	7,500
	Other personal services	25,655	21,837	18,259
	Total personal services	1,151,825	1,284,657	1,347,623
02	Travel	70,718	95,305	103,775
03	Transportation of things	11,979	8,732	9,488
04	Communication services	13,314	13,160	13,500
05	Rents and utility services	7,757	9,290	15,900
06	Printing and reproduction	12,146	14,000	13,600
07	Other contractual services	350,511	401,325	494,287
08	Supplies and materials	32,988	41,400	49,460
09	Equipment	39,903	26,400	36,700
10	Lands and structures	46,260	300,000	50,000
11	Grants, subsidies, and contributions	1,055,850	3,064,323	4,565,992
13	Refunds, awards, and indemnities	2,255	500	1,700
15	Taxes and assessments	1,677	1,908	1,975
	Total, Ryukyu Islands, Army	2,797,183	5,261,000	6,704,000
	ALLOCATION TO UNITED STATES INFORMATION AGENCY			
03	Transportation of things	1,049	1,000	
06	Printing and reproduction	164		
07	Other contractual services	10,793	10,000	
08	Supplies and materials	5,415	6,000	
09	Equipment	4,577	4,000	
	Total, United States Information Agency	21,998	21,000	
	Total obligations	2,819,181	5,282,000	6,704,000

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[CONSTRUCTION OF POWER SYSTEMS, RYUKYU ISLANDS]

[For loans by the Secretary of the Army to the Ryukyu Electric Power Corporation, an instrumentality of the United States Civil Administration of the Ryukyu Islands, for completion of construction, installation, and equipment of electric power systems in the Ryukyu Islands, $18,000,000, to remain available until expended: *Provided*, That repayment of such loans shall be made to miscellaneous receipts of the Treasury over a period of twenty-five years to commence five years after the date any such loan is made, with interest at such rate as may be fixed by the Secretary of the Treasury, taking into consideration the current average market yields of outstanding marketable obligations of the United States having a comparable maturity.] (*Mutual Security Appropriation Act, 1960.*)

Appropriated 1960, **$18,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Construction of transmission line and substations	$86,145	$179,807	
2. Construction of conventional power plant with four 20,000-kilowatt generator units, installation, equipment of plant and facilities		200,000	$17,800,000
Total obligations	86,145	379,807	17,800,000
Financing:			
Unobligated balance brought forward	−265,952	−179,807	−17,800,000
Unobligated balance carried forward	179,807	17,800,000	
Appropriation (new obligational authority)		18,000,000	

1. *Transmission line and substations.*—Construction of a transmission line, including substations, from Kadena to Camp Schwab at Henoko will be completed and in operation in 1960.

2. *Conventional powerplant.*—A start will be made in 1961 on the construction and equipment of a power generating plant, currently planned to consist ultimately of four 20,000-kilowatt generating units together with the necessary housing and ancillary facilities. The first of these units is expected to come on the line in 1963 and other units will follow as required to meet demand load. When new units are all in place it will permit the retirement from the integrated power system of certain overage, high operating cost units now in service.

Financing for this facility estimated to cost $22,700,000 will be from $18,000,000 appropriated to Army for advance to Ryukyu Electric Power Corp. as a loan, to be repaid over 25 years with interest, and from $4,700,000 available to the Ryukyu Electric Power Corp. from depreciation, earnings, and reserves.

Object Classification

	1959 actual	1960 estimate	1961 estimate
RYUKYU ISLANDS, ARMY			
10 Land and structures	$8,544	$379,807	$17,800,000
ALLOCATION TO ARMY			
Total number of permanent positions	26		
Average number of all employees	26		
Number of employees at end of year	26		
Average GS grade and salary	8.1 $6,164		
Average salary of ungraded positions (civilian work staff and local)	$1,362		
01 Personal services	$74,209		
07 Other contractual services	182		
11 Grants, subsidies, and contributions	3,210		
Total, Army	77,601		
Total obligations	86,145	379,807	17,800,000

CONSTRUCTION OF WATER SYSTEM, RYUKYU ISLANDS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Construction, installation and equipment of water system (object class 10)	$246,498	$353,502	
Financing:			
Unobligated balance brought forward		−353,502	
Unobligated balance carried forward	353,502		
Appropriation (new obligational authority)	600,000		

A dam and pumping station are in the completion stage. A raw water supply line is under construction to provide an additional source of water to the civil population, and is expected to be in operation by July 1, 1960.

THE PANAMA CANAL

Current authorizations:

CANAL ZONE GOVERNMENT

OPERATING EXPENSES

For operating expenses necessary for the Canal Zone Government, including operation of the Postal Service of the Canal Zone; hire of passenger motor vehicles; uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131); expenses incident to conducting hearings on the Isthmus; expenses of special training of employees of the Canal Zone Government as authorized by law (63 Stat. 602; 72 Stat. 327); contingencies of the Governor; residence for the Governor; medical aid and support of the insane and of lepers and aid and support of indigent persons legally within the Canal Zone, including expenses of their deportation when practicable; and payments of not to exceed $50 in any one case to persons within the Government service who shall furnish blood for transfusions; [$18,900,000] *$18,850,000: Provided, That annual accrued expenditures under this appropriation account, covering amounts becoming payable as a result of obligations incurred both in the current fiscal year and in prior fiscal years, shall not exceed $18,850,000. (2 C.Z. Code, sec. 5; 64 Stat. 1038; 72 Stat. 852; Department of Commerce and Related Agencies Appropriation Act, 1960.)*

Appropriated 1960, **$18,900,000** Estimate 1961, **$18,850,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Civil functions:			
(a) Customs and immigration	$469,720	$472,300	$477,500
(b) Postal service	1,121,424	1,132,400	1,129,700
(c) Police protection	1,788,267	1,837,900	1,841,200
(d) Fire protection	967,091	903,500	918,900
(e) Judicial system	70,829	77,400	77,200
(f) Education	3,977,662	4,158,300	4,233,600
(g) Public areas and facilities	1,428,286	1,537,600	1,519,700
(h) Library	112,250	124,800	127,200
(i) Internal security	117,217	121,000	121,000
(j) Other civil affairs	123,463	155,300	160,400
2. Health and sanitation:			
(a) Hospitals and clinics	6,251,115	6,595,600	6,615,100
(b) Other public health services	777,603	917,500	897,500
3. General government expense:			
(a) Office of the Governor	69,902	84,600	85,400
(b) Other general government expense	1,600,903	1,744,200	1,725,800
Total operating costs	18,875,732	19,862,400	19,930,200
4. Unfunded adjustments to total operating costs:			
Depreciation included above for facilities and equipment capitalized under capital outlay appropriation (−)	−982,787	−1,034,300	−1,080,200
Other costs included above (−)	−2,678		
Total program costs, funded	17,890,267	18,828,100	18,850,000
5. Relation of costs to accrued expenditures: Costs financed from accrued expenditures of other years, net (−)	−109,248		
Total accrued expenditures	17,781,019	18,828,100	18,850,000

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THE PANAMA CANAL—Continued

Current authorizations—Continued

CANAL ZONE GOVERNMENT—Continued

OPERATING EXPENSES—continued

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
Unpaid undelivered orders brought forward	—$108,549	—$129,686	—$111,486
Adjustment of unpaid undelivered orders brought forward	81,776		
Unpaid undelivered orders carried forward	129,686	111,486	111,486
Total program (obligations)	17,883,932	18,809,900	18,850,000
Financing:			
Unobligated balance no longer available	186,168	90,100	
Appropriation (new obligational authority)	18,070,100	18,900,000	18,850,000

This appropriation provides for those functions in the Canal Zone which, in the United States, would be performed by State and local governments and civilian departments of the Federal Government, and for the operation of hospitals and clinics. All operating expenses, including depreciation, are recovered and paid into the Treasury as miscellaneous receipts. Such recoveries are derived from revenue from individuals and agencies served and the balance from the Panama Canal Company as follows:

Repayments to Treasury (including depreciation):	*1959 actual*	*1960 estimate*	*1961 estimate*
Revenue:			
Hospitals and clinics	$3,212,176	$3,306,800	$3,345,900
Education	2,066,684	2,130,000	2,155,000
Postal service	930,756	940,000	940,000
Fire protection	550,967	509,800	518,600
All others	469,013	458,900	460,400
Total revenue	7,229,596	7,345,500	7,419,900
Net costs reimbursable by Panama Canal Company	11,646,136	12,516,900	12,510,300
Total repayable to Treasury	18,875,732	19,862,400	19,930,200

1. *Civil functions*—(*a*) *Customs and immigration.*—This provides for the activities usually incident to such functions (except that no collection of customs duties is involved) and in addition includes special activities relating to transiting vessels and the execution of certain treaty obligations to the Republic of Panama.

(*b*) *Postal service.*—The postal system serves the entire Canal Zone and operates under policies and regulations generally similar to those of the U.S. Post Office Department, including money order and postal savings services.

WORKLOAD

	1959 actual	*1960 and 1961 estimate*
Airmail dispatched (pounds)	186,055	185,000
Airmail received (pounds)	289,551	289,000
Surface mail dispatched (pounds)	361,410	360,000
Surface mail received (sacks)	73,736	73,000

(*c*) *Police protection.*—This includes the usual police functions of preservation of the peace and enforcement of the law in the Canal Zone (not including military reservations), operation of prisons, and police guards for certain facilities.

(*d*) *Fire protection.*—All firefighting facilities in the Canal Zone except those required for aircraft crash fires and fires aboard naval vessels and ammunition depots are consolidated under the Canal Zone Government.

(*e*) *Judicial system.*—This includes the operation of two magistrate courts and the expenses of the district court (exclusive of salaries) which serves as both a State and Federal court.

(*f*) *Education.*—This provides for the operation of schools, kindergarten through junior college, for the dependents of Canal Zone residents and, on a space available basis, certain residents of Panama. There are two school systems; one for U.S. citizens, the other, which is conducted in the Spanish language, for Panamanians and other noncitizens. There also are specialized facilities for handicapped children.

ENROLLMENT DATA

	1959 actual	*1960 estimate*	*1961 estimate*
U.S. citizen schools	7,090	7,312	7,217
Latin-American schools	3,884	4,020	4,088
Total	10,974	11,332	11,305

(*g*) *Public areas and facilities.*—This includes the cleaning, lighting, and maintenance of streets and highways; maintenance of sewers, and care of public areas within the Canal Zone, not including military reservations.

(*h*) *Library.*—This provides for the operation of public library facilities for residents of the Canal Zone and technical reference services for Government agencies.

(*i*) *Internal security.*—This provides for loyalty investigations and related intelligence services for the Government and the Company.

(*j*) *Other civil affairs.*—This includes licensing civil defense activities and supervision of the civil functions program.

2. *Health and sanitation*—(*a*) *Hospitals and clinics.*—Two complete general medical and surgical hospitals with outpatient clinics, a neuropsychiatric and domiciliary hospital, and a leprosarium are operated and maintained. Medical care of all eligible civilians and military personnel in the Canal Zone is provided in the two general hospitals operated by the Government.

AVERAGE NUMBER OF INPATIENTS PER DAY (EXCLUDING NEWBORNS)

	1959 actual	*1960 estimate*	*1961 estimate*
Gorgas hospital	268.7	280.0	270.0
Coco Solo hospital	84.0	80.0	80.0
Corozal hospital	243.6	240.0	235.0
Palo Seco leprosarium	117.3	117.0	117.0
Total	713.6	717.0	702.0

(*b*) *Other public health services.*—This provides for sanitation and quarantine work in the Canal Zone and for ships calling at its ports and transiting the canal; inspection of food processing establishments; and facilities for animal care and quarantine.

3. *General government expense*—(*a*) *Office of the Governor.*—This provides for the executive direction of all Canal Zone Government activities and includes the expense of the office of the Governor and his residence, the office of the executive secretary, and provision for certain contingencies.

(*b*) *Other general government expense.*—This includes the Canal Zone Government's share of the cost of general and administrative expenses provided by the Panama Canal Company which the Canal Zone Government is without staff or facilities to perform or furnish; expenses of recruitment and repatriation, employees' home leave travel costs, and other general charges.

4. *Unfunded adjustments to total operating costs.*—During 1959 net writeoffs of prior capitalizations amounted to $2,678. Such writeoffs consist of amounts chargeable to operating expenses which were previously accrued as capital outlay expenditures.

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5. *Relation of costs to accrued expenditures.*—This account includes a limitation on annual accrued expenditures in accordance with Public Law 85–759, approved August 25, 1958 (31 U.S.C. 11(b)–(f)). The relationship is derived from year-end balances of accrued resources as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Accrued resources at end of year:				
Stores (goods unconsumed by projects)	$137,382	$155,322	$155,322	$155,322
Accrued annual leave (leave earned and not yet taken by employees) charged to activity costs (−)	−1,763,899	−1,891,087	−1,891,087	−1,891,087
Total accrued resources at end of year	−1,626,517	−1,735,765	−1,735,765	−1,735,765
Accrued resources at start of year		1,626,517	1,735,765	1,735,765
Costs financed from accrued expenditures of other years, net (−)		−109,248		

Object Classification

	1959 actual		1960 estimate		1961 estimate	
Military:						
Average number		19		20		20
Number of military personnel at end of year		14		20		20
Civilian:						
Total number of permanent positions		2,409		2,421		2,429
Full-time equivalent of all other positions		80		85		79
Average number of all employees		2,430		2,459		2,465
Number of employees at end of year		2,608		2,640		2,640
Average salaries and grades:						
Nonmanual	5.6	$5,490	5.7	$5,652	5.7	$5,686
Service	3.6	$1,579	3.6	$1,637	3.6	$1,721
Postal	4.8	$6,461	4.9	$6,514	4.9	$6,524
Average salary of ungraded positions:						
Police		$7,092		$7,172		$7,159
Fire officer		$7,553		$7,751		$7,751
Education		$5,867		$5,933		$5,934
Other		$2,330		$2,334		$2,401
01 Personal services:						
Permanent positions:						
Military		$228,475		$229,379		$229,379
Civilian		10,455,601		10,813,021		10,951,021
Positions other than permanent		355,200		383,500		360,700
Other personal services		655,299		577,300		557,800
Total personal services		11,694,575		12,003,200		12,098,900
02 Travel		476,734		569,600		602,800
03 Transportation of things		296,614		308,600		306,500
04 Communication services		79,024		78,000		78,000
05 Rents and utility services		145,826		148,200		148,200
06 Printing and reproduction		72,406		68,700		63,800
07 Other contractual services		2,853,191		3,227,700		3,109,600
08 Supplies and materials		1,315,443		1,384,800		1,404,200

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
09 Equipment	$48,090	$49,600	$46,600
11 Grants, subsidies, and contributions	638,698	716,200	723,200
12 Pensions, annuities, and insurance claims	153,338	153,800	148,500
13 Refunds, awards, and indemnities	1,866	1,900	1,900
14 Interest	108,335	109,000	109,000
15 Taxes and assessments	8,805	8,800	8,800
Depreciation	982,787	1,034,300	1,080,200
Total costs	18,875,732	19,862,400	19,930,200
Unfunded adjustments to total costs:			
Depreciation included above for facilities and equipment capitalized under capital outlay appropriation (−)	−982,787	−1,034,300	−1,080,200
Other costs included above (−)	−2,678		
Total costs, funded	17,890,267	18,828,100	18,850,000
Relation of costs to accrued expenditures:			
Costs financed from accrued expenditures of other years, net (−)	−109,248		
Total accrued expenditures	17,781,019	18,828,100	18,850,000
Unpaid undelivered orders brought forward	−108,549	−129,686	−111,486
Adjustment of unpaid undelivered orders brought forward	81,776		
Unpaid undelivered orders carried forward	129,686	111,486	111,486
Total obligations	17,883,932	18,809,900	18,850,000

CAPITAL OUTLAY

For acquisition of land and land under water and acquisition, construction, and replacement of improvements, facilities, structures, and equipment, as authorized by law (2 C.Z. Code, secs. 3 and 16; 63 Stat. 600), including the purchase of not to exceed [ten] *eight* passenger motor vehicles *for replacement only, of which seven are* for police-type use without regard to the general purchase price limitation for the current fiscal year[, of which six are for replacement only]; and expenses incident to the retirement of such assets; [$2,870,000] *$6,800,000,* to remain available until expended: *Provided, That annual accrued expenditures under this appropriation account, covering amounts becoming payable as a result of obligations incurred both in the current fiscal year and in prior fiscal years, shall not exceed $5,211,000: Provided further, That not to exceed $500,000 of either limitation on annual accrued expenditures herein made for the Canal Zone Government may be transferred to the other such limitation of the Canal Zone Government, but no limitation shall be increased or decreased by more than $500,000 as a result of such transfers. (2 C.Z. Code secs. 3, 5, 16; 63 Stat. 600; 64 Stat. 1038; 72 Stat. 852; Department of Commerce and Related Agencies Appropriation Act, 1960.)*

Appropriation 1960, **$2,870,000** Estimate 1961, **$6,800,000**

Program and Financing

	Costs to this appropriation					Analysis of 1961 financing			Appropriation required to complete
	Total estimate	To June 30, 1958	1959 actual	1960 estimate	1961 estimate	Deduct unpaid undelivered orders, and unobligated balance, start of year	Add unpaid undelivered orders, and unobligated balance, end of year	Appropriation required for 1961	
Program by activities:									
1. Civil functions:									
(a) Replacements, additions, and renewals of equipment	$435,733	$35,623	$81,306	$161,904	$136,900	$20,000	$20,000	$136,900	
(b) Police protection:									
(1) Replace air conditioning, Balboa and Cristobal detective offices	7,000				7,000			7,000	
(c) Education:									
(1) Improvements, additions, and replacements to school plant	600,248	15,893	28,936	67,119	336,300	168,700	152,000	319,600	
(2) Improvements, additions, and replacements to physical education and recreation facilities	331,265	90,304	19,135	78,926	84,000	58,900	58,900	84,000	
(3) Construct and equip swimming pool, Paraiso	200,000				200,000			200,000	
(d) Public areas and facilities:									
(1) Additions and replacements to municipal systems	271,198	48,953	45,701	114,544	62,000			62,000	
(2) Road and street replacements	245,447	38,336	55,443	126,668	25,000			25,000	
(3) Sewage disposal program, Pacific side	940,000	296,518	24,264	197,218	300,000	394,000	122,000	28,000	
(4) Community recreational facilities	97,000			45,000	52,000			52,000	
(5) Administration building parking lot	38,500				38,500			38,500	
(e) Prior year projects	4,911,992	365,109	2,057,656	1,785,327	703,900	703,900			

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THE PANAMA CANAL—Continued

Current authorizations—Continued

CANAL ZONE GOVERNMENT—Continued

CAPITAL OUTLAY—continued

Program and Financing—Continued

	Costs to this appropriation					Analysis of 1961 financing			
	Total estimate	To June 30, 1958	1959 actual	1960 estimate	1961 estimate	Deduct unpaid undelivered orders and unobligated balance, start of year	Add unpaid undelivered orders and unobligated balance, end of year	Appropriation required for 1961	Appropriation required to complete
Program by activities—Continued									
2. Health and sanitation:									
(a) Replacements, additions, and renewals of equipment	$658,693	$217,077	$114,571	$168,045	$129,000	$30,000	$30,000	$129,000	
(b) Hospitals and clinics:									
(1) Alterations and additions to Gorgas hospital	5,200,000		19,959	269,041	2,511,000	100,000	2,400,000	4,811,000	
(2) Rehabilitate Corozal hospital	420,000		7,803	104,197	231,500		76,500	308,000	
(c) Prior year projects	456,400	31,610	122,873	151,917	150,000	150,000			
3. General government:									
(a) Other general government:									
(1) Quarters replacement program	1,570,000			210,000	528,000	55,000	10,000	483,000	$822,000
(2) Alterations, replacements, and improvements to government buildings	180,139	134,923	4,192	36,024	5,000			5,000	
(3) Air condition building 287, Ancon	61,000				61,000			61,000	
(4) Advance planning of future projects	53,500	8,935	3,409	21,156	20,000			20,000	
(5) Minor capital additions and replacements	58,842	319	14,022	24,501	20,000			20,000	
(6) Retirement and removal costs	21,104	25	552	10,527	10,000			10,000	
(b) Prior year projects	101,500	29,317	29,959	42,224					
4. Undistributed reduction based on anticipated delays and savings				−359,000	−400,100	359,000	759,100		
Total accrued expenditures	16,859,561	1,312,942	2,629,781	3,255,338	5,211,000	2,039,500	3,628,500	6,800,000	822,000
Unpaid undelivered orders brought forward			−799,292	−961,483	−1,274,100				
Unpaid undelivered orders carried forward			961,483	1,274,100	2,931,000				
Total program (obligations)			2,791,972	3,567,955	6,867,900				
Financing:									
Unobligated balance brought forward			−1,155,327	−1,463,355	−765,400				
Unobligated balance carried forward			1,463,355	765,400	697,500				
Appropriation (new obligational authority)			3,100,000	2,870,000	6,800,000				

This provides for the acquisition by purchase, construction, or otherwise, of capital assets required by the Canal Zone Government. In 1961, the principal projects in which the agency will be engaged are: (*a*) Alterations and additions to Gorgas Hospital; (*b*) rehabilitation of Corozal Hospital; (*c*) continuation of the Pacific-side sewage disposal program; (*d*) completion of a junior high school at Diablo Heights; (*e*) construction of a swimming pool at Paraiso; (*f*) continuation of the Pacific-side quarters replacement program; and (*g*) routine continuing projects among which are additions and replacements to municipal systems, road and street replacements, and additions and renewals of equipment.

This account includes a limitation on annual accrued expenditures in accordance with Public Law 85–759, approved August 25, 1958 (31 U.S.C. 11(b)–(f)).

Object Classification

		1959 actual	1960 estimate	1961 estimate
07	Other contractual services	$28,868	$290,197	$120,000
09	Equipment	254,975	759,589	488,900
10	Lands and structures	2,345,938	2,205,552	4,602,100
	Total accrued expenditures	2,629,781	3,255,338	5,211,000
	Unpaid undelivered orders brought forward	−799,292	−961,483	−1,274,100
	Unpaid undelivered orders carried forward	961,483	1,274,100	2,931,000
	Total obligations	2,791,972	3,567,955	6,867,900

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PANAMA CANAL COMPANY

PANAMA CANAL BRIDGE

Program and Financing

	Costs to this appropriation					Analysis of 1961 financing			Appropriation required to complete
	Total estimate	To June 30, 1958	1959 actual	1960 estimate	1961 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1961	
Program by activities:									
1. Investigation, design, and supervision	$1,528,300	$187,055	$667,063	$226,682	$200,000	$447,500	$247,500		
2. Construction	18,471,700		840,136	3,860,564	5,771,000	13,771,000	8,000,000		
3. Adjustment of prior year costs		−27,437	27,437						
Total program costs	20,000,000	159,618	1,534,636	4,087,246	5,971,000	14,218,500	8,247,500		
4. Relation of costs to obligations:									
Costs financed from obligations of other years (unpaid undelivered orders), net (−)					−5,735,000				
Obligations incurred for costs of other years (unpaid undelivered orders), net			3,714,581	9,287,982					
Total program (obligations)			5,249,217	13,375,228	236,000				
Financing:									
Unobligated balance brought forward			−132,945	−14,133,728	−758,500				
Unobligated balance carried forward			14,133,728	758,500	522,500				
Appropriation (new obligational authority)			19,250,000						

A $750,000 supplemental appropriation was enacted in 1958 and an appropriation of $19,250,000 was enacted in 1959 to provide for the $20,000,000 cost of constructing a high-level bridge across the Panama Canal at Balboa, Canal Zone, as authorized and directed by the act of July 23, 1956 (ch. 665, 70 Stat. 596). Construction of the bridge will fulfill the U.S. commitment to the Republic of Panama under the terms of point 4 of the General Relations Agreement between the United States and Panama of May 18, 1942 (Executive Agreement Series 452), and of item 5 of the Memorandum of Understandings Reached, signed January 25, 1955.

1. The design work on the bridge proper was completed in 1959.

2. Construction work which started in 1959 will be completed in 1963.

4. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1958, $457,437; 1959, $4,172,018; 1960, $13,460,000; 1961, $7,725,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
10 Lands and structures (total costs)	$1,534,636	$4,087,246	$5,971,000
Costs financed from obligations of other years, net (−)			−5,735,000
Obligations incurred for costs of other years, net	3,714,581	9,287,982	
Total obligations	5,249,217	13,375,228	236,000

Public enterprise funds:

CORPORATION

The Panama Canal Company is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to it and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the fiscal year [1960] *1961* for such corporation, except as hereinafter provided: (*Department of Commerce and Related Agencies Appropriation Act, 1960.*)

PANAMA CANAL COMPANY FUND

Program and Financing

	Costs			Obligations (capital outlay)		
	1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
Program by activities:						
Operating program:						
1. Transit operations	$20,848,120	$19,810,000	$19,964,100			
2. Maritime services	4,797,464	4,859,300	5,088,000			
3. Employee services	19,192,463	19,036,800	18,828,000			
4. Transportation and utilities services	8,263,933	8,648,400	8,921,400			
5. Other supporting services	2,728.655	2,367,500	2,309,100			
6. General corporate expense:						
(*a*) Net cost of Canal Zone Government	11,646,136	12,516,900	12,510,300			
(*b*) Interest payable to Treasury	8,979,415	8,815,500	8,747,800			
(*c*) Other	8,793,484	8,600,600	8,701,500			
Transfer of assets to other Federal agencies	84,850					
Transfer of assets to Republic of Panama	1,578,211	405,300				
Writeoff of plant becoming excess as a result of Treaty with Republic of Panama	219,540	116,900				
Extraordinary payment to Civil Service Commission to cover retroactive contribution to retirement fund	4,737,930					
Total operating program costs	91.870,201	85,177,200	85,070,200			
7. Unfunded adjustments to operating costs:						
Depreciation included above (−)	−4,787,254	−4,994,400	−5,060,900			
Amortization included above (−)	−1,214,042	−1,135,000	−1,135,000			
Change in reserve for locks overhaul	−926,134	−86,800	810,324			
Transfer of assets to other Federal agencies (−)	−80,030					
Transfer of assets to Republic of Panama (−)	−1,578,211	−405,300				
Writeoff of plant becoming excess as a result of Treaty with Republic of Panama (−)	−219,540	−116,900				
Other adjustments and writeoffs included above	−1,208					
Total operating program costs, funded	83,063,782	78,438,800	79,684,624			

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THE PANAMA CANAL—Continued

Public enterprise funds—Continued

PANAMA CANAL COMPANY—Continued

PANAMA CANAL COMPANY FUND—continued

Program and Financing—Continued

	Costs			Obligations (capital outlay)		
	1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued						
Operating program—Continued						
8. Relation of costs to obligations:						
Costs financed from obligations of other years, net (−)		−$180,551				
Obligations incurred for costs of other years, net	$221,658					
Total operating program (obligations)	83,285,440	78,258,249	$79,684,624			
Capital outlay: [1]						
1. Transit projects:						
(a) Replace locks towing locomotives and cranes	13,162	328,838	2,129,000	$13,162	$5,542,838	$442,000
(b) Panama Canal improvements (capacity program)	757,277	6,825,647	13,136,000	7,545,360	7,228,564	7,755,000
(c) Conversion of locks to 60-cycle	2,289,342	510,939	63,200	346,362	448,893	63,200
(d) Channel improvements, Paraiso curve	1,067,939			804,594		
(e) Other transit projects	369,599	2,113,879	1,900,000	191,235	2,577,837	1,842,000
2. Maritime services projects	483,318	960,577	625,000	400,373	1,241,190	260,000
3. Employee services projects:						
(a) Quarters replacement program		500,000	2,190,000		1,070,000	2,130,000
(b) Other employee services projects	825,191	1,190,629	905,000	960,274	1,005,720	905,000
4. Transportation and utilities services projects:						
(a) Conversion of power system to 60-cycle	2,691,324	475,603	504,842	778,373	603,174	302,381
(b) Other transportation and utilities services projects	1,027,529	1,549,736	1,267,300	1,171,788	1,295,834	1,124,700
5. Other supporting services projects	562,162	588,793	577,000	520,264	575,891	577,000
6. General corporate projects	1,127,978	763,190	482,000	193,598	738,145	482,000
7. Acquisition of other assets	55,800	50,000	50,000	55,800	50,000	50,000
8. Undistributed reduction based on anticipated delays and savings (net)		−1,800,000	−3,729,342		−650,000	−406,388
Total capital outlay costs, funded	11,270,621	14,057,831	20,100,000			
9. Relation of costs to obligations:						
Costs financed from obligations of other years, net (−)			−4,573,107			
Obligations incurred for costs of other years, net	1,710,562	7,670,255				
Total capital outlay (obligations)	12,981,183	21,728,086	15,526,893	12,981,183	21,728,086	15,526,893
Total program obligations	96,266,623	99,986,335	95,211,517			
Financing:						
Amounts becoming available: Revenue and receipts:						
Proceeds from sale of fixed assets	1,191,854	1,200,000	200,000			
Tolls at current rates	45,571,563	46,500,000	47,000,000			
Credit for tolls on U.S. Government vessels	975,057	1,000,000	1,000,000			
Miscellaneous transit revenue	3,747,914	3,633,000	3,645,000			
Sales of commodities	18,452,120	18,155,800	17,945,700			
Sales of services	18,504,217	18,758,800	19,298,800			
General corporate revenue	232,331	177,400	110,700			
General and administrative expense recovered from Canal Zone Government	750,000	750,000	750,000			
Credit for excess of market over book value of Canal Zone Government properties transferred to the Republic of Panama in accordance with 71 Stat. 509, deductible from liability to Treasury for net cost of Canal Zone Government	78,000	1,179,100				
Total amounts becoming available	89,503,056	91,354,100	89,950,200			
Unobligated balance brought forward:						
Cash	10,657,119	3,893,552				
Appropriation	10,000,000	10,000,000				
Authorization to expend from public debt receipts			5,261,317			
Total amounts available	110,160,175	105,247,652	95,211,517			
Unobligated balance carried forward:						
Cash	−3,893,552					
Appropriation	−10,000,000					
Authorization to expend from public debt receipts		−5,261,317				
Financing applied to program	96,266,623	99,986,335	95,211,517			

[1] Excludes property transferred in without charge, net, as follows: 1959, $2,850,927; 1960, $75,000.

The Panama Canal Company is a wholly owned Government corporation chartered by the act of June 29, 1948 (62 Stat. 1076), as amended by the act of September 26, 1950 (64 Stat. 1041), for the primary purpose of maintaining and operating the interoceanic canal at the Isthmus of Panama. In furtherance of that mission, and in consideration of the international agreements under which the canal enterprise is operated, the Company conducts necessary supporting operations.

Budget program—1. *Transit operations.*—This is the primary program of the Company and comprises the transiting operations and the maintenance of the canal. Estimates for 1960 and 1961 reflect reductions resulting from discontinuance of suction dredging in channel and harbor maintenance, nonrecurrence of 1959 expense incident to a successful experimental removal and overhaul of lock miter gates, and a consequent decrease in the annual accrual for locks overhauls. Costs for these operations are shown in the following table:

	1959 actual	*1960 estimate*	*1961 estimate*
Maintenance of channels and harbors	$4,262,565	$3,091,400	$2,957,300
Navigation service and control	6,576,651	7,036,400	7,398,700
Locks operations	8,212,741	7,867,500	7,977,500
General canal expense	1,796,163	1,814,700	1,630,600
Net operating costs	20,848,120	19,810,000	19,964,100

In the period 1952 through 1959 the average annual net income has amounted to $3.2 million, which is approximately equivalent to the tolls from two average-size ships per day.

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Actual and estimated traffic volume is shown by the following data:

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected data on canal operations:				
Commercial vessel transits: Number of ships (over 300 net Panama Canal tons)	9,187	9,718	9,761	9,944
Ships berthed	4,992	4,712	4,650	4,650
Tolls and toll credits at current rates	$42,834,006	$46,546,620	$47,500,000	$48,000,000
Other transit revenue	$3,694,093	$3,747,914	$3,633,000	$3,645,000

Capital outlay costs amount to $17,228,200 in 1961 and include $13,136,000 for continuing the canal capacity program and $2,129,000 for replacement of locks towing locomotives and cranes.

2. *Maritime services.*—These consist of vessel repair facilities, and harbor terminal and marine bunkering operations. Costs, which depend upon customer demand for services, are as follows:

	1959 actual	1960 estimate	1961 estimate
Vessel repair	$2,650,019	$2,867,000	$2,755,100
Harbor terminals	4,362,928	4,375,000	4,475,000
Total operating costs	7,012,947	7,242,000	7,230,100
Less intra-agency recoveries	2,215,483	2,382,700	2,142,100
Net operating costs	4,797,464	4,859,300	5,088,000

Capital outlay costs in 1961 include $380,000 to complete replacement of a dock and $160,500 for routine replacement of equipment.

3. *Employee services.*—As shown below, these costs include housing and marketing operations for eligible employees against whom charges are made to reimburse the Company. Costs estimated for 1961 show a modest decline from those estimated for 1960 and experienced in 1959.

	1959 actual	1960 estimate	1961 estimate
U.S. community housing	$1,718,991	$1,710,600	$1,734,300
Latin-American community housing	665,147	696,600	683,500
Marketing operations	17,740,687	17,551,000	17,331,000
Total operating costs	20,124,825	19,958,200	19,748,800
Less intra-agency recoveries	932,362	921,400	920,800
Net operating costs	19,192,463	19,036,800	18,828,000

Capital outlay costs estimated for 1961 include (*a*) $2,190,000 for continuation of a quarters replacement program; (*b*) $336,000 for replacement and addition of equipment; (*c*) $250,000 for modernizing existing quarters; and (*d*) $268,000 for air conditioning two buildings of the Balboa retail store.

4. *Transportation and utilities services.*—Costs estimated for 1961 provide for rising wages, increasing costs of operating materials and supplies, and increased depreciation expense.

	1959 actual	1960 estimate	1961 estimate
Railroad	$1,533,895	$1,535,000	$1,590,000
Motor transportation	1,752,273	1,760,000	1,834,000
Steamship line	6,044,185	6,235,500	6,463,000
Power system	2,284,274	2,147,900	2,096,200
Communications system	557,759	569,000	594,200
Water system	1,244,911	1,257,100	1,261,400
Total operating costs	13,417,297	13,504,500	13,838,800
Less intra-agency recoveries	5,153,364	4,856,100	4,917,400
Net operating costs	8,263,933	8,648,400	8,921,400

Estimates for capital outlay in 1961 total $1,772,000 and are mainly for (*a*) completing the conversion of the power system to 60 cycles, $504,800; (*b*) replacing railroad rolling stock, $390,000; (*c*) replacing motor vehicles, $284,000; (*d*) replacing a portion of the trans-Isthmian telephone cable, $225,000; and (*e*) routine replacements and additions of equipment, $179,400.

5. *Other supporting services.*—Costs of this group follow:

	1959 actual	1960 estimate	1961 estimate
Tivoli guest house	$490,091	$490,000	$495,000
Printing plant	344,598	353,000	355,400
Grounds maintenance	984,260	995,700	1,035,400
Engineering and maintenance services	5,907,382	5,931,800	5,663,100
Supply operations	5,166,045	4,959,800	5,252,500
Total operating costs	12,892,376	12,730,300	12,801,400
Less intra-agency recoveries	10,163,721	10,362,800	10,492,300
Net operating costs	2,728,655	2,367,500	2,309,100

Capital outlay costs estimated for 1961 total $577,000 and include $471,000 for replacing and adding equipment and $100,000 for rehabilitating the Tivoli Guest House.

6. *General corporate expense.*—This includes payments to the Treasury for the net cost of Canal Zone Government and interest, general and administrative expenses under statutory limitation, and other general charges. The scope of general and administrative expenses under statutory limitation includes virtually all general charges other than interest on the investment of the United States and the net cost of the Canal Zone Government.

	1959 actual	1960 estimate	1961 estimate
Net cost of Canal Zone Government	$11,646,136	$12,516,900	$12,510,300
Interest expense	8,979,415	8,815,500	8,747,800
Other general corporate expense	8,793,484	8,600,600	8,701,500
Total general corporate expense	29,419,035	29,933,000	29,959,600

Capital outlay costs estimated for 1961 amount to $482,000 of which $162,000 is for modernizing and air conditioning office buildings and $320,000 is for minor replacements, additions and improvements, advance planning of future projects, and plant retirement and removal costs.

8. *Relation of costs to obligations.*—The relationships for operating costs and capital outlay are derived by year-end balances of selected resources as reflected in the following tables:

RELATION OF OPERATING COSTS TO OBLIGATIONS

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year:				
Inventories	$7,904,791	$8,075,408	$7,900,000	$7,900,000
Other current assets	201,339	258,717	250,000	250,000
Unpaid undelivered orders (operations)	2,452,763	2,446,426	2,450,000	2,450,000
Total selected resources at end of year	10,558,893	10,780,551	10,600,000	10,600,000
Selected resources at start of year (−)		−10,558,893	−10,780,551	−10,600,000
Costs financed from obligations of other years, net (−)			−180,551	
Obligations incurred for costs of other years, net		221,658		

RELATION OF CAPITAL OUTLAY COSTS TO OBLIGATIONS

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year:				
Unpaid undelivered orders (capital outlay)	$6,009,244	$7,719,806	$15,390,061	$10,816,954
Selected resources at start of year (−)		−6,009,244	−7,719,806	−15,390,061
Costs financed from obligations of other years, net (−)				−4,573,107
Obligations incurred for costs of other years, net		1,710,562	7,670,255	

Financing.—The Company is authorized to obtain appropriations for its capital needs and to cover losses sustained in the conduct of its activities. It is expected that the foregoing budget programs will continue to be financed entirely from revenue. Under Public Law 86–200 (73 Stat. 428), approved August 25, 1959, the Company may borrow with interest from the Treasury amounts not exceeding a total of $10 million outstanding at any

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THE PANAMA CANAL—Continued

Public enterprise funds—Continued

PANAMA CANAL COMPANY—Continued

PANAMA CANAL COMPANY FUND—continued

time. A $10 million emergency fund, previously deposited by the Company with the Treasury is deemed under Public Law 86–200, to be a return of invested funds instead of a payment out of retained earnings and the capital structure of the Company is adjusted accordingly.

Operating results and financial condition.—There will be an increase in retained earnings in 1960 estimated at $24,994,800 of which (*a*) $4,320,000 is from operations; (*b*) $10,674,800 from credits gained through the final transfers of Panama Canal Company and Canal Zone Government properties to the Republic of Panama under terms of the 1955 Treaty (71 Stat. 509); and (*c*) $10 million from reclassification of the emergency fund payment as provided in Public Law 86–200 (73 Stat. 428). The $4,680,000 increase in retained earnings estimated for 1961 wholly represents net operating income for that year.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Acquisition of assets: Purchase, construction, or improvement of fixed assets	$11,270,621	$14,057,831	$20,100,000
Operations (including locks overhauls)	83,063,782	78,438,800	79,684,624
Increase in selected working capital	708,225		
Total gross expenditures	95,042,628	92,496,631	99,784,624
Receipts from operations (funds provided):			
Revenue and other receipts from all sources	89,503,056	91,354,100	89,950,200
Decrease in selected working capital		589,729	1,244,500
Total receipts from operations	89,503,056	91,943,829	91,194,700
Budget expenditures	5,539,572	552,802	8,589,924

Revenue, Expense, and Retained Earnings

Transit operations:			
Revenue	$50,294,534	$51,133,000	$51,645,000
Expense	20,848,120	19,810,000	19,964,100
Net operating revenue, transit operations	29,446,414	31,323,000	31,680,900
Supporting services:			
Maritime services:			
Revenue	5,344,985	5,679,300	5,958,000
Expense	4,797,464	4,859,300	5,088,000
Net operating revenue, maritime services	547,521	820,000	870,000
Employee services:			
Revenue	19,761,891	19,594,400	19,461,700
Expense	19,192,463	19,036,800	18,828,000
Net operating revenue, employee services	569,428	557,600	633,700
Transportation and utilities services:			
Revenue	8,598,568	8,871,800	9,196,800
Expense	8,263,933	8,648,400	8,921,400
Net operating revenue, transportation and utilities services	334,635	223,400	275,400
Other supporting services:			
Revenue	3,250,893	2,769,100	2,628,000
Expense	2,728,655	2,367,500	2,309,100
Net operating revenue, other supporting services	522,238	401,600	318,900
General corporate expense:			
Miscellaneous revenue	232,331	177,400	110,700
Assessment to Canal Zone Government	750,000	750,000	750,000
Net cost of Canal Zone Government (−)	−11,646,136	−12,516,900	−12,510,300
Interest (−)	−8,979,415	−8,815,500	−8,747,800
Other (−)	−8,793,484	−8,600,600	−8,701,500
Net general corporate expense	−28,436,704	−29,005,600	−29,098,900
Net operating income for the year	2,983,532	4,320,000	4,680,000

Revenue, Expense, and Retained Earnings—Continued

	1959 actual	1960 estimate	1961 estimate
Nonoperating income and expense:			
Profit on transfer of Panama Canal Company properties to the Republic of Panama (71 Stat. 509):			
Market value of properties transferred	$4,747,000	$9,901,000	
Net book value of properties transferred (−)	−1,578,211	−405,300	
Credit for excess over book value of Canal Zone Government properties transferred to the Republic of Panama in accordance with 71 Stat. 509, deductible from liability to Treasury for net cost of Canal Zone Government	78,000	1,179,100	
Net nonoperating income for the year	3,246,789	10,674,800	
Net income for the year	6,230,321	14,994,800	$4,680,000
Analysis of retained earnings:			
Retained earnings, beginning of year	88,548,430	90,040,821	115,035,621
Payment to Civil Service Commission to cover prior years' retirement contribution for employees brought under civil service retirement by the Canal Zone Wage and Employment Practices Act, 1958 (72 Stat. 405) (−)	−4,737,930		
Transfer from interest-bearing investment (73 Stat. 428)		10,000,000	
Retained earnings, end of year	90,040,821	115,035,621	119,715,621

Financial Condition

Assets:			
Cash with Treasury and in banks	$25,215,680	$24,662,878	$16,072,954
Current notes receivable	1,069,500	1,069,500	
Accounts receivable, net	4,460,541	4,100,000	4,000,000
Inventories, net	8,075,408	7,900,000	7,900,000
Other current assets, net	258,717	250,000	250,000
Long-term notes receivable	1,069,500		
Properties, plant, and equipment, net	417,367,062	424,713,218	438,962,318
Other assets (deferred charges)	2,886,665	1,801,665	716,665
Total assets	460,403,073	464,497,261	467,901,937
Current liabilities	16,685,937	16,731,000	16,806,000
Reserves:			
For periodic overhaul of canal locks	2,374,665	2,461,465	1,651,141
For noncapital cost of power conversion	1,629,575	540,000	
Total reserves	4,004,240	3,001,465	1,651,141
Government investment:			
Interest-bearing investment:			
Start of year	351,861,652	349,672,075	329,729,175
Transfer of assets from other Federal agencies	2,850,927	75,000	
Transfer of assets to other Federal agencies (−)	−84,850		
Transfer of assets to Republic of Panama (market value) (−)	−4,747,000	−9,901,000	
Plant becoming excess as result of treaty with Republic of Panama (−)	−219,540	−116,900	
Reactivation of plant	10,886		
Transfer to retained earnings (73 Stat. 428) (−)		−10,000,000	
End of year	349,672,075	329,729,175	329,729,175
Retained earnings	90,040,821	115,035,621	119,715,621
Total Government investment	439,712,896	444,764,796	449,444,796

NOTE.—The Company has outstanding at all times contingent and continuing liabilities, not reflected in the accounts, arising principally from monthly relief benefits payable to retired alien employees, compensation payments due employees and their dependents under the provisions of the Federal Employees Compensation Act, suits and claims pending against the Company, uncompleted supply, service, rental, and construction contracts, and unfilled purchase orders.

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash with Treasury and in banks	$30,755,252	$25,215,680	$24,662,878	$16,072,954
Budget authorizations	10,000,000	10,000,000	10,000,000	10,000,000
Total unexpended balance	40,755,252	35,215,680	34,662,878	26,072,954
Obligated balance, net:				
Current liabilities	16,044,608	16,685,937	16,731,000	16,806,000
Unpaid undelivered orders	8,462,007	10,166,232	17,840,061	13,266,954
Accounts and current notes receivable, net (−)	−4,408,482	−5,530,041	−5,169,500	−4,000,000
Total obligated balance	20,098,133	21,322,128	29,401,561	26,072,954
Unobligated balance	20,657,119	13,893,552	5,261,317	

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LIMITATION ON GENERAL AND ADMINISTRATIVE EXPENSES, PANAMA CANAL COMPANY

Not to exceed [$8,486,000] *$8,680,000* of the funds available to the Panama Canal Company shall be available during the current fiscal year for general and administrative expenses of the Company, which shall be computed on an accrual basis. Funds available to the Panama Canal Company for operating expenses shall be available for the purchase of not to exceed [ten] *fourteen* passenger motor vehicles *of which twelve are* for replacement only, [including one at not to exceed $3,300,] and for uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131). (*Department of Commerce and Related Agencies Appropriation Act, 1960.*)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Executive direction	$700,079	$726,200	$753,200
2. Operations direction	531,818	596,800	619,900
3. Financial management	2,477,033	2,725,200	2,684,800
4. Personnel administration	712,335	766,000	801,700
5. General services	745,772	810,100	830,100
6. Employment costs:			
(*a*) Alien cash relief	1,836,494	1,744,700	1,700,200
(*b*) Employees' States travel	669,183	737,700	872,800
(*c*) Other	368,472	379,300	417,300
Total accrued general and administrative expenses	8,041,186	8,486,000	8,680,000
Financing:			
Unobligated balance no longer available	187,914		
Limitation	8,229,100	8,486,000	8,680,000

Object Classification

	1959 actual		1960 estimate		1961 estimate	
Military:						
Average number	7		7		6	
Number of military personnel at end of year	7		7		6	
Civilian:						
Total number of permanent positions	10,539		10,479		10,444	
Full-time equivalent of all other positions	429		392		619	
Average number of all employees	10,523		10,664		10,876	
Number of employees at end of year	11,451		11,364		11,314	
Average salaries and grades:						
General schedule	6.6	$5,444	6.7	$5,617	6.7	$5,617
Nonmanual	4.7	$4,623	4.8	$4,737	4.8	$4,744
Service	3.4	$1,666	3.5	$1,719	3.5	$1,801
Average salary of ungraded positions		$2,866		$2,920		$3,064
01 Personal services:						
Permanent positions:						
Military		$88,646		$87,936		$79,325
Civilian		32,338,575		33,270,795		34,429,590
Positions other than permanent		1,361,140		1,268,894		2,089,169
Other personal services		3,491,532		2,802,404		2,829,334
Total personal services		37,279,893		37,430,029		39,427,418
Deduct portion not chargeable to limitation		33,477,076		33,437,129		35,442,918
Net personal services		3,802,817		3,992,900		3,984,500
02 Travel		836,755		931,500		1,084,800
03 Transportation of things		80,116		87,800		103,500
04 Communication services		68,302		58,300		60,600
05 Rents and utility services		134,816		183,500		184,100
06 Printing and reproduction		68,609		74,100		82,600
07 Other contractual services		634,605		745,000		792,900
08 Supplies and materials		115,083		134,600		144,600
09 Equipment		8,493		7,700		5,700
11 Grants, subsidies, and contributions		284,221		315,000		314,300
12 Pensions, annuities, and insurance claims		1,914,995		1,828,300		1,783,800
13 Refunds, awards, and indemnities		2,397		14,600		14,600
15 Taxes and assessments		8,683		8,100		11,800
Depreciation		81,294		104,600		112,200
Total accrued general and administrative expenses		8,041,186		8,486,000		8,680,000

GENERAL PROVISIONS—THE PANAMA CANAL

SEC. 201. The Governor of the Canal Zone is authorized to employ services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), in an amount not exceeding $30,000: *Provided*, That the rates for individuals shall not exceed $100 per diem.

[SEC. 202. The Panama Canal Company is authorized to accept from other departments or agencies, without exchange of funds, floating equipment for use in Canal Zone waters incident to the operation of the Panama Canal.] (*Department of Commerce and Related Agencies Appropriation Act, 1960.*)

MISCELLANEOUS ACCOUNTS

Permanent authorizations:

PAYMENT TO CLAIMANTS, DISASTER AT TEXAS CITY, TEXAS, ARMY

(Indefinite)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Payment of claims (object class 13)	$176,462	$905,000	$710,000
Financing:			
Unobligated balance brought forward	−11,626,394	−11,449,932	−10,544,932
Unobligated balance carried forward	11,449,932	10,544,932	9,834,932
Appropriation (new obligational authority)			

This fund pays claims for death, personal injury, and property losses resulting from the disaster at Texas City, Tex., on April 16 and 18, 1947, as authorized by the act of August 12, 1955, as amended by Public Law 86–381, approved September 25, 1959.

WILDLIFE CONSERVATION, ETC., EGLIN FIELD RESERVATION, AIR FORCE

(Indefinite special fund)

Appropriated (est.) 1960, **$26,075** Estimate 1961, **$26,075**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Conservation of game (total obligations)	$21,176	$32,000	$32,000
Financing:			
Unobligated balance brought forward	−17,951	−17,734	−11,809
Unobligated balance carried forward	17,734	11,809	5,884
Appropriation (new obligational authority)	20,959	26,075	26,075

Proceeds from the sale of game permits in the Eglin Field Reservation are used to carry out a program of fish and game conservation and rehabilitation in cooperation with the Fish and Wildlife Service (63 Stat. 759).

Object Classification

	1959 actual		1960 estimate		1961 estimate	
Total number of permanent positions	4		4		4	
Average number of all employees	4		4		4	
Number of employees at end of year	3		4		4	
Average GS grade and salary	3.0	$4,238	4.0	$3,850	4.0	$3,945
Average salary of ungraded positions		$3,582		$3,910		$3,931
01 Personal services:						
Permanent positions		$14,928		$15,580		$15,738
Other personal services		57		120		60
Total personal services		14,985		15,700		15,798
07 Other contractual services		4,269		7,967		7,859
08 Supplies and materials		1,130		7,320		7,320
11 Grants, subsidies, and contributions		792		1,013		1,023
15 Taxes and assessments						
Total obligations		21,176		32,000		32,000

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MISCELLANEOUS ACCOUNTS—Continued

Public enterprise funds:

DEFENSE PRODUCTION GUARANTEES

Guarantees are given on loans made by public and private financing institutions by the Army, Navy, and Air Force to facilitate performance of defense production contracts. When necessary, loans may be purchased by the Government. Administrative expenses are paid out of guarantee fees and interest on loans receivable. Funds in excess of guaranteed loan program requirements may be transferred to miscellaneous receipts of the Treasury. Advances from appropriations available for procurement may be made to this fund for its temporary use. Net earnings are retained to purchase loans when required under guarantee commitments and to cover possible future losses (50 U.S.C. App. 2091).

LOANS GUARANTEED

[Dollars in millions]

	Total	*Army*	*Navy*	*Air Force*
Number of loans outstanding:				
As of June 30, 1959	104	21	26	57
As of June 30, 1960	103	18	28	57
As of June 30, 1961	97	15	25	57
Authorized limit of loans guaranteed	$408	$25	$189	$194
Outstanding balance June 30, 1959	271	18	123	130
Additional guaranteed private credit available June 30, 1959	137	7	66	64
Outstanding balance June 30, 1960	305	15	160	130
Outstanding balance June 30, 1961	262	12	120	130
Cumulative net earnings, June 30, 1961	29	5	10	14

The Government's acquisition of loans under this program in the Department of Defense is reflected in the following schedules:

DEFENSE PRODUCTION GUARANTEES, ARMY

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs:			
Administrative expenses	$34,408	$30,000	$25,000
Writeoff of loans receivable		400,000	250,000
Total operating costs	34,408	430,000	275,000
Unfunded adjustment to total operating costs: Writeoff of loans receivable (−)		−400,000	−250,000
Total operating costs, funded	34,408	30,000	25,000
Capital outlay: Loans purchased	75,703	80,000	50,000
Total program (costs—obligations)	110,111	110,000	75,000
Financing:			
Amounts becoming available: Revenue and receipts:			
Collection of loans	513,510	250,000	65,000
Guarantee fees and interest on loans	108,297	120,000	80,000
Total amounts becoming available	621,807	370,000	145,000
Unobligated balance brought forward	2,275,427	2,787,123	3,047,123
Total amounts available	2,897,234	3,157,123	3,192,123
Unobligated balance carried forward	−2,787,123	−3,047,123	−3,117,123
Financing applied to program	110,111	110,000	75,000

Sources and Application of Funds (Operations)

Gross expenditures (funds applied):			
Acquisition of loans	$75,703	$80,000	$50,000
Expense	34,408	30,000	25,000
Total gross expenditures	110,111	110,000	75,000
Receipts from operations (funds provided):			
Loans repaid	513,510	250,000	65,000
Revenue	108,297	120,000	80,000
Decrease in selected working capital	2,997		
Total receipts from operations	624,804	370,000	145,000
Budget expenditures	−514,693	−260,000	−70,000

Revenue, Expense, and Retained Earnings

	1959 actual	1960 estimate	1961 estimate
Revenue	$108,297	$120,000	$80,000
Expense	34,408	430,000	275,000
Net income for the year	73,889	−310,000	−195,000
Retained earnings, beginning of year	5,172,045	5,245,934	4,935,934
Retained earnings, end of year	5,245,934	4,935,934	4,740,934

Financial Condition

Assets:			
Cash with Treasury	$2,787,123	$3,047,123	$3,117,123
Loans receivable	2,458,811	1,888,811	1,623,811
Total assets	5,245,934	4,935,934	4,740,934
Government investment:			
Retained earnings	5,245,934	4,935,934	4,740,934

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash with Treasury	$2,272,430	$2,787,123	$3,047,123	$3,117,123
Obligated balance, net:				
Cash on hand	−2,997			
Unobligated balance	2,275,427	2,787,123	3,047,123	3,117,123

NOTE.—U.S. share of guarantees and commitments outstanding are as follows: June 30, 1958, $20,335,669; 1959, $14,840,687; 1960 (est.), $12,200,000; and 1961 (est.), $10,500,000.

Object Classification

		1959 actual	1960 estimate	1961 estimate
07	Other contractual services	$34,408	$30,000	$25,000
16	Investments and loans	75,703	80,000	50,000
	Total obligations	110,111	110,000	75,000

DEFENSE PRODUCTION GUARANTEES, NAVY

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs: Administrative expenses	$52,185	$50,000	$40,000
Capital outlay: Loans purchased		9,012,000	5,005,000
Total program (costs—obligations)	52,185	9,062,000	5,045,000
Financing:			
Amounts becoming available: Revenue and receipts:			
Collection of loans	7,665,436	2,003,000	4,803,000
Guarantee fees and interest on loans	582,116	495,003	400,000
Total amounts becoming available	8,247,552	2,498,003	5,203,000
Unobligated balance brought forward	867,006	9,062,373	2,498,376
Total amounts available	9,114,558	11,560,376	7,701,376
Unobligated balance carried forward	−9,062,373	−2,498,376	−2,656,376
Financing applied to program	52,185	9,062,000	5,045,000

Sources and Application of Funds (Operations)

Gross expenditures (funds applied):			
Acquisition of loans		$9,012,000	$5,005,000
Expense	$52,185	50,000	40,000
Total gross expenditures	52,185	9,062,000	5,045,000
Receipts from operations (funds provided):			
Loans repaid	7,665,436	2,003,000	4,803,000
Revenue	582,116	495,003	400,000
Total receipts from operations	8,247,552	2,498,003	5,203,000
Budget expenditures	−8,195,367	6,563,997	−158,000

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Revenue, Expense, and Retained Earnings

	1959 actual	1960 estimate	1961 estimate
Revenue	$582,116	$495,003	$400,000
Expense	52,185	50,000	40,000
Net income for the year	529,931	445,003	360,000
Retained earnings, beginning of year	8,677,066	9,206,997	9,652,000
Retained earnings, end of year	9,206,997	9,652,000	10,012,000

Financial Condition

Assets:			
Cash with Treasury	$9,062,373	$2,498,376	$2,656,376
Loans receivable	144,624	7,153,624	7,355,624
Total assets	9,206,997	9,652,000	10,012,000
Government investment:			
Retained earnings	9,206,997	9,652,000	10,012,000

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash with Treasury	$867,006	$9,062,373	$2,498,376	$2,656,376
Unobligated balance	867,006	9,062,373	2,498,376	2,656,376

NOTE.—U.S. share of guarantees and commitments outstanding are as follows: June 30, 1958, $125,808,498; 1959, $129,854,616; 1960 (est.), $143,000,000; and 1961 (est.), $133,000,000

Object Classification

		1959 actual	1960 estimate	1961 estimate
07	Other contractual services	$52,185	$50,000	$40,000
16	Investments and loans		9,012,000	5,005,000
	Total obligations	52,185	9,062,000	5,045,000

DEFENSE PRODUCTION GUARANTEES, AIR FORCE

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs: Administrative expenses	$114,038	$139,000	$120,000
Capital outlay: Loans purchased	14,285,139	14,000,000	10,000,000
Total program (costs—obligations)	14,399,177	14,139,000	10,120,000
Financing:			
Amounts becoming available: Revenue and receipts:			
Collection of loans	13,875,123	13,922,000	9,509,000
Guarantee fees and interest on loans	1,027,404	1,000,000	820,000
Total amounts becoming available	14,902,527	14,922,000	10,329,000
Unobligated balance brought forward	8,158,216	8,661,566	9,444,566
Total amounts available	23,060,743	23,583,566	19,773,566
Unobligated balance carried forward	−8,661,566	−9,444,566	−9,653,566
Financing applied to program	14,399,177	14,139,000	10,120,000

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Acquisition of loans	$14,285,139	$14,000,000	$10,000,000
Expense	114,038	139,000	120,000
Total gross expenditures	14,399,177	14,139,000	10,120,000
Receipts from operations (funds provided):			
Loans repaid	13,875,123	13,922,000	9,509,000
Revenue	1,027,404	1,000,000	820,000
Decrease in selected working capital	360,061		
Total receipts from operations	15,262,588	14,922,000	10,329,000
Budget expenditures	−863,411	−783,000	−209,000

Revenue, Expense, and Retained Earnings

Revenue	$1,027,404	$1,000,000	$820,000
Expense	114,038	139,000	120,000
Net income for the year	913,366	861,000	700,000
Retained earnings, beginning of year	11,195,115	12,108,481	12,969,481
Retained earnings, end of year	12,108,481	12,969,481	13,669,481

Financial Condition

Assets:			
Cash with Treasury	$8,661,566	$9,444,566	$9,653,566
Loans receivable	3,446,915	3,524,915	4,015,915
Total assets	12,108,481	12,969,481	13,669,481
Government investment:			
Retained earnings	12,108,481	12,969,481	13,669,481

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash with Treasury	$7,798,155	$8,661,566	$9,444,566	$9,653,566
Obligated balance, net:				
Cash on hand	360,061			
Unobligated balance	8,158,216	8,661,566	9,444,566	9,653,566

NOTE.—U.S. share of guarantees and commitments outstanding are as follows: June 30, 1958, $166,999,511; 1959, $137,182,321; 1960 (est.), $136,500,000; and 1961 (est.), $136,000,000.

Object Classification

		1959 actual	1960 estimate	1961 estimate
07	Other contractual services	$114,038	$139,000	$120,000
16	Investments and loans	14,285,139	14,000,000	10,000,000
	Total obligations	14,399,177	14,139,000	10,120,000

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1961

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
DEPARTMENT OF THE ARMY								
CEMETERIAL EXPENSES								
Salaries and expenses	1	$1,500			$1,500	14		Used at 9 most active national cemeteries by superintendents and funeral directors for leading funeral processions and supervising cemetery operations in areas distant from the superintendent's office.
RIVERS AND HARBORS AND FLOOD CONTROL								
All appropriations	151	224,688	151	$45,280	179,408	586	$412,800	Used by officers and civilian employees of the Corps of Engineers, Army—Civil, in transacting official business in connection with the accomplishment of authorized civil works projects where commercial facilities are not available or are inadequate.
Station wagon	9	16,650	9	3,100	13,550	39	34,700	
Ambulance						4	700	
Bus						2	1,500	
Total, rivers and harbors and flood control.	160	241,338	160	48,380	192,958	631	449,700	
UNITED STATES SOLDIERS' HOME								
Limitation on operation and maintenance and capital outlay (trust fund):						8		Used by officers and employees of the United States Soldiers' Home in transaction of official business. Buses and ambulances used to transport patients and members of the home.
Station wagon	1	2,000	1		2,000			
Ambulance						2		
Bus	1	4,500	1		4,500	1		
Total, United States Soldiers' Home.	2	6,500	2		6,500	11		
RYUKYU ISLANDS, ARMY								
Administration	3	4,500	6	600	3,900	14	3,000	Used by U.S. civil administration for transporting personnel, mail and supplies about the Ryukyu Islands as required for the purposes of this appropriation.
Station wagon						4		
Total, Ryukyu Islands, Army	3	4,500	6	600	3,900	18	3,000	
THE PANAMA CANAL								
CANAL ZONE GOVERNMENT								
Operating expenses, Capital outlay	7	24,800	7	2,450	22,350	24		For policemen, the civil affairs director, and a hospital superintendent. Cars without drivers are rented for use by medical officers on patient calls and by sanitary and contraband inspectors for field work.
Ambulance	1	9,800	1	400	9,400	7		For emergency and routine service in the Canal Zone.
Total, Canal Zone Government.	8	34,600	8	2,850	31,750	31		
PANAMA CANAL COMPANY								
United States							800	For transportation of general manager and personnel of the New York operation.
Isthmus	8	17,600	8	2,400	15,200	37		Used by the president and other officers of the Company; by members of the board of directors, congressional parties, and consultants when visiting the Isthmus, and by physicians, pilots, auditors, and senior officials of the Company to accomplish specific field duties.
Station wagon	3	7,500	3	1,200	6,300	4		Primarily the same as above and generally for the use of transporting pilots to and from embarkation points.
Bus	3	20,400	1	1,000	19,400	22		Used primarily to transport children to and from school; also used for large field movement of employees.
Foreign countries (Haiti): Station wagon.						1		Used by Company agent for official duties.
Total, Panama Canal Company.	14	45,500	12	4,600	40,900	64	800	
Total, Department of Defense—Civil.	166	253,838	168	48,980	204,858	674	452,700	

Statement of proposed obligations for purchase, maintenance, and operation of aircraft for the fiscal year 1961

Appropriation	Aircraft to be purchased		Aircraft to be exchanged		Net cost of aircraft to be purchased	Old aircraft still to be used	Cost of maintenance and operation of aircraft	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
ARMY								
RIVERS AND HARBORS AND FLOOD CONTROL								
All appropriations						2	$82,500	Used by Chief of Engineers and division engineers for expediting inspections and supervision of authorized projects where commercial forms of transportation would result in costly delays and cumbersome schedules between works in widely separated sections of the country.

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DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

The budget recommends $3,431 million in new obligational authority for 1961, a decrease of $56 million from 1960 and an increase of $176 million over 1959. The budget emphasizes the continued expansion of the Food and Drug Administration, defense educational activities, and vocational rehabilitation programs. An increase over 1960 is also requested for environmental health activities of the Public Health Service, which are being consolidated under an appropriation bearing that title; included in this increase is provision for more than doubling radiological health activities. An increase of $40 million is provided for public assistance grants to meet the increased workload in 1961. In addition, an increase of $14 million to a total of $19 million is recommended for urgently needed direct construction at Gallaudet College, Howard University, Saint Elizabeths Hospital, and for the Public Health Service. However, the total increases in new obligational authority for 1961 are more than offset by decreases of $54 million for grants to schools in federally affected areas, $25 million for grants to build waste treatment facilities, and $60 million for hospital construction grants.

Expenditures in 1961 are estimated at $3,517 million, an increase of $100 million over 1960 and $425 million over 1959. Except for an increase of $30 million in public assistance grants, the increase in expenditures in major part reflect prior year appropriation increases and amount to $35 million for defense educational activities, $17 million for grants for hospital construction, and $26 million for the National Institutes of Health. These increases are partially offset by a decrease of $26 million in expenditures for assistance to schools in federally affected areas.

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
Labor and welfare:						
212 Public assistance	$1,960,468	$2,046,182	$2,086,772	$1,969,012	$2,055,703	$2,086,563
213 Promotion of public health	823,330	910,973	847,342	700,325	847,792	902,089
214 Promotion of education	400,981	450,774	411,032	356,473	435,293	444,683
215 Promotion of science, research, libraries, and museums	6,000	6,103	7,300	5,362	7,113	7,300
217 Other welfare services and administration	64,634	72,929	78,910	60,540	70,884	76,143
Total, labor and welfare	3,255,413	3,486,961	3,431,356	3,091,712	3,416,785	3,516,778
Commerce and housing:						
515 Community development and facilities				25		
519 Regulation of commerce and finance				−150	−105	−84
Total, commerce and housing				−125	−105	−84
Total, Department of Health, Education, and Welfare	3,255,413	3,486,961	3,431,356	3,091,587	3,416,680	3,516,694

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate		
							Total	From new obligational authority	From prior authority
FOOD AND DRUG ADMINISTRATION									
Current authorizations:									
Salaries and expenses	213	$10,917	$13,800	$16,852	$10,882	$13,450	$16,268	$14,517	$1,751
Salaries and expenses, certification, inspection, and other services (indefinite special fund)	213	1,281	1,377	1,389	1,286	1,360	1,379	1,267	112
Intragovernmental funds:									
Advances and reimbursements	213				−3				
Proposed for later transmission:									
Under existing legislation: Salaries and expenses	213		332			150	182		182
Total, Food and Drug Administration		12,198	15,509	18,241	12,165	14,960	17,829	15,784	2,045
FREEDMEN'S HOSPITAL									
Current authorizations:									
Salaries and expenses	213	3,105	3,190	3,302	3,142	3,242	3,260	3,008	252
OFFICE OF EDUCATION									
Current authorizations:									
Promotion and further development of vocational education	214	32,619	33,702	31,702	31,218	33,002	31,002	31,002	
Further endowment of colleges of agriculture and the mechanic arts	214	2,502	2,502	2,502	2,502	2,502	2,502	2,502	
Grants for library services	215	6,000	6,000	7,300	5,362	7,010	7,300	7,300	
Payments to school districts	214	150,000	163,957	126,695	138,874	160,500	135,600	83,852	51,748
Assistance for school construction	214	75,400	61,135	44,390	77,211	73,000	71,500	3,251	68,249
Defense educational activities	214	115,300	150,000	171,000	77,739	130,000	165,000	123,725	41,275
Expansion of teaching in education of the mentally retarded	214		1,000	1,000		400	1,000	400	600
Salaries and expenses	214	9,628	12,800	13,427	8,781	12,300	13,350	10,637	2,713
Salaries and expenses (special foreign currency program)	214			31			31	31	
Permanent authorizations:									
Colleges for agriculture and the mechanic arts	214	2,550	2,550	2,550	2,550	2,550	2,550	2,550	
Promotion of vocational education, act Feb. 23, 1917 (indefinite)	214	7,138	7,161	7,161	7,135	7,161	7,161	7,161	
Intragovernmental funds:									
Advances and reimbursements	214				−42	43	2		2
Proposed for later transmission:									
Under existing legislation:									
Grants for library services	215		103			103			
Defense educational activities	214		9,700			4,500	5,200		5,200
Total, Office of Education		401,136	450,610	407,758	351,330	433,071	442,198	272,411	169,787
OFFICE OF VOCATIONAL REHABILITATION									
Current authorizations:									
Grants to States	217	51,600	51,900	54,500	48,452	50,495	52,000	54,000	−2,000
Research and training	217	4,800	12,700	14,800	4,652	11,335	14,600	12,681	1,919
Research and training (special foreign currency program)	217			930			930	930	
Salaries and expenses	217	1,515	1,738	1,871	1,486	1,700	1,860	1,705	155
Total, Office of Vocational Rehabilitation		57,915	66,338	72,101	54,590	63,530	69,390	69,316	74
PUBLIC HEALTH SERVICE									
Current authorizations:									
Assistance to States, general	213	23,639	24,497	22,620	23,522	24,300	22,620	21,838	782
Control of tuberculosis	213	6,501	6,452	5,430	6,689	6,450	5,509	5,254	255
Communicable disease activities	213	6,890	8,015	13,116	7,004	8,000	12,610	12,114	496
Environmental health activities	213	13,256	15,640	23,350	13,250	15,400	22,219	20,958	1,261
Grants for waste treatment works construction	213	45,657	45,000	20,000	36,429	45,000	45,000	5,000	40,000
Grants for hospital construction	213	186,200	186,200	126,200	136,329	144,000	161,000	6,000	155,000
Salaries and expenses, hospital construction services	213	1,635	1,650	1,659	1,665	1,640	1,650	1,558	92
Hospitals and medical care	213	50,624	51,600	51,594	51,290	51,500	51,450	49,084	2,366
Foreign quarantine activities	213	4,348	4,686	4,812	4,488	4,650	4,820	4,520	300
Indian health activities	213	41,817	45,045	47,071	42,946	44,750	47,250	41,795	5,455
Liquidation of contract authorization	213	(510)	(455)	(455)					
Construction of Indian health facilities	213	6,010	4,787	6,964	4,327	11,760	6,000	1,000	5,000

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
							1961 estimate		
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	Total	From new obligational authority	From prior authority
PUBLIC HEALTH SERVICE—Continued									
Current authorizations—Continued									
National Institutes of Health:									
General research and services, National Institutes of Health	213	$28,974	$45,994	$47,260	$26,267	$45,000	$47,500	$42,453	$5,047
National Cancer Institute	213	75,268	91,257	88,869	62,771	73,730	81,000	44,622	36,378
Mental health activities	213	52,419	68,090	67,563	48,307	65,420	68,500	58,880	9,620
National Heart Institute	213	45,613	62,237	63,162	40,828	57,970	62,000	49,686	12,314
Dental health activities	213	7,420	10,019	11,204	7,423	9,500	11,000	9,415	1,585
Arthritis and metabolic disease activities	213	31,215	46,862	47,541	30,199	42,320	46,000	37,900	8,100
Allergy and infectious disease activities	213	24,071	34,054	34,739	22,042	33,000	35,000	31,084	3,916
Neurology and blindness activities	213	29,403	41,487	39,662	27,035	37,060	39,000	29,048	9,952
Total, National Institutes of Health		294,383	400,000	400,000	264,872	364,000	390,000	303,088	86,912
Grants for construction of health research facilities	213	30,000	30,000	25,000	23,200	26,000	29,000	4,000	25,000
Scientific activities overseas (special foreign currency program)	213			3,707			3,707	3,707	
Operations, National Library of Medicine	213	1,526	1,566	1,662	1,587	1,540	1,600	1,383	217
Retired pay of commissioned officers (indefinite)	213	1,576	1,725	1,860	1,579	1,725	1,860	1,860	
Buildings and facilities	213			3,135			10,000	1,000	9,000
Research facilities construction and site acquisition	213		150			150			
Construction of library facilities	213	6,950			189	2,240			
Reappropriation	213	25							
Construction of dental research building	213	3,700			189	2,154			
Construction of surgical facilities	213	335			77	1,100			
General office building	213	9,625			300	4,104			
Reappropriation	213	62							
Equipment, Communicable Disease Center	213	1,700			205	1,195			
Construction of animal quarters, Hamilton, Mont.	213		150			120			
Construction of biologics standards building	213				1,595	1,822			
Construction of research facilities	213				55	15			
Buildings and facilities, Cincinnati, Ohio	213				19				
Salaries and expenses	213	5,666	5,816	6,854	5,683	5,700	6,740	6,132	608
Control of venereal diseases	213	5,400	5,400		5,395	5,340	422		422
Construction, mental health facilities, Territory of Alaska	213	6,500				915	1,930		1,930
Dependents' medical care (indefinite)	213	382			427	382			
Grants and special studies, Territory of Alaska	213	2,189			2,197	28			
Surveys and planning for hospital construction	213				−14	−1			
Grants to States for poliomyelitis vaccination	213				−474	−365			
Permanent authorizations:									
Indian health activities (contract authorization)	213	455	455	455					
Public enterprise funds:									
Operation of commissaries, narcotic hospitals	213				3				
Intragovernmental funds:									
Bureau of State Services management fund	213						−250		−250
National Institutes of Health management fund	213				−333	−265			
Service and supply fund	213				−202	−64	−75		−75
Working capital fund, narcotic hospitals	213				15	26	−8		−8
Proposed for later transmission:									
Under existing legislation: Sanitary engineering activities	213		350			300	50		50
Total, Public Health Service		757,051	839,184	765,489	634,502	775,611	825,104	490,291	334,813
SAINT ELIZABETHS HOSPITAL									
Current authorizations:									
Salaries and expenses	213	3,442	3,715	3,947	3,144	3,814	3,800	2,915	885
Major repairs and preservation of buildings and grounds	213	87	330	345	168	260	260	150	110
Construction and equipment, treatment and cafeteria building	213			4,493	109	59	1,220	1,220	
Extension and modernization of administration building	213			501			94	94	
Miscellaneous construction accounts:									
Construction, continued treatment building	213	125				19			
Construction and equipment of treatment building	213				29	35			
Construction and equipment, maximum security building	213				1,181	304			
Proposed for later transmission:									
Under existing legislation: Salaries and expenses	213		45			43	2		2
Total, Saint Elizabeths Hospital		3,654	4,090	9,286	4,631	4,534	5,376	4,379	997

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
							1961 estimate		
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	Total	From new obligational authority	From prior authority
SOCIAL SECURITY ADMINISTRATION									
Current authorizations:									
Limitation on salaries and expenses, Bureau of Old-Age and Survivors Insurance (trust fund)	------	($171,221)	($191,600)	($203,200)					
Limitation on construction, Bureau of Old-Age and Survivors Insurance (trust fund)	------	(1,210)	----------	----------					
Grants to States for public assistance	212	1,957,960	2,033,500	2,083,000	$1,966,394	$2,043,000	$2,083,000	$1,732,464	$350,536
Salaries and expenses, Bureau of Public Assistance	212	2,166	2,345	2,656	2,178	2,350	2,608	2,476	132
Salaries and expenses, Children's Bureau	213	2,172	2,300	2,374	2,251	2,250	2,370	2,206	164
Salaries and expenses, White House Conference on Children and Youth	213	150	200	150	137	195	150	132	18
Grants to States for maternal and child welfare	213	45,000	46,500	48,500	43,498	47,000	48,000	47,270	730
Cooperative research or demonstration projects in social security	212	----------	----------	700	----------	----------	550	550	----------
Cooperative research or demonstration projects in social security (special foreign currency program)	212	----------	----------	26	----------	----------	26	26	----------
Salaries and expenses, Office of the Commissioner	212	342	337	390	348	340	370	342	28
Public enterprise funds:									
Operating fund, Bureau of Federal Credit Unions	519	----------	----------	----------	−150	−105	−84	----------	−84
Intragovernmental funds:									
Advances and reimbursements	212	----------	----------	----------	92	13	9	----------	9
Proposed for later transmission:									
Under existing legislation: Grants to States for public assistance	212	----------	10,000	----------	----------	10,000	----------	----------	----------
Total, Social Security Administration	------	2,007,790	2,095,182	2,137,796	2,014,747	2,105,043	2,136,999	1,785,466	351,533
SPECIAL INSTITUTIONS									
AMERICAN PRINTING HOUSE FOR THE BLIND									
Current authorization:									
Education of the blind	214	400	400	400	400	400	400	400	----------
GALLAUDET COLLEGE									
Current authorizations:									
Salaries and expenses	214	849	904	994	864	900	990	979	11
Construction	214	123	325	2,432	2,727	1,575	1,625	1,588	37
Total, Gallaudet College	------	972	1,229	3,426	3,591	2,475	2,615	2,567	48
HOWARD UNIVERSITY									
Current authorizations:									
Salaries and expenses	214	4,350	4,617	5,090	4,366	4,590	5,000	4,692	308
Plans and specifications	214	123	21	225	63	220	120	120	----------
Construction of buildings	214	----------	----------	1,433	539	819	1,271	922	349
Construction of auditorium-fine arts building (liquidation of contract authorization)	214	----------	(860)	----------	1,293	763	379	----------	379
Construction of men's dormitory (liquidation of contract authorization)	214	(163)	----------	----------	253	68	----------	----------	----------
Total, Howard University	------	4,473	4,638	6,748	6,514	6,460	6,770	5,734	1,036
Total, special institutions	------	5,845	6,267	10,574	10,505	9,335	9,785	8,701	1,084
OFFICE OF THE SECRETARY									
Current authorizations:									
Salaries and expenses	217	1,971	2,061	2,128	2,032	2,040	2,100	1,950	150
Salaries and expenses, Office of Field Administration	217	2,557	2,735	2,790	2,636	2,700	2,750	2,497	253
Salaries and expenses, Office of the General Counsel	217	560	590	618	575	570	610	519	91
Surplus property utilization	217	687	703	751	687	695	740	688	52
White House Conference on Aging	217	944	452	522	53	1,280	550	510	40
Defense community facilities and services	515	----------	----------	----------	25	----------	----------	----------	----------
Intragovernmental funds:									
Working capital fund	217	----------	----------	----------	−11	38	−22	----------	−22
Advances and reimbursements	217	----------	----------	----------	−22	6	----------	----------	----------
Proposed for later transmission:									
Under existing legislation: White House Conference on Aging	217	----------	50	----------	----------	25	25	----------	25
Total, Office of the Secretary	------	6,719	6,591	6,809	5,975	7,354	6,753	6,164	589
Total new obligational authority and budget expenditures	------	3,255,413	3,486,961	3,431,356	3,091,587	3,416,680	3,516,694	2,655,520	861,174

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
							1961 estimate		
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	Total	From new obligational authority	From prior authority
RECAPITULATION									
Enacted or recommended in this document:									
Current authorizations:									
Appropriations		$3,245,183	$3,456,215	$3,421,190					
Reappropriations		87							
Appropriations to liquidate contract authorizations		(673)	(1,315)	(455)	$3,091,587	$3,401,559	$3,511,235	$2,655,520	$855,715
Permanent authorizations:									
Appropriations		9,688	9,711	9,711					
Contract authorizations		455	455	455					
Proposed for later transmission:									
Appropriations			20,580			15,121	5,459		5,459
Total new obligational authority and budget expenditures		3,255,413	3,486,961	3,431,356	3,091,587	3,416,680	3,516,694	2,655,520	861,174

EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

[In thousands]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1959	1960	1961	1959	1960	1961	1959	1960	1961
PUBLIC HEALTH SERVICE										
Operation of commissaries, narcotic hospitals	213	$216	$214	$214	$213	$214	$214	$3		
SOCIAL SECURITY ADMINISTRATION										
Operating fund, Bureau of Federal Credit Unions	519	3,076	3,330	3,718	3,226	3,435	3,802	−150	−$105	−$84
Total, public enterprise funds		3,292	3,544	3,932	3,439	3,649	4,016	−147	−105	−84

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ANALYSIS OF UNEXPENDED BALANCES

[In thousands]

Description	Balance, start of 1959		Balance, start of 1960		Balance, start of 1961		Balance, start of 1962	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document:								
Appropriations:								
Salaries and expenses, certification, inspection, and other services, Food and Drug Administration	$446	$584	$484	$579	$484	$596	$484	$606
Grants for library services, Office of Education	563	598	1,184	1,184		174		174
Payments to school districts, Office of Education		42,326		48,413		51,748		42,843
Assistance for school construction, Office of Education	46,698	138,053	37,267	136,242		124,377		97,267
Defense educational activities, Office of Education			16,663	30,474	7,900	41,275		47,275
Grants for waste treatment works construction, Public Health Service	9,670	77,271	9,099	86,500	5,000	86,500	3,700	61,500
Grants for hospital construction, Public Health Service	76,337	253,922	95,726	302,785	110,000	344,985	87,400	310,185
Indian health activities, Public Health Service		5,610		4,614		5,364		5,640
Construction of Indian health facilities, Public Health Service	10,127	13,677	3,366	15,360	2,135	8,387	1,813	9,351
National Cancer Institute, Public Health Service		16,272		22,351		36,378		44,247
National Heart Institute, Public Health Service		4,168		8,097		12,314		13,476
Grants for construction of health research facilities, Public Health Service		44,511	40	51,311		55,311		51,311
Buildings and facilities, Public Health Service					3,369	12,996	956	6,131
Construction of library facilities, Public Health Service		279	2,241	7,065				
Construction of dental research building, Public Health Service		82	1,193	3,594				
Construction of surgical facilities, Public Health Service	1,548	1,611	308	1,869				
General office building, Public Health Service		195	9,553	9,582				
Equipment, communicable disease center, Public Health Service			792	1,495				
Construction of animal quarters, Public Health Service	154	154	154	154				
Construction of biologics standards laboratory building, Public Health Service	598	3,343	54	1,748				
Construction of research facilities, Public Health Service	105	174		15				
Buildings and facilities, Cincinnati, Ohio, Public Health Service	11	24						
Construction, mental health facilities, Territory of Alaska, Public Health Service			6,500	6,500		5,585		3,655
Major repairs and preservation of buildings and grounds, Saint Elizabeths Hospital	33	126	33	40	23	110	43	194
Construction and equipment, treatment and cafeteria building, Saint Elizabeths Hospital	45	167		59			525	3,278
Extension and modernization of administration building, Saint Elizabeths Hospital							84	407
Construction, continued treatment building, Saint Elizabeths Hospital			106	125				
Construction and equipment of treatment building, Saint Elizabeths Hospital	77	81	20	52				
Construction and equipment, maximum security building, Saint Elizabeths Hospital	694	1,485	105	304				
Grants to States for public assistance, Social Security Administration		292,826		305,564		350,536		350,536
Construction, Gallaudet College	2,542	3,890	187	1,287	10	37	268	844
Plans and specifications, Howard University	76	157	64	211	11	12	11	117
Construction of buildings, Howard University	1,059	1,812	270	1,176		349		511
Construction of men's dormitory (liquidation of contract authorization), Howard University	119	325	200	234				
White House Conference on Aging, Office of the Secretary			810	868		40		12
Other		35,368		42,300		56,810		62,022
Total, appropriations	150,902	939,092	186,419	1,092,153	128,932	1,193,883	95,284	1,111,576
Contract authorizations:								
Indian health activities, Public Health Service		510		455		455		455
Construction of auditorium-fine arts building, Howard University	535	1,395	535	1,393	535	535		
Construction of men's dormitory, Howard University	735	735						
Total, contract authorizations	1,270	2,640	535	1,850	535	990		455
Revolving and management funds	1,102	3,067	1,057	3,449	1,055	3,708	1,156	4,137
Proposed for later transmission:								
Appropriations						5,459		
Total, Department of Health, Education, and Welfare	153,275	944,799	188,009	1,097,452	130,522	1,204,040	96,440	1,116,168

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

Description	1959 actual	1960 estimate	1961 estimate
Balances brought forward at start of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	$939,092	$1,092,153	$1,193,883
Contract authorizations	2,640	1,850	990
Revolving and management funds	3,067	3,449	3,708
Proposed for later transmission: Appropriations	----------	----------	5,459
Total balances brought forward	944,799	1,097,452	1,204,040
New obligational authority:			
Enacted or recommended in this document:			
Current authorizations:			
Appropriations	3,245,183	3,456,215	3,421,190
Reappropriations	87	----------	----------
Appropriations to liquidate contract authorizations	(673)	(1,315)	(455)
Total new obligational authority under current authorizations	3,245,270	3,456,215	3,421,190
Permanent authorizations:			
Appropriations	9,688	9,711	9,711
Contract authorizations	455	455	455
Total new obligational authority under permanent authorizations	10,143	10,166	10,166
Total new obligational authority enacted or recommended	3,255,413	3,466,381	3,431,356
Proposed for later transmission: Appropriations	----------	20,580	----------
Total new obligational authority	3,255,413	3,486,961	3,431,356
Other amounts available:			
Appropriations available in prior years	−424,022	−445,528	−500,000
Appropriations available from subsequent years	445,528	500,000	500,000
Total other amounts available	21,506	54,472	----------
Total budget authorizations available	4,221,718	4,638,885	4,635,396
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	3,091,587	3,401,559	2,655,520
Out of balances of prior obligational authority			855,715
Total expenditures from obligational authority enacted or recommended	3,091,587	3,401,559	3,511,235
From obligational authority proposed for later transmission:			
Out of new obligational authority	----------	15,121	----------
Out of balances of prior obligational authority	----------	----------	5,459
Total budget expenditures	3,091,587	3,416,680	3,516,694
Amounts no longer available:			
Unobligated balances expiring and lapsing	21,790	15,700	535
Capital transfers from revolving funds to receipt accounts	50	50	----------
Adjustment of balances downward in expired accounts, net	10,839	2,415	2,000
Total amounts no longer available	32,679	18,165	2,535
Balance carried forward at close of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	1,092,153	1,193,883	1,111,576
Contract authorizations	1,850	990	455
Revolving and management funds	3,449	3,708	4,137
Proposed for later transmission: Appropriations	----------	5,459	----------
Total balances carried forward at close of year	1,097,452	1,204,040	1,116,168
Obligations incurred, net	$3,220,345	$3,583,170	$3,464,904

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FOOD AND DRUG ADMINISTRATION

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses not otherwise provided for, of the Food and Drug Administration, including [purchase of not to exceed twenty-five passenger motor vehicles for replacement only] *not to exceed $80,000 for construction of a laboratory barn at the Agricultural Research Center, Beltsville, Maryland*; reporting and illustrating the results of investigations; purchase of chemicals, apparatus, and scientific equipment; payment in advance for special tests and analyses by contract; and payment of fees, travel, and per diem in connection with studies of new developments pertinent to food and drug enforcement operations; [$13,800,000] *$16,852,000*. (*Federal Food, Drug, and Cosmetic Act, as amended (21 U.S.C. 301–392); Tea Importation Act, as amended (21 U.S.C. 41–50); Import Milk Act (21 U.S.C. 141–149); Federal Caustic Poison Act (15 U.S.C. 401–411); Filled Milk Act, as amended (21 U.S.C. 61–64); Department of Health, Education, and Welfare Appropriation Act, 1960.*)

Appropriated 1960, **$13,800,000** Estimate 1961, **$16,852,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Field inspection, investigations, and laboratory analyses	$6,600,056	$8,645,417	$10,901,600
2. Research and methodology	1,750,743	2,801,209	2,865,600
3. Compliance, consultation, and education	490,275	679,580	789,400
4. Medical evaluation	570,701	763,416	996,000
5. Executive direction	823,619	1,003,125	1,293,400
Total program costs	10,235,394	13,892,747	16,846,000
6. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—)		−92,747	
Obligations incurred for costs of other years, net	650,301		6,000
Total program (obligations)	10,885,695	13,800,000	16,852,000
Financing:			
1959 appropriation available in 1958	5,814		
Unobligated balance no longer available	25,491		
Appropriation (new obligational authority)	10,917,000	13,800,000	16,852,000

The laws enforced hereunder are designed to protect consumers against adulterated and misbranded foods, drugs, cosmetics, therapeutic devices, and caustic poisons.

In 1961 a program of surveillance and inspection of food samples for radiation contamination will be expanded. A supplemental is proposed for 1960 for the purchase of equipment to facilitate an early initiation of the expanded program.

1. *Field inspections, investigations, and laboratory analyses.*—Inspections of domestic plants, examinations of interstate and import shipments, and special investigations are planned according to the relative incidence and seriousness of probable violations. About 100,000 establishments (manufacturing plants, warehouses, shippers) dealing in foods, drugs, devices, or cosmetics are subject to inspection. Retail establishments dealing in products received in interstate commerce are also subject to the prohibition against adulteration or misbranding. Samples are collected during inspections, and investigations and laboratory analyses are conducted to detect and identify adulteration. The budget provides for continuing the program of modernizing certain district offices. Four additional offices are scheduled for modernization in 1961.

2. *Research and methodology.*—Research is conducted to evaluate the components of foods, drugs, devices, and cosmetics and to appraise their efficacy, toxicity, and acute and long-range effects. Research is also performed to develop analytical methods for use in field analysis of inspectional samples and to develop food standards and pesticide and food additive tolerances.

3. *Compliance, consultation, and education.*—Voluntary compliance with the law is promoted wherever possible, but legal action is taken when necessary. Legal proceedings include seizures of illegal products, injunctions, and criminal prosecutions through the courts. Standards for foods, tolerances for poisonous substances in foods, and other regulations are promulgated. A program of consumer education is conducted. Liaison is maintained with, and assistance is given to, State and local food and drug agencies.

4. *Medical evaluation.*—Applications for new drugs to be marketed are evaluated and approved. The medical aspects of research and enforcement activities are coordinated.

Workload is reflected in the following summary data:

	1959 actual	*1960 estimate*	*1961 estimate*
Number of establishments inspected	18,284	21,800	25,100
Establishment inspections	21,840	26,000	30,000
Wharf examinations	6,646	6,800	10,000
Samples collected for examination	29,747	34,000	38,500
Laboratory analyses and other examinations	28,889	34,500	39,000

6. *Relation of costs to obligations.*—The relationship is derived by year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$49,735	$683,747	$591,000	$597,000
Selected resources at start of year (—)		−49,735	−683,747	−591,000
Adjustment of selected resources at start of year		16,289		
Cost financed from obligations of other years, net (—)			−92,747	
Obligations incurred for costs of other years, net		650,301		6,000

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Total number of permanent positions	1,307	1,660	2,000
	Full-time equivalent of all other positions	9	10	10
	Average number of all employees	1,228	1,530	1,835
	Number of employees at end of year	1,292	1,656	1,988
	Average GS grade and salary	7.9 $6,417	8.1 $6,430	8.1 $6,378
01	Personal services:			
	Permanent positions	$7,974,728	$9,797,700	$11,817,300
	Positions other than permanent	45,161	40,000	49,500
	Other personal services	47,932	77,000	51,200
	Total personal services	8,067,821	9,914,700	11,918,000
02	Travel	401,667	586,600	744,400
03	Transportation of things	67,844	90,400	75,000
04	Communication services	106,936	132,400	151,200
05	Rents and utility services	1,609	1,800	1,800
06	Printing and reproduction	61,881	70,773	120,700
07	Other contractual services	186,070	304,471	458,100
	Services performed by other agencies	56,674	54,000	60,000
08	Supplies and materials	349,433	447,699	708,900
	Samples	103,422	138,400	163,300
09	Equipment	318,241	1,513,504	1,595,500
10	Lands and structures			80,000
11	Grants, subsidies, and contributions	509,337	632,800	763,600
13	Refunds, awards, and indemnities	1,861	3,000	3,000
15	Taxes and assessments	2,598	2,200	2,500
	Total costs	10,235,394	13,892,747	16,846,000
	Cost financed from obligations of other years, net (—)		−92,747	
	Obligations incurred for costs of other years, net	650,301		6,000
	Total obligations	10,885,695	13,800,000	16,852,000

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FOOD AND DRUG ADMINISTRATION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES, CERTIFICATION, INSPECTION, AND OTHER SERVICES

(Indefinite special fund)

For expenses necessary for the certification or inspection of certain products, and for the establishment of tolerances for pesticides, in accordance with sections 406, 408, 504, 506, 507, 604, 702A, and 706 of the Federal Food, Drug, and Cosmetic Act, as amended (21 U.S.C. 346, 346a, 354, 356, 357, 364, 372a, and 376), the aggregate of the advance deposits during the current fiscal year to cover payments of fees for services in connection with such certifications, inspections, or establishment of tolerances, to remain available until expended. The total amount herein appropriated shall be available for purchase of chemicals, apparatus, and scientific equipment; expenses of advisory committees; and the refund of advance deposits for which no service has been rendered. (*Department of Health, Education, and Welfare Appropriation Act, 1960.*)

Appropriated (est.) 1960, **$1,377,000** Estimate 1961, **$1,389,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Certification services	$1,179,249	$1,316,850	$1,323,300
2. Pesticide tolerances	33,805	45,000	45,200
3. Refunds	14,528	20,500	20,500
Total program costs	1,227,582	1,382,350	1,389,000
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−5,350	
Obligations incurred for costs of other years, net	23,563		
Total program (obligations)	1,251,145	1,377,000	1,389,000
Financing:			
Unobligated balance brought forward	−446,290	−483,884	−483,884
Recovery of prior year obligations	−7,724		
Unobligated balance carried forward	483,884	483,884	483,884
Appropriation (new obligational authority)	1,281,015	1,377,000	1,389,000

Certification is made of antibiotics, insulin, and coal-tar colors for use in foods, drugs, or cosmetics. Tolerances are established for residues of pesticide chemicals on or in raw agricultural products. The services are wholly financed by fees paid by the affected industries.

WORKLOAD DATA

	1959 actual	*1960 estimate*	*1961 estimate*
Batches of antibiotics tested	13,716	14,000	14,000
Batches of insulin tested	350	360	360
Batches of coal-tar colors tested	5,284	5,200	5,400
Pesticide tolerances:			
Pesticides involved	24	35	35
Tolerances established	180	200	200

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$13,930	$28,750	$23,400	$23,400
Selected resources at start of year (−)	-------	−13,930	−28,750	−23,400
Adjustment of selected resources at start of year		8,743		
Cost financed from obligations of other years, net (−)	-------	-------	−5,350	-------
Obligations incurred for costs of other years, net		23,563	-------	-------

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	151	161	161
Full-time equivalent of all other positions	2	1	1
Average number of all employees	150	159	159
Number of employees at end of year	147	161	161
Average GS grade and salary	7.6 $6,286	7.9 $6,346	7.9 $6,346
91 Personal services:			
Permanent positions	$899,584	$929,900	$936,500
Positions other than permanent	6,020	6,000	6,000
Other personal services	24,872	32,200	28,600
Total personal services	930,476	968,100	971,100

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
02 Travel	$7,912	$19,600	$19,600
03 Transportation of things	1,676	10,200	10,200
04 Communication services	5,463	4,800	4,800
05 Rents and utility services		100	100
06 Printing and reproduction	7,840	11,664	11,600
07 Other contractual services	13,985	24,059	33,100
Services performed by other agencies	44,581	48,000	48,000
08 Supplies and materials	120,210	132,129	132,200
09 Equipment	23,158	81,898	76,500
11 Grants, subsidies, and contributions	56,679	59,300	59,300
13 Refunds, awards, and indemnities	14,768	20,500	20,500
15 Taxes and assessments	834	2,000	2,000
Total costs	1,227,582	1,382,350	1,389,000
Costs financed from obligations of other years, net (−)		−5,350	
Obligations incurred for costs of other years, net	23,563		
Total obligations	1,251,145	1,377,000	1,389,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Pharmacological studies for the National Cancer Institute	$131,720	$108,918	$20,600
2. Miscellaneous services to other accounts and testing for other agencies	84,865	88,310	93,400
3. Proceeds from sale of equipment	3,210	5,000	5,000
Total program costs	219,795	202,228	119,000
4. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−10,225		
Obligations incurred for costs of other years (unpaid undelivered orders), net		5,772	
Total program (obligations)	209,570	208,000	119,000
Financing:			
Advances and reimbursements from—			
Other accounts	203,077	201,500	112,500
Non-Federal sources (40 U.S.C. 481(c))	6,493	6,500	6,500
Total financing	209,570	208,000	119,000

Relation of costs to obligations.—Year-end balances of unpaid undelivered orders are as follows: 1958, $13,453; 1959, $3,228; 1960, $9,000; 1961, $9,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	30	30	10
Average number of all employees	28	29	10
Number of employees at end of year	30	31	10
Average GS grade and salary	6.9 $5,622	6.9 $5,645	9.2 $7,074
01 Personal services:			
Permanent positions	$148,731	$150,000	$67,400
Positions other than permanent	6,587	3,200	
Other personal services	3,302	3,900	300
Total personal services	158,620	157,100	67,700
02 Travel	5,917	5,900	5,000
03 Transportation of things	9	100	100
04 Communication services	39	100	100
07 Other contractual services	6,848	3,400	13,600
Services performed by other agencies	300	300	300
08 Supplies and materials	31,733	23,110	22,700
09 Equipment	7,351	3,218	5,000
11 Grants, subsidies, and contributions	8,357	8,400	4,400
15 Taxes and assessments	621	600	100
Total costs	219,795	202,228	119,000
Costs financed from obligations of other years, net (−)	−10,225		
Obligations incurred for costs of other years, net		5,772	
Total obligations	209,570	208,000	119,000

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Proposed for later transmission:

SALARIES AND EXPENSES

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Field inspections, investigations, and laboratory analyses		$300,000	
2. Research and methodology		32,000	
Total program (costs—obligations)		332,000	
Financing:			
Proposed supplemental appropriation		332,000	

Under existing legislation, 1960.—A supplemental appropriation of $332,000 is anticipated for 1960 to finance the purchase of special scientific and monitoring equipment facilitating early initiation of the 1961 program to provide increased attention to radiological contamination of foods, drugs, and cosmetics. This effort will include a special program of field monitoring, as well as analysis and evaluation to determine the effects of such contamination on the Nation's foods, drugs, and cosmetics.

FREEDMEN'S HOSPITAL

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for operation and maintenance, including repairs; furnishing, repairing, and cleaning of wearing apparel used by employees in the performance of their official duties; transfer of funds to the appropriation "Salaries and expenses, Howard University" for salaries of technical and professional personnel detailed to the hospital; payments to the appropriation of Howard University for actual cost of heat, light, and power furnished by such university; [$3,190,000] *$3,302,000*: *Provided*, That no intern or resident physician receiving compensation from this appropriation on a full-time basis shall receive compensation in the form of wages or salary from any other appropriation in this title: *Provided further*, That the District of Columbia shall pay by check to Freedmen's Hospital, upon the Surgeon General's request, in advance at the beginning of each quarter, such amount as the Surgeon General calculates will be earned on the basis of rates approved by the Bureau of the Budget for the care of patients certified by the District of Columbia. Bills rendered by the Surgeon General on the basis of such calculations shall not be subject to audit or certification in advance of payment; but proper adjustment of amounts which have been paid in advance on the basis of such calculations shall be made at the end of each quarter: *Provided further*, That the Surgeon General may delegate the responsibilities imposed upon him by the foregoing proviso. *(32 D.C. Code 317–320; Department of Health, Education, and Welfare Appropriation Act, 1960.)*

Appropriated 1960, **$3,190,000** Estimate 1961, **$3,302,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Inpatient services:			
(a) General hospital	$2,763,949	$2,909,932	$3,002,489
(b) Tuberculosis hospital	445,001	457,887	447,895
2. Outpatient services	430,312	443,353	455,249
3. Training program	506,569	547,741	662,533
4. Administration	457,178	445,215	448,834
Total program costs	4,603,009	4,804,128	5,017,000
5. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)	−19,477		
Obligations incurred for costs of other years, net		12,472	8,000
Total program (obligations)	4,583,532	4,816,600	5,025,000
Financing:			
Advances and reimbursements from non-Federal sources (32 D.C. Code 318)	−1,506,887	−1,660,000	−1,723,000
Unobligated balance no longer available	28,355	33,400	
Appropriation (new obligational authority)	3,105,000	3,190,000	3,302,000

Affiliated with Howard University as the teaching hospital for the university's medical school, the hospital furnishes patient care and trains physicians, nurses, and other professional and technical personnel. Operation of the hospital is financed by direct appropriation and income from the following sources:

RECEIPTS FOR PATIENT CARE

	1959 actual	*1960 estimate*	*1961 estimate*
Pay patients	$1,072,915	$1,207,550	$1,227,600
District of Columbia	417,064	435,500	478,500
Other jurisdictions	16,908	16,950	16,900
Total receipts	1,506,887	1,660,000	1,723,000

1. *Inpatient services.*—The general hospital consists of 320 general beds and 50 bassinets. The tuberculosis hospital consists of 150 beds. Patient loads are expected to be as follows:

AVERAGE DAILY PATIENT LOAD (EXCLUDING NEWBORN)

	1959 actual	*1960 estimate*	*1961 estimate*
(a) General hospital	271	270	270
(b) Tuberculosis hospital	56	56	56
Total	327	326	326

2. *Outpatient services.*—There are 36 clinics and 2 emergency operating rooms.

	1959 actual	*1960 estimate*	*1961 estimate*
Clinic visits	58,830	58,830	58,830
Emergency room visits	38,468	38,470	38,470
Total	97,298	97,300	97,300

3. *Training program.*—Average student enrollment in the training program is as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Student nurses	75	90	102
Residents, and medical and dental interns	69	68	74
Administrative, dietetic, occupational therapy, pharmaceutical, and X-ray trainees	12	15	25
Total	156	173	201

5. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$88,167	$68,513	$68,500	$68,500
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	59,304	56,515	69,000	77,000
Total selected resources at end of year	147,471	125,028	137,500	145,500
Selected resources at start of year (−)		−147,471	−125,028	−137,500
Adjustment of selected resources at start of year		2,966		
Costs financed from obligations of other years (−)		−19,477		
Obligations incurred for costs of other years, net			12,472	8,000

Object Classification

		1959 actual		1960 estimate		1961 estimate
	Total number of permanent positions		658		694	715
	Full-time equivalent of all other positions		156		173	201
	Average number of all employees		801		828	875
	Number of employees at end of year		825		838	890
	Average GS grade and salary	5.0	$4,770	5.0	$4,704	4.9 $4,663
	Average salary of ungraded positions		$3,746		$3,774	$3,774
01	Personal services:					
	Permanent positions		$2,868,320		$2,938,180	$3,007,204
	Positions other than permanent		423,051		441,760	557,932
	Other personal services		409,022		465,592	483,924
	Total personal services		3,700,393		3,845,532	4,049,060
02	Travel		1,477		1,500	1,500
03	Transportation of things		786		850	900
04	Communication services		26,273		26,275	26,275
05	Rents and utility services		121,690		121,700	121,700
06	Printing and reproduction		4,238		5,075	3,785
07	Other contractual services		28,948		70,197	94,275
	Services performed by other agencies		12,316		12,755	12,755
08	Supplies and materials		588,555		549,127	583,913
09	Equipment		56,773		110,799	69,957
11	Grants, subsidies, and contributions		159,507		161,418	165,050

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FREEDMEN'S HOSPITAL—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
13 Refunds, awards, and indemnities	$496		
15 Taxes and assessments	10,309	$10,500	$10,830
Subtotal	4,711,761	4,915,728	5,140,000
Deduct quarters and subsistence charges	108,752	111,600	123,000
Total costs	4,603,009	4,804,128	5,017,000
Costs financed from obligations of other years, net (—)	−19,477		
Obligations incurred for costs of other years, net		12,472	8,000
Total obligations	4,583,532	4,816,600	5,025,000

OFFICE OF EDUCATION

Current authorizations:

PROMOTION AND FURTHER DEVELOPMENT OF VOCATIONAL EDUCATION

For carrying out the provisions of section 3 of the Vocational Education Act of 1946, as amended (20 U.S.C. 15j), and section 202 of said Act (20 U.S.C. 15bb), section 4 of the Act of March 10, 1924 (20 U.S.C. 29), section 1 of the Act of March 3, 1931 (20 U.S.C. 30), the Act of March 18, 1950 (20 U.S.C. 31–33), and section 9 of the Act of August 1, 1956 (20 U.S.C. 34), including $4,000,000 for extension and improvement of practical nurse training under title II of the Vocational Education Act of 1946, as amended, which sum shall be available under such title also for the expansion and improvement of programs of practical nurse training in effect prior to August 2, 1956, and $180,000 for vocational education in the fishery trades and industry including distributive occupations therein, [$33,702,081] *$31,702,081*: *Provided*, That the apportionment to the States under section 3(a), (1), (2), (3), and (4) of the Vocational Education Act of 1946 shall be computed on the basis of not to exceed [$29,267,081] *$27,267,081* for the current fiscal year: *Provided further*, That the amount of allotment which States and Territories are not prepared to use may be reapportioned among other States and Territories applying therefor for use in the programs for which the funds were originally apportioned. (*Department of Health, Education, and Welfare Appropriation Act, 1960.*)

Appropriated 1960, **$33,702,081** Estimate 1961, **$31,702,081**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Grants to States and possessions under George-Barden Act	$31,078,230	$33,527,081	$31,527,081
2. Other grants to possessions	174,570	175,000	175,000
Total program (costs—obligations) (object class 11)	31,252,800	33,702,081	31,702,081
Financing:			
Unobligated balance no longer available	1,365,781		
New obligational authority	32,618,581	33,702,081	31,702,081
New obligational authority:			
Appropriation	$33,750,081	$33,702,081	$31,702,081
Transferred (73 Stat. 54) to—			
"Control of tuberculosis," Public Health Service	115,000		
"Sanitary engineering activities," Public Health Service	441,000		
"Salaries and expenses, hospital construction services," Public Health Service	35,000		
"Operations, National Library of Medicine," Public Health Service	111,000		
"Salaries and expenses," Public Health Service	406,000		
"Grants and special studies, Territory of Alaska," Public Health Service	23,500		
Appropriation (adjusted)	32,618,581	33,702,081	31,702,081

Grants are made on a matching basis to the States, Puerto Rico, the Virgin Islands, Guam, and the District of Columbia on the basis of different formulas for training students and teachers in agriculture, home economics, trades and industry, distributive occupations, practical nurse training, and the fishing trades. Additional grants for vocational education are provided through a permanent appropriation, and grants to support the training of highly skilled technicians are included under Defense educational activities.

FURTHER ENDOWMENT OF COLLEGES OF AGRICULTURE AND THE MECHANIC ARTS

For carrying out the provisions of section 22 of the Act of June 29, 1935, as amended (7 U.S.C. 329), $2,501,500. (*Department of Health, Education, and Welfare Appropriation Act, 1960.*)

Appropriated 1960, **$2,501,500** Estimate 1961, **$2,501,500**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Grants to States (total costs—obligations) (object class 11)	$2,501,500	$2,501,500	$2,501,500
Financing:			
Appropriation (new obligational authority)	2,501,500	2,501,500	2,501,500

This annual appropriation, plus the permanent appropriation for the same purpose, supports college instruction in agriculture, the mechanic arts, and related fields in the 68 land-grant colleges. Each State receives a minimum of $20,000, the balance being distributed on a basis of population.

GRANTS FOR LIBRARY SERVICES

For grants to the States, *under allotments for the current and prior fiscal year*, pursuant to the Act of June 19, 1956, as amended (20 U.S.C. 351–358), [$6,000,000] *$7,300,000, to remain available until expended: Provided*, That allotments to the States for the current fiscal year shall be made on the basis of $7,500,000: *Provided further*, That the [amount of any State's allotment from this appropriation which such State certifies will remain unpaid to it on June 30, 1961, may be reallotted by the Commissioner among other States applying therefor in proportion to their rural population, and deemed part of such allotments, except that no State's allotment shall be so increased as to exceed the allotment which would be made to it were this appropriation equal to the maximum authorized under such Act] *unobligated balances of appropriations granted under this heading for the fiscal year 1960 shall be merged with this appropriation.* (*Department of Health, Education, and Welfare Appropriation Act, 1960.*)

Appropriated 1960, **$6,000,000** Estimate 1961, **$7,300,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Grants to States and possessions (total costs—obligations) (object class 11)	$5,327,803	$7,183,635	$7,300,000
Financing:			
Unobligated balance brought forward	−563,326	−1,183,635	
Unobligated balance carried forward	1,183,635		
Unobligated balance no longer available	51,888		
Appropriation (new obligational authority)	6,000,000	6,000,000	7,300,000

Grants are made to the States, Puerto Rico, Guam, and the Virgin Islands on a matching basis for the promotion and further development of public library service in rural areas. Each State and Puerto Rico receives a minimum of $40,000 ($10,000 for the Virgin Islands and Guam), the

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balance being distributed on the basis of rural population. Allotments to the States remain available for 2 years.

A supplemental appropriation is anticipated for these purposes in 1960 under Proposed for later transmission.

Payments to School Districts

For payments to local educational agencies for the maintenance and operation of schools as authorized by the Act of September 30, 1950, as amended (20 U.S.C., ch. 13), [$163,957,000] *$126,695,000: Provided,* That this appropriation shall also be available for carrying out the provisions of section 6 of such Act. *(Department of Health, Education, and Welfare Appropriation Act, 1960.)*

Appropriated 1960, **$163,957,000** Estimate 1961, **$126,695,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Payments to local educational agencies	$142,583,444	$154,457,000	$116,695,000
2. Payments to other Federal agencies	7,414,387	9,500,000	10,000,000
Total program (costs—obligations)	149,997,831	163,957,000	126,695,000
Financing:			
Unobligated balance no longer available	2,169		
Appropriation (new obligational authority)	150,000,000	163,957,000	126,695,000

Payments are made to assist in the maintenance and operation of schools in districts where enrollments are affected by Federal activities. These payments are made primarily to local school districts. However, where such districts cannot assume responsibility for educating federally connected children, payments are made to other agencies for the direct operation of schools under Federal auspices.

This program was amended by Public Law 85–620 (72 Stat. 548), making permanent provisions pertaining to children residing on Federal property with a parent working on Federal property, and extending all other provisions of the program until 1961.

In 1961, under current law, payments will be made to about 4,275 school districts enrolling approximately 1,478,000 federally connected pupils in all States, Guam, Puerto Rico, Virgin Islands, and Wake Island. This compares to some 4,150 districts and about 1,420,000 pupils in 1960. The 1961 estimate will fully fund all entitlements under legislation proposed by the President and pending before the Congress. This legislation more appropriately defines the limit of Federal responsibility in assisting affected school districts. The estimate would provide approximately 68% of entitlements of eligible school districts if distributed on the basis of existing legislation.

Object Classification

	1959 actual	1960 estimate	1961 estimate
OFFICE OF EDUCATION			
11 Grants, subsidies, and contributions	$149,957,349	$163,882,808	$126,620,808
ALLOCATION ACCOUNTS			
Total number of permanent positions	4	5	5
Full-time equivalent of all other positions	1	2	2
Average number of all employees	4	6	6
Number of employees at end of year	2	5	5
Average GS grade and salary	7.0 $4,992	7.4 $5,192	7.4 $5,192
01 Personal services:			
Permanent positions	$13,027	$21,766	$21,766
Positions other than permanent	5,253	15,466	15,611
Other personal services	3,180	5,462	5,462
Total personal services	21,460	42,694	42,839

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
ALLOCATION ACCOUNTS—continued			
02 Travel	$440	$84	$84
03 Transportation of things	81	750	750
04 Communication services	208	310	310
05 Rents and utility services		2,099	2,099
07 Other contractual services	9,977	19,016	18,861
08 Supplies and materials	3,419	3,470	3,470
09 Equipment	353	369	369
11 Grants, subsidies, and contributions	5,927	7,543	7,553
15 Taxes and assessments	447	825	825
Subtotal	42,312	77,160	77,160
Deduct quarters and subsistence charges	1,830	2,968	2,968
Total, allocation accounts	40,482	74,192	74,192
Total obligations	149,997,831	163,957,000	126,695,000
Obligations are distributed as follows:			
Office of Education	$149,957,349	$163,882,808	$126,620,808
Federal Aviation Agency	23,299	53,292	53,292
Department of the Interior	11,299	13,748	13,748
Veterans Administration	5,884	7,152	7,152

Assistance for School Construction

For an additional amount for providing school facilities and for grants to local educational agencies in federally affected areas, as authorized by the Act of September 23, 1950, as amended (20 U.S.C., ch. [14] *19*), including not to exceed [$1,000,000] *$900,000* for necessary expenses during the current fiscal year of technical services rendered by other agencies, [$61,135,000] *$44,390,000,* to remain available until expended: *Provided,* That no part of this appropriation shall be available for salaries or other direct expenses of the Department of Health, Education, and Welfare. *(Department of Health, Education, and Welfare Appropriation Act, 1960.)*

Appropriated 1960, **$61,135,000** Estimate 1961, **$44,390,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Assistance to local educational agencies	$71,348,884	$73,313,803	$35,930,000
2. Assistance for school construction on Federal properties:			
(a) Under title II, Public Law 815		36,272	
(b) Under title III, Public Law 815	12,495,065	24,051,890	7,560,000
3. Payments for technical services	987,189	1,000,000	900,000
Total program (costs—obligations)	84,831,138	98,401,965	44,390,000
Financing:			
Unobligated balance brought forward	−46,698,045	−37,266,965	
Recovery of prior year obligations	−58		
Unobligated balance carried forward	37,266,965		
Appropriation (new obligational authority)	75,400,000	61,135,000	44,390,000

From 1951 through 1960, a total of $962.6 million has been appropriated for this program, aiding in the construction of an estimated 52,890 classrooms housing about 1.5 million pupils in the States, Puerto Rico, Guam, and Wake Island.

The law was amended by Public Law 85–620 (72 Stat. 548), making permanent provisions for assistance on account of children living on Federal property with a parent employed on that property, and extending assistance for all other categories of Federal impact until 1961.

Funds requested for 1961 will assist in providing approximately 2,200 classrooms for about 66,000 children.

1. *Assistance to local educational agencies.*—Grants are made for school construction in local districts where enrollments are affected by Federal activities.

2. *Assistance for school construction on Federal properties.*—Where the local education agency is not able to provide school facilities for children living on Federal prop-

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OFFICE OF EDUCATION—Continued

Current authorizations—Continued

ASSISTANCE FOR SCHOOL CONSTRUCTION—Continued

erties, the Commissioner of Education provides for the construction of schools.

3. *Payments for technical services.*—Technical services rendered by other agencies are necessary in connection with construction for school housing now in process and proposed for 1961.

The 1961 estimate will fully fund all eligible projects under legislation proposed by the President and pending before the Congress. Construction projects would be financed according to a priority system if funds were distributed on the basis of current law.

Object Classification

	1959 actual	1960 estimate	1961 estimate
OFFICE OF EDUCATION			
11 Grants, subsidies, and contributions	$71,348,884	$73,313,803	$35,930,000
ALLOCATION TO HOUSING AND HOME FINANCE AGENCY			
Average number of all employees	8	11	10
Number of employees at end of year	0	0	0
01 Personal services: Positions other than permanent	$67,606	$90,000	$82,000
02 Travel	15,887	19,000	17,500
04 Communication services	1,981		
07 Other contractual services	988,752	1,000,300	900,300
08 Supplies and materials	77		
10 Lands and structures	12,403,863	23,973,162	7,455,000
11 Grants, subsidies, and contributions	4,040	5,600	5,100
15 Taxes and assessments	48	100	100
Total, Housing and Home Finance Agency	13,482,254	25,088,162	8,460,000
Total obligations	84,831,138	98,401,965	44,390,000

DEFENSE EDUCATIONAL ACTIVITIES

For grants, loans, and payments under the National Defense Education Act of 1958 (72 Stat. 1580–1605), [$150,000,000] *$171,000,000,* of which [$30,000,000] *$44,000,000* shall be for capital contributions to student loan funds[; $1,000,000 shall be for] *and* loans for non-Federal capital contributions to student loan funds[; $60,000,000], *of which not to exceed $1,000,000 shall be for such loans for non-Federal capital contributions; $57,750,000 shall be* for grants to States and loans to nonprofit private schools for science, mathematics, [and modern language teaching facilities] *or modern foreign language equipment and minor remodeling of facilities* and [$4,000,000] for grants to States for supervisory and other services, *but allotments pursuant to section 302 or 305 of such Act for the current fiscal year shall be made on the basis of the maximum amounts authorized to be appropriated under section 301 of such Act;* [$7,000,000] *$9,000,000 shall be* for grants to States for area vocational education programs; and $15,000,000 *shall be* for grants to States for testing, guidance, and counseling[: *Provided further,* That no part of this appropriation shall be available for the purchase of science, mathematics, and modern language teaching equipment, or equipment suitable for use for teaching in such fields of education, which can be identified as originating in or having been exported from a Communist country, unless such equipment is unavailable from any other source]. (*Department of Health, Education, and Welfare Appropriation Act, 1960.*)

Appropriated 1960, **$150,000,000** Estimate 1961, **$171,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Student loans:			
(a) Contributions to loan funds	$30,882,663	$30,000,000	$43,000,000
(b) Loans to educational institutions	117,337	1,000,000	1,000,000
2. Science, mathematics, and foreign language instruction:			
(a) Acquisition of equipment and minor remodeling:			
(1) Grants to States	$32,617,341	$58,988,208	$59,900,000
(2) Loans to nonprofit private schools	1,104,920	2,000,000	2,000,000
(b) Grants to States for supervision and administration	1,130,756	2,575,000	3,750,000
3. National defense fellowships	5,294,000	12,800,000	20,750,000
4. Guidance, counseling, and testing:			
(a) Grants to States	6,289,290	15,000,000	15,000,000
(b) Institutes for counseling personnel	3,387,989	5,480,000	6,500,000
5. Advanced training in foreign areas and languages:			
(a) Training centers	999,995	3,050,000	4,550,000
(b) Institutes for language teachers	1,594,616	3,170,000	5,200,000
(c) Research	2,415,852	4,000,000	2,000,000
6. Educational media research	1,599,935	3,000,000	4,700,000
7. Grants to States for area vocational programs	3,750,000	7,000,000	9,000,000
8. Grants to States for statistical services	365,927	1,500,000	1,550,000
Total program (costs—obligations)	91,550,621	149,563,208	178,900,000
Financing:			
Unobligated balance brought forward		−16,662,659	−7,900,000
Unobligated balance carried forward	16,662,659	7,900,000	
Unobligated balance no longer available	7,086,720	9,199,451	
Appropriation (new obligational authority)	115,300,000	150,000,000	171,000,000

Grants and payments are made to States and possessions, educational institutions, and individuals for the following purposes:

1. *Student loans.*—Funds are allotted among the States for payments to institutions of higher education to provide capital contributions to student loan funds, and loans are made to institutions, as neccssary, for non-Federal capital contributions. The institutions must contribute an amount equal to one-ninth of the Federal contribution. In 1959, a total of 27,683 loans and 20,360 loan commitments were made by 1,197 institutions of higher education, and over 100,000 students in 1,368 institutions are expected to borrow in 1960. A supplemental appropriation for contributions to student loan funds for 1960 is anticipated under Proposed for later transmission.

2. *Science, mathematics, and foreign language instruction.*—Grants are made to States on a matching basis, and loans are made to nonprofit private schools for acquisition of equipment and minor remodeling of laboratory or other space. Grants are made to States for supervision and administration of the program. State matching began in 1960.

3. *National defense fellowships.*—Three-year fellowships are awarded to individuals accepted for study in graduate programs, and grants are made to institutions where such individuals are enrolled.

	1959 actual	*1960 estimate*	*1961 estimate*
Number of fellowships awarded	1,000	1,500	1,500
Number of graduate programs	272	403	650

4. *Guidance, counseling, and testing.*—Grants are made to States to assist in establishing and maintaining programs of testing, guidance, and counseling, and contracts are made with institutions of higher education for operation of institutes for improved training of counseling personnel, including provision for stipends to those in attendance. State matching began in 1960.

	1959 actual	*1960 estimate*	*1961 estimate*
Number of participants supported at institutes	2,421	3,545	3,945

5. *Advanced training in foreign areas and languages.*—Contracts are made with institutions of higher education

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for one-half the cost of operation by them of language and area study centers and for full cost of institutes for advanced training of teaching personnel in modern foreign languages. Stipends are paid to persons in attendance. Contracts are made for research and studies in the area of foreign language instruction; in 1959, 20 such contracts were made.

	1959 actual	*1960 estimate*	*1961 estimate*
Number of individuals receiving stipends for language and area studies	160	442	843
Number of participants supported at institutes	970	1,905	3,150

6. *Educational media research.*—Research and demonstrations, financed by grants and contracts, are conducted in the use of new media for educational purposes. In 1959 a total of 83 grants and contracts were made.

7. *Grants to States for area vocational programs.*—Grants are made on a matching basis to States to provide for establishing technical and subprofessional training programs.

8. *Grants to States for statistical services.*—Grants are made on a matching basis to assist the States in improving educational statistics. Total payments to any State may not exceed $50,000 annually.

Object Classification

		1959 actual	1960 estimate	1961 estimate
07	Other contractual services	$8,148,060	$15,135,000	$17,020,000
11	Grants, subsidies, and contributions	51,297,641	101,428,208	115,880,000
16	Investments and loans	32,104,920	33,000,000	46,000,000
	Total obligations	91,550,621	149,563,208	178,900,000

Expansion of Teaching in Education of the Mentally Retarded

For grants to public or other nonprofit institutions of higher learning and to State educational agencies, pursuant to the Act of September 6, 1958 ([72 Stat. 1777]*20 U.S.C. 61*), $1,000,000 [: *Provided*, That section 2 of such Act is amended by adding at the end thereof the following: "Such grants shall also be available to assist such institutions in meeting the costs of training such personnel."]. (*Department of Health, Education, and Welfare Appropriation Act, 1960.*)

Appropriated 1960, **$1,000,000** Estimate 1961, **$1,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Grants to institutions of higher education		$430,000	$430,000
2. Grants to States		570,000	570,000
Total program (costs—obligations) (object class 11)		1,000,000	1,000,000
Financing:			
Appropriation (new obligational authority)		1,000,000	1,000,000

1. *Grants to institutions of higher education.*—Grants are made to assist in providing training of professional personnel in fields related to education of mentally retarded children. In 1960, about 76 fellowships are expected to be allocated among 20 institutions, and grants will be made to assist in covering the cost of training each fellow. The 1961 estimate provides for about 68 fellowships with supporting grants and for stimulation grants to 3 institutions for the development of new advanced graduate programs in geographic regions not currently served.

2. *Grants to States.*—Grants are made to State educational agencies to assist in establishing fellowships for personnel engaged or preparing to engage in employment as supervisors of educational programs for mentally retarded children. In both 1960 and 1961, it is estimated that 100 fellowships will be awarded, and grants will be made to assist institutions of higher learning in meeting the cost of training each fellow.

Salaries and Expenses

For expenses necessary for the Office of Education, including surveys, studies, investigations, and reports regarding libraries; coordination of library service on the national level with other forms of adult education; development of library service throughout the country; purchase, distribution, and exchange of educational documents, motion-picture films, and lantern slides; and cooperative research, surveys, and demonstrations in education as authorized by the Act of July 26, 1954 (20 U.S.C. 331–332); [$12,800,000] *$13,427,000*, of which not less than $550,000 shall be available for the Division of Vocational Education as authorized. (*Department of Health, Education, and Welfare Appropriation Act, 1960.*)

Appropriated 1960, **$12,800,000** Estimate 1961, **$13,427,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Statistics and research:			
(*a*) Services	$1,120,534	$1,422,606	$1,658,855
(*b*) Cooperative agreements	2,249,464	2,720,849	3,229,700
2. Administration of school assistance in federally affected areas	1,203,158	1,344,597	1,347,085
3. Vocational education	680,896	835,641	832,275
4. Higher education	925,084	1,657,384	1,757,235
5. International education	234,308	305,329	312,815
6. State and local school systems	1,416,235	2,538,226	2,658,360
7. Program direction and services	1,002,924	1,497,392	1,502,875
Total program costs	8,832,603	12,322,024	13,299,200
8. Relation of costs to obligations: Obligations incurred for costs of other years, net	586,927	477,976	127,800
Total program (obligations)	9,419,530	12,800,000	13,427,000
Financing:			
1959 appropriation available in 1958	16,444		
Advances and reimbursements from non-Federal sources (50 U.S.C. sup. 1151–1156)	−175		
Unobligated balance no longer available	191,701		
Appropriation (new obligational authority)	9,627,500	12,800,000	13,427,000

1. *Statistics and research—(a) Services.*—Assistance is provided on planning research studies and major responsibility assumed for collection and analysis of basic educational statistics. Basic data and statistics on library resources are made available, and consultative services are rendered. The Office administers grants to States for rural library services and makes studies and reports on this program. Educational media research grants, authorized by the National Defense Education Act, are administered, and advisory services in the area of educational media are provided. Captioned films for the deaf are developed and disseminated.

(*b*) *Cooperative agreements.*—Research and demonstration projects are carried on in cooperation with colleges, universities, and State educational agencies. Projects are supported in such problem areas as education of the mentally retarded, development of students with special abilities, staffing the Nation's schools, and the educational implications of changes in the country's economy. From 1957, when the program began, through 1959, 192 projects were supported, of which 38 have been completed.

2. *Administration of school assistance in federally affected areas.*—Applications for aid for school construction and for school operation expenses in areas where facilities are affected by Federal activities are examined and acted upon.

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OFFICE OF EDUCATION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

3. *Vocational education.*—Information is developed and publications are issued. Advisory services are provided to Federal, State, and local agencies and to professional groups, and the States are given assistance in the appraisal and development of vocational educational programs. Grants to States for vocational education under the George-Barden and Smith-Hughes Acts are administered. The Office also administers area vocational education grants authorized by the National Defense Education Act.

4. *Higher education.*—Advisory services are provided to Federal and State agencies, to professional groups, and to higher educational institutions; information is developed and publications are issued. The Office administers programs authorized by the National Defense Education Act which relate to higher education institutions, such as the student loan program, foreign language and area centers, institutes for training teachers of modern foreign languages, institutes for training counseling personnel, and the fellowship program.

5. *International education.*—Information is developed and disseminated on education in other countries, and educational exchange programs are administered in cooperation with the Department of State and International Cooperation Administration.

6. *State and local school systems.*—Information is developed and publications are issued concerning elementary and secondary education and State and local school administration; advisory services are provided to Federal, State, and local agencies, and to professional groups. The Office administers aid programs authorized by the National Defense Education Act, such as financial assistance to States for strengthening science, mathematics, and foreign language instruction; for guidance, counseling, and testing; and for improving statistical services. The Office also administers the grant program for expansion of teaching in education of mentally retarded children and the program to encourage and assist in the establishment of science clubs.

7. *Program direction and services.*—Central direction and services to the various programs of the Office are provided, as are informational services. Legislative programs and studies and reports on Federal and State educational legislation are developed; management services to the Office are provided. A program of regional representation is also provided.

8. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$899,828	$1,489,224	$1,967,200	$2,095,000
Selected resources at start of year (−)		−899,828	−1,489,224	−1,967,200
Adjustment of selected resources reported at start of year		−2,469		
Obligations incurred for costs of other years, net		586,927	477,976	127,800

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	931	1,022	1,047
Full-time equivalent of all other positions	17	8	8
Average number of all employees	686	997	1,015
Number of employees at end of year	856	1,022	1,047
Average GS grades and salaries	9.1 $7,255	9.3 $7,376	9.3 $7,504
01 Personal services:			
Permanent positions	$4,733,213	$7,222,781	$7,497,577
Positions other than permanent	179,836	95,205	77,770
Other personal services	80,404	68,300	40,553
Total personal services	4,993,453	7,386,286	7,615,900
02 Travel	383,616	685,480	734,320
03 Transportation of things	3,298	7,695	7,695
04 Communication services	126,384	162,355	167,355
05 Rents and utility services	166	20,000	
06 Printing and reproduction	352,930	372,634	468,665
07 Other contractual services	198,025	275,739	483,210
Cooperative research agreements	2,249,464	2,720,849	3,229,700
08 Supplies and materials	71,916	85,090	84,435
09 Equipment	168,251	145,468	32,445
11 Grants, subsidies, and contributions	292,320	453,838	468,295
13 Refunds, awards, and indemnities	570		
15 Taxes and assessments	8,654	6,590	7,180
1959 program obligated in 1958	−16,444		
Total costs	8,832,603	12,322,024	13,299,200
Obligations incurred for costs of other years, net	586,927	477,976	127,800
Total obligations	9,419,530	12,800,000	13,427,000

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

For purchase of foreign currencies which accrue under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for the purposes authorized by section 104(k) of that Act, to remain available until expended, $30,750, of which not less than $14,400 shall be available to purchase currencies which the Treasury Department shall determine to be excess to the normal requirements of the United States: Provided, That this appropriation shall not be used for the purchase of currencies available in the Treasury for the purposes of section 104(f) of such Act, unless such currencies are excess to the normal requirements of the United States.

Estimate 1961, **$30,750**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Research in foreign education (total costs—obligations)			$30,750
Financing:			
Appropriation (new obligational authority)			30,750

Comparative education studies on educational systems of other countries will be made and resulting information will be disseminated. It is estimated that $4,000 from the regular appropriation will be used to administer these studies. However, this cost will be absorbed, and, therefore, no additional funds are included in the regular appropriation.

Object Classification

	1959 actual	1960 estimate	1961 estimate
02 Travel			$9,400
07 Other contractual services			20,300
08 Supplies and materials			1,050
Total obligations			30,750

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Permanent authorizations:

COLLEGES FOR AGRICULTURE AND THE MECHANIC ARTS

Appropriated 1960, **$2,550,000** Estimate 1961, **$2,550,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Grants to States (total costs—obligations) (object class 11)	$2,550,000	$2,550,000	$2,550,000
Financing:			
Appropriation (new obligational authority)	2,550,000	2,550,000	2,550,000

Each State and Puerto Rico receives $50,000 for college instruction, including facilities, in agriculture, the mechanic arts, and related fields, and for the training of teachers in these fields (7 U.S.C. 301–308; 321–328).

PROMOTION OF VOCATIONAL EDUCATION, ACT FEBRUARY 23, 1917

(Indefinite)

Appropriated 1960, **$7,161,312** Estimate 1961, **$7,161,312**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Grants to States (total costs—obligations) (object class 11)	$7,134,930	$7,161,312	$7,161,312
Financing:			
Unobligated balance no longer available	3,401		
Appropriation (new obligational authority)	7,138,331	7,161,312	7,161,312

Grants are made to the States on a dollar-for-dollar matching basis for the purpose of cooperating with the States in paying the salaries of teachers of agriculture, trade, home economics, and industrial subjects, and for the training of teachers of these subjects (20 U.S.C. 11–18).

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. College housing loan program (Housing and Home Finance Agency)	$22,832	$23,017	
2. Survey of research activities in institutions of higher education (National Science Foundation)	27,688	15,312	
3. Survey of programs of study of graduate students (National Science Foundation and National Institutes of Health)	2,464	20,298	
4. White House Conference on Aging (Office of Secretary)		18,413	$18,413
5. Consultative services to non-Federal agencies	34,114	52,223	52,223
6. Miscellaneous services to other agencies	10,318	12,944	12,944
Total program costs	97,416	142,207	83,580
7. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−2,315	
Obligations incurred for costs of other years, net	2,315		
Total program (obligations)	99,731	139,892	83,580

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Financing:			
Unobligated balance brought forward		$33,312	
Advances and reimbursements from—			
Other accounts	$99,263	54,357	$31,357
Non-Federal sources (40 U.S.C. 481(c); 68 Stat. 439)	34,114	52,223	52,223
Unobligated balance carried forward	−33,312		
Unobligated balance no longer available	−334		
Total financing	99,731	139,892	83,580

Object Classification

Total number of permanent positions		10		4		2
Full-time equivalent of all other positions		3		6		1
Average number of all employees		7		10		3
Number of employees at end of year		12		4		2
Average GS grade and salary	7.5	$6,160	9.8	$7,764	9.0	$6,979
01 Personal services:						
Permanent positions		$32,315		$29,678		$13,260
Positions other than permanent		13,058		36,898		6,214
Other personal services		702		236		106
Total personal services		46,075		66,812		19,580
02 Travel		34,500		55,000		54,100
03 Transportation of things		367				
04 Communication services		590		1,080		380
06 Printing and reproduction		5,846		6,500		5,000
07 Other contractual services		4,719		4,330		3,491
08 Supplies and materials		1,245		697		160
09 Equipment		1,450		3,598		
11 Grants, subsidies, and contributions		2,602		4,170		869
15 Taxes and assessments		22		20		
Total costs		97,416		142,207		83,580
Costs financed from obligations of other years, net (−)				−2,315		
Obligations incurred for costs of other years, net		2,315				
Total obligations		99,731		139,892		83,580

Proposed for later transmission:

GRANTS FOR LIBRARY SERVICES

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Grants to States and possessions (total costs—obligations)		$103,000	
Financing:			
Proposed supplemental appropriation		103,000	

Under existing legislation, 1960.—A supplemental request of $103,000 is anticipated, because the expected requirements under the authorized allotment among the States of $7,500,000 cannot be met within the $6,000,000 appropriation.

Proposed for later transmission:

DEFENSE EDUCATIONAL ACTIVITIES

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Student loans: Contributions to loan funds (total costs—obligations)		$9,700,000	
Financing:			
Proposed supplemental appropriation		9,700,000	

Under existing legislation, 1960.—A supplemental appropriation of $9,700,000 is anticipated in order to meet the estimated student demand for loans.

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OFFICE OF VOCATIONAL REHABILITATION

Current authorizations:

Grants to States

For grants to States in accordance with the Vocational Rehabilitation Act, as amended, [$51,900,000] *$54,500,000,* of which [$50,400,000] *$53,000,000* is for vocational rehabilitation services under section 2 of said Act; and $1,500,000 is for extension and improvement projects under section 3 of said Act: *Provided,* That allotments under section 2 of said Act to the States for the current fiscal year shall be made on the basis of [$59,500,000] *$63,000,000,* and this amount shall be considered the sum available for allotments under such section for such fiscal year.

Grants to States, next succeeding fiscal year: For making, after May 31 of the current fiscal year, grants to States under sections 2 and 3 of the Vocational Rehabilitation Act, as amended, for the first quarter of the next succeeding fiscal year such sums as may be necessary, the obligations incurred and the expenditures made thereunder to be charged to the appropriation therefor for that fiscal year: *Provided,* That the payments made pursuant to this paragraph shall not exceed the amount paid to the States for the first quarter of the current fiscal year. *(29 U.S.C. 31–42; 68 Stat. 652, Department of Health, Education, and Welfare Appropriation Act, 1960.)*

Appropriated 1960, **$51,900,000** Estimate 1961, **$54,500,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Vocational rehabilitation services	$45,499,023	$50,400,000	$53,000,000
2. Extension and improvement projects	1,030,881	1,500,000	1,500,000
Total program (costs—obligations) (object class 11)	46,529,904	51,900,000	54,500,000
Financing:			
Comparative transfers to other accounts	4,599,695		
Unobligated balance no longer available	470,401		
Appropriation (new obligational authority)	51,600,000	51,900,000	54,500,000

1. *Vocational rehabilitation services.*—Federal matching grants are made to States for providing rehabilitation services to handicapped individuals so they may engage in remunerative employment. These services include medical restoration as well as education and training. The requisite State matching varies with per capita income and averages about 38% of the total program.

SIGNIFICANT PROGRAM DATA

	1959 actual	*1960 estimate*	*1961 estimate*
Grants to States	$46,529,904	$51,900,000	$54,500,000
State matching funds	$28,182,375	$31,300,000	$33,200,000
Number of clients	280,386	303,000	321,000
Number of completed rehabilitations	80,740	88,000	93,000

2. *Extension and improvement projects.*—Under this activity funds are provided for grants on a matching basis more favorable to the States to encourage the extension of State programs in providing new services.

Research and Training

For research, training, and traineeships, and other special project grants, pursuant to section 4 of the Vocational Rehabilitation Act, as amended, for carrying out the training functions provided for in section 7 of said Act, and for expenses of studies, investigations, demonstrations, and reports, and of dissemination of information with respect thereto pursuant to section 7 of said Act, [$12,700,000, including not to exceed $200,000, to remain available until expended, as the final special grant for the Army-Navy Hospital project at Hot Springs, Arkansas] *$14,800,000. (29 U.S.C. 34, 37; Department of Health, Education, and Welfare Appropriation Act, 1960.)*

Appropriated 1960, **$12,700,000** Estimate 1961, **$14,800,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Research and demonstrations	$4,599,695	$6,500,000	$7,800,000
2. Teaching grants	2,390,404	3,091,000	3,515,000
3. Traineeships	2,408,764	3,109,000	3,485,000
Total program (costs—obligations)	9,398,863	12,700,000	14,800,000
Financing:			
Comparative transfers from (−) other accounts	−4,599,695		
Unobligated balance no longer available	832		
Appropriation (new obligational authority)	4,800,000	12,700,000	14,800,000

1. *Research and demonstrations.*—This program supports research and demonstration projects which hold promise of making a contribution to the solution of vocational rehabilitation problems common to all or several States. Funds are made available to public and private nonprofit organizations to cover part of the costs. Selected demonstrations provide prompt and widespread application of research findings and accelerate services to selected groups of severely disabled persons.

	1959 actual		*1960 estimate*		*1961 estimate*	
	Number	*Amount*	*Number*	*Amount*	*Number*	*Amount*
New projects	67	$1,472,060	86	$2,535,000	85	$2,550,000
Continuing projects	116	3,127,636	135	3,965,000	179	5,250,000
Total	183	4,599,696	221	6,500,000	264	7,800,000

2. *Teaching grants and traineeships.*—This program is conducted for the training of personnel in professional and technical fields relating to vocational rehabilitation, including teaching grants and traineeship grants to educational institutions, and research fellowships to individuals.

	1959 actual		*1960 estimate*		*1961 estimate*	
	Number	*Amount*	*Number*	*Amount*	*Number*	*Amount*
Teaching grants	224	$2,390,404	212	$3,091,000	244	$3.515,000
Traineeships	3,295	2,366,994	3,481	3,006,000	3,607	3,382,000
Research fellowships	13	41,770	25	103,000	25	103,000
Total	-----	4,799,168	-----	6,200,000	-----	7,000,000

Object Classification

		1959 actual	1960 estimate	1961 estimate
02	Travel	$23,197	$35,000	$35,000
07	Other contractual services	611,636	985,000	1,035,000
11	Grants, subsidies, and contributions	8,764,030	11,680,000	13,730,000
	Total obligations	9,398,863	12,700,000	14,800,000

Research and Training (Special Foreign Currency Program)

For purchase of foreign currencies which accrue under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for the purposes authorized by section 104(k) of that Act, to remain available until expended, $930,000, of which not less than $780,000 shall be available to purchase currencies which the Treasury Department shall determine to be excess to the normal requirements of the United States: Provided, That this appropriation shall not be used for the purchase of currencies available in the Treasury for the purposes of section 104(f) of such Act, unless such currencies are excess to the normal requirements of the United States.

Estimate 1961, **$930,000**

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Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Studies of vocational rehabilitation overseas (total costs—obligations)			$930,000
Financing:			
Appropriation (new obligational authority)			930,000

The projects to be supported with foreign currencies derived through the sale abroad of surplus agricultural commodities, authorized by the Agricultural Trade Development and Assistance Act, will be directed toward the solution of problems which hold promise of contributing knowledge of value and significance to the advancement of rehabilitation in the United States. It is estimated that $25,000 will be used to develop these projects. However, these costs will be absorbed and, therefore, no additional funds are included in the regular appropriation.

Object Classification

	1959 actual	1960 estimate	1961 estimate
02 Travel			$20,000
11 Grants, subsidies, and contributions			910,000
Total obligations			930,000

Salaries and Expenses

For expenses, not otherwise provided for, necessary in carrying out the provisions of the Vocational Rehabilitation Act, as amended, and of the Act approved June 20, 1936 (20 U.S.C., ch. 6A), as amended, [$1,738,000] *$1,871,000. (29 U.S.C. 31–42, 49 Stat. 1559; Department of Health, Education, and Welfare Appropriation Act, 1960.)*

Appropriated 1960, **$1,738,000** Estimate 1961, **$1,871,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. State program operations	$743,052	$878,996	$941,737
2. Research and training	272,268	359,987	406,149
3. Executive direction and program coordination	219,078	248,633	257,867
4. Management services	233,368	244,918	262,245
Total program costs	1,467,766	1,732,534	1,867,998
5. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)	−5,480		
Obligations incurred for costs of other years, net		5,466	3,002
Total program (obligations)	1,462,286	1,738,000	1,871,000
Financing:			
1959 appropriation available in 1958	390		
Unobligated balance no longer available	52,324		
Appropriation (new obligational authority)	1,515,000	1,738,000	1,871,000

This Office administers grants to States for vocational rehabilitation, vocational rehabilitation research and training, and licensing the blind to operate vending stands on Federal and other properties.

1. *State program operations.*—State plans are approved and allotments and grants are made; administration of regional office activities and field relationships with States are coordinated; overall program plans are developed; old-age and survivors insurance referrals are coordinated; and Federal-State programs for rehabilitating blind persons are developed.

2. *Research and training.*—Research grants for projects to develop and demonstrate new rehabilitation methods and techniques and grants for training and traineeships to provide additional specialized personnel in rehabilitation are administered; standards and services pertaining to technical aspects of rehabilitation, medical services and facilities are developed; technical advisory services are provided.

3. *Executive direction and program coordination.*—Direction and administration are provided for programs under the Vocational Rehabilitation Act, the Randolph-Sheppard Act, and the Medical Facilities Survey and Construction Act as it pertains to rehabilitation facilities; national and international program plans are developed; legislative proposals concerning the program are analyzed; and publications are prepared and distributed to assist the States in interpreting their programs to the public.

4. *Management services.*—General administrative and management services are provided the several program areas; statistical measurement and analysis of programs is undertaken including the development of special studies.

5. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$23,542	$13,656	$19,122	$22,124
Selected resources at start of year (−)		−23,542	−13,656	−19,122
Adjustment of selected resources reported at start of year		4,406		
Costs financed from obligations of other years, net (−)		−5,480		
Obligations incurred for costs of other years, net			5,466	3,002

Object Classification

	1959 actual		1960 estimate		1961 estimate	
Total number of permanent positions	160		184		191	
Full-time equivalent of all other positions	2		3		3	
Average number of all employees	150		175		183	
Number of employees at end of year	171		199		206	
Average GS grade and salary	8.9	$7,292	9.1	$7,335	9.1	$7,447
01 Personal services:						
Permanent positions	$1,104,572		$1,286,009		$1,362,655	
Positions other than permanent	12,460		19,655		22,623	
Other personal services	64,292		103,693		121,525	
Total personal services	1,181,324		1,409,357		1,506,803	
02 Travel	75,949		100,000		108,000	
03 Transportation of things	83		2,000		2,000	
04 Communication services	24,340		25,000		26,000	
05 Rents and utility services	960		2,000		2,000	
06 Printing and reproduction	33,323		33,129		39,672	
07 Other contractual services	57,537		46,095		63,755	
08 Supplies and materials	12,430		12,219		12,981	
09 Equipment	10,335		14,091		13,590	
11 Grants, subsidies, and contributions	66,821		82,913		87,467	
13 Refunds, awards, and indemnities	1,921		3,000		3,000	
15 Taxes and assessments	2,743		2,730		2,730	
Total costs	1,467,766		1,732,534		1,867,998	
Costs financed from obligations of other years, net (−)	−5,480					
Obligations incurred for costs of other years, net			5,466		3,002	
Total obligations	1,462,286		1,738,000		1,871,000	

Intragovernmental funds:

Advances and Reimbursements

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Consultant services to voluntary and nonprofit agencies	$156		
2. Participation in White House Conference on Aging Program		$18,413	$18,413
Total obligations	156	18,413	18,413

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OFFICE OF VOCATIONAL REHABILITATION—Con.

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS—Continued

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Financing:			
Advances and reimbursements from—			
Other accounts		$18,413	$18,413
Non-Federal sources (40 U.S.C. 481(c))	$156		
Total financing	156	18,413	18,413
Object Classification			
Total number of permanent positions		2	2
Average number of all employees		2	2
Number of employees at end of year		2	2
Average GS grade and salary	9.5 $8,320		9.5 $8,362
01 Personal services:			
Permanent positions		$15,640	$15,723
Other personal services		120	60
Total personal services		15,760	15,783
02 Travel	$156	1,300	1,235
04 Communication services		100	100
07 Other contractual services		125	167
08 Supplies		100	100
11 Grants, subsidies, and contributions		1,028	1,028
Total obligations	156	18,413	18,413

PUBLIC HEALTH SERVICE

The Service assists in safeguarding public health by: Providing grants-in-aid; furnishing consultative assistance to States for such public health services as the prevention and control of disease, hospital planning and construction; conducting research in biology and medicine; enforcing foreign and interstate quarantine regulations; disseminating information on health problems; and conducting medical and hospital care programs. To perform these functions the Service is organized as follows:

(*a*) The Bureau of State Services operates principally in the fields of Federal-State, interstate, and international public health programs, through grants and direct operations involving research, development, demonstrations, consultative services, and training.

(*b*) The Bureau of Medical Services administers the medical care programs for merchant seamen, coastguardsmen, Indians, Alaskan natives, and other beneficiaries designated by the Congress; furnishes assistance in the form of grants and technical services in the planning and construction of public and nonprofit hospitals and other medical care facilities; provides for the construction of medical facilities for Indians both in the form of grants and as direct construction; and through the foreign quarantine program performs examinations of aliens at U.S. ports and of visa applicants in foreign countries.

(*c*) The National Institutes of Health constitute the primary research arm of the Service and are further described in a subsequent statement.

(*d*) The National Library of Medicine collects and disseminates medical literature.

(*e*) The Office of the Surgeon General formulates general policy, furnishes central administrative services, and operates special programs such as the national health survey.

A summary of obligations for grants, direct obligations, and construction for the Public Health Service follows:

[In thousands]

	1959 actual	*1960 estimate*	*1961 estimate*
Grants	$480,068	$586,045	$527,885
Direct operations	212,404	237,896	251,405
Construction	23,180	17,318	12,833
Total, Public Health Service	715,652	841,259	792,123

Current authorizations:

For necessary expenses in carrying out the Public Health Service Act, as amended (42 U.S.C., ch. 6A) (hereinafter referred to as the Act), and other Acts, including expenses for active commissioned officers in the Reserve Corps and for not to exceed [one] *two* thousand [nine] *one* hundred commissioned officers in the Regular Corps; and for expenses of primary and secondary schooling of dependents, in foreign countries, of Public Health Service personnel stationed in foreign countries, in amounts not to exceed an average of $250 per student, when it is determined by the Secretary that the schools, if any, available in the locality are unable to provide adequately for the education of such dependents, and for the transportation of such dependents between such schools and their places of residence when the schools are not accessible to such dependents by regular means of transportation; and for the payment of compensation to consultants or individual scientists appointed for limited periods of time pursuant to section 207(f) or section 207(g) of the Act at rates established by the Surgeon General not to exceed $19,000 per annum; as follows: (*Department of Health, Education, and Welfare Appropriation Act, 1960.*)

ASSISTANCE TO STATES, GENERAL

To carry out the purposes, not otherwise specifically provided for, of section 314(c) of the Act; to provide consultative services to States pursuant to section 311 of the Act; to make field investigations and demonstrations pursuant to section 301 of the Act; to provide for collecting and compiling mortality, morbidity, and vital statistics; and [not to exceed $1,000 for entertainment of officials of other countries when specifically authorized by the Surgeon General; $22,497,000] *to provide traineeships pursuant to section 306 of the Act; $22,620,000.*

[For an additional amount for "Assistance to States, general", $2,000,000; and the purposes for which appropriations under this head are available during the fiscal year 1960 shall include traineeships pursuant to section 306 of the Public Health Service Act, as amended.] (*Department of Health, Education, and Welfare Appropriation Act, 1960; Supplemental Appropriation Act, 1960.*)

Appropriated 1960, **$24,497,000** Estimate 1961, [a] **$22,620,000**

[a] Excludes $1,254,000 for activities transferred in the estimates to "Environmental health activities." The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Grants:			
(*a*) To States for general health	$14,924,302	$15,000,000	$15,000,000
(*b*) For public health training	1,995,145	1,974,000	2,000,000
(*c*) To schools of public health	442,300	1,000,000	
Total, grants	17,361,747	17,974,000	17,000,000
2. Direct operations:			
(*a*) Technical assistance to States	2,340,166	2,353,200	2,321,600
(*b*) Vital statistics	1,602,243	1,624,000	1,784,000
(*c*) International health activities	149,334	151,800	151,200
(*d*) Health of the aged and chronic disease	1,174,607	1,153,600	1,354,100
Total, direct operations	5,266,350	5,282,600	5,610,900
Total program costs	22,628,097	23,256,600	22,610,900
3. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−34,335	−3,900	
Obligations incurred for costs of other years (unpaid undelivered orders), net			9,100
Total program (obligations)	22,593,762	23,252,700	22,620,000
Financing:			
Comparative transfers to other accounts	914,268	1,244,300	
Unobligated balance no longer available	130,970		
Appropriation (new obligational authority)	23,639,000	24,497,000	22,620,000

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1. *Grants*—(*a*) *To States for general health.*—Grants are made to assist the States in supporting basic State and local health services, such as public health nursing, laboratory services, vital statistics, sanitary engineering, and control of communicable diseases. The 1961 estimate will (1) permit the support of State and local public health units; (2) provide specialized health services; (3) stimulate and develop new health services; (4) stimulate application of new research discoveries; and (5) train public health personnel. The 1960 grant level is proposed to be maintained in 1961.

(*b*) *For public health training.*—Grants and awards are made to professional personnel for training in public health to assist in overcoming the acute shortage of trained public health personnel. Approximately 646 traineeships will be awarded in 1961 compared to 654 in 1959 and 640 in 1960.

(*c*) *To schools of public health.*—Legislation to provide grants to schools of public health to alleviate the financial deficits connected with the attendance of federally sponsored students at these institutions will expire June 30, 1960.

2. *Direct operations*—(*a*) *Technical assistance to States.*—Assistance is rendered to the States through professional consultative services, conduct and dissemination of the results of special studies of public health practices, and the conduct of training programs.

(*b*) *Vital statistics.*—Vital statistics data are collected, analyzed, and disseminated on births, deaths, stillbirths, illnesses, marriages, and divorces. The increase in 1961 is to provide for special studies related to the 1960 decennial census.

(*c*) *International health activities.*—International health responsibilities are to (1) develop the U.S. position on international health matters, and provide representation at international health meetings; (2) serve as a clearinghouse for information on health conditions and needs in other countries; and (3) administer training programs for foreign health personnel in the United States. This work will continue in 1961 at the 1960 level.

(*d*) *Health of the aged and chronic disease.*—Studies to develop and improve methods for the identification and prevention of chronic illness, for the care and restoration of the chronically ill and aged, and for meeting special health problems of the aged population will be continued, and assistance given in the application of proven techniques through technical assistance, demonstrations, and training. In 1961 the increase will be used for demonstrations, and development of guide materials for improving nursing homes.

3. *Relation of costs to obligations.*—Year-end balances of unpaid, undelivered orders are as follows: 1958, $175,688; 1959, $141,353; 1960, $137,453; 1961, $146,553.

Object Classification

NOTE.—Obligations for reimbursement to the "Bureau of State Services management fund" for 1959 and 1960 are shown for purposes of comparison.

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	598	597	629
Full-time equivalent of all other positions	20	14	23
Average number of all employees	562	562	600
Number of employees at end of year	610	600	639
Average GS grade and salary	6.8 $5,719	6.9 $5,841	6.8 $5,767
01 Personal services:			
Permanent positions	$3,626,448	$3,764,100	$3,900,950
Positions other than permanent	136,252	98,800	158,600
Other personal services	40,735	39,800	37,850
Total personal services	3,803,435	3,902,700	4,097,400
02 Travel	277,693	299,800	316,100
03 Transportation of things	32,353	26,800	26,800
04 Communication services	$52,921	$62,100	$62,200
05 Rents and utility services	104,448	99,400	105,900
06 Printing and reproduction	88,965	88,000	97,200
07 Other contractual services	213,054	175,500	215,900
Purchase of vital records transcripts	157,057	155,000	162,000
Services performed by other agencies	14,949	17,500	17,500
Reimbursement to "Bureau of State Services management fund"	177,255	152,600	184,600
08 Supplies and materials	70,625	70,700	75,800
09 Equipment	85,377	45,000	47,500
11 Grants, subsidies, and contributions	17,531,788	18,145,800	17,183,800
13 Refunds, awards, and indemnities	2,343	400	400
15 Taxes and assessments	15,834	15,300	17,800
Total costs	22,628,097	23,256,600	22,610,900
Costs financed from obligations of other years, net (−)	−34,335	−3,900	
Obligations incurred for costs of other years, net			9,100
Total obligations	22,593,762	23,252,700	22,620,000

Control of Tuberculosis

To carry out the purposes of section 314(b) of the Act, [$6,452,000] *$5,430,000,* of which not less than [$4,000,000] *$3,000,000* shall be available only for grants to States, to be matched by an equal amount of State and local funds expended for the same purpose, for direct expenses of prevention and case-finding projects including salaries, fees, and travel of personnel directly engaged in prevention and case finding and the necessary equipment and supplies used directly in prevention and case-finding operations, but excluding the purchase of care in hospitals and sanatoriums. (*Department of Health, Education, and Welfare Appropriation Act, 1960.*)

Appropriated 1960, **$6,452,000** Estimate 1961, **$5,430,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Grants to States for tuberculosis control	$3,994,970	$4,000,000	$3,000,000
2. Direct operations:			
(*a*) Cooperative applied research	1,924,473	1,929,000	1,913,700
(*b*) Technical assistance to States	517,808	514,400	516,300
Total, direct operations	2,442,281	2,443,400	2,430,000
Total program costs	6,437,251	6,443,400	5,430,000
3. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net	1,720	8,600	
Total program (obligations)	6,438,971	6,452,000	5,430,000
Financing:			
Comparative transfers to other accounts	49,034		
Unobligated balance no longer available	12,995		
New obligational authority	6,501,000	6,452,000	5,430,000
New obligational authority:			
Appropriation	$6,386,000	$6,452,000	$5,430,000
Transferred from "Promotion and further development of vocational education," Office of Education (69 Stat. 246)	115,000		
Appropriation (adjusted)	6,501,000	6,452,000	5,430,000

1. *Grants to States for tuberculosis control.*—Grants are made to assist States in planning and administering specific control measures, including training of professional workers, casefinding and case followup. The estimate for 1961 assumes that State and local governments will increase their support of tuberculosis control activities.

2. *Direct operations*—(*a*) *Cooperative applied research.*—In cooperation with State and local health departments, medical schools, private investigators, and others, studies are conducted in the epidemiology, prevention, detection, diagnosis, and therapy of tuberculosis.

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PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

CONTROL OF TUBERCULOSIS—Continued

(*b*) *Technical assistance to States.*—Assistance is provided through demonstrations, consultative services, operational studies, and training activities in casefinding, case followup, and other public health practices in the tuberculosis control field.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $105,257; 1959, $106,977; 1960, $115,577; 1961, $115,577.

Object Classification

NOTE.—Obligations for reimbursement to the "Bureau of State Services management fund" for 1959 and 1960 are shown for purposes of comparison.

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	211	205	205
Full-time equivalent of all other positions	18	13	13
Average number of all employees	217	208	208
Number of employees at end of year	235	229	229
Average GS grade and salary	6.3 $5,458	6.4 $5,624	6.4 $5,624
01 Personal services:			
Permanent positions	$1,266,419	$1,275,400	$1,276,900
Positions other than permanent	122,011	90,100	90,100
Other personal services	22,934	24,500	21,000
Total personal services	1,411,364	1,390,000	1,388,000
02 Travel	133,384	143,000	143,000
03 Transportation of things	26,286	27,500	27,500
04 Communication services	12,197	9,500	9,500
05 Rents and utility services	22,848	26,900	26,900
06 Printing and reproduction	10,797	11,100	11,500
07 Other contractual services	463,200	469,400	476,000
Reimbursement to "Bureau of State Services management fund"	112,295	94,900	63,900
08 Supplies and materials	158,570	181,500	193,500
09 Equipment	18,744	20,800	21,400
11 Grants, subsidies, and contributions	4,059,760	4,061,800	3,061,800
13 Refunds, awards, and indemnities	925		
15 Taxes and assessments	6,881	7,000	7,000
Total costs	6,437,251	6,443,400	5,430,000
Obligations incurred for costs of other years, net	1,720	8,600	
Total obligations	6,438,971	6,452,000	5,430,000

COMMUNICABLE DISEASE ACTIVITIES

To carry out *the purposes of sections 314(a) and 363 of the Act with respect to venereal diseases and for grants of money, services, supplies, equipment, and use of facilities to States, as defined in the Act, and with the approval of the respective State health authorities, to counties, health districts, and other political subdivisions of the States, for venereal disease control activities, in such amounts and upon such terms and conditions as the Surgeon General may determine; and to carry out,* except as otherwise provided for, those provisions of sections 301, 311, and 361 of the Act relating to the prevention and suppression of *other* communicable and preventable diseases, and the interstate transmission and spread thereof, including the purchase, erection, and maintenance of portable buildings; purchase of not to exceed [three] *four* passenger motor vehicles for replacement only; and hire, maintenance, and operation of aircraft; [$8,015,000] *$13,116,000. (Department of Health, Education, and Welfare Appropriation Act, 1960.)*

Appropriated 1960, **$8,015,000** Estimate 1961, [a] **$13,116,000**

[a] Includes $4,700,000 for activities previously carried under "Control of venereal diseases." The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Communicable Disease Center	$6,861,485	$7,570,700	$7,920,000
2. Arctic Health Research Center	487,701	487,000	496,000
3. Control of venereal diseases:			
(*a*) Grants to States	2,389,139	2,400,500	1,700,000
(*b*) Direct operations	2,973,548	3,015,700	3,000,000
Total program costs	12,711,873	13,473,900	13,116,000

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
4. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)		−$58,900	
Obligations incurred for costs of other years (unpaid undelivered orders), net	$5,895		
Total program (obligations)	12,717,768	13,415,000	$13,116,000
Financing:			
Comparative transfers from (−) other accounts	−5,838,461	−5,400,000	
Unobligated balance no longer available	10,693		
Appropriation (new obligational authority)	6,890,000	8,015,000	13,116,000

This program provides for the investigation and prevention of communicable diseases, other than tuberculosis, through research, training, and technical assistance to States.

1. *Communicable Disease Center.*—Scientific services in the fields of epidemiology, medicine, and biology, including reference diagnostic laboratory services, are provided to State and local health departments through investigations, consultations, and demonstrations. Important disease-control programs include the staphylococcal infections; aseptic meningitis; poliomyelitis; viral encephalitis; diarrheal diseases; the acute respiratory diseases; and rodent-borne disease. Upon request of State health officers, emergency aid is provided to prevent and control disease outbreaks in disaster areas, or during epidemics. During 1959, aid was provided in 54 emergencies in 43 States, the District of Columbia, and Puerto Rico. Training activities provide for course materials and audiovisual aids on modern public health practices for use by the State and local health departments; evaluation of the effectiveness of training courses; and specialized instruction of Public Health Service personnel in newer methods for disease control. The 1961 estimate provides for continuing the staphylococcal infections and fluorescent antibody diagnostic technique programs at the level developed in 1960. It also provides funds for the costs of maintenance and utilities required for the new Communicable Disease Center buildings.

The following table shows selected measurable workload items:

WORKLOAD

Workload item	*1959 actual*	*1960 estimate*	*1961 estimate*
Laboratory specimens processed	54,382	55,000	57,000
Training program:			
Trainees	2,759	2,700	2,900
Courses	175	165	170
Audiovisual aids:			
Films loaned or sold	13,962	14,350	15,500
New productions completed	41	42	57

2. *Arctic Health Research Center.*—At the Arctic Health Research Center in Alaska, studies are made on problems of low temperature environmental sanitation, endemic and epidemic communicable diseases including diseases transmissible from animals to man, and the nutrition and physiologic problems of arctic life.

3. *Control of venereal diseases.*—In 1959, as compared with 1958, reported cases increased by 22.8% in primary and secondary syphilis, and 7.8% in gonorrhea. These data indicate the continued seriousness of the venereal disease problem despite more effective methods of treatment.

(*a*) *Grants to States.*—Casefinding projects are supported in selected areas where venereal disease incidence

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and prevalence remain high. It is anticipated that State and local Governments in these areas will increase their support of casefinding projects.

(*b*) *Direct operations.*—Research and evaluation activities are directed toward maintenance of uniformly satisfactory nationwide serologic services; development and introduction of new syphilis diagnostic tests; development of an immunizing agent for syphilis; improvement of diagnostic techniques for gonorrhea; evaluation of more effective methods of therapy; and the improvement of control procedures. Epidemiologic services are directed toward the maintenance of nationwide and international intelligence and control of venereal disease in areas of particular concentrations of agricultural, industrial, and military personnel and in numerous small high-prevalence areas that might become the foci for spread of infection. Consultation is furnished to States through the regional offices in determining problem areas, infection sources, and control techniques required. Scientific information and educational media are disseminated through State agencies.

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $242,481; 1959, $248,376; 1960, $189,476; 1961, $189,476.

Object Classification

NOTE.—Obligations for reimbursement to the "Bureau of State Services management fund" for 1959 and 1960 are shown for purposes of comparison.

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	1,132	1,175	1,175
Full-time equivalent of all other positions	119	119	90
Average number of all employees	1,087	1,082	1,044
Number of employees at end of year	1,191	1,206	1,260
Average GS grade and salary	7.7 $5,703	6.6 $5,837	7.1 $5,808
Average salary of ungraded positions	$4,152	$3,973	$3,926
01 Personal services:			
Permanent positions	$6,203,924	$6,413,700	$6,522,900
Positions other than permanent	541,377	541,900	411,000
Other personal services	99,927	123,300	101,000
Total personal services	6,845,228	7,078,900	7,034,900
02 Travel	479,780	538,500	540,100
03 Transportation of things	113,306	219,700	128,500
04 Communication services	104,917	86,800	82,300
05 Rents and utility services	131,995	115,800	115,900
06 Printing and reproduction	63,858	72,100	62,200
07 Other contractual services	316,554	412,600	446,900
Services performed by other agencies	53,295	72,300	72,300
Research contracts	138,303	116,200	116,200
Reimbursement to "Bureau of State Services management fund"	1,483,709	1,669,500	1,966,600
08 Supplies and materials	552,988	657,700	666,000
09 Equipment	263,456	337,800	292,800
11 Grants, subsidies, and contributions	2,126,275	2,055,400	1,551,200
13 Refunds, awards, and indemnities	2,326	2,200	2,200
15 Taxes and assessments	38,450	41,900	41,400
Subtotal	12,714,440	13,477,400	13,119,500
Deduct quarters and subsistence charges	2,567	3,500	3,500
Total costs	12,711,873	13,473,900	13,116,000
Costs financed from obligations of other years, net (−)		−58,900	
Obligations incurred for costs of other years, net	5,895		
Total obligations	12,717,768	13,415,000	13,116,000

[SANITARY ENGINEERING] *ENVIRONMENTAL HEALTH* ACTIVITIES

For expenses, not otherwise provided, necessary to carry out those provisions of sections 301, 311, 314(c), and 361 of the Act relating to [sanitation and other aspects of] environmental health, including enforcement of applicable quarantine laws and interstate quarantine regulations, and for carrying out the purposes of the Acts of July 14, 1955, *as amended* (42 U.S.C. 1857–1857f), and July 9, 1956 (33 U.S.C. 466–466d, 466f–466k), including $2,700,000 for grants to States and $300,000 for grants to interstate agencies; purchase of not to exceed [four] *eleven* passenger motor vehicles for replacement only; hire, maintenance, and operation of aircraft; and purchase, erection, and maintenance of portable buildings; [$15,640,000] *$23,350,000,* to remain available only until June 30, [1960] *1961.*

(*Department of Health, Education, and Welfare Appropriation Act, 1960.*)

Appropriated 1960, **$15,640,000** Estimate 1961, [a] **$23,350,000**

[a] Includes $1,254,000 for activities previously carried under "Assistance to States, general." The amounts obligated in 1959 and 1960 are s own in the schedule as comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Air pollution	$4,422,595	$4,312,100	$4,900,600
2. Water supply and water pollution:			
(*a*) Grants for control programs	2,847,867	3,000,000	3,000,000
(*b*) Direct operations	3,988,910	4,185,900	6,372,600
3. Radiological health	659,284	2,437,700	6,103,200
4. Milk, food, and general sanitation	1,148,969	1,553,800	1,565,000
5. Occupational health	844,521	887,800	877,000
6. Accident prevention	369,379	377,600	377,000
Total program costs	14,281,525	16,754,900	23,195,400
7. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−55,861		
Obligations incurred for costs of other years (unpaid undelivered orders), net		129,400	154,600
Total program (obligations)	14,225,664	16,884,300	23,350,000
Financing:			
Comparative transfers from (−) other accounts	−1,185,043	−1,244,300	
1959 appropriation available in 1958	26,441		
Unobligated balance no longer available	188,938		
New obligational authority	13,256,000	15,640,000	23,350,000
New obligational authority:			
Appropriation	$12,815,000	$15,640,000	$23,350,000
Transferred from "Promotion and further development of vocational education," Office of Education (69 Stat. 246)	441,000		
Appropriation (adjusted)	13,256,000	15,640,000	23,350,000

This program is concerned with the identification of public health problems related to our environment and the development of preventive and control measures in supporting environmental health activities of States and localities.

A supplemental appropriation for 1960 is anticipated under Proposed for later transmission to provide for the purchase of equipment required by the expanded programs in the radiological health field to permit these programs to move forward without delay in 1961.

1. *Air pollution.*—This provides for research and technical assistance to study the effect of air pollution on man's health and welfare, and to develop effective methods of control. Public Health Service facilities and through use of contracts and grants, facilities of other public and private institutions are utilized in carrying out the program. Technical assistance is provided State and local agencies upon request. The increase will be utilized in expanding (*a*) research activities on automotive exhaust, and (*b*) other research projects including the national air sampling network.

2. *Water supply and water pollution.*—Public and private agencies are assisted in protecting the quality of water resources. This is accomplished through grants to States and interstate agencies, collection of basic data, research, demonstrations, and technical assistance in water pollution and water supply problems. In addition, training and consultative services are provided personnel from public agencies, and from industries. This activity also provides for enforcement against pollution of interstate waters, the development of integrated plans for water supply and water pollution control on an interagency river basin basis, and for the administration of grants for the construction of waste treatment facilities. The in-

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PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

[SANITARY ENGINEERING] *ENVIRONMENTAL HEALTH* ACTIVITIES—Continued

crease will be used to expand and accelerate programs for the control of water pollution through research, technical assistance, basic data collection and analysis, and interstate enforcement activities, the latter including intensive investigations designed to abate water pollution that is caused by processing of radioactive ores.

3. *Radiological health.*—Overall stimulation and direct assistance is provided to States and communities in the development of programs to protect the health of the public against radiation hazards. This includes research on public health techniques for control of such hazards; training of local, State, and Federal personnel; and collection, analysis, and interpretation of technical information. The increase proposed for 1961 will be used to (*a*) expand laboratory, field, and epidemiological research on the long-term effects of radiation on humans and animals and on the public health significance of background radiation levels in the environment; (*b*) increase the number of technically competent public health workers in the field of radiological health through graduate training and short-course training; and (*c*) provide expanded on-the-spot technical consultation to States and communities, including demonstrations, in all phases of radiological health programs.

4. *Milk, food, and general sanitation.*—Research is carried on to insure that new methods of milk processing and distribution and of food preparation and service will not be hazardous to the public health. Technical services are provided State and local agencies and industry through the certification of interstate milk and shellfish shippers, development and demonstration of methods, evaluation of laboratory techniques, and the presentation of research results. This activity also implements the direct Federal responsibility for protecting the health of passengers aboard interstate carriers and provides for technical assistance to States on basic sanitary engineering problems.

5. *Occupational health.*—Research on occupational hazards and diseases such as silicosis and other pneumoconioses is conducted and assistance provided to Federal, State, and local agencies and industry in preventing and controlling occupational hazards and diseases.

6. *Accident prevention.*—Research to determine the extent and cause of accidents, and to develop techniques for their prevention and control will be continued, and through demonstrations and technical assistance, agencies ultimately responsible for accident prevention will be encouraged to adopt proven safety techniques.

7. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $278,311; 1959, $222,450; 1960, $351,850; 1961, $506,450.

Object Classification

NOTE.—Obligations for reimbursement to the "Bureau of State Services management fund" for 1959 and 1960 are shown for purposes of comparison.

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	920	1,117	1,530
Full-time equivalent of all other positions	37	37	64
Average number of all employees	879	1,053	1,466
Number of employees at end of year	972	1,172	1,600

Object Classification—Continued

		1959 actual	1960 estimate	1961 estimate
Average GS grade and salary		7.3 $6,180	7.3 $6,055	7.4 $6,067
01	Personal services:			
	Permanent positions	$6,010,988	$7,128,900	$9,686,100
	Positions other than permanent	261,852	251,000	448,300
	Other personal services	34,006	50,000	47,000
	Total personal services	6,306,846	7,429,900	10,181,400
02	Travel	620,709	858,900	1,351,700
03	Transportation of things	79,382	117,400	203,000
04	Communication services	123,171	135,400	187,800
05	Rents and utility services	50,413	90,200	252,600
06	Printing and reproduction	98,687	132,000	246,900
07	Other contractual services	329,208	361,400	881,700
	Services performed by other agencies	587,000	774,500	804,500
	Research contracts	448,567	889,300	1,895,700
	Reimbursement to "Bureau of State Services management fund"	1,060,467	1,166,000	1,361,700
08	Supplies and materials	299,050	438,000	773,300
09	Equipment	263,386	420,400	965,300
10	Lands and structures	615		
11	Grants, subsidies, and contributions	3,967,967	3,880,600	4,002,400
13	Refunds, awards, and indemnities	7,471	8,200	9,000
15	Taxes and assessments	38,586	52,700	78,400
	Total costs	14,281,525	16,754,900	23,195,400
	Costs financed from obligations of other years, net (−)	−55,861		
	Obligations incurred for costs of other years, net		129,400	154,600
	Total obligations	14,225,664	16,884,300	23,350,000

GRANTS FOR WASTE TREATMENT WORKS CONSTRUCTION

For payments under section 6 of the Water Pollution Control Act, as amended (33 U.S.C. 466e), [$45,000,000] *$20,000,000,* to remain available only until June 30, [1961: *Provided,* That allotments under such section 6 for the current fiscal year shall be made on the basis of $50,000,000] *1962.*

[For an additional amount for "Grants for waste treatment works construction", fiscal years 1958–1959, $657,000, to remain available until August 31, 1959.]

[The amount appropriated under this head in the "Supplemental Appropriation Act, 1960" shall remain available until five days after the approval of this Act.] (*Department of Health, Education, and Welfare Appropriation Act, 1960; Supplemental Appropriation Act, 1960; Mutual Security Appropriation Act, 1960.*)

Appropriated 1960, **$45,000,000** Estimate 1961, **$20,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Grants for construction (total costs—obligations) (object class 11)	$46,228,491	$49,098,751	$21,300,000
Financing:			
Unobligated balance brought forward	−9,670,242	−9,098,751	−5,000,000
Unobligated balance carried forward	9,098,751	5,000,000	3,700,000
Appropriation (new obligational authority)	45,657,000	45,000,000	20,000,000

Grants are made to States, municipalities, and interstate agencies to stimulate and assist in the construction of sewage treatment works. Funds appropriated for such grants are allocated to States and other jurisdictions on the basis of population and economic need. Within these allocations, grants for the specific projects may not exceed 30% of the cost of a project o· $250,000, whichever is smaller, with at least 50% of the funds appropriated reserved for communities of 125,000 population or less.

WORKLOAD DATA

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Number of construction starts	511	501	530	530
Number of projects completed	145	446	501	445
Number of projects approved	592	545	545	395
Total cost of approved projects	$275,000,000	$243,000,000	$260,000,000	$120,000,000

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Grants for Hospital Construction

For grants and loans under parts C, D, and G, title VI, of the Act, as amended, [$186,200,000] *$126,200,000*, of which [$150,000,000] *$95,000,000* shall be for hospitals and related facilities pursuant to part C, $1,200,000 shall be for the purposes authorized in section 636 of part D of the Act, and [$35,000,000] *$30,000,000* shall be for facilities pursuant to part G, as follows: $7,500,000 for diagnostic or treatment centers, $7,500,000 for hospitals for the chronically ill and impaired, [$10,000,000] *$5,000,000* for rehabilitation facilities, and $10,000,000 for nursing homes: *Provided*, That allotments under such parts C and G to the several States for the current fiscal year shall be made on the basis of amounts equal to the limitations specified herein[: *Provided further*, That subsection 654(c) of the Act is redesignated as section 637 and transferred to part D under the heading "TRANSFERS OF ALLOTMENTS BETWEEN STATES"; and the word "title" is substituted for the word "part" wherever it appears therein, and subsections (d) and (e) of section 654 are redesignated as subsections (c) and (d)]. (*Department of Health, Education, and Welfare Appropriation Act, 1960.*)

Appropriated 1960, **$186,200,000** Estimate 1961, **$126,200,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Construction of hospitals, etc., under part C of the Public Health Service Act	$136,499,087	$137,937,103	$117,600,000
2. Construction of medical facilities under part G of the act:			
(a) Chronic disease hospitals	4,883,585	6,885,000	6,750,000
(b) Diagnostic or treatment centers	6,631,154	6,875,000	6,750,000
(c) Rehabilitation facilities	6,919,776	9,475,000	7,500,000
(d) Nursing homes	9,902,226	9,554,000	9,000,000
3. Hospital and medical facilities research activities	1,191,998	1,199,694	1,200,000
Total program costs	166,027,826	171,925,797	148,800,000
4. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net	5,694	306	
Total program (obligations)	166,033,520	171,926,103	148,800,000
Financing:			
Unobligated balance brought forward	−76,336,388	−95,726,103	−110,000,000
Recovery of prior year obligations	−48,781		
Unobligated balance carried forward	95,726,103	110,000,000	87,400,000
Unobligated balance no longer available	825,546		
Appropriation (new obligational authority)	186,200,000	186,200,000	126,200,000

Federal funds are provided on a grant or loan basis to assist States and possessions, other public agencies, and nonprofit organizations in the construction of hospitals, rehabilitation facilities, diagnostic or diagnostic and treatment centers, nursing homes, public health centers, and related health facilities. In addition, these funds permit the Surgeon General to conduct research, experiments, and demonstrations relating to the effective development and utilization of hospital services, facilities, and resources, and to make grants-in-aid to States, political subdivisions, universities, hospitals, and other public and private nonprofit institutions or organizations for such projects.

Funds for construction purposes are allocated to the States and possessions on the basis of a formula which takes into account population and per capita income. Federal participation varies from one-third to two-thirds. Payments are computed and made as construction progresses.

As of October 31, 1959, a total of 4,708 construction projects had been approved, of which 3,342 were completed and in operation, 1,158 under construction, and 208 in preconstruction stages. Upon completion, these projects will provide 201,158 hospital beds and 1,274 public health and other medical facilities. Of the approved projects 64% were for general hospitals, 2% for mental hospitals, 2% for tuberculosis hospitals, 3% for chronic disease hospitals, 4% for nursing homes, 16% for public health centers, 6% for diagnostic centers, 2% for rehabilitation centers, and 1% for State health laboratories.

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, $5,694; 1960, $6,000; 1961, $6,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	20	20	20
Full-time equivalent of all other positions	3	1	1
Average number of all employees	19	20	20
Number of employees at end of year	25	20	20
Average GS grade and salary	6.7 $5,599	7.5 $6,126	7.5 $6,126
01 Personal services:			
Permanent positions	$119,019	$144,000	$144,340
Positions other than permanent	21,695	10,000	10,000
Other personal services	236	680	340
Total personal services	140,950	154,680	154,680
02 Travel	22,397	22,750	21,920
03 Transportation of things	2,275	1,500	1,500
04 Communication services	877	1,000	1,000
05 Rents and utility services	1,899	750	750
06 Printing and reproduction	1,190	2,000	2,000
07 Other contractual services	7,975	7,194	8,330
08 Supplies and materials	2,258	2,500	2,500
09 Equipment	2,422	500	500
11 Grants, subsidies, and contributions	165,291,794	170,231,903	148,105,800
15 Taxes and assessments	1,220	1,020	1,020
16 Investments and loans	552,569	1,500,000	500,000
Total costs	166,027,826	171,925,797	148,800,000
Obligations incurred for costs of other years, net	5,694	306	
Total obligations	166,033,520	171,926,103	148,800,000

Salaries and Expenses, Hospital Construction Services

For salaries and expenses incident to carrying out title VI of the Act, as amended, [$1,650,000] *$1,659,000*. (*Department of Health, Education, and Welfare Appropriation Act, 1960.*)

Appropriated 1960, **$1,650,000** Estimate 1961, **$1,659,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Operations and technical services	$1,500,659	$1,533,724	$1,542,300
2. Administration	112,662	116,200	116,700
Total program costs	1,613,321	1,649,924	1,659,000
3. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−8,164		
Obligations incurred for costs of other years (unpaid undelivered orders), net		76	
Total program (obligations)	1,605,157	1,650,000	1,659,000
Financing:			
Comparative transfers to other accounts	20,818		
Unobligated balance no longer available	9,025		
Appropriation (new obligational authority)	1,635,000	1,650,000	1,659,000

1. *Operations and technical services.*—State agencies are provided technical assistance in making inventories of their hospitals, public health centers, and other classes of facilities, in determining the type, size, and location of additional facilities required, and in developing coordinated programs, to meet the indicated needs; technical assistance is also provided to States and upon request to communities regarding the planning, programming, and design of hospital and medical facilities. Proposed hospital and other health facilities projects are reviewed to determine eligibility and compliance with the law and regulations. State plans and their annual

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PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

SALARIES AND EXPENSES, HOSPITAL CONSTRUCTION SERVICES—Continued

revisions are reviewed and approved. Project applications, plans and specifications, wage rates, contracts, and payment requests are reviewed for compliance with standards.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $14,688; 1959, $6,524; 1960, $6,600; 1961, $6,600.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	181	181	181
Full-time equivalent of all other positions	1	1	1
Average number of all employees	166	169	170
Number of employees at end of year	169	182	182
Average GS grade and salary	8.8 $7,317	9.0 $7,513	9.0 $7,513
01 Personal services:			
Permanent positions	$1,316,760	$1,362,320	$1,367,145
Positions other than permanent	1,650	2,000	2,000
Other personal services	4,671	9,680	4,855
Total personal services	1,323,081	1,374,000	1,374,000
02 Travel	118,863	115,000	115,000
03 Transportation of things	4,671	5,000	5,000
04 Communication services	12,893	13,000	13,000
05 Rents and utility services	105		
06 Printing and reproduction	16,775	16,000	16,000
07 Other contractual services	39,901	28,924	38,000
08 Supplies and materials	12,629	10,000	10,000
09 Equipment	10,004	10,000	10,000
11 Grants, subsidies, and contributions	72,430	76,000	76,000
13 Refunds, awards, and indemnities	100		
15 Taxes and assessments	1,869	2,000	2,000
Total costs	1,613,321	1,649,924	1,659,000
Costs financed from obligations of other years, net (−)	−8,164		
Obligations incurred for costs of other years, net		76	
Total obligations	1,605,157	1,650,000	1,659,000

HOSPITALS AND MEDICAL CARE

For carrying out the functions of the Public Health Service under the Act of August 8, 1946 (5 U.S.C. 150), including [$2,167,000] *$2,445,000* to be available only for payments for medical care of dependents and retired personnel under the Dependents' Medical Care Act (37 U.S.C., chap. 7) and under sections *307*, 321, 322, 324, *excluding the first sentence thereof*, 326, 331, 332, 341, 343, 344, 502, *and* 504[, and 810] of the Public Health Service Act, *section 810 of the Act of July 1, 1944, as amended (33 U.S.C. 763c)*, Private Law 419 of the Eighty-third Congress, as amended, and Executive Order 9079 of February 26, 1942, including purchase and exchange of farm products and livestock; conducting research on technical nursing standards and furnishing consultative nursing services; purchase of not to exceed [eight] *seven* passenger motor vehicles for replacement only; and purchase of firearms and ammunition; [$45,600,000] *$51,594,000,* of which [$1,000,000] *$1,200,000* shall be available only for payments to the [Territory] *State* of Hawaii for care and treatment of persons afflicted with leprosy: *Provided,* That when the Public Health Service establishes or operates a health service program for any department or agency, payment for the estimated cost shall be made in advance for deposit to the credit of this appropriation.

[For an additional amount for "Hospitals and medical care", $6,000,000; and the purposes for which appropriations under this head are available during the fiscal year 1960 shall include traineeships pursuant to section 307 of the Public Health Service Act, as amended.] (*Department of Health, Education, and Welfare Appropriation Act 1960; Supplemental Appropriation Act, 1960.*)

Appropriated 1960, **$51,600,000** Estimate 1961, **$51,594,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Operation of hospitals	$38,055,925	$39,115,864	$40,382,000
2. Operation of outpatient clinics and offices	5,206,374	5,194,363	6,171,000
3. Operation of health units	541,847	651,474	719,000
4. Coast Guard medical services	1,295,720	1,341,239	1,421,000
5. Development and coordination of nursing resources	434,320	421,532	423,000
6. Nurse training grants	5,940,711	5,910,500	5,950,000
7. Personnel detailed to other agencies	299,426	323,000	323,000
8. Dependents' medical care	2,245,489	2,167,000	2,445,000
9. Payments to Hawaii	1,000,000	1,000,000	1,200,000
10. Administration	899,818	912,681	915,000
Total program costs	55,919,630	57,037,653	59,949,000
11. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−251,350	−2,253	
Total program (obligations)	55,668,280	57,035,400	59,949,000
Financing:			
Comparative transfers from (−) other accounts	−382,038		
1959 appropriation available in 1958	149,626		
Advances and reimbursements from—			
Other accounts	−4,259,855	−5,165,600	−7,709,000
Non-Federal sources (42 U.S.C. 221)	−648,828	−575,400	−646,000
Unobligated balance no longer available	96,815	305,600	
Appropriation (new obligational authority)	50,624,000	51,600,000	51,594,000

During 1961, a total of 15 hospitals and 130 outpatient facilities will be operated to furnish medical and dental care to legal beneficiaries of the Service. The major beneficiary groups are American seamen, coastguardsmen and their dependents, persons afflicted with leprosy, and narcotic addicts. Among these, the largest single category is the American seamen, for whom the Marine Hospital Service was established in 1798, and who receive free, comprehensive medical care in its facilities in the United States for all conditions. Medical care is also provided to foreign seamen and beneficiaries of other Federal agencies on a reimbursable basis.

1. *Operation of hospitals.*—This activity consists of 12 general hospitals, 2 neuropsychiatric hospitals which specialize in the treatment of narcotic addiction, and the National Leprosarium at Carville, La. Inpatient loads and outpatient visits are expected to be as follows:

AVERAGE DAILY PATIENT LOAD AND ANNUAL TOTAL OUTPATIENT VISITS

	1959 actual	*1960 estimate*	*1961 estimate*
Hospital patients, by type of hospital:			
General hospitals	2,703	2,755	2,833
Tuberculosis hospital	241	232	
Neuropsychiatric hospitals	1,919	1,910	1,900
Leprosarium	277	273	273
Total	5,140	5,170	5,006
Hospital patients, by type of beneficiary:			
American seamen	2,174	2,175	2,022
Narcotic addicts	1,328	1,325	1,315
Patients with leprosy	279	275	275
Coast Guard	279	285	303
Bureau of Employees' Compensation	246	247	237
Veterans	249	245	245
Uniformed service dependents	204	245	231
All other	381	373	378
Total	5,140	5,170	5,006
Hospital outpatient visits	613,371	620,000	625,000

Late in 1960, it is proposed to close the Manhattan Beach tuberculosis hospital. This will require arranging contract care in other hospitals for an average of 130 patients per day and transferring an average of 70 patients per day to other Public Health Service hospitals.

The 1961 estimate also proposes a change in financing medical care for Bureau of Employees' Compensation cases

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who are treated in Public Health Service facilities. Instead of appropriating to the Public Health Service under this head for such care, arrangements will be made for reimbursement by the Department of Labor.

2. *Operation of outpatient clinics and offices.*—This activity consists of 25 full-time outpatient clinics and 105 outpatient offices, with 551,267 visits in 1959 and 550,000 estimated for 1960 and 1961. It also finances care of patients in contract hospitals.

3. *Operation of health units.*—The Service operates health programs for Federal agencies on a reimbursable basis. Consultative and related services are performed for Federal agencies relative to their employee health programs.

4. *Coast Guard medical services.*—Medical services are provided for Coast Guard personnel at shore stations and on vessels.

5. *Development and coordination of nursing resources.*—Methods are developed and applied to increase and improve nursing services and education throughout the country, and to better utilize nursing personnel skills; research is conducted on the fundamental problems of nursing, and research on nursing problems by independent investigators is stimulated.

6. *Nurse training grants.*—Grants are provided for traineeships to prepare an estimated 1,860 nurses to be teachers, supervisors, and administrators under section 307 of the Public Health Service Act, as amended.

7. *Personnel detailed to other agencies.*—Medical, dental and other professional personnel are detailed to certain other Federal agencies on a reimbursable basis.

8. *Dependents' medical care.*—This activity provides for contract care in facilities other than those operated by the Public Health Service for dependents of Public Health Service beneficiary members of the uniformed services. During 1960, changes are planned for more accurate recording of obligations and this will require an increase in the language limitation on the amount of this activity; a portion of the estimated unobligated balance shown above would also be used for such purpose.

9. *Payments to Hawaii.*—Grants are made to Hawaii to defray the cost of care and treatment of persons afflicted with leprosy. Average daily patient load is expected to be 265 in 1961.

11. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$592,980	$518,228	$518,000	$518,000
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	708,623	532,025	530,000	530,000
Total selected resources at end of year	1,301,603	1,050,253	1,048,000	1,048,000
Selected resources at start of year (−)		−1,301,603	−1,050,253	−1,048,000
Costs financed from obligations of other years, net (−)		−251,350	−2,253	

Object Classification

	1959 actual		1960 estimate		1961 estimate	
Total number of permanent positions		6,705		6,879		6,925
Full-time equivalent of all other positions		106		106		104
Average number of all employees		6,459		6,599		6,636
Number of employees at end of year		6,749		6,723		6,769
Average GS grade and salary	4.8	$4,631	4.8	$4,675	4.9	$4,708

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
Average salary of ungraded positions	$4,031	$4,185	$4,189
01 Personal services:			
Permanent positions	$33,516,670	$34,437,500	$34,976,300
Positions other than permanent	456,183	446,500	436,500
Other personal services	1,182,019	1,280,300	1,178,400
Total personal services	35,154,872	36,164,300	36,591,200
02 Travel	356,912	358,200	391,800
03 Transportation of things	414,150	421,700	404,600
04 Communication services	239,250	239,700	237,000
05 Rents and utility services	705,171	705,500	645,500
06 Printing and reproduction	103,182	105,401	110,900
07 Other contractual services	3,754,815	3,431,478	5,056,700
Services performed by other agencies	1,524,263	1,500,000	1,544,000
08 Supplies and materials	5,086,294	5,214,613	5,440,000
09 Equipment	493,416	794,161	1,137,900
11 Grants, subsidies, and contributions	8,641,085	8,645,100	8,897,400
13 Refunds, awards, and indemnities	15,950		
15 Taxes and assessments	134,706	170,500	189,000
Subtotal	56,624,066	57,750,653	60,646,000
Deduct quarters and subsistence charges	704,436	713,000	697,000
Total costs	55,919,630	57,037,653	59,949,000
Costs financed from obligations of other years, net (−)	−251,350	−2,253	
Total obligations	55,668,280	57,035,400	59,949,000

Foreign Quarantine Activities

For carrying out the purposes of sections 361 to 369 of the Act, relating to preventing the introduction of communicable diseases from foreign countries, the medical examination of aliens in accordance with section 325 of the Act, and the care and treatment of quarantine detainees pursuant to section 322(e) of the Act in private or other public hospitals when facilities of the Public Health Service are not available, including insurance of official motor vehicles in foreign countries when required by law of such countries, [$4,685,800] *$4,812,000. (Department of Health, Education, and Welfare Appropriation Act, 1960.)*

Appropriated 1960, **$4,685,800** Estimate 1961, **$4,812,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Examination of aliens and quarantine inspection at U.S. ports	$3,518,631	$3,817,349	$3,968,700
2. Examination of visa applicants in foreign countries	620,421	610,701	594,200
3. Administration	267,963	274,467	273,100
Total program costs	4,407,015	4,702,517	4,836,000
4. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−69,919	−16,717	−24,000
Total program (obligations)	4,337,096	4,685,800	4,812,000
Financing:			
Unobligated balance no longer available	10,904		
Appropriation (new obligational authority)	4,348,000	4,685,800	4,812,000

1. *Examination of aliens and quarantine inspection at U.S. ports.*—Aliens are examined in order to exclude those who are physically or mentally defective. Other inspections are made to prevent the introduction of quarantinable diseases. Basic workload data are:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Examination of aliens	2,503,740	2,669,768	2,900,000	3,150,000
Medical certifications	35,220	42,576	43,500	44,400
Aircraft inspected	68,703	70,607	75,000	79,700
Vessels inspected	34,120	33,271	34,800	36,400
Aircraft treated	16,964	15,303	16,300	17,400
Vessels treated	757	520	500	500
Persons inspected for quarantine	5,217,627	5,264,354	5,450,000	5,645,000
Persons treated	476,499	611,320	650,000	690,000

NOTE.—The figures for persons inspected for quarantine exclude "local crossers," persons who cross daily or frequently to get to work or conduct business; these have been included in previous workload statements.

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PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

FOREIGN QUARANTINE ACTIVITIES—Continued

2. *Examination of visa applicants in foreign countries.*—Examinations are made in foreign countries to prevent issuance of visas to persons medically excludable from the United States. Basic workload data are:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Examination of aliens	180,102	155,068	160,000	165,000
Medical certifications	45,790	43,136	44,500	45,900

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects)	$4,552	$3,533	$3,533	$3,533
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	109,617	40,717	24,000	----
Total selected resources at end of year	114,169	44,250	27,533	3,533
Selected resources at start of year (−)		−114,169	−44,250	−27,533
Costs financed from obligations of other years, net (−)		−69,919	−16,717	−24,000

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	598	644	656
Full-time equivalent of all other positions	15	15	15
Average number of all employees	556	596	613
Number of employees at end of year	584	629	643
Average GS grade and salary	7.1 $5,650	7.1 $5,649	7.3 $5,719
Average salary of ungraded positions	$4,539	$4,695	$4,695
01 Personal services:			
Permanent positions	$3,244,735	$3,499,600	$3,627,300
Positions other than permanent	72,351	68,300	68,300
Other personal services	243,433	273,100	268,200
Total personal services	3,560,519	3,841,000	3,963,800
02 Travel	118,160	112,700	115,200
03 Transportation of things	46,396	46,700	54,200
04 Communication services	42,808	43,300	43,600
05 Rents and utility services	31,568	31,500	31,500
06 Printing and reproduction	19,145	19,257	19,700
07 Other contractual services	235,156	264,369	280,400
08 Supplies and materials	130,451	128,220	120,400
09 Equipment	78,704	58,871	44,500
11 Grants, subsidies, and contributions	168,175	179,500	185,600
13 Refunds, awards, and indemnities	435	----	----
15 Taxes and assessments	9,122	10,500	10,500
Subtotal	4,440,639	4,735,917	4,869,400
Deduct quarters and subsistence charges	33,624	33,400	33,400
Total costs	4,407,015	4,702,517	4,836,000
Costs financed from obligations of other years, net (−)	−69,919	−16,717	−24,000
Total obligations	4,337,096	4,685,800	4,812,000

INDIAN HEALTH ACTIVITIES

For expenses necessary to enable the Surgeon General to carry out the purposes of the Act of August 5, 1954 (42 U.S.C. 2001) (including not to exceed $10,000 for temporary services at rates not to exceed $100 per diem for individuals, when authorized by the Surgeon General); purchase of not to exceed [thirty] *twenty-seven* passenger motor vehicles, of which [twenty] *fourteen* shall be for replacement only; hire of passenger motor vehicles and aircraft; purchase of reprints; payment for telephone service in private residences in the field, when authorized under regulations approved by the Secretary; and the purposes set forth in sections 321, 322(d), 324, and 509 of the Public Health Service Act; [$45,500,000] *$47,526,000.* (*Department of Health, Education, and Welfare Appropriation Act, 1960.*)

Appropriated 1960, **$45,500,000** Estimate 1961, **$47,526,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1 Hospital health services	$25,946,630	$27,323,500	$29,195,000
2. Contract patient care	8,026,823	8,418,000	8,418,000
3. Field health services	7,292,094	8,334,000	8,482,000
4. Program direction	1,300,591	1,424,500	1,431,000
Total program costs	42,566,138	45,500,000	47,526,000
5. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−488,466	----	----
Total program (obligations)	42,077,672	45,500,000	47,526,000
Financing:			
1959 appropriation available in 1958	158,540	----	----
Unobligated balance no longer available	35,801	----	----
New obligational authority	42,272,013	45,500,000	47,526,000
New obligational authority:			
Appropriation	$42,327,000	$45,500,000	$47,526,000
Applied to contract authorization	−510,315	−455,328	−455,328
Contract authorization (new) (permanent)	455,328	455,328	455,328

1. *Hospital health services.*—This activity consists of 51 general hospitals and their outpatient clinics and 3 tuberculosis sanatoria, 47 in the Continental United States and 7 in Alaska. Workloads are expected to be as follows:

AVERAGE DAILY PATIENT LOAD (EXCLUDING NEWBORN), AND TOTAL OUTPATIENT TREATMENTS

	1959 actual	*1960 estimate*	*1961 estimate*
Inpatient load by type of patient:			
Continental United States:			
General patients	1,102	1,255	1,403
Tuberculosis patients	535	355	290
Alaska:			
General patients	378	435	472
Tuberculosis patients	249	215	200
Total inpatient load	2,264	2,260	2,365
Outpatient visits (all hospitals)	605,677	642,200	689,000

2. *Contract patient care.*—Indian and Alaska native patients are hospitalized primarily in non-Federal hospitals and are provided medical care by private physicians where Indian hospital or medical care facilities are not available. Patient loads in hospitals are estimated to be as follows:

AVERAGE DAILY CONTRACT PATIENT CARE LOAD

	1959 actual	*1960 estimate*	*1961 estimate*
By type of patient:			
General patients	414	412	412
Tuberculosis patients	279	343	343
Neuropsychiatric patients	221	216	216
Total	914	971	971

3. *Field health services.*—These include programs in sanitation, health education, nutrition, maternal and child health, school health, tuberculosis and other communicable disease control, medical social service, public health nursing, and oral health. The services are provided through health centers, clinics, and other field units operated directly by the Service, as well as through contractual arrangements with State and local health organizations, and university groups.

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4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $1,900,658; 1959, $1,412,192; 1960, $1,412,192; 1961, $1,412,192.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	4,696	5,116	5,374
Full-time equivalent of all other positions	131	140	143
Average number of all employees	4,547	4,849	5,085
Number of employees at end of year	4,679	5,036	5,393
Average GS grade and salary	5.1 $4,702	5.1 $4,745	5.1 $4,713
Average salary of ungraded positions	$4,576	$4,643	$4,630
01 Personal services:			
Permanent positions	$22,180,950	$24,082,385	$25,263,457
Positions other than permanent	537,101	546,400	558,760
Other personal services	1,535,571	1,681,615	1,630,783
Total personal services	24,253,622	26,310,400	27,453,000
02 Travel	1,193,382	1,193,800	1,248,700
03 Transportation of things	571,488	593,500	631,200
04 Communication services	298,311	296,200	306,600
05 Rents and utility services	801,593	820,600	846,800
06 Printing and reproduction	55,558	75,200	76,200
07 Other contractual services	9,326,894	9,749,600	10,164,600
Services performed by other agencies	658,185	658,000	658,000
08 Supplies and materials	4,135,447	4,599,700	4,833,200
09 Equipment	681,692	595,300	801,300
11 Grants, subsidies, and contributions	1,231,011	1,425,000	1,493,700
13 Refunds, awards, and indemnities	7,949		
15 Taxes and assessments	78,668	76,000	80,000
Subtotal	43,293,800	46,393,300	48,593,300
Deduct quarters and subsistence charges	727,662	893,300	1,067,300
Total costs	42,566,138	45,500,000	47,526,000

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
Costs financed from obligations of other years, net (−)	−$488,466		
Total obligations	42,077,672	$45,500,000	$47,526,000

Construction of Indian Health Facilities

For construction, major repair, improvement, and equipment of health and related auxiliary facilities, including quarters for personnel; preparation of plans, specifications, and drawings; acquisition of sites; purchase and erection of portable buildings; [and] purchase of trailers; [$4,587,000] *and provision of domestic and community sanitation facilities for Indians; $6,964,000,* to remain available until expended: *Provided,* That such expenditures may be made through the Department of the Interior at the option of the Secretary of the Department of Health, Education, and Welfare[: *Provided further,* That the unexpended balance of appropriations heretofore granted under this head shall be merged with this appropriation].

[For an additional amount for "Construction of Indian health facilities", including the purposes of Public Law 86-121, approved July 31, 1959, $200,000.] (*42 U.S.C. 2001, 2004a; 25 U.S.C. 13, 465; 42 U.S.C. 248; Department of Health, Education, and Welfare Appropriation Act, 1960; Mutual Security Appropriation Act, 1960.*)

Appropriated 1960, **$4,787,000** Estimate 1961, **$6,964,000**

Program and Financing

	Costs to this appropriation					Analysis of 1961 financing			Appropriation required to complete
	Total estimate	To June 30, 1958	1959 actual	1960 estimate	1961 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1961	
Program by activities:									
1. Hospitals and clinics	$18,118,811	$470,356	$2,528,159	$6,026,806	$4,929,290	$5,203,490	$1,814,200	$1,540,000	$2,350,000
2. Personnel quarters	8,735,434	2,516,385	900,243	730,806	3,431,430	2,088,000	1,156,570	2,500,000	
3. Alterations	7,267,735	999,290	692,921	3,023,158	1,577,347	638,366	185,019	1,124,000	790,000
4. Other plant facilities	456,020	167,188	229,197	59,633		2	2		
5. Community hospitals serving Indians and non-Indians	1,750,000		720,483	1,029,517					
6. Sanitation facilities	2,000,000			200,000	1,170,000		630,000	1,800,000	
Total program costs	38,328,000	4,153,219	5,071,003	11,069,920	11,108,067	7,929,858	3,785,791	6,964,000	3,140,000
7. Relation of costs to obligations:									
Costs financed from obligations of other years (unpaid undelivered orders), net (−)				−5,051,268	−3,822,755				
Obligations incurred for costs of other years (unpaid undelivered orders), net			7,699,930						
Total program (obligations)			12,770,933	6,018,652	7,285,312				
Financing:									
Unobligated balance brought forward			−10,127,303	−3,366,370	−2,134,718				
Unobligated balance carried forward			3,366,370	2,134,718	1,813,406				
Appropriation (new obligational authority)			6,010,000	4,787,000	6,964,000				

1. *Hospitals and clinics.*—Funds are included for the construction of a general medical and surgical hospital at San Carlos, Ariz. Planning funds for this hospital were included in the 1960 appropriation.

Planning funds are also included for a Public Health Service Indian hospital at Barrow, Alaska.

Construction of 8 health stations is planned in 1961.

2. *Personnel quarters.*—Construction of 76 permanent units is planned in 1961.

3. *Alterations.*—Planning funds and construction funds are included for projects at 22 locations; construction projects at 20 locations; planning of 3 projects at Bethel, Alaska; and planning and construction of one project at Kanakanak, Alaska.

4. *Other plant facilities.*—This activity provides for utility projects such as replacement of sewer lines or electrical systems.

5. *Community hospitals serving Indians and non-Indians.*—Grants are made to communities for construction of hospital facilities in proportion to the ratio of Indians served to total beds.

6. *Sanitation facilities.*—Pursuant to Public Law 86-121, funds are included for 29 sanitation construction projects and 6 investigation projects in the United States.

7. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $3,146,478; 1959, $10,846,408; 1960, $5,795,140; 1961, $1,972,385.

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PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

CONSTRUCTION OF INDIAN HEALTH FACILITIES—Continued

Object Classification

	1959 actual	1960 estimate	1961 estimate
PUBLIC HEALTH SERVICE			
Average number of all employees	16	17	17
Number of employees at end of year	20	20	20
01 Personal services: Positions other than permanent	$85,226	$90,282	$92,453
02 Travel	5,360	7,800	11,000
03 Transportation of things	14,973	19,400	27,500
05 Rents and utility services	495	800	800
07 Other contractual services	241,619	412,207	1,173,312
08 Supplies and materials	139,499	200,215	560,610
09 Equipment	147,918	565,313	1,023,984
10 Lands and structures	4,147		
11 Grants, subsidies, and contributions	720,564	1,029,500	
15 Taxes and assessments	1,730	2,600	2,800
Total, Public Health Service	1,361,531	2,328,117	2,892,459
ALLOCATION TO DEPARTMENT OF THE INTERIOR			
Average number of all employees	52	31	36
Number of employees at end of year	52	31	36
01 Personal services: Positions other than permanent	$363,409	$214,040	$248,468
02 Travel	60,403	41,400	29,900
03 Transportation of things	65	400	300
04 Communication services	8,612	3,000	4,000
05 Rents and utility services	4,432	1,500	2,000
06 Printing and reproduction	15,276	10,000	7,000
07 Other contractual services	8,936	4,500	4,400
08 Supplies and materials	10,928	7,000	6,400
09 Equipment	15,726	5,500	6,900
10 Lands and structures	3,209,572	8,439,100	7,892,140
11 Grants, subsidies, and contributions	11,153	14,800	13,400
15 Taxes and assessments	960	563	700
Total, Department of the Interior	3,709,472	8,741,803	8,215,608
Total costs	5,071,003	11,069,920	11,108,067
Costs financed from obligations of other years, net (−)		−5,051,268	−3,822,755
Obligations incurred for costs of other years, net	7,699,930		
Total obligations	12,770,933	6,018,652	7,285,312

GENERAL RESEARCH AND SERVICES, NATIONAL INSTITUTES OF HEALTH

For the activities of the National Institutes of Health, not otherwise provided for, including research fellowships and grants for research projects and training grants pursuant to section 301 of the Act; regulation and preparation of biologic products, and conduct of research related thereto; and grants of therapeutic and chemical substances for demonstrations and research; [$45,994,000] *$47,260,000*: *Provided*, That funds advanced to the National Institutes of Health management fund from appropriations included in this Act shall be available for purchase of not to exceed [fifteen] *ten* passenger motor vehicles for replacement only; [not to exceed $2,500 for entertainment of visiting scientists when specifically approved by the Surgeon General;] and erection of temporary structures: *Provided further*, That all appropriations made to the Public Health Service in this Act, and available for research or training projects, may be expended pursuant to contracts made on a cost or other basis for supplies and services, including indemnification of contractors to the extent and subject to the limitations provided in title 10, United States Code, section 2354, except that approval and certification required thereby shall be by the Surgeon General. (*42 U.S.C. 241, 262, 263; Department of Health, Education, and Welfare Appropriation Act, 1960.*)

Appropriated 1960, **$45,994,000** Estimate 1961, **$47,260,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Grants:			
(a) Research projects	$16,620,999	$23,559,000	$26,446,000
(b) Research fellowships	3,259,640	5,310,000	5,310,000
(c) Training	$6,039,125	$13,040,000	$11,540,000
Total, grants	25,919,764	41,909,000	43,296,000
2. Direct operations:			
(a) Biologics standards	2,264,501	2,755,138	2,622,000
(b) Review and approval of grants	788,618	1,284,430	1,342,000
Total, direct operations	3,053,119	4,039,568	3,964,000
Total program costs	28,972,883	45,948,568	47,260,000
3. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−16,307		
Obligations incurred for costs of other years (unpaid undelivered orders), net		45,432	
Total program (obligations)	28,956,576	45,994,000	47,260,000
Financing:			
Unobligated balance no longer available	17,424		
Appropriation (new obligational authority)	28,974,000	45,994,000	47,260,000

The National Institutes of Health constitutes the primary research arm of the Public Health Service. It is made up of the following seven individual institutes each with responsibility for a particular disease category: National Cancer Institute, National Institute of Mental Health, National Heart Institute, National Institute of Dental Research, National Institute of Arthritis and Metabolic Diseases, National Institute of Allergy and Infectious Diseases, and National Institute of Neurological Diseases and Blindness.

Operations of the institutes are divided between grant programs largely for support of research and for training of individuals, and activities performed directly or through contracts by the Service. A portion of the funds from each of the eight appropriations is pooled through a management fund to provide central services for all institutes.

A distribution of obligations for the National Institutes of Health by major activity follows:

[In thousands]

	1959 actual	*1960 estimate*	*1961 estimate*
Grants:			
Research projects	$140,676	$199,174	$210,589
Research fellowships	10,155	14,570	14,570
Training	49,812	75,037	66,894
State control programs	8,233	10,375	10,375
Community demonstration projects		1,500	1,500
Total, grants	208,876	300,656	303,928
Direct operations:			
Research	47,119	52,418	54,636
Review and approval of grants	4,542	6,935	7,269
Professional and technical assistance	7,169	10,039	10,064
Contracts	15,346	21,142	21,145
Other	2,158	2,945	2,958
Total, direct operations	76,334	93,479	96,072
Grand total	285,210	394,135	400,000

The above figures exclude amounts for construction and construction grants. They include grants for State-control programs for cancer, heart, and mental health which are administered by the Bureau of State Services, and funds for the coordination and development of dental resources which are administered by the Bureau of Medical Services.

The major activities shown in the table above are common to all institutes and are described below. The workload, where applicable, is shown under the appropriate institute together with an explanation of any unique activities.

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Grants for research projects.—Grants are made to institutions and to individuals to undertake research projects in the medical and biological sciences. Grants are awarded by the Surgeon General on the basis of merit after review and recommendation by scientifically competent study groups and the appropriate national advisory council.

Research fellowships.—Grants are made to individuals in order to increase the research manpower in the medical sciences. There are several different types of awards such as predoctoral, postdoctoral, and part-time student research fellowships, each designed to develop research talent. Fellowships are reviewed by specialty boards and advisory councils and are awarded on the basis of merit.

Training grants.—Grants are made to institutions to develop or support training programs in the medical sciences and to individual trainees to enable them to undertake special training at an institution of their choice. Awards are made to both graduates and undergraduates. Both institutional and individual grants are awarded by the Surgeon General on the basis of merit after review by an appropriate advisory council.

Grants for State control programs.—Funds are provided to States on a formula basis for strengthening State and local clinical and educational services in the cancer, mental health, and heart disease areas.

Community demonstration projects.—Grants are awarded on a merit basis to professional and voluntary agencies, as well as State and local health departments and community hospitals, to apply more rapidly proven cancer control measures.

Direct operations—Research.—The National Institutes of Health conduct research activities largely within the framework of the various specific institutes, directed to the disease categories represented thereby.

Review and approval of grants.—Applications for grants for research projects, fellowships, and training are reviewed for merit by panels of private professional and lay persons distinguished in the field of medical science. Staff of the National Institutes of Health provide the administrative support and executive direction for the national advisory councils and study sections.

Professional and technical assistance.—Professional guidance and leadership are provided to States and other interested organizations in the knowledge and application of research findings through the provision of consultative services, demonstrations, training, field studies and investigations of improved methodology.

Contracts.—In addition to research undertaken through grants and by National Institutes of Health staff, contracts are made with public and private organizations for directed research in cancer chemotherapy.

In addition to an appropriation for each program there is an appropriation for general research and services which finances activities not related to particular categories of disease.

The appropriation for general research and services finances the division of general medical sciences which administers research and training activities relating to basic problems in public health, medical, biological, and chemical fields. It also finances the division of biologics standards which is responsible for the regulation of biologic products and the conduct of related research. The activities listed in the program and financing schedule for the general research and services appropriation are described below.

1. *Grants—(a) Research projects.*—Funds for 1961 will support approximately 1,653 grants in 1961, as compared to 1,470 in 1960, and 1,065 in 1959.

(*b*) *Research fellowships.*—Approximately 1,150 fellowships will be supported in 1960 and 1961, as compared to 728 in 1959.

(*c*) *Training.*—Approximately 315 graduate research training grants will be in effect in 1960 and 1961 for the support of about 2,000 trainees in the areas of basic biological, medical, and health related sciences. This compares to 176 grants for the support of 1,170 trainees in 1959. The experimental training grant program initiated in 1957 will continue in 1960 and 1961.

2. *Direct operations—(a) Biologics standards.*—Activities include administration of the Biologics Control Act, establishment of standards for preparation of biologics, testing of vaccines and their preparation, and research related to development, manufacture, testing and use of vaccines and analogous products.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $99,875; 1959, $83,568; 1960, $129,000; 1961, $129,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
PUBLIC HEALTH SERVICE			
Total number of permanent positions	268	302	309
Full-time equivalent of all other positions	5	6	6
Average number of all employees	203	281	291
Number of employees at end of year	251	321	328
Average GS grade and salary	6.1 $5,329	6.2 $5,347	6.2 $5,321
01 Personal services:			
Permanent positions	$1,185,770	$1,617,000	$1,670,000
Positions other than permanent	28,800	28,000	31,000
Other personal services	71,674	81,000	75,000
Total personal services	1,286,244	1,726,000	1,776,000
02 Travel	82,235	127,000	137,000
03 Transportation of things	13,402	12,000	12,000
04 Communication services	26,531	29,000	29,000
06 Printing and reproduction	8,147	8,602	9,000
07 Other contractual services	70,779	39,574	77,000
Reimbursement to "National Institutes of Health management fund"	833,900	1,057,000	1,223,000
08 Supplies and materials	586,253	509,617	599,200
09 Equipment	125,111	439,658	55,000
11 Grants, subsidies, and contributions	25,936,924	41,950,000	43,339,000
13 Refunds, awards, and indemnities	952	1,300	1,300
15 Taxes and assessments	4,105	4,100	4,500
Subtotal	28,974,583	45,903,851	47,262,000
Deduct quarters and subsistence charges	1,700	2,000	2,000
Total, Public Health Service	28,972,883	45,901,851	47,260,000
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
09 Equipment		46,717	
Total costs	28,972,883	45,948,568	47,260,000
Costs financed from obligations of other years, net (−)	−16,307		
Obligations incurred for costs of other years, net		45,432	
Total obligations	28,956,576	45,994,000	47,260,000

Scientific Activities Overseas (Special Foreign Currency Program)

For purchase of foreign currencies which accrue under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for the purposes authorized by section 104(k) of that Act, to remain available until expended, $3,707,000, of which not less than $3,459,000 shall be available to purchase currencies which the Treasury Department shall determine to be excess to the normal requirements of the United States: Provided, That this appropriation shall not be used for the purchase of currencies available in the Treasury for the purposes of section 104(f) of such Act, unless such currencies are excess to the normal requirements of the United States.

Estimate 1961, **$3,707,000**

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PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

Scientific Activities Overseas (Special Foreign Currency Program)—Continued

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Foreign health research (total costs—obligations)			$3,707,000
Financing:			
Appropriation (new obligational authority)			3,707,000

The research efforts to be supported with foreign currencies derived through the sale abroad of surplus agricultural commodities authorized by the Agricultural Trade Development and Assistance Act of 1954, will be directed toward the solution of disease and health problems which hold promise of contributing knowledge of value and significance to the advancement of medical research in the United States. It is estimated that $50,000 will be used to supervise these projects. However, these costs will be absorbed and, therefore, no additional funds are included in the regular appropriation.

Object Classification

	1959 actual	1960 estimate	1961 estimate
07 Other contractual services			$2,000,000
11 Grants, subsidies, and contributions			1,707,000
Total obligations			3,707,000

National Cancer Institute

To enable the Surgeon General, upon the recommendations of the National Advisory Cancer Council, to make grants-in-aid for research and training projects relating to cancer; to cooperate with State health agencies, and other public and private nonprofit institutions, in the prevention, control, and eradication of cancer by providing consultative services, demonstrations, and grants-in-aid; and to otherwise carry out the provisions of title IV, part A, of the Act; [$91,257,000] *$88,869,000. (42 U.S.C. 281–286; Department of Health, Education, and Welfare Appropriation Act, 1960.)*

Appropriated 1960, **$91,257,000** Estimate 1961, **$88,869,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Grants:			
(a) Research projects	$29,175,577	$35,318,000	$35,941,000
(b) Research fellowships	1,426,868	1,912,000	1,912,000
(c) Training	5,975,148	7,205,000	7,055,000
(d) State control programs	2,171,242	2,250,000	2,250,000
(e) Community demonstration projects		1,500,000	1,500,000
Total, grants	38,748,835	48,185,000	48,658,000
2. Direct operations:			
(a) Research	10,579,467	11,696,754	12,395,000
(b) Review and approval of grants	701,139	1,011,642	1,032,000
(c) Professional and technical assistance	4,071,611	5,162,217	5,217,000
(d) Chemotherapy contracts	15,300,323	21,051,467	21,145,000
(e) Administration	369,705	420,100	422,000
Total, direct operations	31,022,245	39,342,180	40,211,000
Total program costs	69,771,080	87,527,180	88,869,000

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
3. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−$423,047		
Obligations incurred for costs of other years (unpaid undelivered orders), net		$229,820	
Total program (obligations)	69,348,033	87,757,000	$88,869,000
Financing:			
Comparative transfers to other accounts	49,993		
Unobligated balance no longer available	5,869,974	3,500,000	
Appropriation (new obligational authority)	75,268,000	91,257,000	88,869,000

1. *Grants*—(*a*) *Research projects.*—Approximately 1,809 grants will be supported in 1960 and 1961, compared to 1,642 in 1959.

(*b*) *Research fellowships.*—Approximately 440 full-time and 272 part-time fellowships will be supported in 1960 and 1961, compared to 301 full time and 272 part time in 1959.

(*c*) *Training.*—Grants are awarded to accredited schools for the improvement of instruction in the curriculum; clinical traineeships are awarded to individuals for postgraduate training in such fields as surgery, pathology, radiobiology, and internal medicine; and grants are awarded to research training centers for individual traineeships. The following table summarizes these grants:

	1959 actual	*1960 estimate*	*1961 estimate*
Improvement of instruction	138	138	138
Clinical traineeships	122	169	240
Technician traineeships	85	85	---
Research training centers	41	48	51

(*d*) *State control programs.*—Funds are provided to States on a formula basis, to support activities such as consultation in the establishment of registries in cancer clinics, evaluation of diagnostic and therapeutic results, support of diagnostic and treatment clinics, and home nursing care for patients.

(*e*) *Community demonstration projects.*—Grants are awarded to professional and voluntary agencies, as well as State and local health departments and community hospitals, to apply more rapidly proven cancer control measures.

2. *Direct operations*—(*a*) *Research.*—Research is conducted in biochemistry, biology, biometry, epidemiology, chemotherapy, endocrinology, environmental cancer, pathology, physiology, radiation, and surgery.

(*c*) *Professional and technical assistance.*—Field studies and investigations are supported for the acquisition, development and application of new knowledge pertinent to the prevention, control and treatment of human cancer. Contracts are made with public and private nonprofit organizations for diagnostic methods development.

(*d*) *Chemotherapy contracts.*—In addition to chemotherapy activities undertaken through direct research and grants, contracts are made with public and private organizations and universities for directed research in cancer chemotherapy.

3. *Relation of costs to obligations.* Year-end balances of unpaid undelivered orders are as follows: 1958, $985,227; 1959, $562,180; 1960, $792,000; 1961, $792,000.

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Object Classification

NOTE.—Obligations for reimbursement to the "Bureau of State Services management fund" for 1959 and 1960 are shown for purposes of comparison.

	1959 actual	1960 estimate	1961 estimate
PUBLIC HEALTH SERVICE			
Total number of permanent positions	1,178	1,297	1,311
Full-time equivalent of all other positions	41	50	51
Average number of all employees	1,120	1,252	1,267
Number of employees at end of year	1,205	1,259	1,310
Average GS grade and salary	5.6 $5,112	6.0 $5,327	6.0 $5,321
01 Personal services:			
Permanent positions	$6,375,140	$7,374,600	$7,591,400
Positions other than permanent	276,331	329,000	304,800
Other personal services	84,378	88,800	58,300
Total personal services	6,735,849	7,792,400	7,954,500
02 Travel	269,558	332,800	332,800
03 Transportation of things	57,749	66,400	64,400
04 Communication services	110,496	118,700	118,700
05 Rents and utility services	21,590	24,500	24,500
06 Printing and reproduction	99,922	141,763	172,500
07 Other contractual services	15,646,828	22,134,147	22,262,000
Reimbursement to "National Institutes of Health management fund"	5,084,900	6,092,000	6,467,000
Reimbursement to "Bureau of State Services management fund"	2,419	30,600	17,700
08 Supplies and materials	1,609,508	1,281,612	1,363,400
09 Equipment	531,438	387,058	475,000
11 Grants, subsidies, and contributions	38,991,689	48,460,000	48,944,800
13 Refunds, awards, and indemnities	1,332	2,000	2,000
15 Taxes and assessments	32,551	34,900	38,400
Subtotal	69,195,829	86,898,880	88,237,700
Deduct quarters and subsistence charges	24,767	21,700	21,700
Total, Public Health Service	69,171,062	86,877,180	88,216,000
ALLOCATION TO VETERANS ADMINISTRATION			
Total number of permanent positions	77	82	82
Full-time equivalent of all other positions	10	13	13
Average number of all employees	78	83	83
Number of employees at end of year	90	107	107
Average GS grade and salary	5.9 $5,170	6.2 $5,239	6.2 $5,239
01 Personal services:			
Permanent positions	$366,341	$376,060	$376,060
Positions other than permanent	103,177	131,000	131,000
Other personal services	6,540	9,040	7,140
Total personal services	476,058	516,100	514,200
02 Travel	34,560	38,000	38,000
03 Transportation of things	395	400	400
04 Communication services	29	100	100
06 Printing and reproduction	1,355	1,500	1,500
07 Other contractual services	7,662	8,000	12,900
08 Supplies and materials	17,239	18,600	18,500
09 Equipment	35,916	39,000	39,000
11 Grants, subsidies, and contributions	25,361	26,800	26,800
15 Taxes and assessments	1,443	1,500	1,600
Total, Veterans Administration	600,018	650,000	653,000
Total costs	69,771,080	87,527,180	88,869,000
Costs financed from obligations of other years, net (−)	−423,047		
Obligations incurred for costs of other years, net		229,820	
Total obligations	69,348,033	87,757,000	88,869,000

MENTAL HEALTH ACTIVITIES

For expenses necessary for carrying out the provisions of sections 301, 302, 303, 311, 312, and 314(c) of the Act with respect to mental diseases, **[**$68,090,000**]** *$67,563,000. (Department of Health, Education, and Welfare Appropriation Act, 1960.)*

Appropriated 1960, **$68,090,000** Estimate 1961, [a] **$67,563,000**

[a] Excludes $77,000 for activities transferred in the estimates as follows:

"National Heart Institute"	$50,000
"Salaries and expenses"	$27,000

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Grants:			
(*a*) Research projects	$16,928,828	$23,482,000	$26,690,000
(*b*) Research fellowships	1,144,839	1,996,000	1,996,000
(*c*) Training	18,211,957	26,206,000	22,356,000
(*d*) State control programs	3,986,362	5,000,000	5,000,000
Total, grants	40,271,986	56,684,000	56,042,000

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
2. Direct operations:			
(*a*) Research	$6,989,748	$7,445,820	$7,697,000
(*b*) Review and approval of grants	815,756	1,226,762	1,293,000
(*c*) Training activities	69,992	95,029	100,000
(*d*) Professional and technical assistance	1,508,111	1,885,162	1,926,000
(*e*) Administration	430,603	496,778	505,000
Total, direct operations	9,814,210	11,149,551	11,521,000
Total program costs	50,086,196	67,833,551	67,563,000
3. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−233,247		
Obligations incurred for costs of other years (unpaid undelivered orders), net		131,449	
Total program (obligations)	49,852,949	67,965,000	67,563,000
Financing:			
Comparative transfers to other accounts	35,847		
Unobligated balance no longer available	2,530,204	125,000	
Appropriation (new obligational authority)	52,419,000	68,090,000	67,563,000

1. *Grants—(a) Research projects.*—Funds for 1961 will support approximately 1,096 grants compared to 1,014 in 1960 and 804 in 1959.

(*b*) *Research fellowships.*—In 1959, 289 fellowships were provided and it is estimated that 470 can be provided in 1960 and 470 in 1961.

(*c*) *Training.*—In 1960, 739 training grants can be awarded, and 739 training grants in 1961. These include funds for about 2,632 traineeships. In 1959, 678 grants provided funds for 2,532 traineeships.

(*d*) *State control programs.*—Grants are made to States on a formula basis. These grants help to establish, improve, and administer statewide mental health programs, including development of community services at the local level; and the development of pilot projects and demonstrations in areas such as juvenile delinquency, mental illness, school mental health, alcoholism, aging, and industrial mental health.

2. *Direct operations—(a) Research.*—Laboratory and clinical research is conducted in neurochemistry, neurophysiology, psychology, neuropsychiatric studies, socio-environmental studies, and neuropharmacology (including narcotics and barbiturate addiction).

(*c*) *Training activities.*—Support is given for inservice training of qualified staff members in subjects related to the field of mental health.

(*d*) *Professional and technical assistance.*—These operations consist of assistance to States in developing, and expanding local mental health programs through consultation services, and field studies in developing preventive and outpatient services; survey and development of special areas in mental health; consultation services for mental hospitals and related institutions and the psychopharmacology service center.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $612,798; 1959, $379,551; 1960, $511,000; 1961, $511,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
PUBLIC HEALTH SERVICE			
Total number of permanent positions	607	806	797
Full-time equivalent of all other positions	61	59	59
Average number of all employees	639	726	717
Number of employees at end of year	737	793	812
Average GS grade and salary	7.2 $6,078	7.7 $6,302	7.7 $6,293

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PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

MENTAL HEALTH ACTIVITIES—Continued

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
PUBLIC HEALTH SERVICE—continued			
01 Personal services:			
Permanent positions	$3,993,203	$4,742,800	$4,680,800
Positions other than permanent	423,400	412,000	411,100
Other personal services	57,855	80,200	64,100
Total personal services	4,474,458	5,235,000	5,156,000
02 Travel	343,732	387,000	385,200
03 Transportation of things	27,470	32,000	32,000
04 Communication services	79,157	80,000	80,000
05 Rents and utility services	16,336	15,000	15,000
06 Printing and reproduction	26,381	21,444	23,000
07 Other contractual services	708,731	661,918	760,800
Reimbursement to "National Institutes of Health management fund"	3,051,100	3,499,000	3,803,000
08 Supplies and materials	373,613	438,822	434,300
09 Equipment	480,484	489,367	542,000
11 Grants, subsidies, and contributions	40,415,804	56,867,000	56,222,000
13 Refunds, awards, and indemnities	160		
15 Taxes and assessments	25,307	29,000	31,700
Subtotal	50,022,733	67,755,551	67,485,000
Deduct quarters and subsistence charges	1,397	2,000	2,000
Total, Public Health Service	50,021,336	67,753,551	67,483,000
ALLOCATION TO SAINT ELIZABETHS HOSPITAL			
Total number of permanent positions	15	15	15
Average number of all employees	13	15	15
Number of employees at end of year	14	15	15
Average GS grade and salary	4.1 $4,102	4.1 $4,185	4.1 $4,185
Average salary of ungraded positions	$5,146	$5,146	$5,146
01 Personal services:			
Permanent positions	$53,214	$66,000	$66,000
Positions other than permanent		2,000	2,200
Other personal services	2,762	4,000	3,800
Total personal services	55,976	72,000	72,000
04 Communication services	4,722	3,000	3,000
07 Other contractual services	177	1,000	1,000
08 Supplies and materials	548	1,000	1,000
11 Grants, subsidies, and contributions	3,390	3,000	3,000
15 Taxes and assessments	47		
Total, Saint Elizabeths Hospital	64,860	80,000	80,000
Total costs	50,086,196	67,833,551	67,563,000
Costs financed from obligations of other years, net (−)	−233,247		
Obligations incurred for costs of other years, net		131,449	
Total obligations	49,852,949	67,965,000	67,563,000

NATIONAL HEART INSTITUTE

For expenses necessary to carry out the purposes of the National Heart Act, [$62,237,000] *$63,162,000. (42 U.S.C. 287; Department of Health, Education, and Welfare Appropriation Act, 1960.)*

Appropriated 1960, **$62,237,000** Estimate 1961, [a] **$63,162,000**

[a] Includes $50,000 for activities previously carried under "Mental health activities," Public Health Service.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Grants:			
(a) Research projects	$24,615,302	$36,468,000	$37,115,000
(b) Research fellowships	2,162,959	2,663,000	2,663,000
(c) Training	7,144,518	8,679,000	8,588,000
(d) State control programs	2,075,219	3,125,000	3,125,000
Total, grants	35,997,998	50,935,000	51,491,000
2. Direct operations:			
(a) Research	7,305,279	7,953,986	8,359,000
(b) Review and approval of grants	717,168	1,095,358	1,152,000
(c) Training activities	140,300	190,033	185,000
(d) Professional and technical assistance	995,975	1,723,131	1,729,000
(e) Administration	209,954	243,674	246,000
Total, direct operations	9,368,676	11,206,182	11,671,000
Total program costs	45,366,674	62,141,182	63,162,000

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
3. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net	$82,449	$45,818	
Total program (obligations)	45,449,123	62,187,000	$63,162,000
Financing:			
Comparative transfers to other accounts	18,945		
Unobligated balance no longer available	144,932	50,000	
Appropriation (new obligational authority)	45,613,000	62,237,000	63,162,000

1. *Grants*—(*a*) *Research projects.*—These grants are made to medical schools, other institutions, and to individuals for research projects. Approximately 2,279 research projects will be supported in 1961, as compared to 1,614 in 1959, and 2,257 in 1960.

(*b*) *Research fellowships.*—Grants are awarded to individuals to increase the number of research workers in the area of cardiovascular diseases. Approximately 577 awards will be supported in 1960 and 1961, as compared to 475 in 1959.

(*c*) *Training.*—These grants in 1960 and 1961 will provide assistance to 103 schools of medicine, osteopathy, and public health for support of undergraduate training. Funds will also provide for 216 grants for graduate research and clinical training including 648 traineeships. Funds in 1959 provided for support of 103 schools of medicine, and for 172 graduate trainee grants, including 471 traineeships.

(*d*) *State control programs.*—Grants are made to States, distributed on a formula basis, for improving State and local programs in prevention, education, community services, and operational research concerning cardiovascular diseases.

2. *Direct operations*—(*a*) *Research.*—Research emphasizes the acquisition of basic biochemical and physiological knowledge, and includes studies in new and improved therapeutic agents, diagnostic instrumentation, and clinical medicine on coronary artery disease, hypertension, arteriosclerosis, congestive heart failure, and related problems.

(*c*) *Training activities.*—Inservice training is provided for positions requiring unique combinations of cardiovascular training and experience.

(*d*) *Professional and technical assistance.*—Technical guidance and professional leadership are furnished to State and local health departments on heart program management in the fields of medicine, nursing, nutrition, medical social work, records and statistics, and program promotion.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $372,733; 1959, $455,182; 1960, $501,000; 1961, $501,000.

Object Classification

NOTE.—Obligations for reimbursement to the "Bureau of State Services management fund" for 1959 and 1960 are shown for purposes of comparison.

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	644	784	793
Full-time equivalent of all other positions	12	12	12
Average number of all employees	564	696	724
Number of employees at end of year	630	739	758
Average GS grade and salary	6.8 $5,739	7.0 $5,782	7.0 $5,881
01 Personal services:			
Permanent positions	$3,741,677	$4,687,000	$4,892,000
Positions other than permanent	58,404	62,400	62,400
Other personal services	30,096	43,900	33,500
Total personal services	3,830,177	4,793,300	4,987,900

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Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
02 Travel	$202,170	$284,700	$285,200
03 Transportation of things	61,591	76,400	76,400
04 Communication services	54,936	75,300	75,300
05 Rents and utility services	12,084	26,300	26,300
06 Printing and reproduction	23,714	33,605	40,000
07 Other contractual services	462,565	830,090	758,700
Reimbursement to—			
"National Institutes of Health management fund"	3,818,505	3,794,000	4,092,000
"Bureau of State Services management fund"	45,176	77,700	44,000
08 Supplies and materials	441,834	616,266	621,100
09 Equipment	304,381	434,421	477,600
11 Grants, subsidies, and contributions	36,106,626	51,092,200	51,667,800
13 Refunds, awards, and indemnities	1,787	500	500
15 Taxes and assessments	20,517	28,400	31,200
Subtotal	45,386,063	62,163,182	63,184,000
Deduct quarters and subsistence charges	19,389	22,000	22,000
Total costs	45,366,674	62,141,182	63,162,000
Obligations incurred for costs of other years, net	82,449	45,818	
Total obligations	45,449,123	62,187,000	63,162,000

Dental Health Activities

For expenses not otherwise provided for, necessary to enable the Surgeon General to carry out the purposes of the Act with respect to dental diseases and conditions, [$10,019,000] *$11,204,000. (Department of Health, Education, and Welfare Appropriation Act, 1960.)*

Appropriated 1960, **$10,019,000** Estimate 1961, **$11,204,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Grants:			
(a) Research projects	$3,426,999	$4,476,000	$5,246,000
(b) Research fellowships	422,174	650,000	650,000
(c) Training	649,992	1,100,000	1,009,000
Total, grants	4,499,165	6,226,000	6,905,000
2. Direct operations:			
(a) Research	1,406,259	1,531,300	2,021,000
(b) Review and approval of grants	133,518	201,700	217,000
(c) Professional and technical assistance	971,102	1,185,200	1,192,000
(d) Coordination and development of dental resources	313,620	772,000	774,000
(e) Administration	88,888	94,000	95,000
Total, direct operations	2,913,387	3,784,200	4,299,000
Total program costs	7,412,552	10,010,200	11,204,000
3. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−7,618		
Obligations incurred for costs of other years (unpaid undelivered orders), net		8,800	
Total program (obligations)	7,404,934	10,019,000	11,204,000
Financing:			
Unobligated balance no longer available	15,066		
Appropriation (new obligational authority)	7,420,000	10,019,000	11,204,000

1. *Grants*—(*a*) *Research projects.*—Approximately 436 grants will be supported in 1961 as compared to 371 grants in 1960 and 338 in 1959.

(*b*) *Research fellowships.*—An estimated 439 fellowships including 386 part-time dental students, will be supported in 1961 as compared to 430 fellowships, including 376 part time, in 1960 and 311 fellowships, including 270 part time, in 1959.

(*c*) *Training.*—Approximately 33 grants will be awarded in 1960 and 1961 to schools to train some 130 individuals for academic teaching and research careers in the various fields of dental science, as compared to 28 grants for 80 individuals in 1959.

2. *Direct operations*—(*a*) *Research.*—Research is conducted in the fields of periodontal diseases, growth and development, oral surgery, microbiology, pathology, histology, biochemistry, epidemiology, and biometry.

(*c*) *Professional and technical assistance.*—Funds are provided for the development of dental public health methods for widespread application in States and communities and assistance is given to States in establishing and carrying out their programs of prevention, education, and care.

(*d*) *Coordination and development of dental resources.*—Funds are provided for investigations into the status of the Nation's dental health, for study and appraisal of dental manpower in all its aspects, and for evaluation and development of methods for extending the availability of dental care to the American people, including investigation of problems associated with payment methods for dental care plans.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $57,980; 1959, $50,362; 1960, $59,162; 1961, $59,162.

Object Classification

NOTE.—Obligations for reimbursement to the "Bureau of State Services management fund" for 1959 and 1960 are shown for purposes of comparison.

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	253	307	310
Full-time equivalent of all other positions	40	79	79
Average number of all employees	268	353	361
Number of employees at end of year	319	426	429
Average GS grade and salary	6.9 $5,614	7.3 $5,835	7.3 $5,831
01 Personal services:			
Permanent positions	$1,732,927	$2,080,900	$2,140,000
Positions other than permanent	135,992	311,400	311,400
Other personal services	8,510	13,000	8,300
Total personal services	1,877,429	2,405,300	2,459,700
02 Travel	112,061	160,800	164,800
03 Transportation of things	23,337	28,100	28,600
04 Communication services	17,400	22,700	23,900
05 Rents and utility services	8,404	8,700	8,700
06 Printing and reproduction	17,596	27,300	29,900
07 Other contractual services	90,385	201,700	226,100
Reimbursement to—			
"National Institutes of Health management fund"	530,200	543,000	607,000
"Bureau of State Services management fund"	37,847	50,700	34,500
08 Supplies and materials	96,024	117,000	120,100
09 Equipment	44,472	133,100	506,500
11 Grants, subsidies, and contributions	4,550,950	6,299,000	6,980,300
13 Refunds, awards, and indemnities	610	500	500
15 Taxes and assessments	11,994	17,200	18,300
Subtotal	7,418,709	10,015,100	11,208,900
Deduct quarters and subsistence charges	6,157	4,900	4,900
Total costs	7,412,552	10,010,200	11,204,000
Costs financed from obligations of other years, net (−)	−7,618		
Obligations incurred for costs of other years, net		8,800	
Total obligations	7,404,934	10,019,000	11,204,000

Arthritis and Metabolic Disease Activities

For expenses necessary to carry out the purposes of the Act relating to arthritis, rheumatism, and metabolic diseases, [$46,862,000] *$47,541,000. (42 U.S.C. 289 a–c; Department of Health, Education, and Welfare Appropriation Act, 1960.)*

Appropriated 1960, **$46,862,000** Estimate 1961, **$47,541,000**

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PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

ARTHRITIS AND METABOLIC DISEASE ACTIVITIES—Continued

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Grants:			
(a) Research projects	$18,648,030	$30,818,000	$32,153,000
(b) Research fellowships	336,838	437,000	437,000
(c) Training	4,434,979	6,298,000	6,298,000
Total, grants	23,419,847	37,553,000	38,888,000
2. Direct operations:			
(a) Research	7,091,109	7,354,862	7,682,000
(b) Review and approval of grants	469,790	718,966	790,000
(c) Administration	165,694	180,015	181,000
Total, direct operations	7,726,593	8,253,843	8,653,000
Total program costs	31,146,440	45,806,843	47,541,000
3. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−19,960		
Obligations incurred for costs of other years (unpaid undelivered orders), net		5,157	
Total program (obligations)	31,126,480	45,812,000	47,541,000
Financing:			
Unobligated balance no longer available	88,520	1,050,000	
Appropriation (new obligational authority)	31,215,000	46,862,000	47,541,000

1. *Grants*—(a) *Research projects.*—Approximately 2,190 grants will be supported in 1961 as compared with an estimated 2,100 grants in 1960, and 1,384 in 1959.

(b) *Research fellowships.*—About 64 fellowships are estimated for 1960 and 1961, as compared to 51 in 1959.

(c) *Training.*—During 1960 and 1961 it is estimated that 225 grants will be awarded to accredited schools, for the improvement of instruction, and 80 traineeships will be awarded to individuals for specialized postgraduate training. The corresponding grants and traineeships in 1959 were 165 and 62 respectively.

2. *Direct operations*—(a) *Research.*—Clinical and laboratory research is conducted in the fields of arthritis, rheumatism, diabetes, and other metabolic disorders, as well as studies in the major disciplines including pharmacology, toxicology, physiology, biochemistry, nutrition, chemistry, pathology, endocrinology, and physical biology.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $162,503; 1959, $142,543; 1960, $147,700; 1961, $147,700.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	475	507	515
Full-time equivalent of all other positions	8	8	8
Average number of all employees	426	452	460
Number of employees at end of year	447	494	502
Average GS grade and salary	7.6 $6,350	7.7 $6,440	7.7 $6,440
01 Personal services:			
Permanent positions	$3,049,863	$3,390,600	$3,442,100
Positions other than permanent	35,174	40,700	37,700
Other personal services	55,628	77,500	63,100
Total personal services	3,140,665	3,508,800	3,542,900
02 Travel	107,663	145,700	149,000
03 Transportation of things	13,976	12,000	14,000
04 Communication services	36,699	41,100	45,000
05 Rents and utility services	27		
06 Printing and reproduction	1,357	3,662	3,000
07 Other contractual services	363,689	480,400	506,300
Reimbursement to "National Institutes of Health management fund"	3,081,800	3,014,000	3,292,000
08 Supplies and materials	$506,698	$555,055	$563,300
09 Equipment	376,380	384,326	423,600
11 Grants, subsidies, and contributions	23,514,027	37,657,100	38,995,600
13 Refunds, awards, and indemnities	650	900	1,000
15 Taxes and assessments	14,919	16,400	17,900
Subtotal	31,158,550	45,819,443	47,553,600
Deduct quarters and subsistence charges	12,110	12,600	12,600
Total costs	31,146,440	45,806,843	47,541,000
Costs financed from obligations of other years, net (−)	−19,960		
Obligations incurred for costs of other years, net		5,157	
Total obligations	31,126,480	45,812,000	47,541,000

ALLERGY AND INFECTIOUS DISEASE ACTIVITIES

For expenses, not otherwise provided for, necessary to carry out the purposes of the Act relating to allergy and infectious diseases, [$34,054,000] *$34,739,000*, of which [$150,000] *$500,000* shall be available for payment to the Gorgas Memorial Institute for maintenance and operation of the Gorgas Memorial Laboratory *and for construction and equipment of facilities. (42 U.S.C. 289a; 22 U.S.C. 278; Act of Sept. 21, 1959 (73 Stat. 572–573); Department of Health, Education, and Welfare Appropriation Act, 1960.)*

Appropriated 1960, **$34,054,000** Estimate 1961, **$34,739,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Grants:			
(a) Research projects	$14,408,844	$21,569,000	$22,777,000
(b) Research fellowships	865,814	1,066,000	1,066,000
(c) Training	1,786,703	3,621,000	2,709,000
Total, grants	17,061,361	26,256,000	26,552,000
2. Direct operations:			
(a) Research	6,366,690	7,135,399	7,489,000
(b) Review and approval of grants	298,357	437,238	509,000
(c) Administration	157,317	188,000	189,000
Total, direct operations	6,822,364	7,760,637	8,187,000
Total program costs	23,883,725	34,016,637	34,739,000
3. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net	154,958	37,363	
Total program (obligations)	24,038,683	34,054,000	34,739,000
Financing:			
Unobligated balance no longer available	32,317		
Appropriation (new obligational authority)	24,071,000	34,054,000	34,739,000

1. *Grants*—(a) *Research projects.*—Funds available for 1961 will support approximately 1,568 grants, while funds in 1960 will support approximately 1,493 grants, compared to 1,176 in 1959.

(b) *Research fellowships.*—An estimated 223 awards will be made in 1960 and 219 in 1961 for predoctoral, postdoctoral and special fellowships. This compares to 212 awards in 1959.

(c) *Training.*—Funds for 1960 and 1961 will provide approximately 86 grants to train individuals in allergy and immunology, parasitology and tropical medicine, and mycology and rickettsiology, compared to 61 grants in 1959.

2. *Direct operations*—(a) *Research.*—Laboratory, field, and clinical research is conducted in the broad fields of allergic, infectious, and parasitic diseases. The increase in 1961 will provide for studies in cell biology, biology of viruses, clinical investigation, and clinical and basic immunology.

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3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $131,179; 1959, $286,137; 1960, $323,500; 1961, $323,500.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	521	591	630
Full-time equivalent of all other positions	3	4	4
Average number of all employees	507	565	595
Number of employees at end of year	538	585	620
Average GS grade and salary	5.9 $5,319	6.1 $5,393	6.2 $5,411
01 Personal services:			
Permanent positions	$3,056,658	$3,483,600	$3,656,000
Positions other than permanent	15,493	22,400	22,400
Other personal services	68,950	86,000	77,100
Total personal services	3,141,101	3,592,000	3,755,500
02 Travel	86,509	98,100	98,100
03 Transportation of things	39,702	34,000	34,000
04 Communication services	34,942	35,500	35,500
05 Rents and utility services	30,566	27,200	27,200
06 Printing and reproduction	1,910	3,909	4,800
07 Other contractual services	300,458	536,711	474,700
Reimbursement to "National Institutes of Health management fund"	2,240,300	2,430,000	2,694,000
08 Supplies and materials	631,098	601,807	628,300
09 Equipment	205,749	279,210	298,800
11 Grants, subsidies, and contributions	17,166,662	26,372,400	26,680,000
13 Refunds, awards, and indemnities	218		
15 Taxes and assessments	12,045	15,900	18,200
Subtotal	23,891,260	34,026,737	34,749,100
Deduct quarters and subsistence charges	7,535	10,100	10,100
Total costs	23,883,725	34,016,637	34,739,000
Obligations incurred for costs of other years, net	154,958	37,363	
Total obligations	24,038,683	34,054,000	34,739,000

Neurology and Blindness Activities

For expenses necessary to carry out the purposes of the Act relating to neurology and blindness, [$41,487,000] *$39,662,000. (42 U.S.C. 289 a–c; Department of Health, Education, and Welfare Appropriation Act, 1960.)*

Appropriated 1960, **$41,487,000** Estimate 1961, **$39,662,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Grants:			
(a) Research projects	$16,851,710	$23,484,000	$24,221,000
(b) Research fellowships	535,263	536,000	536,000
(c) Training	5,569,918	8,888,000	7,339,000
Total, grants	22,956,891	32,908,000	32,096,000
2. Direct operations:			
(a) Research	5,413,364	6,158,433	6,371,000
(b) Review and approval of grants	508,083	968,526	934,000
(c) Training activities	32,223	58,586	50,000
(d) Administration	177,341	207,386	211,000
Total, direct operations	6,131,011	7,392,931	7,566,000
Total program costs	29,087,902	40,300,931	39,662,000
3. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−54,748		
Obligations incurred for costs of other years (unpaid undelivered orders), net		46,069	
Total program (obligations)	29,033,154	40,347,000	39,662,000
Financing:			
Unobligated balance no longer available	369,846	1,140,000	
Appropriation (new obligational authority)	29,403,000	41,487,000	39,662,000

1. *Grants—(a) Research projects.*—Funds for 1961 will support approximately 1,349 grants compared to 1,309 in 1960 and 942 in 1959.

(b) Research fellowships.—Approximately 202 fellowships including 102 part-time awards, will be supported in 1960 and 1961, as compared to 193 fellowships in 1959.

(c) Training.—Funds for 1960 and 1961 will support approximately 193 grants to training institutions to establish and improve programs to train teachers and clinical investigators in neurology, ophthalmology, and otology. Approximately 207 traineeships will be awarded to individuals for specialized postgraduate training in 1960 and 1961. The grants and traineeships were 156 and 147 respectively, in 1959.

2. *Direct operations—(a) Research.*—Research is being conducted on disorders of the brain, and spinal cord and peripheral nerves, such as epilepsy, cerebral palsy, multiple sclerosis, apoplexy, and Parkinson's disease; on neuromuscular disorders, such as muscular dystrophy; and on visual and other sensory disorders, such as glaucoma, uveitis, cataract, and hearing impairments.

(b) Training activities.—Support is given for inservice training of qualified staff members in subjects related to neurological and other sensory disorders.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $323,679; 1959, $268,931; 1960, $315,000; 1961, $315,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	337	445	445
Full-time equivalent of all other positions	19	30	30
Average number of all employees	319	440	440
Number of positions at end of year	351	495	495
Average GS grade and salary	6.9 $5,815	7.3 $5,971	7.3 $5,971
01 Personal services:			
Permanent positions	$1,923,063	$2,634,400	$2,634,400
Positions other than permanent	116,319	246,500	247,000
Other personal services	61,624	85,300	76,900
Total personal services	2,101,006	2,966,200	2,958,300
02 Travel	158,254	189,000	189,000
03 Transportation of things	28,762	12,000	12,000
04 Communication services	40,046	37,500	37,500
05 Rents and utility services	6,338	4,000	4,000
06 Printing and reproduction	28,787	60,046	47,000
07 Other contractual services	586,590	485,282	530,400
Reimbursement to "National Institutes of Health management fund"	2,569,600	2,877,000	3,052,000
08 Supplies and materials	266,679	299,320	357,900
09 Equipment	292,161	363,283	277,000
11 Grants, subsidies, and contributions	23,007,514	33,004,200	32,192,200
13 Refunds, awards, and indemnities	270		
15 Taxes and assessments	10,969	14,300	15,900
Subtotal	29,096,976	40,312,131	39,673,200
Deduct quarters and subsistence charges	9,074	11,200	11,200
Total costs	29,087,902	40,300,931	39,662,000
Costs financed from obligations of other years, net (−)	−54,748		
Obligations incurred for costs of other years, net		46,069	
Total obligations	29,033,154	40,347,000	39,662,000

Grants for Construction of Health Research Facilities

For grants pursuant to the Health Research Facilities Act of 1956, as amended by the Act of August 27, 1958 (72 Stat. 933), [$30,000,000] *$25,000,000. (42 U.S.C. 292; Department of Health, Education, and Welfare Appropriation Act, 1960.)*

Appropriated 1960, **$30,000,000** Estimate 1961, **$25,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Grants for construction and equipment (total costs—obligations) (object class 11)	$29,960,227	$30,039,868	$25,000,000
Financing:			
Unobligated balance brought forward	−95	−39,868	
Unobligated balance carried forward	39,868		
Appropriation (new obligational authority)	30,000,000	30,000,000	25,000,000

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PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

GRANTS FOR CONSTRUCTION OF HEALTH RESEARCH FACILITIES—Continued

Funds are proposed for the fifth year of a 6-year program of grants for the construction of new and improved non-Federal research facilities in the sciences related to health as authorized by the Health Research Facilities Act of 1956, as amended in 1958.

OPERATIONS, NATIONAL LIBRARY OF MEDICINE

For expenses, not otherwise provided for, necessary to carry out the National Library of Medicine Act (42 U.S.C. 275), [$1,566,000] *$1,662,000. (Department of Health, Education, and Welfare Appropriation Act, 1960.)*

Appropriated 1960, **$1,566,000** Estimate 1961, **$1,662,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Library operations (total program costs)	$1,532,094	$1,586,000	$1,662,000
2. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−9,707	−20,000	
Total program (obligations)	1,522,387	1,566,000	1,662,000
Financing:			
Unobligated balance no longer available	3,613		
New obligational authority	1,526,000	1,566,000	1,662,000
New obligational authority:			
Appropriation	$1,415,000	$1,566,000	$1,662,000
Transferred from "Promotion and further development of vocational education," Office of Education (73 Stat. 54)	111,000		
Appropriation (adjusted)	1,526,000	1,566,000	1,662,000

The National Library of Medicine assists the advancement of science through the collection and exchange of medical and other scientific information. In addition to cataloging and indexing services, the Library also publishes bibliographical guides and provides reference and research assistance.

The estimate for 1961 contemplates a continuation of the basic programs of the Library with increases for improving its indexing operations, increased publications costs, and publishing the fifth and final series of the Index-Catalogue.

WORKLOAD DATA

	1959 actual	*1960 estimate*	*1961 estimate*
Medical publications acquired	80,222	88,500	88,500
Titles cataloged	20,757	23,500	23,500
Volumes bound and repaired	19,470	22,000	22,000
Inquiries answered	9,390	10,000	10,000
Loan requests filled	111,822	115,000	115,000
Pages photographed for orders	1,449,660	1,600,000	1,600,000
Journal articles indexed	119,321	123,000	136,000

Relation of costs to obligations.—Year-end balances of unpaid undelivered orders are as follows: 1958, $74,531; 1959, $64,824; 1960, $44,824; 1961, $44,824.

Object Classification

	1959 actual	1960 estimate	1961 estimate
PUBLIC HEALTH SERVICE			
Total number of permanent positions	224	224	224
Full-time equivalent of all other positions		1	1
Average number of all employees	216	218	218
Number of employees at end of year	215	221	221
Average GS grade and salary	6.2 $5,267	6.4 $5,395	6.4 $5,395
Average salary of ungraded positions	$3,986	$4,149	$4,149
01 Personal services:			
Permanent positions	$1,113,860	$1,163,100	$1,163,100
Positions other than permanent	950	7,300	7,300
Other personal services	26,933	18,800	14,400
Total personal services	1,141,743	1,189,200	1,184,800
02 Travel	10,877	8,800	8,800
03 Transportation of things	317	400	400
04 Communication services	14,675	14,700	14,700
05 Rents and utility services	23,193	23,300	33,300
06 Printing and reproduction	79,165	90,300	144,000
07 Other contractual services	24,766	29,600	49,300
08 Supplies and materials	37,408	51,800	63,800
09 Equipment	124,162	106,600	91,600
11 Grants, subsidies, and contributions	69,200	70,000	70,000
13 Refunds, awards, and indemnities	519		
15 Taxes and assessments	1,255	1,300	1,300
Total, Public Health Service	1,527,280	1,586,000	1,662,000
ALLOCATION TO LIBRARY OF CONGRESS			
Average number of all employees	1		
Number of employees at end of year	0		
01 Personal services: Positions other than permanent	$4,814		
Total costs	1,532,094	$1,586,000	$1,662,000
Costs financed from obligations of other years, net (−)	−9,707	−20,000	
Total obligations	1,522,387	1,566,000	1,662,000

RETIRED PAY OF COMMISSIONED OFFICERS

(Indefinite)

For retired pay of commissioned officers, as authorized by law, and payments under the Uniformed Services Contingency Option Act of 1953, such amount as may be required during the current fiscal year. *(42 U.S.C. 212, 213a; Department of Health, Education, and Welfare Appropriation Act, 1960.)*

Appropriated (estimate) 1960, **$1,725,000**
Estimate 1961, **$1,860,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Retirement payments and survivors' benefits (total costs—obligations) (object class 12)	$1,575,670	$1,725,000	$1,860,000
Financing:			
Appropriation (new obligational authority)	1,575,670	1,725,000	1,860,000

Retirement payments and survivors' benefits.—Provision is made for the pay of officers retired for age, disability, or length of service, and for payments to survivors of officers who die while on the retired list. There were 279 retired officers on the rolls on June 30, 1959, and it is anticipated that there will be 293 in 1960 and 310 in 1961.

BUILDINGS AND FACILITIES

For construction, major repair, improvement, extension, and equipment of Public Health Service facilities, not otherwise provided, including plans and specifications and acquisition of sites, $3,135,000, to remain available until expended: Provided, That the balances of appropriations heretofore made available for construction, major repair, improvement, extension, or equipment of any Public Health Service

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facilities (except construction of Indian health facilities) and remaining unexpended on June 30, 1960, shall be merged with this appropriation.

[CONSTRUCTION OF ANIMAL QUARTERS, HAMILTON, MONTANA]

[For the construction of quarters at the Rocky Mountain Laboratory, Hamilton, Montana, for small animals, $150,000.] (*Department of Health, Education, and Welfare Appropriation Act, 1960.*)

[RESEARCH FACILITIES CONSTRUCTION AND SITE ACQUISITION]

[For the acquisition of a site for research facilities for large animals, including repairs, alterations, and construction of auxiliary facilities and temporary buildings, $150,000, to remain available until expended.] (*Department of Health, Education, and Welfare Appropriation Act, 1960.*)

Appropriated 1960, **$300,000** Estimate 1961, **$3,135,000**

Program and Financing

	Costs to this appropriation					Analysis of 1961 financing			
	Total estimate	To June 30, 1958	1959 actual	1960 estimate	1961 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1961	Appropriation required to complete
Program by activities:									
1. Site and planning, Communicable Disease Center	$600,000				$600,000			$600,000	
2. Planning, environmental health center	785,000				785,000			785,000	
3. Construction of animal quarters (at the National Institutes of Health, Bethesda, Md)	2,521,000	$1,217,110			200,000	$153,890	$1,103,890	1,150,000	
4. Construction of research facilities, Lexington, Ky	350,000				238,000		112,000	350,000	
5. Research facilities construction and site acquisition	400,000			$150,000	190,000		60,000	250,000	
6. Construction of library facilities	7,300,000	45,967	$236,962	3,820,774	2,148,511	3,196,297	1,047,786		
7. Construction of dental research building	3,799,044	19,241	284,225	2,324,157	1,171,421	1,171,421			
8. Construction of surgical facilities	1,965,000	19,902	77,827	1,288,072	579,199	579,199			
9. General office building	9,925,000	43,815	302,300	4,941,680	4,440,500	4,637,205	196,705		
10. Equipment, Communicable Disease Center	1,700,000		264,102	1,135,898	300,000	300,000			
11. Construction of animal quarters, Hamilton, Mont	150,000			100,000	50,000	50,000			
12. Construction of biologics standards building	3,500,000	207,671	1,949,077	1,343,252					
13. Construction of research facilities (Clinical Center, NIH)	61,126,868	61,108,831	17,737	300					
14. Buildings and facilities, Cincinnati, Ohio	4,676,808	4,658,545	18,263						
Total program costs	98,798,720	67,321,082	3,150,493	15,104,133	10,702,631	10,088,012	2,520,381	3,135,000	
15. Relation of costs to obligations:									
Costs financed from obligations of other years, net (−)				−3,805,103	−5,154,457				
Obligations incurred for costs of other years, net			7,258,885						
Total program (obligations)			10,409,378	11,299,030	5,548,174				
Financing:									
Unobligated balance brought forward			−2,415,592	−14,294,571	−3,369,331				
Recovery of prior year obligations				−73,790					
Unobligated balance carried forward			14,294,571	3,369,331	956,157				
Unobligated balance no longer available			108,961						
New obligational authority			22,397,318	300,000	3,135,000				
New obligational authority:									
Appropriation			$22,310,000	$300,000	$3,135,000				
Reappropriation			87,318						

This appropriation consolidates all direct construction items of the Public Health Service except Construction of Indian health facilities. A distribution of appropriations for construction of buildings and procurement of facilities ancillary to various programs of the Public Health Service follows:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Bureau of State Services		$8,200,000		$1,385,000
National Institutes of Health	$258,000	13,722,000	$300,000	1,750,000
National Library of Medicine	18,000	6,975,000		
Total	276,000	28,897,000	300,000	3,135,000

PROPOSED PROJECTS

The following construction projects will necessitate the provision of additional funds in 1961:

1. *Site and planning, Communicable Disease Center.*—The estimate provides $600,000 for facilities in and near Atlanta, Ga., (*a*) for acquisition and surveys of a site for breeding, holding, and grazing experimental animals and (*b*) for plans and specifications for animal quarters and for additional office, laboratory, and service space at the Communicable Disease Center.

2. *Planning, environmental health center.*—Funds estimated at $785,000 are required for plans, specifications, and site surveys for facilities at Cincinnati, Ohio, to be used for sanitary engineering, occupational health, and radiological health programs.

3. *Construction of animal quarters (at the National Institutes of Health, Bethesda, Md.).*—Funds in the amount of $1,150,000 are to be used along with remaining balances from previous appropriations for completion of animal quarters. This facility has been used for offices in order to meet a temporary need. New cage-washing facilities, cages and racks, and other alterations are necessary in order to restore the building to its intended purpose. Completion is anticipated by November 1961.

4. *Construction of research facilities, Lexington, Ky.*—Funds estimated at $350,000 are required for plans, specifications, and construction of a facility to replace present inadequate structures at the Addiction Research Center. It is estimated that 6 months will be required to complete plans and that construction can be finished 9 months thereafter.

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PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

BUILDINGS AND FACILITIES—Continued

5. *Research facilities construction and site acquisition.*—Arrangements for acquisition of a site for a large animal facility in Montgomery County, Md., to serve the National Institutes of Health, will be concluded in 1960 with available funds. $250,000 is requested in 1961 for design of a records storage building, permanent animal buildings, construction of temporary bleeding stalls and other minor structures, and for the development of a master site plan including permanent utilities.

CONTINUING PROJECTS

The following projects are being constructed under appropriations currently available:

6. *Construction of library facilities.*
7. *Construction of dental research building.*
8. *Construction of surgical facilities.*
9. *General office building.*

The library facilities, scheduled for completion in June 1961, will provide a new location for the National Library of Medicine at Bethesda, Md. The dental research building will be completed in January 1961. The expansion of existing surgical facilities is scheduled for completion in December 1960. A contract has been awarded for the construction of the general office building, scheduled for completion in July 1961, which will house administrative and management personnel of the National Institutes of Health. Associated with the construction of this facility is the expansion of the powerplant for air conditioning purposes. Included are extension of a building, erection of a cooling tower, installation of a compressor, and space for installation of additional compressor equipment at a later date.

COMPLETED PROJECTS

10. *Equipment, Communicable Disease Center.*
11. *Construction of animal quarters, Hamilton, Mont.*
12. *Construction of biologics standards building.*
13. *Construction of research facilities (Clinical Center, NIH).*
14. *Buildings and facilities, Cincinnati, Ohio.*

The purchase and installation of equipment at the Communicable Disease Center building, under construction on a lease purchase arrangement at Atlanta, Ga., should be completed in 1960. The construction of animal quarters at the Rocky Mountain Laboratory, Hamilton, Mont., and the construction of the biologics standards building and research facilities at Bethesda, Md., form a part of the general expansion of the facilities of the National Institutes of Health. The buildings and facilities at Cincinnati, Ohio, constitute the Robert A. Taft Sanitary Engineering Center.

15. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$3,338,689	$10,597,574	$6,718,681	$1,564,224
Selected resources at start of year (−)		−3,338,689	−10,597,574	−6,718,681
Adjustment of selected resources reported at start of year			73,790	
Costs financed from obligations of other years, net (−)			−3,805,103	−5,154,457
Obligations incurred for costs of other years, net		7,258,885		

Object Classification

		1959 actual	1960 estimate	1961 estimate
	PUBLIC HEALTH SERVICE			
	Average number of all employees			1
	Number of employees at end of year			0
01	Personal services: Positions other than permanent			$8,000
02	Travel			2,000
04	Communication services			500
06	Printing and reproduction			1,500
07	Other contractual services	$2,184	$2,150	13,000
08	Supplies and materials	2,038		5,000
09	Equipment	278,143	1,133,748	300,000
10	Lands and structures		100,000	170,000
	Total, Public Health Service	282,365	1,235,898	500,000
	ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
02	Travel	386	900	3,900
04	Communication services	80		
06	Printing and reproduction	24,684	13,700	12,500
07	Other contractual services	707,946	569,993	1,694,827
09	Equipment	4,224	818,211	703,433
10	Lands and structures	2,130,808	12,465,431	7,787,971
	Total, General Services Administration	2,868,128	13,868,235	10,202,631
	Total costs	3,150,493	15,104,133	10,702,631
	Costs financed from obligations of other years, net (−)		−3,805,103	−5,154,457
	Obligations incurred for costs of other years, net	7,258,885		
	Total obligations	10,409,378	11,299,030	5,548,174

SALARIES AND EXPENSES

For the divisions and offices of the Office of the Surgeon General and for miscellaneous expenses of the Public Health Service not appropriated for elsewhere, including preparing information, articles, and publications related to public health; and conducting studies and demonstrations in public health methods, [$5,816,000] *$6,854,000.* (*Department of Health, Education, and Welfare Appropriation Act, 1960.*)

Appropriated 1960, **$5,816,000** Estimate 1961, [a] **$6,854,000**

[a] Includes $27,000 for activities previously carried under "Mental health activities."

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Public health methods and reports	$2,029,406	$2,069,600	$2,751,300
2. Management and central services	3,604,074	3,746,400	4,102,700
Total program costs	5,633,480	5,816,000	6,854,000
3. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net	14,457		
Total program (obligations)	5,647,937	5,816,000	6,854,000
Financing:			
Unobligated balance no longer available	18,063		
New obligational authority	5,666,000	5,816,000	6,854,000

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Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
New obligational authority:			
Appropriation	$5,260,000	$5,816,000	$6,854,000
Transferred from "Promotion and further development of vocational education, Office of Education" (73 Stat. 54)	406,000		
Appropriation (adjusted)	5,666,000	5,816,000	6,854,000

1. *Public health methods and reports.*—This program is primarily concerned with studies of public health practice, economics, and health trends. It includes (*a*) interpretation of data to evaluate health problems, to measure the available facilities, health personnel, supplies, and organizations against those needs, and to provide a factual foundation for public health programs; (*b*) the National Health Survey to obtain information on the amount, distribution, and effects of illness and disability in the United States and the services received for such conditions, and the study of techniques for obtaining such statistical information with a view toward their continuing improvement; (*c*) the provision of advisory services to other government and nongovernment organizations; (*d*) staff services for the Surgeon General; and (*e*) publication of Public Health Reports, the official technical journal of the Public Health Service.

Relation of costs to obligations.—Year-end balances of unpaid undelivered orders are as follows: 1958, $76,650; 1959, $91,107; 1960, $91,107; 1961, $91,107.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	550	586	642
Full-time equivalent of all other positions	6	4	5
Average number of all employees	523	549	605
Number of employees at end of year	555	576	628
Average GS grade and salary	7.6 $6,323	7.8 $6,415	7.8 $6,375
01 Personal services:			
Permanent positions	$3,479,244	$3,719,835	$4,077,535
Positions other than permanent	46,812	26,900	39,900
Other personal services	26,595	28,040	18,340
Total personal services	3,552,651	3,774,775	4,135,775
02 Travel	133,519	129,900	194,100
03 Transportation of things	11,237	14,300	25,300
04 Communication services	184,265	203,900	206,900
05 Rents and utility services	7,391	6,500	19,000
06 Printing and reproduction	174,345	145,400	155,400
07 Other contractnal services	115,141	124,420	381,520
Services performed by other agencies	1,138,471	1,111,680	1,246,580
08 Supplies and materials	58,636	48,500	71,700
09 Equipment	47,581	44,150	186,350
11 Grants, subsidies, and contributions	199,881	208,725	227,025
13 Refunds, awards, and indemnities	6,468		
15 Taxes and assessments	5,294	5,150	5,750
Subtotal	5,634,880	5,817,400	6,855,400
Deduct quarters and subsistence charges	1,400	1,400	1,400
Total costs	5,633,480	5,816,000	6,854,000
Obligations incurred for costs of other years, net	14,457		
Total obligations	5,647,937	5,816,000	6,854,000

[Control of Venereal Diseases]

[To carry out the purposes of sections 314(a) and 363 of the Act with respect to venereal diseases and for grants of money, services, supplies, equipment, and use of facilities to States, as defined in the Act, and with the approval of the respective State health authorities, to counties, health districts, and other political subdivisions of the States, for venereal disease control activities, in such amounts and upon such terms and conditions as the Surgeon General may determine; $5,400,000.] (*Department of Health, Education, and Welfare Appropriation Act, 1960.*)

Appropriated 1960, **$5,400,000**

Note.—Estimate of $4,700,000 for activities previously carried under this title has been transferred in the estimates to "Communicable disease activities." The amounts obligated for this purpose in 1959 and 1960 are shown in the schedule as comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Financing:			
Comparative transfers to other accounts	$5,386,087	$5,400,000	
Unobligated balance no longer available	13,913		
Appropriation (new obligational authority)	5,400,000	5,400,000	

Construction, Mental Health Facilities, Alaska

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Construction (total costs—obligations) (object class 11)		$6,500,000	
Financing:			
Unobligated balance brought forward		−6,500,000	
Unobligated balance carried forward	$6,500,000		
Appropriation (new obligational authority)	6,500,000		

An appropriation of $6,500,000 was made in 1959 for assistance in the construction of hospital facilities for the care and treatment of Alaskan mentally ill. The Public Health Service has approved the plans as submitted by Alaska for the implementation of this program, and the grant will be made to Alaska during 1960. The plans provide for the construction of a central hospital of approximately 225 beds in Anchorage.

Dependents' Medical Care

(Indefinite)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Financing:			
Comparative transfers to other accounts	$382,038		
Appropriation (new obligational authority)	382,038		

Grants and Special Studies, Territory of Alaska

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Special grant for general health	$638,000		
Special grant for mental health	1,000,000		
Total program (costs—obligations) (object class 11)	1,638,000		
Financing:			
Comparative transfers to other accounts	548,510		
Unobligated balance no longer available	1,990		
New obligational authority	2,188,500		
New obligational authority:			
Appropriation	$2,165,000		
Transferred from "Promotion and further development of vocational education," Office of Education (69 Stat. 246)	23,500		
Appropriation (adjusted)	2,188,500		

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PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

GRANTS AND SPECIAL STUDIES, TERRITORY OF ALASKA—Con.

This program was initiated to supplement public health services in Alaska to meet the needs of an expanding population and settlement of new areas. The grant programs have been consolidated in a fund appropriated to the President, pending the full assumption of these responsibilities by the State of Alaska.

ALLOCATIONS OR ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations or allotments from other accounts are shown in the schedules of the parent appropriations, as follows:
"American sections, international commissions," Department of State.
"Farm labor supply revolving fund," Bureau of Employment Security, Department of Labor.
"Mutual security—economic," funds appropriated to the President.
"Research and development," Office of Civil and Defense Mobilization.
"Salaries and expenses, Bureau of Prisons," Department of Justice.
"Salaries and expenses," Office of Civil and Defense Mobilization.

Public enterprise funds:

OPERATION OF COMMISSARIES, NARCOTIC HOSPITALS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs:			
Cost of goods sold	$146,490	$148,500	$148,750
Other expense	66,879	65,000	65,350
Total operating costs	213,369	213,500	214,100
Unfunded adjustment to total operating costs:			
Depreciation included above (—)	−267	−2,139	−2,175
Loss on disposal of fixed assets (—)	−2,122		
Total operating costs, funded	210,980	211,361	211,925
Capital outlay: Purchase of equipment	1,375	250	1,000
Total program costs, funded	212,355	211,611	212,925
Relation of costs to obligations:			
Costs financed from obligations of other years, net (—)	−314		
Obligations incurred for costs of other years, net		1,627	875
Total program (obligations)	212,041	213,238	213,800
Financing:			
Amounts becoming available: Revenue and receipts:			
Sale of commodities	209,706	210,900	211,400
Other receipts	3,154	3,200	3,200
Total amounts becoming available	212,860	214,100	214,600
Unobligated balance brought forward	25,153	25,972	26,834
Total amounts available	238,013	240,072	241,434
Unobligated balance carried forward	−25,972	−26,834	−27,634
Financing applied to program	212,041	213,238	213,800

Budget program.—This fund is used to provide canteen items for sale to patients at Fort Worth, Tex., and Lexington, Ky., hospitals (57 Stat. 617). Proceeds of sales are available for replenishing stock and operating expense. The capital investment consists of $10,000 appropriated in 1944 and $1,715 of donated assets. Earnings are retained to meet possible future losses.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Commodities for sale	$17,590	$18,442	$19,658	$19,908
Supplies, deferred charges, etc	2,908	2,670	2,547	2,687
Unpaid undelivered orders	3,970	3,042	3,576	4,061
Total selected resources at end of year	24,468	24,154	25,781	26,656
Selected resources at start of year (—)	−24,468	−24,154	−25,781	−25,781
Costs financed from obligations of other years, net (—)	−314			
Obligations incurred for costs of other years, net		1,627	875	

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Acquisition of equipment	$1,375	$250	$1,000
Expense:			
Purchase of commodities for sale	147,343	149,716	149,000
Other expense	64,490	62,861	63,175
Increase in selected working capital	2,613	782	1,225
Total gross expenditures	215,821	213,609	214,400
Receipts from operations (funds provided):			
Revenue	212,860	214,100	214,600
Budget expenditures	2,961	−491	−200

Revenue, Expense, and Retained Earnings

Revenue	$212,860	$214,100	$214,600
Expense	213,369	213,500	214,100
Net operating income or loss (—)	−509	600	500
Retained earnings, beginning of year	47,635	47,126	47,726
Retained earnings, end of year	47,126	47,726	48,226

Financial Condition

Assets:			
Cash with Treasury	$32,836	$33,327	$33,527
Accounts receivable, net	10,809	11,069	11,319
Commodities for sale	18,442	19,658	19,908
Supplies, deferred charges, etc	2,670	2,547	2,687
Equipment, net	8,715	6,826	5,651
Total assets	73,472	73,427	73,092
Liabilities:			
Current	14,631	13,986	13,151
Government investment:			
Non-interest-bearing capital (start and end of year)	11,715	11,715	11,715
Retained earnings	47,126	47,726	48,226
Total Government investment	58,841	59,441	59,941

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash with Treasury	$35,796	$32,836	$33,327	$33,527
Obligated balance, net:				
Current liabilities	17,434	14,631	13,986	13,151
Unpaid undelivered orders	3,970	3,042	3,576	4,061
Accounts receivable, net (—)	−10,761	−10,809	−11,069	−11,319
Total obligated balance	10,643	6,864	6,493	5,893
Unobligated balance	25,153	25,972	26,834	27,634

Object Classification

		1959 actual		1960 estimate		1961 estimate	
	Total number of permanent positions	15		13		13	
	Average number of all employees	14		12		12	
	Number of employees at end of year	12		12		12	
	Average GS grade and salary	3.5	$4,121	3.7	$4,216	3.7	$4,280
01	Personal services:						
	Permanent positions	$54,474		$52,067		$53,235	
	Positions other than permanent	806					
	Other personal services	309		903		625	
	Total personal services	55,589		52,970		53,860	
02	Travel	291		500		300	
03	Transportation of things			200		200	
04	Communication services	29		60		60	
05	Rents and utility services	592		750		800	
06	Printing and reproduction	1,079		1,300		1,250	
07	Other contractual services	543		800		850	
08	Supplies and materials	148,664		152,458		151,380	
09	Equipment	1,338		250		1,000	
11	Grants, subsidies, and contributions	3,312		3,250		3,350	
15	Taxes and assessments	604		700		750	
	Total obligations	212,041		213,238		213,800	

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Intragovernmental funds:

BUREAU OF STATE SERVICES MANAGEMENT FUND

For the purpose of facilitating the economical and efficient conduct of operations in the Bureau of State Services which are financed by two or more appropriations where the costs of operation are not readily susceptible of distribution as charges to such appropriations, there is hereby established the Bureau of State Services management fund. Such amounts as the Surgeon General may determine to represent a reasonable distribution of estimated costs among the various appropriations involved may be advanced each year to this fund and shall be available for expenditure for such costs under such regulations as may be prescribed by the Surgeon General: Provided, That funds advanced to this fund shall be available only in the fiscal year in which they are advanced: Provided further, That final adjustments of advances in accordance with actual costs shall be effected wherever practicable with the appropriations from which such funds are advanced.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Research services	$899,665	$1,144,800	$1,537,600
2. Business operations	1,881,303	1,945,200	1,983,000
3. Program direction	138,200	152,000	152,400
Total obligations	2,919,168	3,242,000	3,673,000
Financing:			
Advances and reimbursements from—			
"Assistance to States, general"	177,255	152,600	184,600
"Control of tuberculosis"	112,295	94,900	63,900
"Communicable disease activities"	1,483,709	1,669,500	1,966,600
"Environmental health activities"	1,060,467	1,166,000	1,361,700
"National Cancer Institute"	2,419	30,600	17,700
"National Heart Institute"	45,176	77,700	44,000
"Dental health aetivities"	37,847	50,700	34,500
Total financing	2,919,168	3,242,000	3,673,000

It is proposed that there be established in the Bureau of State Services a management fund to facilitate the efficient conduct of operations of that Bureau which are financed from two or more appropriations. The fund would be similar in operation to the management fund of the National Institutes of Health and would finance the research services, business operations, and program direction provided by the staff of the chief, Bureau of State Services, and by field installations at the Communicable Disease Center, Atlanta, Ga., and the Sanitary Engineering Center, Cincinnati, Ohio. Activities of the management fund would be financed by advances and reimbursements from those Public Health Service appropriations for which services are to be rendered by the fund. Formulas for determining the contribution from each appropriation are designed to reflect utilization of services performed by the management fund and take into consideration such factors as the numbers of personnel being serviced, and the dollar level for each program.

In 1959 and 1960, activities which will be conducted through the proposed management fund were carried out by allotments of appropriations. The budget schedules for those years reflect the level of activity which might have been conducted under a management fund and permit comparison to 1961 levels. The new procedure will improve administration through simplification of accounting.

The centralized staffs of the Bureau of State Services, the Communicable Disease Center, and the Sanitary Engineering Center provide supporting services to program activities as follows:

1. *Research services* provide the central administration and operations of services required for the conduct of research activities at the Communicable Disease Center and the Sanitary Engineering Center. Included are such services as technical reporting, library and reference services, biometric services, laboratory equipment design and construction, and the operation and maintenance of buildings.

2. *Business operations* provide the centralized business management services for the Bureau of State Services and the business management services furnished by the central staffs of the Communicable Disease Center and the Sanitary Engineering Center. The activity includes such services as financial management, management advisory services, information activities, processing of Public Health Service claims, procurement, supply and property management, printing and reproduction, forms management, messenger, files, and mail services.

3. *Program direction* provides for the executive direction and supervision of the various activities of the Bureau of State Services, including establishment of policies for program planning and development.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	379	428	491
Full-time equivalent of all other positions	14	23	15
Average number of all employees	376	423	478
Number of employees at end of year	369	414	457
Average GS grade and salary	6.8 $5,701	6.8 $5,672	6.6 $5,554
01 Personal services:			
Permanent positions	$2,162,898	$2,362,700	$2,626,450
Positions other than permanent	87,866	126,800	79,600
Other personal services	22,092	33,500	26,050
Total personal services	2,272,856	2,523,000	2,732,100
02 Travel	68,550	78,800	78,500
03 Transportation of things	15,090	15,000	16,000
04 Communication services	64,215	66,900	82,200
05 Rents and utility services	70,811	86,700	223,700
06 Printing and reproduction	37,682	44,900	45,400
07 Other contractual services	63,107	58,100	76,100
Services performed by other agencies	10,000	10,000	10,000
08 Supplies and materials	108,714	132,300	157,900
09 Equipment	68,667	50,600	55,900
10 Lands and structures	1,100	24,000	27,000
11 Grants, subsidies, and contributions	130,576	144,900	160,400
13 Refunds, awards, and indemnities	1,691	1,400	1,400
15 Taxes and assessments	6,949	6,300	7,300
Subtotal	2,920,008	3,242,900	3,673,900
Deduct quarters and subsistence charges	840	900	900
Total obligations	2,919,168	3,242,000	3,673,000

NATIONAL INSTITUTES OF HEALTH MANAGEMENT FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Research supporting services	$6,358,385	$6,817,918	$7,204,000
2. Clinical supporting services	8,571,480	8,916,216	9,452,000
3. Business operations	3,799,062	4,375,785	4,589,000
4. Program direction	390,193	387,600	387,000
5. Research planning	105,350	154,681	157,000
6. Review and approval of grants	2,129,081	3,336,546	3,675,000
7. Russian scientific translation	377,784	425,000	425,000
8. Cafeteria	376,561	400,003	400,000
Total program costs	22,107,896	24,813,749	26,289,000
9. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net	778	40,251	
Total program (obligations)	22,108,674	24,854.000	26,289,000
Financing:			
Advances and reimbursements from—			
Other accounts	21,686,019	24,454,000	25,889,000
Non-Federal sources (42 U.S.C. 290)	378,325	400,000	400,000
Unobligated balance no longer available	44,330		
Total financing	22,108,674	24,854,000	26,289,000

The National Institutes of Health management fund was established to facilitate the conduct of operations of the National Institutes of Health which are financed by two or more appropriations. The activities of the fund are financed primarily from advances and reimbursements

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PUBLIC HEALTH SERVICE—Continued

Intragovernmental funds—Continued

NATIONAL INSTITUTES OF HEALTH MANAGEMENT FUND—Con.

from the several institutes. Formulas for determining the contribution from each institute are designed to reflect utilization of services performed by the management fund. Taken into consideration are such factors as use of beds in the clinical center, number of laboratory workers, total personnel, and dollar level of grant or direct operations funds obligated by the institute. A small portion of the funds comes from reimbursements from outside sources, principally cafeteria receipts, and some miscellaneous reimbursements from other Government agencies. The 1961 estimate for these activities makes provision for meeting deficiencies in the logistical supporting services and requirements for maintenance of the physical plant.

The centralized organizations of the National Institutes of Health provide supporting services to all programs as follows:

1. *Research supporting services* provide the central administration and operation of services for the conduct of research activities such as the care and breeding of experimental animals, laboratory equipment design and manufacture, and the operation and maintenance of utility services.

2. *Clinical supporting services* consist of the operation of the 516-bed clinical center together with the laboratory space required for the treatment of research patients.

3. *Business operations* provide the business management and plant safety services including financial management, personnel, supply management, transportation, and housekeeping services.

4. *Program direction* provides for the executive direction of research activities and fosters the extramural research and other activities.

5. *Research planning* provides for advice on the development, installation, and maintenance of the intramural research program and the relationship with related research programs and develops analyses related to the Nation's total medical research resources.

6. *Review and approval of grants* performs centralized review and approval services for the eight National Institutes of Health grants and awards programs. Provides overall program coordination, application processing services, program reporting and analytical services, central records, and overall administration of activated grants.

7. *Russian scientific translation* provides for the translation and publication of Russian research literature in the biomedical fields.

8. The *cafeteria* of the clinical center is operated by the nutrition department and furnishes meals for sale to employees and visitors at rates sufficient to cover the cost thereof. Income and expenses for 1959, 1960, and 1961 are as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Income from cafeteria sales	$378,325	$400,000	$400,000
Expense:			
Foodstuff and supplies	166,257	174,100	174,100
Preparation of meals	210,307	225,900	225,900
Total expense	376,564	400,000	400,000

9. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $578,871; 1959, $579,649; 1960, $619,900; 1961, $619,900.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	3,344	3,767	3,839
Full-time equivalent of all other positions	76	59	62
Average number of all employees	3,186	3,455	3,583
Number of employees at end of year	3,433	3,676	3,777
Average GS grade and salary	5.5 $4,882	5.8 $4,970	5.8 $4,976
Average salary of ungraded positions	$4,062	$4,335	$4,354
01 Personal services:			
Permanent positions	$15,098,919	$17,016,800	$17,606,700
Positions other than permanent	357,564	293,000	315,300
Other personal services	637,342	675,700	578,800
Total personal services	16,093,825	17,985,500	18,500,800
02 Travel	303,525	412,100	443,100
03 Transportation of things	35,983	30,200	29,200
04 Communication services	201,795	218,400	232,400
05 Rents and utility services	1,047,948	1,448,700	908,700
06 Printing and reproduction	95,890	118,578	133,700
07 Other contractual services	644,439	558,781	1,453,200
08 Supplies and materials	2,195,945	2,385,624	2,636,100
09 Equipment	454,868	468,766	717,300
11 Grants, subsidies, and contributions	1,022,878	1,170,100	1,214,300
13 Refunds, awards, and indemnities	7,738	12,000	12,000
15 Taxes and assessments	32,883	35,300	38,500
Subtotal	22,137,717	24,844,049	26,319,300
Deduct quarters and subsistence charges	29,821	30,300	30,300
Total costs	22,107,896	24,813,749	26,289,000
Obligations incurred for costs of other years, net	778	40,251	
Total obligations	22,108,674	24,854,000	26,289,000

SERVICE AND SUPPLY FUND

This fund finances the providing of certain supplies, services, and equipment to programs of the Service. It is reimbursed from the appropriations supporting the programs benefited (42 U.S.C. 231).

Budget program.—The principal operations under the fund are carried out at (*a*) the medical supply depot at Perry Point, Md., which maintains stocks of drugs and other medical supplies to meet in part the requirements of the Service and requisitions of other Government organizations; and (*b*) the central supply activities at the National Institutes of Health which maintain stores of scientific and other general-use materials and supplies for the laboratories and offices at Bethesda, Md. In contrast to the operations under this revolving fund, the National Institutes of Health management fund is an annual account to which appropriated funds are advanced to facilitate the financing of clinical research, research services, administration, and other activities where the costs of operation are not readily susceptible of distribution.

Operating results.—Retained earnings amounted to $147,659 as of June 30, 1959, and are being retained in the fund against the possibility of future losses.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Supply depot activities:			
Acquisition of equipment	$2,554	$13,100	$20,000
Expense:			
Purchase of commodities for sale	2,684,817	2,034,672	2,053,496
Other expense	277,752	229,237	227,237
Adjustment of prior year expense	304		
Total, supply depot activities	2,965,427	2,277,009	2,300,733
National Institutes of Health activities:			
Acquisition of equipment	19,336	5,000	25,000
Expense:			
Purchase of commodities for sale	1,785,888	1,900,000	1,900,000
Other expense	805,296	845,000	1,725,000
Increase in selected working capital		1,000	
Total, National Institutes of Health activities	2,610,520	2,751,000	3,650,000
Total gross expenditures	5,575,947	5,028,009	5,950,733

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Sources and Application of Funds (Operations)—Continued

	1959 actual	1960 estimate	1961 estimate
Receipts from operations (funds provided):			
Supply depot activities:			
Proceeds from sale of equipment	$218		
Revenue	2,800,798	$2,334,000	$2,334,000
Decrease in selected working capital	252,888		
Total, supply depot activities	3,053,904	2,334,000	2,334,000
National Institutes of Health activities:			
Revenue	2,613,261	2,758,000	3,640,000
Adjustment of prior year revenue	6,252		
Decrease in selected working capital	104,692		52,000
Total, National Institutes of Health activities	2,724,205	2,758,000	3,692,000
Total receipts from operations	5,778,109	5,092,000	6,026,000
Budget expenditures	−202,162	−63,991	−75,267

Revenue, Expense, and Retained Earnings

Supply depot activities:			
Revenue	$2,800,798	$2,334,000	$2,334,000
Expense	2,796,793	2,334,000	2,334,000
Net operating income, supply depot activities	4,005		
National Institutes of Health activities:			
Revenue	2,613,261	2,758,000	3,640,000
Expense	2,605,256	2,758,000	3,640,000
Net operating income, National Institutes of Health activities	8,005		
Nonoperating income or loss (−):			
Proceeds from sale of equipment	218		
Net book value of assets sold (−)	−1,735		
Net loss from sale of equipment	−1,517		
Net loss on writeoff of equipment	−4,609		
Net nonoperating loss (−)	−6,126		
Net income for the year	5,884		
Analysis of retained earnings:			
Retained earnings, beginning of year	135,827	147,659	147,659
Adjustment of prior year revenue	6,252		
Adjustment of prior year expense	−304		
Retained earnings, end of year	147,659	147,659	147,659

Financial Condition

Assets:			
Cash with Treasury	$682,009	$746,000	$821,267
Advances	35		
Accounts receivable, net	325,020	346,908	346,908
Commodities for sale	1,434,455	1,371,527	1,327,423
Supplies and deferred charges	9,422	9,422	9,422
Equipment, net	134,212	132,149	152,986
Total assets	2,585,153	2,606,006	2,658,006
Liabilities:			
Current	440,381	461,234	513,234
Government investment:			
Non-interest-bearing capital:			
Start of year	1,994,262	1,997,113	1,997,113
Donated equipment during year	2,851		
End of year	1,997,113	1,997,113	1,997,113
Retained earnings	147,659	147,659	147,659
Total Government investment	2,144,772	2,144,772	2,144,772

NOTE.—Unpaid undelivered orders are as follows: June 30, 1958, $291,954; 1959, $387,823; 1960, $393,278; and 1961, $393,278.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	180	187	266
Average number of all employees	170	179	253
Number of employees at end of year	171	187	266
Average GS grade and salary	3.5 $4,012	3.7 $4,074	4.3 $4,361
Average salary of ungraded positions	$4,184	$4,311	$4,311
01 Personal services:			
Permanent positions	$708,903	$767,672	$1,130,630
Positions other than permanent	1,649	2,000	2,560
Other personal services	43,929	24,528	71,110
Total personal services	754,481	794,200	1,204,300
02 Travel	4,236	4,900	8,900

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
03 Transportation of things	$70,836	$21,800	$25,300
04 Communication services	1,878	2,900	4,900
05 Rents and utility services	14,114	20,700	396,400
06 Printing and reproduction	296,192	90,000	99,000
07 Other contractual services	511,901	525,100	578,800
08 Supplies and materials	3,664,621	3,302,609	3,317,033
09 Equipment	221,852	229,100	256,000
11 Grants, subsidies, and contributions	42,506	45,400	69,700
13 Refunds, awards, and indemnities	259	400	
15 Taxes and assessments	1,082	1,200	1,700
Subtotal	5,583,958	5,038,309	5,962,033
Quarters and subsistence charges (−)	−8,315	−11,300	−11,300
Net change in supplies inventory	−1,156		
Total accrued expenditures	5,574,487	5,027,009	5,950,733
Net change in unpaid undelivered orders	95,869	5,455	
Total obligations	5,670,356	5,032,464	5,950,733

WORKING CAPITAL FUND, NARCOTIC HOSPITALS

Budget program.—Farms and other industries operated at the Fort Worth, Tex., and Lexington, Ky., narcotic hospitals provide patients with occupational outlets as a part of their therapeutic rehabilitation. Useful products are made for sale to the hospitals and other Government institutions (42 U.S.C. 258). The investment of the U.S. Government at the end of 1961 is estimated at $554,485, including $134,300 in appropriation and $74,193 in donated assets. Earnings are retained to meet possible future losses.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Acquisition of assets	$26,460	$48,900	$13,950
Expense:			
Purchase of commodities for manufacture or sale	147,142	161,452	169,951
Other expense	448,330	494,596	504,643
Increase in selected working capital	41,865	5,407	
Total gross expenditures	663,797	710,355	688,544
Receipts from operations (funds provided):			
Revenue	640,812	681,100	687,400
Undistributed receipts:			
Proceeds from sale of fixed assets	769		
Disposition of dairy herd	2,588	2,588	2,588
Donated working capital	4,114	500	100
Adjustment of prior year revenue	48		
Decrease in selected working capital			6,471
Total receipts from operations	648,331	684,188	696,559
Budget expenditures	15,466	26,167	−8,015

Revenue, Expense, and Retained Earnings

Revenue	$640,812	$681,100	$687,400
Expense	615,690	680,788	687,000
Net operating income	25,122	312	400
Nonoperating income:			
Proceeds from sale of dairy herd	2,588	2,588	2,588
Net increase in dairy herd (births)	4,857	288	500
Net gain	7,445	2,876	3,088
Proceeds from sale of equipment	769		
Net book value of assets sold	−826		
Net loss (−) from sale	−57		
Adjustment of prior year expense:			
Affecting working capital	48		
Affecting equipment	282		
Net nonoperating income	7,718	2,876	3,088
Net income for the year	32,840	3,188	3,488
Retained earnings, beginning of year	307,076	339,916	343,104
Retained earnings, end of year	339,916	343,104	346,592

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PUBLIC HEALTH SERVICE—Continued

Intragovernmental funds—Continued

WORKING CAPITAL FUND, NARCOTIC HOSPITALS—Continued

Financial Condition

	1959 actual	1960 estimate	1961 estimate
Assets:			
Cash with Treasury	$67,176	$41,009	$49,024
Accounts receivable, net	74,222	62,319	42,819
Commodities for sale	148,224	149,314	163,642
Work in process	12,104	13,071	12,571
Supplies, deferred charges, etc	110,686	109,858	113,358
Equipment, net	174,779	197,170	185,386
Total assets	587,191	572,741	566,800
Liabilities:			
Current	39,982	21,844	12,315
Government investment:			
Non-interest-bearing capital:			
Start of year	198,483	207,293	207,793
Donated assets during the year:			
Inventories	4,114	500	100
Equipment	4,696		
End of year	207,293	207,793	207,893
Retained earnings	339,916	343,104	346,592
Total Government investment	547,209	550,897	554,485

NOTE.—Unpaid undelivered orders are as follows: June 30, 1958, $16,799; 1959, $29,160; 1960, $36,608; 1961, $38,014.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	63	65	65
Full-time equivalent of all other positions	2	1	1
Average number of all employees	59	62	61
Number of employees at end of year	61	65	64
Average GS grade and salary	6.2 $5,184	6.2 $5,209	6.2 $5,299
Average salary of ungraded positions	$5,074	$5,216	$5,216
01 Personal services:			
Permanent positions	$292,504	$314,983	$318,458
Positions other than permanent	6,308	4,244	3,244
Other personal services	6,021	8,092	6,968
Total personal services	304,833	327,319	328,670
02 Travel	2,857	2,600	2,850
03 Transportation of things	7,666	11,625	10,900
04 Communication services	692	700	700
05 Rents and utility services	10,128	10,300	10,050
06 Printing and reproduction		300	300
07 Other contractual services	13,769	14,000	13,750
08 Supplies and materials	268,214	273,476	290,528
09 Equipment	26,524	51,488	16,538
11 Grants, subsidies, and contributions	17,764	20,300	20,150
13 Refunds, awards, and indemnities	984		
15 Taxes and assessments	591	550	500
Subtotal	654,022	712,658	694,936
Deduct quarters and subsistence charges	1,981	1,590	1,586
Total obligations	652,041	711,068	693,350

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Assistance to States, general	$338,364	$420,000	$421,400
2. Control of tuberculosis	21,616	20,000	20,225
3. Communicable disease activities	405,461	459,000	461,050
4. Environmental health activities	1,165,950	1,786,000	1,552,200
5. Grants for hospital construction	304		
6. Foreign quarantine activities	278,453	286,200	286,200
7. Indian health activities	726,438	750,000	753,275
8. National Cancer Institute	10,700	8,000	8,000
9. Mental health activities	42,237	42,000	42,300
10. National Heart Institute	168	2,000	2,000
11. Dental health activities	1,243	3,000	3,000
12. Arthritis and metabolic disease activities	357,668	460,000	461,100
13. Allergy and infectious disease activities	5,231	9,000	3,000
14. Neurology and blindness activities	238		
15. Operations, National Library of Medicine	5,183	11,100	11,125
16. Salaries and expenses	55,034	104,000	46,225
Total program costs	3,414,288	4,360,300	4,071,100

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
17. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net	$6,000		
Total program (obligations)	3,420,288	$4,360,300	$4,071,100
Financing:			
Advances and reimbursements from—			
Other accounts	3,083,737	4,013,100	3,725,400
Non-Federal sources	336,551	347,200	345,700
Total financing	3,420,288	4,360,300	4,071,100

NOTE.—Reimbursements from non-Federal sources above are from the proceeds of sale of personal property (40 U.S.C. 481(c)), for travel concerned with the functions or activities of the Department (71 Stat. 224), for fees for special inspection services (42 U.S.C. 267), and for receipts from pay patients (42 U.S.C. 221).

17. *Relation of costs to obligations.*—Year-end balances for unpaid undelivered orders are as follows: 1959, $6,000; 1960, $6,000; 1961, $6,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	272	321	292
Full-time equivalent of all other positions	45	75	67
Average number of all employees	291	380	345
Number of employees at end of year	315	356	329
Average GS grade and salary	6.9 $5,755	6.3 $5,421	6.3 $5,441
Average salary of ungraded positions	$6,269	$6,169	$6,169
01 Personal services:			
Permanent positions	$1,659,872	$2,020,727	$1,857,771
Positions other than permanent	337,552	532,047	509,011
Other personal services	300,044	324,436	313,928
Total personal services	2,297,468	2,877,210	2,680,710
02 Travel	373,677	469,400	439,800
03 Transportation of things	25,306	88,500	84,100
04 Communication services	9,444	18,400	16,300
05 Rents and utility services	3,215	5,800	5,800
06 Printing and reproduction	8,146	25,200	22,900
07 Other contractual services	84,460	126,730	126,130
08 Supplies and materials	428,850	509,490	499,090
09 Equipment	103,319	138,300	100,600
11 Grants, subsidies, and contributions	74,295	88,500	84,700
15 Taxes and assessments	13,408	20,070	18,270
Subtotal	3,421,588	4,367,600	4,078,400
Deduct quarters and subsistence charges	7,300	7,300	7,300
Total costs	3,414,288	4,360,300	4,071,100
Obligations incurred for costs of other years, net	6,000		
Total obligations	3,420,288	4,360,300	4,071,100

Proposed for later transmission:

SANITARY ENGINEERING ACTIVITIES

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Water supply and water pollution		$88,000	
2. Radiological health		262,000	
Total program (costs—obligations)		350,000	
Financing:			
Proposed supplemental appropriation		350,000	

Under existing legislation, 1960.—A supplemental appropriation of $350,000 is anticipated for 1960 to finance the purchase of special scientific equipment in connection with (*a*) research on the effects of low-level radiation on humans, (*b*) an overall program for the control of radiation hazards, and (*c*) analysis required for the control of water pollution from the processing of radioactive ores.

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SAINT ELIZABETHS HOSPITAL

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for the maintenance and operation of the hospital, including *purchase of one passenger motor vehicle for replacement only,* clothing for patients, and cooperation with organizations or individuals in the scientific research into the nature, causes, prevention, and treatment of mental illness, [$3,715,000] *$3,947,000. (24 U.S.C. 161–221; Department of Health, Education, and Welfare Appropriation Act, 1960.)*

Appropriated 1960, **$3,715,000** Estimate 1961, **$3,947,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs:			
1. Operation and maintenance of hospital	$16,724,231	$17,934,153	$18,621,469
2. Operation of farm	40,127	41,250	41,675
3. Operation of cafeteria	110,558	120,280	121,135
4. Training program	229,588	282,601	326,906
5. Research			49,100
Total operating costs	17,104,504	18,378,284	19,160,285
6. Unfunded adjustments to total operating costs: Property or services transferred in (−) without charge, net	−315,699	−75,000	−75,000
Total operating costs, funded	16,788,805	18,303,284	19,085,285
Capital outlay:			
1. Operation and maintenance of hospital	229,300	223,620	285,720
2. Operation of farm		180	180
3. Operation of cafeteria	3,062	1,200	1,200
4. Training program	169		
5. Research			900
Total capital outlay	232,531	225,000	288,000
6. Unfunded adjustments to total capital outlay: Above capital assets transferred in (−) without charge, net	−85,444		
Total capital outlay, funded	147,087	225,000	288,000
Total program costs, funded	16,935,892	18,528,284	19,373,285
7. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−1,308	−123,284	−23,285
Total program (obligations)	16,934,584	18,405,000	19,350,000
Financing:			
1959 appropriation available in 1958	163,812		
Advances and reimbursements from—			
Other accounts	−1,137,850	−1,232,350	−1,318,640
Non-Federal sources (32 D.C. Code 401–416)	−12,536,435	−13,457,650	−14,084,360
Unobligated balance no longer available	17,889		
Appropriation (new obligational authority)	3,442,000	3,715,000	3,947,000

1. *Operation and maintenance of hospital.*—Saint Elizabeths Hospital provides care and treatment for the mentally ill who are either beneficiaries of the Federal Government or residents of the District of Columbia. The District reimburses the hospital for care of its residents.

Actual and estimated average daily patient load is as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Federal beneficiaries	1,853	1,870	1,842
District of Columbia residents	5,047	5,040	4,900
Total	6,900	6,910	6,742

A proposed supplemental appropriation covering the 1960 costs of wage board pay increases granted in January 1959 is shown under Proposed for later transmission.

2. *Operation of farm.*—The hospital farm provides occupational therapy benefits for patients. The value of produce usually exceeds the cost of operation.

3. *Operation of cafeteria.*—The hospital is authorized to operate a cafeteria for employees and others, and to sell meals at not less than cost. Proceeds are credited to the appropriation.

4. *Training program.*—The training program provides a source for medical and nursing staff recruitment by training interns, residents in psychiatry, student nurses, and other groups concerned with care and treatment of psychiatric patients. The numbers of trainees are as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Interns and other postgraduates	47	62	62
Student nurses	83	90	90
Total	130	152	152

5. *Research.*—The hospital proposes in 1961 to establish a separate research activity to take advantage of the many advances in psychiatric knowledge. Research projects to obtain a better understanding of the causes of mental disorders, their treatment, and possible means of prevention will be conducted in cooperation with the National Institute of Mental Health.

7. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$474,145	$420,329	$358,044	$313,759
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	163,598	202,890	141,891	162,891
Total selected resources at end of year	637,743	623,219	499,935	476,650
Selected resources at start of year (−)		−637,743	−623,219	−499,935
Adjustment of selected resources reported at start of year		13,216		
Costs financed from obligations of other years, net (−)		−1,308	−123,284	−23,285

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Total number of permanent positions	2,773	3,023	3,173
	Full-time equivalent of all other positions	72	89	89
	Average number of all employees	2,713	2,937	3,100
	Number of employees at end of year	2,849	3,012	3,175
	Average GS grade and salary	4.6 $4,659	4.6 $4,648	4.6 $4,647
	Average salary of ungraded positions	$3,794	$3,980	$3,919
01	Personal services:			
	Permanent positions	$11,733,757	$12,680,505	$13,362,475
	Positions other than permanent	20,213	21,000	21,000
	Trainees (interns and residents)	152,668	197,780	238,180
	Other personal services	562,853	577,500	576,400
	Total personal services	12,469,491	13,476,785	14,198,055
02	Travel	5,322	10,000	10,000
03	Transportation of things	12,904	13,000	13,000
04	Communication services	20,524	21,500	21,500
05	Rents and utility services	141,030	158,000	158,000
06	Printing and reproduction	15,011	16,999	16,000
07	Other contractual services	140,259	165,000	322,300
08	Supplies and materials	3,246,270	3,559,850	3,513,650
09	Equipment	151,993	317,000	290,000
11	Grants, subsidies, and contributions	739,092	799,650	840,455
13	Refunds, awards, and indemnities	8,093	8,100	8,100
15	Taxes and assessments	8,672	8,700	8,700
	Subtotal	16,958,661	18,554,584	19,399,760
	Deduct quarters, subsistence, and laundry charges	22,769	26,300	26,475
	Total costs	16,935,892	18,528,284	19,373,285
	Costs financed from obligations of other years, net (−)	−1,308	−123,284	−23,285
	Total obligations	16,934,584	18,405,000	19,350,000

MAJOR REPAIRS AND PRESERVATION OF BUILDINGS AND GROUNDS

For miscellaneous construction, alterations, repairs, and equipment, on the grounds of the hospital, including preparation of plans and specifications, advertising, and supervision of construction, [$330,000] *$345,000,* to remain available until June 30, [1961] *1962. (24 U.S.C. 161–221; Department of Health, Education, and Welfare Appropriation Act, 1960.)*

Appropriated 1960, **$330,000** Estimate 1961, **$345,000**

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SAINT ELIZABETHS HOSPITAL—Continued

Current authorizations—Continued

MAJOR REPAIRS AND PRESERVATION OF BUILDINGS AND GROUNDS—Continued

Program and Financing

	Costs to this appropriation					Analysis of 1961 financing			
	Total estimate	To June 30, 1958	1959 actual	1960 estimate	1961 estimate	Deduct selected resources, and unobligated balance, start of year	Add selected resources, and unobligated balance, end of year	Appropriation required for 1961	Appropriation required to complete
Program by activities:									
1. Building repairs and improvements	$2,300,399	$1,827,265	$73,134	$120,000	$165,000	$60,000	$115,000	$220,000	----
2. Ground maintenance and improvements	843,004	768,004	----	30,000	45,000	----	----	45,000	----
3. Utility facilities, repairs, and improvements	849,460	588,610	27,150	114,800	51,400	38,900	67,500	80,000	----
Total program costs	3,992,863	3,183,879	100,284	264,800	261,400	98,900	182,500	345,000	----
4. Relation of costs to obligations:									
Costs financed from obligations of other years, net (−)			−18,779	----	----				
Obligations incurred for costs of other years, net			----	75,218	63,600				
Total program (obligations)			81,505	340,018	325,000				
Financing:									
Unobligated balance brought forward			−33,093	−33,003	−22,985				
Unobligated balance carried forward			33,003	22,985	42,985				
Unobligated balance no longer available			5,585	----	----				
Appropriation (new obligational authority)			87,000	330,000	345,000				

This appropriation finances major repairs, permanent improvements, or additions to buildings, grounds, and utilities of the hospital. Funds for the larger projects are transferred to the General Services Administration.

1. *Building repairs and improvements.*—Funds requested in 1961 will provide for (*a*) renovation of Hitchcock Hall, (*b*) replacement of guttering and repairs to roofing on patient buildings, and (*c*) extension and completion of chapel basement.

2. *Ground maintenance and improvements.*—Funds are requested for the resurfacing of certain roads and parking areas within the hospital grounds.

3. *Utility facilities, repairs, and improvements.*—Funds are requested in 1961 to provide for (*a*) rewiring and extension of electrical facilities in certain patient buildings, and (*b*) replacement of electrical distribution and wiring system at the hospital powerplant.

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$18,440	$697	$75,915	$139,515
Selected resources at start of year (−)	----	−18,440	−697	−75,915
Adjustment of selected resources reported at start of year	----	−1,036	----	----
Costs financed from obligations of other years, net (−)	----	−18,779	----	----
Obligations incurred for costs of otber years, net	----	----	75,218	63,600

Object Classification

		1959 actual	1960 estimate	1961 estimate
	SAINT ELIZABETHS HOSPITAL			
07	Other contractual services	$48,237	$160,018	$105,000
08	Supplies and materials	3,745	----	----
	Total costs, Saint Elizabeths Hospital	51,982	160,018	105,000
	ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
02	Travel	6	100	100
06	Printing and reproduction	533	2,000	3,000
07	Other contractual services	47,763	20,507	36,900
10	Lands and structures	----	82,175	116,400
	Total costs, General Services Administration	48,302	104,782	156,400
	Total costs	100,284	264,800	261,400
	Costs financed from obligations of other years, net (−)	−18,779	----	----
	Obligations incurred for costs of other years, net	----	75,218	63,600
	Total obligations	81,505	340,018	325,000

CONSTRUCTION AND EQUIPMENT, TREATMENT AND CAFETERIA BUILDING

For construction and equipment of a treatment and cafeteria building at Saint Elizabeths Hospital, $4,493,000, to remain available until expended.

Estimate 1961, **$4,493,000**

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Program and Financing

	Costs to this appropriation					Analysis of 1961 financing			
	Total estimate	To June 30, 1958	1959 actual	1960 estimate	1961 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1961	Appropriation required to complete
Program by activities:									
1. Design, supervision, etc	$500,994	$13,136	$108,255	$58,603	$90,100		$230,900	$321,000	
2. Construction	4,172,000				1,309,900		2,862,100	4,172,000	
Total program costs	4,672,994	13,136	108,255	58,603	1,400,000		3,093,000	4,493,000	
3. Relation of costs to obligations:									
Costs financed from obligations of other years (unpaid undelivered orders), net (−)			−63,142	−58,603					
Obligations incurred for costs of other years (unpaid undelivered orders), net					2,568,000				
Total program (obligations)			45,113		3,968,000				
Financing:									
Unobligated balance brought forward			−45,119						
Unobligated balance carried forward					525,000				
Unobligated balance no longer available			6						
Appropriation (new obligational authority)					4,493,000				

The proposed appropriation will provide for the construction and equipment of a 250-bed treatment and cafeteria building to replace an antiquated treatment facility constructed in 1871. The proposed building will also provide food service facilities for two adjacent treatment buildings now lacking adequate facilities of this type. Plans and specifications for this facility, completed during 1959 with funds appropriated for the purpose in 1958, have been reviewed and approved by the hospital and General Services Administration.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $121,745; 1959, $58,603; 1961, $2,568,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
02 Travel	$4		$100
06 Printing and reproduction	424		14,000
07 Other contractual services	107,827	$58,603	90,000
10 Lands and structures			1,295,900
Total costs	108,255	58,603	1,400,000
Costs financed from obligations of other years, net (−)	−63,142	−58,603	
Obligations incurred for costs of other years, net			2,568,000
Total obligations	45,113		3,968,000

Extension and Modernization of Administration Building

For expenses necessary for the extension and modernization of the administration building at Saint Elizabeths Hospital, $501,000, to remain available until expended.

Estimate 1961, **$501,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Design, supervision, etc			$23,500
2. Construction			100,500
Total program costs			124,000
3. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net			293,000
Total program (obligations)			417,000
Financing:			
Unobligated balance carried forward			84,000
Appropriation (new obligational authority)			501,000

Funds are provided for the extension and modernization of the present administration building to furnish more adequate space and facilities for the effective administration of the hospital's diverse activities.

Preliminary plans for this project were completed in 1959 with funds appropriated for the purpose in the 1958 appropriation for Major repairs and preservation of buildings and grounds.

3. *Relation of costs to obligations.*—Year-end balance of unpaid undelivered orders for 1961 is estimated to be $293,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
02 Travel			$100
06 Printing and reproduction			1,900
07 Other contractual services			22,500
10 Lands and structures			99,500
Total costs			124,000
Obligations incurred for costs of other years, net			293,000
Total obligations			417,000

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SAINT ELIZABETHS HOSPITAL—Continued

Current authorizations—Continued

CONSTRUCTION, CONTINUED TREATMENT BUILDING

Program and Financing

	Costs to this appropriation					Appropriation required for 1961	Appropriation required to complete
	Total estimate	To June 30, 1958	1959 actual	1960 estimate	1961 estimate		
Program by activities:							
1. Design, supervision, etc	$644,000			$19,000			$625,000
2. Construction	6,125,000						6,125,000
Total program costs	6,769,000			19,000			6,750,000
3. Relation of costs to obligations:							
Costs financed from obligations of other years (unpaid undelivered orders), net (—)				−19,000			
Obligations incurred for costs of other years (unpaid undelivered orders), net			$19,000				
Total program (obligations)			19,000				
Financing:							
Unobligated balance brought forward				−106,000			
Unobligated balance carried forward			106,000				
Unobligated balance no longer available				106,000			
Appropriation (new obligational authority)			125,000				

Program specifications for a 450-bed treatment building to replace three smaller obsolete treatment facilities are being prepared with preliminary planning funds appropriated for the purpose in 1959.

3. *Relation of costs to obligations.*—Year-end balance of unpaid undelivered orders for 1959 was $19,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
07 Other contractual services (total costs)		$19,000	
Costs financed from obligations of other years, net (—)		−19,000	
Obligations incurred for costs of other years, net	$19,000		
Total obligations	19,000		

OTHER SAINT ELIZABETHS HOSPITAL CONSTRUCTION ACCOUNTS

Program and Financing

	Costs to this appropriation				
	Total estimate	To June 30, 1958	1959 actual	1960 estimate	1961 estimate
Program by activities:					
1. "Construction and equipment of treatment building"	$6,358,158	$6,298,013	$38,180	$21,965	
2. "Construction and equipment, maximum security building"	7,766,309	6,758,807	763,174	244,328	
Total program costs	14,124,467	13,056,820	801,354	266,293	
3. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (—)			−155,805	−158,229	
Total program (obligations)			645,549	108,064	
Financing:					
Unobligated balance brought forward			−770,455	−124,906	
Unobligated balance carried forward			124,906		
Unobligated balance no longer available				16,842	
Appropriation (new obligational authority)					

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $314,034; 1959, $158,229.

Object Classification

	1959 actual	1960 estimate	1961 estimate
SAINT ELIZABETHS HOSPITAL			
07 Other contractual services	$55	$108	
09 Equipment		24,892	
Total, Saint Elizabeths Hospital	55	25,000	
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
02 Travel	18		
06 Printing and reproduction	562		
07 Other contractual services	101,740	19,220	

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
ALLOCATION TO GENERAL SERVICES ADMINISTRATION—continued			
08 Supplies and materials	$28,797	$13,524	
09 Equipment	298,175	147,799	
10 Lands and structures	372,007	60,750	
Total, General Services Administration	801,299	241,293	
Total costs	801,354	266,293	
Costs financed from obligations of other years, net (—)	−155,805	−158,229	
Total obligations	645,549	108,064	

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Proposed for later transmission:

SALARIES AND EXPENSES

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operation and maintenance of hospital (total costs—obligations)		$45,000	
Financing:			
Proposed supplemental appropriation		45,000	

Under existing legislation, 1960.—A supplemental appropriation of $45,000, covering the Federal share of wage-board pay increases granted in January 1959, is anticipated for 1960.

SOCIAL SECURITY ADMINISTRATION

Current authorizations:

LIMITATION ON SALARIES AND EXPENSES, BUREAU OF OLD-AGE AND SURVIVORS INSURANCE

(Trust fund)

For necessary expenses, [including the purchase of two passenger motor vehicles,] not more than [$191,600,000] *$203,200,000* may be expended from the Federal old-age and survivors insurance trust fund: *Provided,* That such amounts as are required shall be available to pay the cost of necessary travel incident to medical examinations for verifying disabilities of individuals who file applications for disability determinations under title II of the Social Security Act, as amended: *Provided further,* That $10,000,000 of the foregoing amount shall be apportioned for use pursuant to section 3679 of the Revised Statutes as amended (31 U.S.C. 665), only to the extent necessary to process claims workloads not anticipated in the budget estimates and after maximum absorption of the costs of such claims workload within the existing limitation has been achieved[: *Provided further,* That persons who have been admitted to practice before a Federal or State court of record who have had a minimum of three years' experience in the adjudication or consideration of claims for retirement, survivors, or disability benefits may be temporarily appointed by the Commissioner of Social Security to hold hearings under title II of the Social Security Act, as amended, but such temporary appointments shall terminate not later than December 31, 1960: *Provided further,* That no person shall hold a hearing in any case with which he has been concerned previously in the administration of such title II].

Advances to States, next succeeding fiscal year: For making, after May 31 of the current fiscal year, advances to States under section 221(e) of the Social Security Act, as amended, for the first quarter of the next succeeding fiscal year, such sums as may be necessary from the above authorization may be expended from the Federal old-age and survivors insurance trust fund. (*42 U.S.C. 401–425; Department of Health, Education, and Welfare Appropriation Act, 1960.*)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Maintenance of earnings accounts	$26,004,361	$28,711,299	$27,112,123
2. Processing old-age and survivors insurance claims	59,423,459	59,730,005	61,624,457
3. Maintenance of old-age and survivors insurance beneficiary rolls	28,367,932	28,086,789	31,284,370
4. Processing disability claims and maintaining beneficiary rolls	33,048,981	38,825,539	46,244,525
5. Hearings and appeals	3,924,741	4,537,491	4,355,835
6. Actuarial services	108,529	123,207	133,113
7. Administration	18,186,176	20,467,742	21,668,007
8. Contingency reserve		10,000,000	10,000,000
Total program costs	169,064,179	190,482,072	202,422,430
9. Relation of costs to obligations: Obligations incurred for costs of other years, net	1,022,338	890,178	777,570
Total program (obligations)	170,086,517	191,372,250	203,200,000
Financing:			
1959 limitation available in 1958	607,311		
Unobligated balance no longer available	527,172	227,750	
Limitation	171,221,000	191,600,000	203,200,000

The old-age, survivors, and disability insurance program provides protection to over 90% of the persons in the labor force and their families against the loss of earnings because of old age, disability, and death. Under the program, people in covered employment and the self-employed make tax contributions during their working years to provide protection for themselves and their families. Employers match the contributions made by their employees. These contributions are deposited in the Federal old-age and survivors insurance and Federal disability insurance trust funds, out of which benefit payments and administrative costs are paid.

The volume and nature of the work received by the Bureau of Old-Age and Survivors Insurance have changed significantly during the past 10 years because of a series of major revisions to the act, beginning with the amendments of 1950 and culminating with the 1958 amendments. These amendments have improved the protection provided by the retirement and survivors insurance phase of the program and added a disability program which provides for monthly insurance benefits for disabled workers age 50 and over and their dependents and for freezing earnings of disabled workers of any age.

1. *Maintenance of earnings accounts.*—Eligibility for insurance benefits and the amount of benefit payments are based on the lifetime earnings records maintained by the Bureau. The volume of earnings record work depends primarily on the level of employment. Employment levels are expected to continue to rise through both 1960 and 1961. This anticipated increase in employment plus a growing population will result in a greater number of earnings items in 1961 than in 1960.

	1959 actual	*1960 estimate*	*1961 estimate*
Earnings items:			
Received	255,337,049	269,438,500	276,765,500
Processed	255,471,899	269,438,500	276,765,500

2. *Processing old-age and survivors insurance claims.*—Prospective beneficiaries file claims in 584 district offices located in cities throughout the country. When a claim is approved, the Treasury Department is authorized to issue benefit checks. The number of claims received in 1959 exceed the estimate for 1960 because of the economic recession in the early part of 1959 and the peak one-time loads received in that year as a result of the 1958 amendments. The increase in the 1961 estimate over 1960 reflects the normal year-to-year growth in the number of claims.

	1959 actual	*1960 estimate*	*1961 estimate*
Old-age and survivors insurance claims applications:			
Received	2,506,514	2,469,000	2,510,000
Processed	2,534,378	2,470,636	2,510,000

3. *Maintenance of old-age and survivors insurance beneficiary rolls.*—The beneficiary rolls require continuing maintenance so that benefit checks may be mailed promptly each month to beneficiaries whose entitlement continues, and so that checks may be discontinued when eligibility for benefits ceases. The number of benefits in current pay status will continue to rise from year to year. Similarly, benefit payments will continue upward with the increasing number of beneficiaries and the higher benefit amounts provided in the 1958 amendments.

	1959 actual	*1960 estimate*	*1961 estimate*
Old-age and survivors insurance benefits in current pay status at end of year	12,820,164	13,660,000	14,439,000
Old-age and survivors insurance benefit payments (in millions)	$9,049	$10,346	$11,086

4. *Processing disability claims and maintaining beneficiary rolls.*—The Bureau's district offices receive all disability claims. In most cases State agencies, under

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SOCIAL SECURITY ADMINISTRATION—Continued

Current authorizations—Continued

LIMITATION ON SALARIES AND EXPENSES, BUREAU OF OLD-AGE AND SURVIVORS INSURANCE—Continued

(Trust fund)—Continued

contractual arrangements, determine the existence of a disability. The Bureau reviews these determinations to assure uniformity among States. In addition, the Bureau maintains the beneficiary rolls for disability beneficiaries, as described under activity 3 above, for old-age and survivors insurance beneficiaries. Claims for disabled workers received in 1959 exceed the 1960 estimate because of the immediate effect of the 1958 amendments. The estimates for 1960 and 1961 reflect the normal long-term trend of the program.

	1959 actual	*1960 estimate*	*1961 estimate*
Claims from disabled workers:			
Received	423,814	413,000	460,000
Processed	448,610	422,963	450,000
Disability benefits in current pay status at end of year	361,216	493,000	592,000
Disability benefit payments (in millions)	$339	$520	$576

5. *Hearings and appeals.*—Individuals whose claims are disallowed have the right to appeal. In 1958 the appeals workload increased sharply with the first major impact of disability claims. This resulted in abnormally high pending loads for the office of hearings and appeals. During 1959 the backlog was partially reduced and by the end of 1960 it is expected that the abnormal backlog will be completely eliminated.

	1959 actual	*1960 estimate*	*1961 estimat*
Requests for hearings:			
Received	23,455	22,440	24,080
Processed	25,259	27,683	24,080

6. *Actuarial services.*—Actuarial studies and estimates are prepared for long-range program planning.

7. *Administration.*—This activity includes executive direction, divisional management, program research and planning, and housekeeping services.

8. *Contingency reserve.*—This reserve represents funds to be made available in the event claims workloads exceed those contained in the 1961 appropriation request.

9. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table.

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$3,998,735	$5,142,941	$6,033,119	$6,810,689
Selected resources at start of year (−)		−3,998,735	−5,142,941	−6,033,119
Adjustment of selected resources at start of year		−121,868		
Obligations incurred for costs of other years, net		1,022,338	890,178	777,570

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Total number of permanent positions	25,048	26,014	26,328
	Full-time equivalent of all other positions	261	33	24
	Average number of all employees	24,035	25,430	25,788
	Number of employees at end of year	25,285	25,329	25,957
	Average GS grade and salary	5.7 $4,951	5.8 $4,994	6.0 $5,092
01	Personal services:			
	Permanent positions	$117,201,190	$127,113,143	$131,655,152
	Positions other than permanent	1,045,140	288,202	250,833
	Other personal services	8,127,974	3,660,555	3,032,265
	Total personal services	126,374,304	131,061,900	134,938,250
02	Travel	3,377,774	3,044,810	2,975,397
03	Transportation of things	665,034	512,332	604,610
04	Communication services	2,575,794	2,861,256	3,156,171
05	Rents and utility services	11,714,647	12,886,535	13,818,776
06	Printing and reproduction	1,388,482	1,555,261	1,511,579
07	Other contractual services	1,133,804	2,140,217	4,500,222
	Advances to States	9,783,810	13,867,648	18,605,394
08	Supplies and materials	1,679,597	1,874,332	2,032,935
09	Equipment	2,619,231	2,397,216	1,740,292
11	Grants, subsidies, and contributions	7,595,527	8,256,343	8,514,408
13	Refunds, awards, and indemnities	113,011	600	600
15	Taxes and assessments	43,164	23,622	23,796
	Undistributed contingency reserve		10,000,000	10,000,000
	Total costs	169,064,179	190,482,072	202,422,430
	Obligations incurred for costs of other years, net	1,022,338	890,178	777,570
	Total obligations	170,086,517	191,372,250	203,200,000

LIMITATION ON CONSTRUCTION, BUREAU OF OLD-AGE AND SURVIVORS INSURANCE

(Trust fund)

Program and Financing

	Costs to this appropriation					Analysis of 1961 financing			Limitation required to complete
	Total estimate	To June 30, 1958	1959 actual	1960 estimate	1961 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Limitation required for 1961	
Program by activities:									
1. Land	$428,208	$276,208	$2,000	$150,000					
2. Design, supervision, etc	2,252,053	803,877	139,887	1,161,076	$120,000	$147,213	$27,213		
3. Construction	29,609,739	1,624,725	13,796,812	9,635,415	2,400,000	4,552,787	2,152,787		
Total program costs	32,290,000	2,704,810	13,938,699	10,946,491	2,520,000	4,700,000	2,180,000		
4. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)			−12,593,012	−3,919,717	−2,073,000				
Total program (obligations)			1,345,687	7,026,774	447,000				
Financing:									
Unobligated balance brought forward			−7,769,461	−7,633,774	−607,000				
Unobligated balance carried forward			7,633,774	607,000	160,000				
Limitation			1,210,000						

Ground was broken and construction of the Bureau's headquarters building in Baltimore County, Md., got underway in the fall of 1957. It is estimated that construction will be complete in early 1960 and the Bureau plans to move into the building at that time.

Because of major amendments to the Social Security Act since 1953 when space requirements were formulated, the building will be too small to house all of the Bureau's Baltimore operations. Authorization was granted in 1959 increasing the total limitation on cost to $32,290,000 so as to include construction of an addition. This construction will begin as soon as specifications and drawings are complete and the contract awarded.

Relation of costs to obligations.—Year-end balances of unpaid, undelivered orders are as follows: 1958, $20,605,728; 1959, $8,012,717; 1960, $4,093,000; 1961, $2,020,000.

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Object Classification

	1959 actual	1960 estimate	1961 estimate
02 Travel	$102	$200	$200
03 Transportation of things		175,000	
06 Printing and reproduction	998	1,000	7,000
07 Other contractual services	137,944	552,453	312,800
09 Equipment	843	693,000	
10 Lands and structures	13,798,812	9,524,838	2,200,000
Total costs	13,938,699	10,946,491	2,520,000
Costs financed from obligations of other years, net (−)	−12,593,012	−3,919,717	−2,073,000
Total obligations	1,345,687	7,026,774	447,000

Grants to States for Public Assistance

For grants to States for old-age assistance, aid to dependent children, aid to the blind, and aid to the permanently and totally disabled, as authorized in titles I, IV, X, and XIV of the Social Security Act, as amended (42 U.S.C., ch. 7, subchs. I, IV, X, and XIV), [$2,033,500,000] *$2,083,000,000*, of which such amount as may be necessary shall be available for grants for any period in the prior fiscal year subsequent to March 31 of that year. (*Department of Health, Education, and Welfare Appropriation Act, 1960.*)

Appropriated 1960, **$2,033,500,000** Estimate 1961, **$2,083,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
State expenditures:			
1. Payments to recipients:			
(a) Old-age assistance	$1,092,784,676	$1,108,500,000	$1,110,100,000
(b) Aid to dependent children	574,665,397	599,500,000	638,700,000
(c) Aid to the blind	44,517,108	47,300,000	47,400,000
(d) Aid to the permanently and totally disabled	136,218,364	160,700,000	165,300,000
Total, payments to recipients	1,848,185,545	1,916,000,000	1,961,500,000
2. State and local administration:			
(a) Old-age assistance	56,525,851	58,900,000	58,900,000
(b) Aid to dependent children	49,776,129	55,300,000	57,600,000
(c) Aid to the blind	3,358,451	3,600,000	3,500,000
(d) Aid to the permanently and totally disabled	15,477,293	17,200,000	19,000,000
Total, State and local administration	125,137,724	135,000,000	139,000,000
Total for all programs	1,973,323,269	2,051,000,000	2,100,500,000
3. Collections and adjustments during year	−17,922,050	−17,500,000	−17,500,000
Total program costs	1,955,401,219	2,033,500,000	2,083,000,000
4. Relation of costs to obligations: Obligations incurred for costs of other years, net	23,731,590	54,472,056	
Total program (obligations) (object class 11)	1,979,132,809	2,087,972,056	2,083,000,000
Financing:			
Appropriation available from subsequent year	−445,527,944	−500,000,000	−500,000,000
Appropriation available in prior year	423,493,296	445,527,944	500,000,000
Unobligated balance no longer available	861,839		
Appropriation (new obligational authority)	1,957,960,000	2,033,500,000	2,083,000,000

Grants for old-age assistance, aid to dependent children, aid to the blind, and aid to the permanently and totally disabled are made to States that have plans for these programs approved by the Department of Health, Education, and Welfare. A total of 54 jurisdictions including all the States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands have approved plans for old-age assistance, aid to dependent children, and aid to the blind; 49 jurisdictions have approved plans for aid to the permanently and totally disabled. During 1960, it is anticipated that a plan for aid to the permanently and totally disabled will be approved for Iowa.

Under the Social Security Act, the amount of assistance payments subject to Federal participation is limited to a monthly average expenditure of $65 per recipient of old-age assistance, aid to the blind and aid to the permanently and totally disabled and $30 per recipient of aid to dependent children. The average monthly amount is based on expenditures for money payments to recipients and payments to vendors for medical or remedial care. Within these maximums, the Federal Government provides ⅘ of the first $30 per recipient of old-age assistance, aid to the blind and aid to the permanently and totally disabled, and $^{14}/_{17}$ of the first $17 per recipient of aid to dependent children, plus a proportion of the balance, which varies among States from 50 to 65% depending on variations in average per capita income of the States. The foregoing provisions apply in all jurisdictions except Guam, Puerto Rico and the Virgin Islands; for these jurisdictions the Federal share is one-half of total expenditures within a maximum monthly average of $35 per recipient in the adult categories and $18 per recipient of aid to dependent children. The Federal share in these jurisdictions is further limited by the ceiling on the total amount of Federal grants for all categories of assistance and State and local administration of $400,000 for Guam, $8,500,000 for Puerto Rico and $300,000 for the Virgin Islands. In all 54 jurisdictions, the Federal share of expenditures for State and local administration of the program is one-half.

For 1961, the total amount of Federal, State, and local expenditures for assistance and administration is estimated at $3,643,400,000, of which $2,100,500,000 represents the Federal share. The appropriation request of $2,083,000,000 is $17,500,000 less than the estimated Federal share, because the States will have available for expenditure $17,500,000 representing the Federal share of collections and adjustments for prior years. Of the total Federal share, $1,169,000,000 is for old-age assistance, $696,300,000 for aid to dependent children, $50,900,000 for aid to the blind, and $184,300,000 for aid to the permanently and totally disabled. It is estimated that a supplemental appropriation of $10,000,000 will be required for 1960 which is proposed for later transmission.

The appropriation request of $2,083,000,000 for 1961 is $39,500,000 more than the appropriation of $2,033,500,000 plus the supplemental request of $10,000,000 for 1960. Of the increase for 1961 over 1960 about $20,000,000 is due to an estimated increase in the average monthly payments per recipient under all programs, about $13,500,000 is attributable to a larger number of recipients in all programs except old-age assistance; and $6,000,000 is accounted for by an estimated increase in the costs of State and local administration.

The figures for 1960 used in the tables appearing under the activities below include the supplemental request of $10,000,000; the figures shown in the Program and financing schedule include only the $2,033,500,000 already appropriated.

1. *Payments to recipients*—(a) *Old-age assistance.*—The average number of recipients per month for 1961 is estimated at 1.7% fewer than was estimated for 1960. The estimated average monthly payment is $1.50 more than the estimate for 1960.

	1959 actual	*1960 estimate*	*1961 estimate*
Average number of recipients per month	2,444,529	2,400,000	2,360,000
Average monthly payment	$63.34	$65.50	$67.00
Total expenditures for assistance (Federal, State, and local)	$1,858,004,176	$1,886,400,000	$1,897,400,000
Federal share	$1,092,784,676	$1,116,300,000	$1,110,100,000

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SOCIAL SECURITY ADMINISTRATION—Continued

Current authorizations—Continued

GRANTS TO STATES FOR PUBLIC ASSISTANCE—Continued

(*b*) *Aid to dependent children.*—The average number of persons to receive assistance per month for 1961 is 3.3% higher than is estimated for 1960. The estimated average monthly payment per person is $0.60 more than the estimate for 1960.

	1959 actual	*1960 estimate*	*1961 estimate*
Average number of recipients per month:			
Families	757,506	783,500	809,800
Children	2,185,449	2,264,000	2,340,000
Persons	2,851,728	2,952,000	3,050,000
Average monthly payment per person	$27.98	$28.70	$29.30
Total expenditures for assistance (Federal, State, and local)	$956,379,934	$1,016,300,000	$1,072,400,000
Federal share	$574,665,397	$612,800,000	$638,700,000

(*c*) *Aid to the blind.*—The average number of recipients per month for 1961 is estimated at 1.2% more than was estimated for 1960. The estimated average monthly payment is $1.50 more than the estimate for 1960.

	1959 actual	*1960 estimate*	*1961 estimate*
Average number of recipients per month	109,461	110,100	111,400
Average monthly payment	$67.81	$69.80	$71.30
Total expenditures for assistance (Federal, State, and local)	$89,065,605	$92,200,000	$95,300,000
Federal share	$44,517,108	$46,400,000	$47,400,000

(*d*) *Aid to the permanently and totally disabled.*—The average monthly number of recipients is estimated to be 7.4% more than for 1960. The estimated average payment for 1961 is $1.50 more than for 1960. The estimate covers costs under the presently approved plans for 49 jurisdictions and for one additional plan (Iowa) that is expected to be approved in 1960.

	1959 actual	*1960 estimate*	*1961 estimate*
Average number of recipients per month	327,805	352,000	378,000
Average monthly payment	$62.20	$64.10	$65.60
Total expenditures for assistance (Federal, State, and local)	$244,663,845	$270,800,000	$297,600,000
Federal share	$136,218,364	$152,500,000	$165,300,000

2. *State and local administration.*—The grants to States include half the costs of State and local administration that are found by the Department of Health, Education, and Welfare to be necessary for the proper and efficient administration of the State public assistance programs. The Federal share contributes toward the salaries and expenses of about 61,000 State and local personnel.

Total costs in 1961 are estimated at $12,100,000 more than in 1960; $6,000,000 of this increase will come from Federal funds. The increases in costs are attributable primarily to (*a*) salary raises given to keep pace with rising living costs and to compete successfully with other professions and agencies for staff and (*b*) staff increases, to handle the increased number of recipients and to provide services to recipients directed toward self-care, self-support, and strengthened family life.

	1959 actual	*1960 estimate*	*1961 estimate*
(*a*) Old-age assistance	$113,736,827	$116,700,000	$118,800,000
(*b*) Aid to dependent children	99,981,345	110,100,000	115,900,000
(*c*) Aid to the blind	7,349,125	7,500,000	7,700,000
(*d*) Aid to the permanently and totally disabled	31,021,735	34,300,000	38,300,000
Total expenditures (Federal, State, and local)	252,089,032	268,600,000	280,700,000
Federal share	125,137,724	133,000,000	139,000,000

4. *Relation of costs to obligations.*—The relationship is derived by adjusting for advances during current year from next year's appropriation for obligations chargeable to next fiscal year, as follows:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year (amount obligated in current year for grants chargeable to appropriation for subsequent year)	$423,493,296	$445,527,944	$500,000,000	$500,000,000
Selected resources at start of year (amount obligated in prior year for grants chargeable to appropriation for current year) (—)	−423,493,296	−445,527,944	−500,000,000	
Adjustment between State expenditures and Federal grants advanced to States		1,696,942		
Obligations incurred for costs of other years, net		23,731,590	54,472,056	

SALARIES AND EXPENSES, BUREAU OF PUBLIC ASSISTANCE

For expenses necessary for the Bureau of Public Assistance, [$2,345,000] *including contractual training of personnel for State or local public welfare administration, $2,656,000. (42 U.S.C. ch. 7, subchs. I, IV, X, and XIV, and sec. 903; Department of Health, Education, and Welfare Appropriation Act, 1960.)*

Appropriated 1960, **$2,345,000** Estimate 1961, **$2,656,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Program policies and standards	$383,531	$475,483	$491,387
2. Staff development for State and local employees	75,578	104,473	390,746
3. Review State plans and grants, evaluate State operations	1,259,809	1,304,685	1,319,842
4. Collect and interpret statistics	209,612	244,182	244,865
5. Administration	204,032	225,713	209,160
Total program costs	2,132,562	2,354,536	2,656,000
6. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—)		−9,536	
Obligations incurred for costs of other years, net	9,310		
Total program (obligations)	2,141,872	2,345,000	2,656,000
Financing:			
1959 appropriation available in 1958	2,200		
Unobligated balance no longer available	22,428		
Appropriation (new obligational authority)	2,166,500	2,345,000	2,656,000

The Bureau is responsible for the administration of Federal grants to States for four categories of needy people—the aged, dependent children, the blind, and the permanently and totally disabled. These programs involve annual expenditures of over $3.5 billion in Federal, State, and local funds and provide financial assistance and services to more than 5 million people.

1. *Program policies and standards.*—Requirements of the Social Security Act are interpreted and specialized technical assistance is provided. Constructive developmental work with State agencies results in achieving more effective and economical administration.

2. *Staff development for State and local employees.*—Training opportunities, through short-term seminars, are provided for persons employed in social work and other positions in State and local public assistance agencies. Technical assistance is provided to State agencies for improving staff performance at all levels.

3. *Review State plans and grants, evaluate State operations.*—Action is taken on new State plans and on amendments thereto to assure conformity to the act; reviews are made of operations and findings are used to assist States in administering their programs; consultation and advice are provided on problems arising in day-to-day operations; grants are processed; information is provided to the public.

4. *Collect and interpret statistics.*—Information is collected in cooperation with State agencies, to provide national statistics on public assistance which are used by

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the Bureau and the States in formulating policies, planning program content, setting standards, making legislative recommendations, justifying appropriation requests, answering requests, and guiding administrative action.

6. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$6,378	$14,536	$5,000	$5,000
Selected resources at start of year (−)		−6,378	−14,536	−5,000
Adjustment of selected resources at start of year		1,152		
Cost financed from obligations of other years, net (−)			−9,536	
Obligations incurred for costs of other years, net		9,310		

Object Classification

		1959 actual		1960 estimate		1961 estimate
	Total number of permanent positions	273		285		293
	Full-time equivalent of all other positions	4		6		5
	Average number of all employees	255		267		276
	Number of employees at end of year	264		274		282
	Average GS grade and salary	8.8	$7,066	9.1	$7,313	9.1	$7,382
01	Personal services:						
	Permanent positions	$1,769,011		$1,911,000		$1,993,800	
	Positions other than permanent	17,379		26,500		19,000	
	Other personal services	27,743		35,500		28,400	
	Total personal services	1,814,133		1,973,000		2,041,200	
02	Travel	99,956		118,500		118,100	
03	Transportation of things	1,686		3,000		3,000	
04	Communication services	27,169		31,200		31,800	
05	Rents and utility services	127		500		500	
06	Printing and reproduction:						
	Printing	8,696		15,210		10,400	
	Reproduction	17,700		21,000		24,900	
07	Other contractual services	11,315		22,392		260,800	
	Services performed by other agencies	13,858		14,002		14,200	
08	Supplies and materials	10,908		12,658		13,100	
09	Equipment	12,051		17,074		6,700	
11	Grants, subsidies, and contributions	113,720		124,000		129,300	
13	Refunds, awards, and indemnities	404		1,000		1,000	
15	Taxes and assessments	839		1,000		1,000	
	Total costs	2,132,562		2,354,536		2,656,000	
	Costs financed from obligations of other years, net (−)			−9,536			
	Obligations incurred for costs of other years, net	9,310					
	Total obligations	2,141,872		2,345,000		2,656,000	

Salaries and Expenses, Children's Bureau

For necessary expenses in carrying out the Act of April 9, 1912, as amended (42 U.S.C., ch. 6), and title V of the Social Security Act, as amended (42 U.S.C., ch. 7, subch. V), including purchase of reports and material for the publications of the Children's Bureau and of reprints for distribution, [$2,300,000] *$2,374,000*: *Provided*, That no part of any appropriation contained in this title shall be used to promulgate or carry out any instructions, order, or regulation relating to the care of obstetrical cases which discriminate between persons licensed under State law to practice obstetrics: *Provided further*, That the foregoing proviso shall not be so construed as to prevent any patient from having the services of any practitioner of her own choice, paid for out of this fund, so long as State laws are complied with: *Provided further*, That any State plan which provides standards for professional obstetrical services in accordance with the laws of the State shall be approved. (*Department of Health, Education, and Welfare Appropriation Act, 1960.*)

Appropriated 1960, **$2,300,000** Estimate 1961, **$2,374,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. State and local health services for children	$716,090	$774,044	$782,724
2. State and local social services for children	420,362	436,391	426,336
3. Technical assistance to States and communities for juvenile delinquency programs	163,680	191,437	234,932
4. Research in child life and services for children	305,002	303,907	329,950

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
5. Information for parents and others working with children	$293,489	$323,256	$323,555
6. Administration	275,146	269,001	272,503
Total program costs	2,173,769	2,298,036	2,370,000
7. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−8,992		
Obligations incurred for costs of other years (unpaid undelivered orders), net		1,964	4,000
Total program (obligations)	2,164,777	2,300,000	2,374,000
Financing:			
1959 appropriation available in 1958	4,871		
Unobligated balance no longer available	2,352		
Appropriation (new obligational authority)	2,172,000	2,300,000	2,374,000

The Bureau investigates and reports on the health and welfare of children and administers grants to the States for extending and improving maternal and child health services, crippled children's services, and child welfare services.

1. *State and local health services for children.*—Policies and requirements for State maternal and child health and crippled children's programs are developed; State plans are reviewed and approved; consultative services are given to State agencies, other public and voluntary agencies and organizations, and educational institutions engaged in training professional personnel; and guides and recommendations are prepared on the provision of child health services.

2. *State and local social services for children.*—The same approach is used for the child welfare services as for the child health services.

3. *Technical assistance to States and communities for juvenile delinquency programs.*—Consultation is given to States, communities and organizations, both public and voluntary, on standards and methods for care and treatment of juvenile delinquents, on content of State or local programs, and on problems of organization and coordination on a statewide or local basis; assistance is given to State agencies and educational institutions in planning for training of professional and nonprofessional personnel in the field of juvenile delinquency.

4. *Research in child life and services for children.*—Studies on child health and welfare, particularly social and economic problems, are conducted, and the programs and services for children are evaluated. The results are interpreted to the public through pamphlets and bulletins.

5. *Information for parents and others working with children.*—Publications are prepared and distributed on child health and welfare services. Upon request, assistance is given to States in interpreting their child health and welfare programs.

7. *Relation of costs to obligations.*—Year-end balance of unpaid undelivered orders are as follows: 1958, $23,028; 1959, $14,036; 1960, $16,000; 1961, $20,000.

Object Classification

	1959 actual		1960 estimate		1961 estimate
Total number of permanent positions	250		254		262
Full-time equivalent of all other positions	3		4		2
Average number of all employees	231		237		241
Number of employees at end of year	226		238		242
Average GS grade and salary	8.9	$7,388	9.2	$7,475	9.2	$7,575

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SOCIAL SECURITY ADMINISTRATION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES, CHILDREN'S BUREAU—Continued

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
01 Personal services:			
Permanent positions	$1,680,007	$1,738,986	$1,807,452
Positions other than permanent	22,972	28,265	15,865
Other personal services	7,830	17,370	10,604
Total personal services	1,710,809	1,784,621	1,833,921
02 Travel	146,445	163,338	168,708
03 Transportation of things	2,208	2,700	2,700
04 Communication services	27,609	28,000	29,575
05 Rents and utility services	528	500	500
06 Printing and reproduction	130,069	152,600	158,611
07 Other contractual services	3,302	3,874	3,500
Services performed by other agencies	27,017	31,688	36,084
08 Supplies and materials	15,219	17,855	16,000
09 Equipment	2,630	3,086	6,280
11 Grants, subsidies, and contributions	106,617	108,774	113,121
13 Refunds, awards, and indemnities	185		
15 Taxes and assessments	1,131	1,000	1,000
Total costs	2,173,769	2,298,036	2,370,000
Costs financed from obligations of other years, net (−)	−8,992		
Obligations incurred for cost of other years, net		1,964	4,000
Total obligations	2,164,777	2,300,000	2,374,000

SALARIES AND EXPENSES, WHITE HOUSE CONFERENCE ON CHILDREN AND YOUTH

For necessary expenses for [a 1960 White House Conference on Children and Youth, $200,000: *Provided*, That a conference director may be appointed by the Secretary, without regard to civil service laws and the Classification Act of 1949, as amended, at a salary not to exceed $16,500 per annum] *publication of reports, recommendations, guides, and other documents, provision of consultative or clearinghouse services, and other follow-up activities following the 1960 White House Conference on Children and Youth, including the expenses of continued employment of a conference director and other expenses incident to preparation of a final report of the President's national committee on such conference, $150,000. (Act of Apr. 9, 1912, as amended, 42 U.S.C. ch. 6; Department of Health, Education, and Welfare Appropriation Act, 1960.)*

Appropriated 1960, **$200,000** Estimate 1961, **$150,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. White House Conference on Children and Youth (total program costs)	$149,280	$198,961	$150,500
2. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)			−500
Obligations incurred from costs of other years (unpaid undelivered orders), net	461	1,039	
Total program (obligations)	149,741	200,000	150,000
Financing:			
Unobligated balance no longer available	259		
Appropriation (new obligational authority)	150,000	200,000	150,000

Every 10 years since 1909 the President has called a White House Conference on Children and Youth. These conferences are joint undertakings of the Government, States, voluntary organizations, and individual citizens. Private financing is used to help support the Conference.

The 1960 appropriation provided for completion of Conference planning and for holding the Conference. The 1961 request will provide for postconference activity to make available to the public and Conference participants the results and to facilitate application of Conference findings.

Relation of costs to obligations.—Year-end balances of unpaid undelivered orders are as follows: 1959, $461; 1960, $1,500; 1961, $1,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	18	18	12
Full-time equivalent of all other positions	1	1	2
Average number of all employees	11	14	12
Number of employees at end of year	16	12	0
Average GS grade and salary	10.4 $7,945	10.4 $8,186	10.8 $8,705
01 Personal services:			
Permanent positions	$75,943	$103,030	$86,363
Positions other than permanent	8,055	4,500	16,267
Other personal services	620	2,004	370
Total personal services	84,618	109,534	103,000
02 Travel	37,910	61,550	25,000
03 Transportation of things	123		
04 Communication services	2,276	2,856	1,500
05 Rents and utility services	20		
06 Printing and reproduction	7,064	14,908	16,750
07 Other contractual services	456	294	300
Services performed by other agencies	3,824		
08 Supplies and materials	2,624	2,150	1,000
09 Equipment	7,223	3,872	
11 Grants, subsidies, and contributions	1,811	2,860	1,700
15 Taxes and assessments	1,331	937	1,250
Total costs	149,280	198,961	150,500
Costs financed from obligations of other years, net (−)			−500
Obligations incurred for costs of other years, net	461	1,039	
Total obligations	149,741	200,000	150,000

GRANTS TO STATES FOR MATERNAL AND CHILD WELFARE

For grants to States for maternal and child-health services, services for crippled children, and child-welfare services as authorized in title V, parts 1, 2, and 3, of the Social Security Act, as amended (42 U.S.C. ch. 7, subch. V), [$46,500,000] *$48,500,000*, of which [$16,000,000] *$16,667,000* shall be available for services for crippled children, [$17,500,000] *$18,167,000* for maternal and child-health services, and [$13,000,000] *$13,666,000* for child-welfare services: *Provided*, That any allotment to a State pursuant to section 502(b) or 512(b) of such Act shall not be included in computing for the purposes of subsections (a) and (b) of sections 504 and 514 of such Act an amount expended or estimated to be expended by the State: *Provided further*, That $1,000,000 of the amount available under section 502(b) of such Act shall be used only for special projects for mentally retarded children. *(Department of Health, Eduaction, and Welfare Appropriation Act, 1960.)*

Appropriated 1960, **$46,500,000** Estimate 1961, **$48,500,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Maternal and child health services	$16,494,125	$17,500,000	$18,167,000
2. Crippled children's services	16,401,023	16,000,000	16,667,000
3. Child welfare services	11,833,298	13,000,000	13,666,000
Total program (costs—obligations) (object class 11)	44,728,446	46,500,000	48,500,000
Financing:			
Unobligated balance no longer available	271,554		
Appropriation (new obligational authority)	45,000,000	46,500,000	48,500,000

The States are required to match one-half of the amounts appropriated for maternal and child health services and crippled children's services, and the remaining funds are distributed to the States in proportion to their financial need. The States are required to match all appropriated funds for child welfare services, but the percent of matching required varies from 33⅓ to 66⅔.

1. *Maternal and child health services.*—Grants are provided to States for the extension and improvement of health services for mothers and children, especially in rural areas.

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2. *Crippled children's services.*—Grants are made to States to extend and improve services for crippled children including medical, surgical, corrective, and other care, especially in rural areas. A 1959 supplemental appropriation of $1,500,000 was provided to be used exclusively for services for children with congenital heart disease.

3. *Child welfare services.*—Grants aid States to establish, extend, and strengthen child welfare services for the protection and care of homeless, dependent, and neglected children, and children in danger of becoming delinquent, and for the return of runaway children to their homes in other States.

Cooperative Research or Demonstration Projects in Social Security

For grants, contracts, and jointly financed cooperative arrangements for research or demonstration projects under section 1110 of the Social Security Act, as amended (42 U.S.C. 1310), $700,000.

Estimate 1961, **$700,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Grants, contracts, and cooperative arrangements (total costs—obligations) (object class 11)			$700,000
Financing:			
Appropriation (new obligational authority)			700,000

The 1956 amendments to the Social Security Act authorize grants to States, to public and nonprofit organizations, and contracts or jointly financed cooperative arrangements for the conduct of research or demonstration projects in social security. To date, no funds have been appropriated for this purpose. The request for 1961 will provide: (*a*) a major demonstration project to explore bases for the coordinating of community services to help the needy become more self-sufficient; (*b*) for approximately 15 projects by public or nonprofit organizations to explore the causes of dependency and possible methods for its reduction or elimination; and (*c*) for exploration and review of existing knowledge and research in special aspects of social security.

Cooperative Research or Demonstration Projects in Social Security (Special Foreign Currency Program)

For purchase of foreign currencies which accrue under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for the purposes authorized by section 104(k) of that Act, to remain available until expended, $25,650, of which not less than $13,100 shall be available to purchase currencies which the Treasury Department shall determine to be excess to the normal requirements of the United States: Provided, That this appropriation shall not be used for the purchase of currencies available in the Treasury for the purposes of section 104(f) of such Act, unless such currencies are excess to the normal requirements of the United States.

Estimate 1961, **$25,650**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Foreign research projects (total costs—obligations)			$25,650
Financing:			
Appropriation (new obligational authority)			25,650

Use of foreign currencies derived through the sale abroad of surplus agricultural commodities under the Agricultural Trade Development and Assistance Act of 1954 by the Social Security Administration will permit (*a*) a research project in social welfare, in six foreign countries, to evaluate the technical training and experience obtained through exchange programs, and (*b*) a research project in Brazil to study the interrelationships of social insurance systems and social service programs. It is estimated that $1,000 will be used to administer these projects. However, these costs will be absorbed and, therefore, no additional funds are included in the regular appropriation.

Object Classification

	1959 actual	1960 estimate	1961 estimate
02 Travel			$18,050
07 Other contractual services			6,000
08 Supplies and materials			1,600
Total obligations			25,650

Salaries and Expenses, Office of the Commissioner

For expenses necessary for the Office of the Commissioner of Social Security, [$337,000] *$390,000*, together with not to exceed [$276,000] *$282,000* to be transferred from the Federal old-age and survivors insurance trust fund. (*Department of Health, Education, and Welfare Appropriation Act, 1960.*)

Appropriated 1960, **$337,000** Estimate 1961, **$390,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Direction and coordination of the social security program	$282,140	$296,442	$304,015
2. Appraisal and development of the social security program	314,906	316,970	325,185
3. Administration of cooperative research program			42,000
Total program costs	597,046	613,412	671,200
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)	−917	−412	
Obligations incurred for costs of other years, net			800
Total program (obligations)	596,129	613,000	672,000
Financing:			
1959 appropriation available in 1958	500		
Advances and reimbursements from non-Federal sources (annual appropriation acts)	−268,500	−276,000	−282,000
Unobligated balance no longer available	13,871		
Appropriation (new obligational authority)	342,000	337,000	390,000

The Office of the Commissioner directs and coordinates the social security program; and performs basic research covering the broader phases of social security.

1. *Direction and coordination of the social security program.*—This consists of (*a*) formulation of administrative policies; (*b*) certification of compliance of State laws, plans, and operations with Federal requirements and approval of grants to States; (*c*) coordinating interprogram activities; and (*d*) review of administrative management throughout the Social Security Administration.

2. *Appraisal and development of the social security program.*—Provision is made for (*a*) basic studies beyond the immediate scope of any bureau; (*b*) review and coordination of research and statistics work in the Administration; and (*c*) the development of ways of improving economic security through social insurance and related measures.

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SOCIAL SECURITY ADMINISTRATION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES, OFFICE OF THE COMMISSIONER—Con.

3. *Administration of cooperative research program.*—Provision is made for administering a program of cooperative research or demonstration projects in social security.

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$6,136	$2,612	$2,200	$3,000
Selected resources at start of year (−)		−6,136	−2,612	−2,200
Adjustment of selected resources at start of year		2,607		
Costs financed from obligations of other years, net (−)		−917	−412	
Obligations incurred for costs of other years, net				800

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	66	66	71
Average number of all employees	63	64	68
Number of employees at end of year	65	66	71
Average GS grade and salary	9.7 $7,929	9.7 $8,050	9.7 $8,140
01 Personal services:			
Permanent positions	$511,601	$526,762	$564,053
Positions other than permanent			2,800
Other personal services	2,050	4,178	2,270
Total personal services	513,651	530,940	569,123
02 Travel	9,056	7,500	12,900
04 Communications	8,999	9,500	10,300
06 Printing and reproduction	13,880	12,300	16,400
07 Other contractual services	11,954	10,699	14,900
08 Supplies and materials	6,871	6,917	7,400
09 Equipment	281	1,611	3,000
11 Grants, subsidies, and contributions	32,000	33,510	36,827
13 Refunds, awards, and indemnities	4	85	
15 Taxes and assessments	350	350	350
Total costs	597,046	613,412	671,200
Costs financed from obligations of other years, net (−)	−917	−412	
Obligations incurred for costs of other years, net			800
Total obligations	596,129	613,000	672,000

Grants to States, next succeeding fiscal year: For making, after May 31 of the current fiscal year, payments to States under titles I, IV, V, X, and XIV, [and section 705 of title VII,] respectively, of the Social Security Act, as amended, for the first quarter of the next succeeding fiscal year, such sums as may be necessary, the obligations incurred and the expenditures made thereunder for payments under each of such titles to be charged to the appropriation therefor for that fiscal year.

In the administration of titles I, IV, V, X, and XIV, respectively, of the Social Security Act, as amended, payments to a State under any of such titles for any quarter in the period beginning April 1 of the prior year, and ending June 30 of the current year, may be made with respect to a State plan approved under such title prior to or during such period, but no such payment shall be made with respect to any plan for any quarter prior to the quarter in which such plan was submitted for approval. (*Department of Health, Education, and Welfare Appropriation Act, 1960.*)

Public enterprise funds:

OPERATING FUND, BUREAU OF FEDERAL CREDIT UNIONS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs:			
1. Chartering	$36,445	$38,004	$41,429
2. Supervision	530,133	466,763	511,246
3. Examination	2,399,030	2,715,767	3,051,531
4. Administration	91,150	108,954	115,053
5. Interest on Treasury loan	2,030		
Total operating costs	3,058,788	3,329,488	3,719,259
6. Unfunded adjustment to total operating costs: Depreciation included above (−)	−$16,792	−$19,000	−$21,000
Total operating costs, funded	3,041,996	3,310,488	3,698,259
Capital outlay:			
7. Purchase of equipment	9,284	20,000	20,000
Total program costs, funded	3,051,280	3,330,488	3,718,259
8. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−4,015	−12,976	
Total program (obligations)	3,047,265	3,317,512	3,718,259
Financing:			
Amounts becoming available: Revenue and receipts: Fees	3,225,894	3,405,903	3,786,160
Unobligated balance brought forward	501,071	629,700	668,091
Total amounts available	3,726,965	4,035,603	4,454,251
Capital transfer (repayment of investment to Treasury) (−)	−50,000	−50,000	
Unobligated balance carried forward	−629,700	−668,091	−735,992
Financing applied to program	3,047,265	3,317,512	3,718,259

Federal credit unions are privately owned, cooperative associations organized for the purpose of promoting thrift among their members and creating a source of credit for provident or productive purposes, authorized by the Federal Credit Union Act (act of June 26, 1934), as amended.

The Bureau finances its activities out of fees charged for services performed. Additional working capital was provided in 1954 by the appropriation of an interest-bearing loan of $250,000. The final payment on this loan was made in July, 1959.

The Bureau's activities consist of (*a*) chartering new Federal credit unions, (*b*) supervising established Federal credit unions, (*c*) making periodic examinations of their financial condition and operating practices, and (*d*) administrative services. Data relating to activities are shown below.

	1958 actual	*1960 estimate*	*1961 estimate*
Number Federal credit unions chartered	635	600	600
Number regular examinations	9,371	9,580	9,880
Number operating Federal credit unions as of December 31 of the previous calendar year	9,030	9,330	9,630
Assets of Federal credit unions as of December 31 of the previous calendar year	$2,034,866,000	$2,242,110,000	$2,625,729,000

Operating results.—Fees from receipts cover the costs of operations. Retained earnings are expected to show an increase to $883,860 through June 30, 1961.

8. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Travel advance	$10,152	$7,970		
Deferred charges	1,466	336		
Unpaid undelivered orders	10,373	9,670	$5,000	$5,000
Total selected resources at end of year	21,991	17,976	5,000	5,000
Selected resources at start of year (−)		−21,991	−17,976	−5,000
Costs financed from obligations of other years, net (−)		−4,015	−12,976	

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Acquisition of equipment	$9,284	$20,000	$20,000
Expense	3,041,996	3,310,488	3,698,259
Increase in selected working capital	24,611		
Total gross expenditures	3,075,891	3,330,488	3,718,259

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Sources and Application of Funds (Operations)—Continued

	1959 actual	1960 estimate	1961 estimate
Receipts from operations (funds provided):			
Revenue	$3,225,894	$3,405,903	$3,786,160
Decrease in selected working capital		29,089	16,173
Total receipts from operations	3,225,894	3,434,992	3,802,333
Budget expenditures	−150,003	−104,504	−84,074

Revenue, Expense, and Retained Earnings

Chartering program:			
Revenue	$15,950	$15,000	$15,000
Expense	36,471	38,004	41,429
Net operating loss (−), chartering program	−20,521	−23,004	−26,429
Examination program:			
Revenue	2,625,562	2,747,483	3,070,136
Expense	2,400,596	2,715,767	3,051,531
Net operating income, examination program	224,966	31,716	18,605
Supervision program:			
Revenue	584,382	643,420	701,024
Expense	621,721	575,717	626,299
Net operating income or loss (−), supervision program	−37,339	67,703	74,725
Net income for the year	167,106	76,415	66,901
Retained earnings, beginning of year	573,438	740,544	816,959
Retained earnings, end of year	740,544	816,959	883,860

Financial Condition

Assets:			
Cash with Treasury	$741,796	$796,300	$880,374
Accounts receivable, net	351,981	391,525	422,326
Travel advance	7,970		
Deferred charges	336		
Equipment, net	145,489	146,489	145,489
Total assets	1,247,572	1,334,314	1,448,189
Liabilities:			
Current	454,407	514,734	561,708
Government investment:			
Interest-bearing capital:			
Start of year	100,000	50,000	
Repayment of investment to Treasury	−50,000	−50,000	
End of year	50,000		
Non-interest-bearing capital:			
Start of year		2,621	2,621
Capitalization of donated assets	2,621		
End of year	2,621	2,621	2,621
Retained earnings	740,544	816,959	883,860
Total Government investment	793,165	819,580	886,481

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash with Treasury	$641,793	$741,796	$796,300	$880,374
Obligated balance, net:				
Current liabilities	510,670	454,407	514,734	561,708
Unpaid undelivered orders	10,373	9,670	5,000	5,000
Accounts receivable, net, and cash in transit (−)	−380,321	−351,981	−391,525	−422,326
Total obligated balance	140,722	112,096	128,209	144,382
Unobligated balance	501,071	629,700	668,091	735,992

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	399	420	455
Average number of all employees	383	395	431
Number of employees at end of year	382	420	455

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
Average GS grade and salary	8.2 $5,951	8.4 $6,185	8.3 $6,234
01 Personal services:			
Permanent positions	$2,285,821	$2,481,614	$2,740,961
Other personal services	13,902	24,328	15,900
Excess of annual leave earned over annual leave taken	20,604	25,000	25,000
Total personal services	2,320,327	2,530,942	2,781,861
02 Travel	458,487	486,000	528,000
03 Transportation of things	5,749	15,000	16,000
04 Communication services	33,817	32,000	35,000
05 Rents and utility services	7,927		
06 Printing and reproduction	26,657	35,000	30,000
07 Other contractual services	12,133	16,000	44,250
Services performed by other agencies	17,131	19,000	56,300
08 Supplies and materials	10,113	13,000	27,000
09 Equipment	9,284	20,000	20,000
11 Grants, subsidies, and contributions	147,244	162,546	178,848
13 Refunds, awards, and indemnities	10	500	500
14 Interest	2,030		
15 Taxes and assessments	371	500	500
Total costs	3,051,280	3,330,488	3,718,259
Costs financed from obligations of other years, net (−)	−4,015	−12,976	
Total obligations	3,047,265	3,317,512	3,718,259

Intragovernmental funds:

Advances and Reimbursements

Program and Financing

	1959 actnal	1960 estimate	1961 estimate
Program by activities:			
1. Disbursing old-age and survivors and disability insurance benefit payments (Treasury Department, Division of Disbursement)	$126,274		
2. Providing employer manufacturing and nonmanufacturing statistics and related information:			
Department of Commerce:			
Bureau of the Census	41,679	$15,296	
Office of Business Economics	19,575	21,181	
Department of Labor:			
Bureau of Labor Statistics	10,118	1,393	
Wage and Hour and Public Contracts Divisions	13,395		
Railroad Retirement Board	34,197		
International Cooperation Administration	5,325		
Department of Justice: Immigration and Naturalization Services	7,804		
Veterans Administration	18,515	6,948	
Bureau of Federal Credit Unions	6,695	8,947	
3. Providing employment and earnings record information	219,962		
4. Providing technical consultation for Indians in pediatrics and maternal and child health services (Indian health activities, Public Health Service)	25,756	27,000	$26,712
5. Providing nursing consultation on staphylococcal infection	6,591	2,500	
6. Making study of incidence cystic fibrosis	17,916	24,000	
7. Making joint study of juvenile delinquency		25,000	
8. Participating in White House Conference on Aging program		18,413	18,413
9. Reimbursement for travel services	7,389	10,200	10,200
10. Miscellaneous	412		
Total obligations	561,603	160,878	55,325
Financing:			
Unobligated balance brought forward		4,855	
Advances and reimbursements from—			
Other accounts	348,034	145,823	45,125
Non-Federal sources (40 U.S.C. 481(c))	219,426	10,200	10,200
Unobligated balance carried forward	−4,855		
Unobligated balance no longer available	−1,002		
Total financing	561,603	160,878	55,325

Object Classification

Total number of permanent positions	91	20	4
Full-time equivalent of all other positions		1	
Average number of all employees	63	18	4
Number of employees at end of year	61	14	4
Average GS grade and salary	4.8 $4,652	6.8 $5,925	12.0 $10,301

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SOCIAL SECURITY ADMINISTRATION—Continued

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS—Continued

Object Classification—Continued

		1959 actual	1960 estimate	1961 estimate
01	Personal services:			
	Permanent positions	$293,582	$100,020	$40,685
	Positions other than permanent		9,000	
	Other personal services	35,974	1,522	157
	Total personal services	329,556	110,542	40,842
02	Travel	7,547	11,615	11,032
03	Transportation of things	19		
04	Communications	98,270	6,734	280
05	Rents and utility services	56,130	3,664	
06	Printing and reproduction	24,319	2,215	500
07	Other contractual services	11,820	15,934	233
08	Supplies and materials	12,610	1,006	
09	Equipment	2,105	2,502	
11	Grants, subsidies, and contributions	19,079	6,343	2,343
15	Taxes and assessments	148	323	95
	Total obligations	561,603	160,878	55,325

Proposed for later transmission:

GRANTS TO STATES FOR PUBLIC ASSISTANCE

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
State expenditures:			
1. Payments to recipients:			
(a) Old-age assistance		$7,800,000	
(b) Aid to dependent children		13,300,000	
(c) Aid to the blind		−900,000	
(d) Aid to the permanently and totally disabled		−8,200,000	
Total, payments to recipients		12,000,000	
2. State and local administration:			
(a) Old-age assistance		−1,000,000	
(b) Aid to dependent children		−600,000	
(c) Aid to the blind		−200,000	
(d) Aid to the permanently and totally disabled		−200,000	
Total, State and local administration		−2,000,000	
Total program (costs—obligations)		10,000,000	
Financing:			
Proposed supplemental appropriation		10,000,000	

Under existing legislation, 1960.—It is estimated that a supplemental appropriation of $10,000,000 will be required for 1960 because, based on current trends, the estimated number of recipients in all programs, except aid to the permanently and totally disabled, and the Federal share of the average old-age assistance payment are larger than was anticipated when the appropriation request was approved by the Congress. Most of the additional amount is required for aid to dependent children.

SPECIAL INSTITUTIONS

Current authorizations:

AMERICAN PRINTING HOUSE FOR THE BLIND

EDUCATION OF THE BLIND

For carrying out the Act of March 3, 1879, as amended (20 U.S.C. 101–105), $400,000. (*Department of Health, Education, and Welfare Appropriation Act, 1960.*)

Appropriated 1960, **$400,000** Estimate 1961, **$400,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Grants for educational materials (total costs—obligations) (object class 11)	$400,000	$400,000	$400,000
Financing:			
Appropriation (new obligational authority)	400,000	400,000	400,000

Grants are made to this nonprofit institution in Louisville, Ky., to manufacture books and teaching materials for the blind and to distribute them on a per capita basis to all public educational institutions for the blind and to State departments of education throughout the United States and its possessions.

Numbers of blind students served by this program are as follows: 1959 actual, 12,024; 1960 estimate, 13,491; 1961 estimate, 14,255.

The Printing House also receives $10,000 annually from the Treasury Department under the appropriation, To promote the education of the blind, principal account, Bureau of Accounts.

GALLAUDET COLLEGE

SALARIES AND EXPENSES

For the partial support of Gallaudet College, including personal services and miscellaneous expenses, and repairs and improvements, as authorized by the Act of June 18, 1954 (Public Law 420), [$904,000] *$994,000: Provided,* That Gallaudet College shall be paid by the District of Columbia, in advance at the beginning of each quarter, at the rate of $1,295 per school year for each student attending and receiving instruction in elementary or secondary education pursuant to the Act of March 1, 1901 (31 D.C. Code 1008). (*Department of Health, Education, and Welfare Appropriation Act, 1960.*)

Appropriated 1960, **$904,000** Estimate 1961, **$994,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. General administration	$88,163	$89,749	$93,636
2. Resident instruction and departmental research:			
(a) Gallaudet College	497,569	569,504	616,700
(b) Kendall School	87,526	94,870	109,311
3. General library	59,009	65,540	67,390
4. Operation and maintenance of physical plant	236,583	235,001	275,546
5. Auxiliary services and noneducational expense	221,377	239,826	245,507
Total obligations	1,190,227	1,294,490	1,408,090
Financing:			
Advances and reimbursements from non-Federal sources	−341,227	−390,490	−414,090
Appropriation (new obligational authority)	849,000	904,000	994,000

NOTE.—Advances and reimbursements from non-Federal sources are from tuition in part from the District of Columbia under D.C. Code, title 31, section 1008, and other tuition fees.

Gallaudet College provides advanced education for the deaf, a graduate department to train teachers of the deaf, and a research program to provide information about the deaf. It also operates the Kendall School which provides elementary and secondary education for deaf children and serves as a laboratory school for training of teachers.

	1959 actual	*1960 estimate*	*1961 estimate*
Gallaudet College, full-time enrollment	358	380	407
Gallaudet College, summer school and special sessions	75	67	65
Kendall School, full-time enrollment	70	86	87

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Object Classification

	1959 actual	1960 estimate	1961 estimate
Non-Federal employees:			
Total number of permanent positions	178	191	199
Full-time equivalent of all other positions	10	8	5
Average number of all employees	177	190	198
Number of employees at end of year	178	191	199
Average salary of ungraded positions	$4,869	$4,960	$5,166
01 Personal services:			
Permanent positions	$820,070	$909,747	$998,405
Positions other than permanent	48,670	38,557	27,849
Other personal services	2,264	2,500	2,000
Total personal services	871,004	950,804	1,028,254
02 Travel	5,817	5,200	5,200
03 Transportation of things	436	1,500	1,500
04 Communication services	9,757	7,000	8,222
05 Rents and utility services	19,734	23,119	26,119
06 Printing and reproduction	154	250	250
07 Other contractual services	37,926	49,453	61,453
08 Supplies and materials	181,116	186,409	191,185
09 Equipment	31,766	33,662	44,162
11 Grants, subsidies, and contributions	52,762	59,698	64,350
15 Taxes and assessments	1,375	1,015	1,015
Subtotal	1,211,847	1,318,110	1,431,710
Deduct quarters and subsistence charges	21,620	23,620	23,620
Total obligations	1,190,227	1,294,490	1,408,090

CONSTRUCTION

For *construction*, alteration, renovation, *equipment*, and [other] improvement of buildings and facilities on the grounds of Gallaudet College, as authorized by the Act of June 18, 1954 (Public Law 420), under the supervision of the General Services Administration, including planning, architectural, and engineering services[; and including $150,000 for athletic fields; $325,000], *an auditorium, a classroom and dormitory building, Kendall School, maintenance buildings, apartments, roads, walks, and grading, $2,432,000,* to remain available until expended. (*Department of Health, Education, and Welfare Appropriation Act, 1960.*)

Appropriated 1960, **$325,000** Estimate 1961, **$2,432,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Design, supervision, etc	$209,060	$50,300	$63,500
2. Construction	2,269,329	301,332	1,960,500
3. Major repair and preservation of buildings and grounds		150,000	150,000
Total obligations	2,478,389	501,632	2,174,000
Financing:			
Unobligated balance brought forward	−2,542,021	−186,632	−10,000
Unobligated balance carried forward	186,632	10,000	268,000
Appropriation (new obligational authority)	123,000	325,000	2,432,000

A building program, designed to replace aging buildings and provide modern facilities to accommodate increased enrollments, was begun in 1956. The table below shows the appropriations through 1960 for the building program and the estimate for 1961. The construction projects provided for through 1958 are substantially complete except for the classroom-science building, for which laboratory equipment is needed. The 1959 appropriation provided for plans and specifications for athletic fields and stands and remaining projects in the building program, including an auditorium, maintenance buildings, and Kendall School facilities. For 1960, $325,000 was provided for construction of athletic fields, completion of the cafeteria-service building, and major repairs and renovation of older buildings on the campus.

The 1961 estimate of $2,432,000 is for the remainder of the new construction program, for equipment for the classroom-science building, and for additional major repairs and renovation.

Project	*1956–58*	*1959*	*1960*	*1961*
Women's residence hall	$691,500			
Physical activities-heating plant building	1,533,500			
Classroom-science building	1,543,000			$35,000
Speech and hearing center	444,000			
Boiler and laundry equipment	510,000			
Cafeteria-service building	935,000		$25,000	
Men's residence hall	655,000			
Plans and specifications		$123,000		
Athletic fields and stands			150,000	
Auditorium				775,000
Classroom and dormitories, Kendall School				1,127,000
Maintenance buildings				90,000
Outside services, roads, walks, and grading	150,000			255,000
Major repairs and renovation			150,000	150,000
Total	6,462,000	123,000	325,000	2,432,000

Object Classification

	1959 actual	1960 estimate	1961 estimate
GALLAUDET COLLEGE			
07 Other contractual services	$5,000	$3,500	$3,500
ALLOCATION TO PUBLIC BUILDINGS SERVICE, GENERAL SERVICES ADMINISTRATION			
02 Travel	3		
03 Transportation of things	5		
06 Printing and reproduction	6,163	1,200	8,900
07 Other contractual services	201,985	90,600	90,100
08 Supplies and materials	30,073		
09 Equipment	305,739	120,450	223,300
10 Lands and structures	1,929,421	285,882	1,848,200
Total, General Services Administration	2,473,389	498,132	2,170,500
Total obligations	2,478,389	501,632	2,174,000

HOWARD UNIVERSITY

SALARIES AND EXPENSES

For the partial support of Howard University, including personal services and miscellaneous expenses and repairs to buildings and grounds, [$4,617,000] *$5,090,000.* (*20 U.S.C. 123; Department of Health, Education, and Welfare Appropriation Act, 1960.*)

Appropriated 1960, **$4,617,000** Estimate 1961, **$5,090,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. General administration	$813,519	$827,947	$832,775
2. Resident instruction and departmental research	4,138,910	4,542,023	5,005,958
3. Organized research	675,374	711,446	711,446
4. General library	192,684	224,040	225,505
5. Operation and maintenance of physical plant	1,058,147	1,043,001	1,165,852
6. Auxiliary enterprises	1,046,962	1,067,761	1,067,761
7. Student aid	319,500	271,075	271,075
Total obligations	8,245,096	8,687,293	9,280,372
Financing:			
Advances and reimbursements from—			
Other accounts	−358,513	−422,279	−448,817
Non-Federal sources	−3,536,283	−3,648,014	−3,741,555
Appropriation (new obligational authority)	4,350,300	4,617,000	5,090,000

NOTE.—Reimbursements from non-Federal sources above are from tuition, other student fees, gifts and grants, endowment income, and sales by auxiliary enterprises.

The University consists of an undergraduate college, a graduate school offering the master's degree and the degree of doctor of philosophy (in chemistry, physics, zoology, and physiology), and eight professional schools. Federal funds will provide approximately 54.8% of the operating costs in 1961.

1. *General administration.*—The University is administered by a private board of trustees and staff of officers.

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SPECIAL INSTITUTIONS—Continued

Current authorizations—Continued

HOWARD UNIVERSITY—Continued

SALARIES AND EXPENSES—continued

2. *Resident instruction and departmental research.*—This activity includes all direct expenditures for the operation of the educational program in the 10 schools and colleges.

3. *Organized research.*—This activity includes expense incurred for 109 research projects financially supported by outside organizations in 1959 and for an estimated 115 projects in 1960 and 1961.

4. *General library.*—The general library serves the needs of 10 schools and colleges, and supervises, in part, the professional collections.

5. *Operation and maintenance of the physical plant.*—The operation and maintenance staff services 40 buildings located on the University's 60-acre campus.

6. *Auxiliary enterprises.*—The dormitories, food service, bookstores, and athletic program included under this activity are intended to be self-supporting and render service at lowest possible cost.

7. *Student aid.*—This activity includes the cost of scholarships, fellowships, grants-in-aid, and prize awards, financed by endowment income, gifts and grants, and by an allocation of student fees.

	1959 actual	*1960 estimate*	*1961 estimate*
Gross enrollments	5,959	6,151	6,422

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Non-Federal employees:			
	Total number of permanent positions	916	993	1,074
	Full-time equivalent of all other positions	231	226	226
	Average number of all employees	1,147	1,219	1,300
	Number of employees at end of year	1,514	1,546	1,623
	Average grade and salary established by board of trustees	4.0 $3,842	4.0 $3,994	4.1 $4,042
	Average salary of instructional grades	$6,972	$6,998	$7,044
01	Personal services:			
	Permanent positions	$4,661,400	$5,185,217	$5,660,782
	Positions other than permanent	923,465	957,167	958,602
	Other personal services	7,105	7,105	7,105
	Total personal services	5,591,970	6,149,489	6,626,489
02	Travel	88,090	81,527	81,527
03	Transportation of things	3,706	3,554	3,554
04	Communication services	70,057	61,977	61,977
05	Rents and utility services	188,138	176,501	184,501
06	Printing and reproduction	60,494	61,211	61,211
07	Other contractual services	443,014	391,038	398,291
08	Supplies and materials	840,940	849,369	911,425
09	Equipment	310,648	280,115	309,715
11	Grants, subsidies, and contributions	522,264	492,404	492,404
12	Pensions	19,794	21,183	21,183
15	Taxes and assessments	105,981	118,925	128,095
	Total obligations	8,245,096	8,687,293	9,280,372

PLANS AND SPECIFICATIONS

For [a survey of a steam and electrical production and distribution system] *necessary expenses for the preparation of plans and specifications for construction,* under the supervision of the General Services Administration, on the grounds of Howard University, [$21,000] *of a classroom building and a women's dormitory, including architectural and engineering services, $225,000, to remain available until expended. (20 U.S.C. 123; Department of Health Education, and Welfare Appropriation Act, 1960.)*

Appropriated 1960, **$21,000** Estimate 1961, **$225,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Law school building	$2,000		
2. Physical education building	113,181	$46,135	
3. Home economics building	13,500	7,378	
4. Classroom building No. 2			$105,000
5. Women's dormitory No. 7			120,000
6. Survey of steam and electrical production and distribution		21,000	
Total obligations	128,681	74,513	225,000
Financing:			
Unobligated balance brought forward	−76,356	−64,407	−10,894
Unobligated balance carried forward	64,407	10,894	10,894
Unobligated balance no longer available	6,268		
Appropriation (new obligational authority)	123,000	21,000	225,000

A master development plan and plans and specifications for 11 building projects and 1 alteration project have been authorized and completed. Plans and specifications for a home economics building and a physical education building are underway and are expected to be completed during 1960. A survey of the steam and electrical production and distribution system has been started and will also be completed during 1960. The 1961 estimate provides for the planning of a classroom building and a women's dormitory.

Object Classification

		1959 actual	1960 estimate	1961 estimate
02	Travel	$500		$1,000
06	Printing and reproduction			14,000
07	Other contractual services	128,181	$74,513	210,000
	Total obligations	128,681	74,513	225,000

CONSTRUCTION PROGRAM

Since 1945 the Federal Government has undertaken to finance a major construction program at Howard University which includes the erection of a number of new buildings and alterations and repairs to the existing physical plant. Both direct appropriations and contract authorizations have been available. The following table sets forth the construction program through 1961 and the estimated obligational authority available. Appropriations of $12,183,004 have been made to liquidate $12,718,004 in contract authorizations, leaving a balance of $535,000, which is not expected to be needed, for the auditorium-fine arts building.

Project	*Total obligational authority*	*Status of project*
Home economics building	$1,105,000	To be completed in 1962.
Powerplant facilities	328,000	To be completed in 1961.
Auditorium-fine arts building	4,127,985	To be completed in 1960.
Preclinical medical building	4,436,000	Completed.[1]
Dental building	3,257,680	Do.[1]
Men's dormitory	1,898,200	Do.[1]
Engineering building	2,118,860	Completed.
Biology-greenhouse building	1,770,500	Do.
Women's dormitory	1,750,400	Do.
Administration building	1,534,500	Do.
Law school building	1,302,100	Do.
Pharmacy building	904,500	Do.
Other	1,221,240	Do.
Total	25,754,965	

[1] Except for equipment.

The 1961 estimate provides for the construction of a home economics building and for powerplant facilities.

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CONSTRUCTION OF BUILDINGS

For the construction and equipment of a home economics building and powerplant facilities under the supervision of the General Services Administration, on the grounds of Howard University, including engineering and architectural services and travel, $1,433,000, to remain available until expended. (20 U.S.C. 123.)

Estimate 1961, **$1,433,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Auditorium-fine arts building	$370,932	$222,858	
2. Science hall alterations	748	45	
3. Law school building	19,284	3,000	
4. Biology-greenhouse building	724		
5. Administration building	19,757	3,365	
6. Men's dormitory	15,937	3,278	
7. Preclinical medical building	140,628	7,281	
8. Pharmacy building	8,598	22	
9. Dental building	110,307	22,638	
10. Powerplant—electrical substation	4,641	9	
11. Powerplant—repairs	113		
12. Home economics building			$1,105,000
13. Powerplant—facilities			328,000
Total obligations	691,669	262,496	1,433,000
Financing:			
Unobligated balance brought forward	−1,059,358	−270,310	
Unobligated balance carried forward	270,310		
Unobligated balance no longer available	97,379	7,814	
Appropriation (new obligational authority)			1,433,000

Object Classification

	1959 actual	1960 estimate	1961 estimate
HOWARD UNIVERSITY			
07 Other contractual services	$7,207	$2,295	$5,000
09 Equipment	46,862	29,000	
Total, Howard University	54,069	31,295	5,000
ALLOCATION TO PUBLIC BUILDINGS SERVICE, GENERAL SERVICES ADMINISTRATION			
02 Travel	35	100	100
03 Transportation of things			200
06 Printing and reproduction	1,860	1,000	
07 Other contractual services	106,387	17,800	50,000
08 Supplies and materials	19,179	2,046	2,000
09 Equipment	447,635	154,614	200,000
10 Lands and structures	62,504	55,641	1,175,700
Total, General Services Administration	637,600	231,201	1,428,000
Total obligations	691,669	262,496	1,433,000

[CONSTRUCTION OF AUDITORIUM-FINE ARTS BUILDING (LIQUIDATION OF CONTRACT AUTHORIZATION)]

[For payment of obligations incurred under authority previously provided, to enter into contracts for the construction of the auditorium-fine arts building, $860,000.] *(20 U.S.C. 123; Department of Health, Education, and Welfare Appropriation Act, 1960.)*

Appropriated 1960, **$860,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Financing:			
Unobligated balance brought forward: Contract authorization	−$535,000	−$535,000	−$535,000
Unobligated balance carried forward: Contract authorization	535,000	535,000	
Contract authorization no longer available			535,000
Contract authorization (new)			

Status of Unfunded Contract Authorization

Unfunded balance at beginning of year	$1,395,000	$1,395,000	$535,000
Administrative cancellation of unfunded balance			−535,000
Unfunded balance at end of year	−1,395,000	−535,000	
Appropriation to liquidate contract authorization		860,000	

CONSTRUCTION OF MEN'S DORMITORY (LIQUIDATION OF CONTRACT AUTHORIZATION)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Men's dormitories (total obligations) (object class 07)	$82,610	$32,959	
Financing:			
Unobligated balance brought forward: Appropriation	−119,025	−199,415	
Contract authorization	−734,800		
Unobligated balance carried forward: Appropriation	199,415		
Appropriation no longer available for obligation		166,456	
Contract authorization no longer available	571,800		
Contract authorization (new)			

Status of Unfunded Contract Authorization

Unfunded balance at beginning of year	$734,800		
Administrative cancellation of unfunded balance	−571,800		
Appropriation to liquidate contract authorization	163,000		

OFFICE OF THE SECRETARY

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for the Office of the Secretary, [$2,061,000] *$2,128,000*, together with not to exceed [$302,500] *$315,000* to be transferred from the Federal old-age and survivors insurance trust fund. *(Department of Health, Education, and Welfare Appropriation Act, 1960.)*

Appropriated 1960, **$2,061,000** Estimate 1961, **$2,128,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Executive direction and program coordination	$765,111	$799,900	$834,100
2. Publications and reports	138,552	139,850	146,400
3. Administrative and financial management	1,356,279	1,423,750	1,462,500
Total program costs	2,259,942	2,363,500	2,443,000
4. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−5,813		
Total program (obligations)	2,254,129	2,363,500	2,443,000
Financing:			
Advances and reimbursements from non-Federal sources (annual appropriation acts): Federal old-age and survivors insurance trust fund	−287,000	−302,500	−315,000
Unobligated balance no longer available	3,871		
Appropriation (new obligational authority)	1,971,000	2,061,000	2,128,000

1. *Executive direction and program coordination.*—Overall direction and coordination are given to all activities of the Department. Staff assistance is provided to develop the Department's legislative program; to analyze the Department's programs and goals, including identification of current and emerging problems; to appraise Federal-State relationships; to coordinate Department activities and stimulate action in the States and local communities concerning problems affecting the aging population; and to aid the Secretary in carrying out the Department's responsibilities with respect to international activities and the special institutions. Services are also provided for defense emergency operations plans of the Department and for internal security functions.

2. *Publications and reports.*—This Office directs the Department's public information activities, providing serv-

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OFFICE OF THE SECRETARY—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

ices to press, radio, and other media and specific information to those interested.

3. *Administrative and financial management.*—Staff advice is provided to the Secretary and guidance is furnished to the operating agencies with regard to administrative management, personnel, property and records management, office services, organization, staffing, and control problems. This activity includes the Department library which supplies headquarters staff with library materials and related services. Financial management includes analyses of departmental program budgets, development of fiscal policies and procedures, and conduct of internal audits. In addition, certain direct administrative and financial services are provided the operating agencies as well as to the Office of the Secretary.

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$20,587	$9,707	$9,707	$9,707
Selected resources at start of year (−)		−20,587	−9,707	−9,707
Adjustment of selected resources reported at start of year		5,067	-------	-------
Cost financed from obligations of other years, net (−)		−5,813	-------	-------

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Total number of permanent positions	280	290	299
	Full-time equivalent of all other positions	3	2	2
	Average number of all employees	270	277	285
	Number of employees at end of year	276	283	292
	Average GS grade and salary	8.0 $6,852	8.2 $6,982	8.2 $6,956
01	Personal services:			
	Permanent positions	$1,873,937	$1,956,304	$2,013,025
	Positions other than permanent	13,097	8,695	8,695
	Other personal services	42,783	47,357	39,613
	Total personal services	1,929,817	2,012,356	2,061,333
02	Travel	29,127	38,835	39,950
03	Transportation of things	474	420	420
04	Communication services	37,022	35,060	36,020
05	Rents and utility services	91	100	100
06	Printing and reproduction	50,204	53,993	53,993
07	Other contractual services	41,832	40,858	65,387
08	Supplies and materials	32,409	29,560	30,015
09	Equipment	21,717	27,973	28,223
11	Grants, subsidies, and contributions	115,017	121,400	124,534
13	Refunds, awards, and indemnities	280	1,145	1,145
15	Taxes and assessments	1,952	1,800	1,880
	Total costs	2,259,942	2,363,500	2,443,000
	Costs financed from obligations of other years, net (−)	−5,813	----------	----------
	Total obligations	2,254,129	2,363,500	2,443,000

SALARIES AND EXPENSES, OFFICE OF FIELD ADMINISTRATION

For expenses necessary for the Office of Field Administration, [$2,735,000] *$2,790,000,* together with not to exceed [$926,000] *$942,000* to be transferred from the Federal old-age and survivors insurance trust fund *and not to exceed $36,000 to be transferred from the Operating fund, Bureau of Federal Credit Unions. (Department of Health, Education, and Welfare Appropriation Act, 1960.)*

Appropriated 1960, **$2,735,000** Estimate 1961, **$2,790,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Field administration	$1,917,442	$2,033,200	$2,071,750
2. Grant-in-aid audits	1,291,896	1,415,000	1,469,600
3. State merit systems	213,094	225,550	226,150
Total program costs	3,422,432	3,673,750	3,767,500
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)	−6,121	−12,750	----------
Obligations incurred for costs of other years, net	----------	----------	500
Total program (obligations)	3,416,311	3,661,000	3,768,000
Financing:			
Advances and reimbursements from non-Federal sources (annual appropriation acts):			
Federal old-age and survivors insurance trust fund	−871,200	−926,000	−942,000
Operating fund, Bureau of Federal Credit Unions	----------	----------	−36,000
Unobligated balance no longer available	11,889	----------	----------
Appropriation (new obligational authority)	2,557,000	2,735,000	2,790,000

The Secretary is represented in each of the regions by a regional director who is responsible for carrying out departmental policies and for leadership, coordination, evaluation, and administrative supervision of all program representatives from the various operating agencies who are located in the regional offices.

1. *Field administration.*—This activity includes review, evaluation, and coordination of Department program operations conducted through the regional offices as well as personnel, fiscal, and office services for approximately 14,700 regional employees.

2. *Grant-in-aid audits.*—The division audits 36 grant-in-aid programs to determine whether these grants were expended by the States and local subdivisions for the purposes for which they were appropriated. In addition, it audits State activities in the utilization of Federal surplus property. There will be an incoming current workload of approximately 2,290 audits in 1961 compared with 2,210 in 1960 and 1,921 in 1959. Grant programs requiring more staff time in 1961 are construction projects, National Defense Education Act, and library services in rural areas.

3. *State merit systems.*—Seventeen various grants-in-aid are made to States contingent upon compliance with Federal regulations and standards relating to State personnel administration. The division reviews 70 State merit systems in 290 State agencies administering grant programs and also renders technical services concerning increased efficiency of personnel administration to requesting States.

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$30,109	$20,849	$8,099	$8,599
Selected resources at start of year (−)		−30,109	−20,849	−8,099
Adjustment of selected resources reported at start of year		3,139	--------	-------
Costs financed from obligations of other years, net (−)		−6,121	−12,750	-------
Obligations incurred for costs of other years, net		--------	--------	500

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Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	497	515	545
Full-time equivalent of all other positions	5	4	3
Average number of all employees	467	494	507
Number of employees at end of year	473	498	528
Average GS grade and salary	7.0 $5,885	7.2 $5,988	7.2 $5,994
01 Personal services:			
Permanent positions	$2,728,648	$2,936,361	$3,007,611
Positions other than permanent	18,460	15,823	11,320
Other personal services	33,290	26,529	15,460
Total personal services	2,780,398	2,978,713	3,034,391
02 Travel	190,990	203,590	216,890
03 Transportation of things	5,664	5,929	5,925
04 Communication services	114,072	125,000	130,454
05 Rents and utility services	680		
06 Printing and reproduction	13,219	12,999	13,000
07 Other contractual services	29,857	41,218	69,392
08 Supplies and materials	68,942	90,321	91,885
09 Equipment	40,284	24,193	9,390
11 Grants, subsidies, and contributions	175,038	189,332	193,725
13 Refunds, awards, and indemnities	1,975	1,000	1,000
15 Taxes and assessments	1,313	1,455	1,448
Total costs	3,422,432	3,673,750	3,767,500
Costs financed from obligations of other years, net (−)	−6,121	−12,750	
Obligations incurred for costs of other years, net			500
Total obligations	3,416,311	3,661,000	3,768,000

Salaries and Expenses, Office of the General Counsel

For expenses necessary for the Office of the General Counsel, [$589,700,] *$618,000*, together with not to exceed $27,000 to be transferred from the appropriation "Salaries and expenses, certification [and], inspection, *and other* services", and not to exceed [$510,200] *$552,000* to be transferred from the Federal old-age and survivors insurance trust fund[: *Provided*, That the rate of compensation of the General Counsel shall be that prescribed by the Act of July 31, 1956 (5 U.S.C. 623b(a)), so long as the position is held by the present incumbent]. (*Department of Health, Education, and Welfare Appropriation Act, 1960.*)

Appropriated 1960, **$589,700** Estimate 1961, **$618,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Supervisory and general legal services	$252,027	$238,464	$259,653
2. Departmental program activities:			
(*a*) Public health	82,606	88,468	92,955
(*b*) Food and drug	164,677	214,626	213,851
(*c*) Old-age and survivors insurance	169,264	183,089	193,601
(*d*) Welfare and education	93,167	102,288	112,310
3. Regional and field service	313,188	299,965	324,630
Total program costs	1,074,929	1,126,900	1,197,000
4. Relation of costs to obligations: Obligations incurred for costs of other years (net)	10,307		
Total program (obligations)	1,085,236	1,126,900	1,197,000
Financing:			
Advances and reimbursements from non-Federal sources (annual appropriation acts):			
Federal old-age and survivors insurance trust fund	−501,400	−510,200	−552,000
Food and Drug Administration	−25,000	−27,000	−27,000
Unobligated balance no longer available	1,564		
Appropriation (new obligational authority)	560,400	589,700	618,000

The Office of the General Counsel acts as legal adviser to the Secretary, the regional office staffs, and the operating agencies of the Department. The estimate for 1961 reflects an increased workload occasioned by recently enacted legislation and the continued expansion and growth of many of the programs of the Department. The increase is related to expansion of the old-age and survivors insurance program and to public health, education, and patent and invention right activities.

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$5,553	$15,392	$15,392	$15,392
Selected resources at start of year (−)		−5,553	−15,392	−15,392
Adjustment of selected resources reported at start of year		468		
Obligations incurred for costs of other years, net		10,307		

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	136	143	154
Average number of all employees	127	136	144
Number of employees at end of year	127	139	149
Average GS grade and salary	9.2 $7,355	9.4 $7,574	9.3 $7,516
01 Personal services:			
Permanent positions	$947,715	$1,016,637	$1,072,222
Other personal services	3,643	7,832	3,916
Total personal services	951,358	1,024,469	1,076,138
02 Travel	14,177	9,000	11,000
03 Transportation of things	130	100	100
04 Communication services	6,528	5,600	6,400
06 Printing and reproduction	1,607	1,200	1,200
07 Other contractual services	8,198	6,200	14,120
08 Supplies and materials	16,821	7,460	8,200
09 Equipment	18,437	10,000	13,500
11 Grants, subsidies, and contributions	56,300	61,221	64,612
15 Taxes and assessments	1,373	1,650	1,730
Total costs	1,074,929	1,126,900	1,197,000
Obligations incurred for costs of other years, net	10,307		
Total obligations	1,085,236	1,126,900	1,197,000

Surplus Property Utilization

For expenses necessary for carrying out the provisions of subsections 203(j), (k), (n), and (o), of the Federal Property and Administrative Services Act of 1949, as amended, relating to disposal of real and personal excess property for educational purposes, civil defense purposes, and protection of public health, [$703,000] *$751,000*. (*Department of Health, Education, and Welfare Appropriation Act, 1960.*)

Appropriated 1960, **$703,000** Estimate 1961, **$751,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Surplus property utilization (total program costs)	$680,452	$705,593	$751,000
2. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−2,593	
Obligations incurred for costs of other years, net	227		
Total program (obligations)	680,679	703,000	751,000
Financing:			
Unobligated balance no longer available	6,321		
Appropriation (new obligational authority)	687,000	703,000	751,000

Under the Federal Property and Administrative Services Act of 1949, as amended. the Secretary (*a*) allocates needed surplus personal property to State agencies for educational, public health, and civil defense purposes; (*b*) transfers surplus real property for educational and public health purposes, subject to disapproval by the Administrator of the General Services Administration; (*c*) administers the rights of the United States under the terms and conditions of transfer; and (*d*) promulgates regulations governing the operation of the program and enforces such regulations.

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OFFICE OF THE SECRETARY—Continued

Current authorizations—Continued

SURPLUS PROPERTY UTILIZATION—Continued

The following table shows actual and anticipated property allocations to schools, hospitals, and civil defense agencies through operation of the program:

ACQUISITION COST OF PROPERTY IN MILLIONS

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Personal property allocations	$302.5	$363.0	$425.0	$540.0
Real property transfers	9.4	21.0	25.0	30.0

Collections are estimated from sales, abrogations, and penalties on compliance cases at $500,000 in 1960 and 1961, compared to $574,000 in 1959.

2. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$3,763	$3,148	$555	$555
Selected resources at start of year (−)		−3,763	−3,148	−555
Adjustment of selected resources reported at start of year		842		
Costs financed from obligations of other years, net (−)			−2,593	
Obligations incurred for costs of other years, net		227		

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	87	93	102
Full-time equivalent of all other positions	1		
Average number of all employees	86	89	96
Number of employees at end of year	88	89	98
Average GS grade and salary	7.8 $6,528	7.9 $6,517	7.8 $6,398
01 Personal services:			
Permanent positions	$552,188	$578,319	$614,469
Positions other than permanent	6,619		
Other personal services	2,231	4,410	2,380
Total personal services	561,038	582,729	616,849
02 Travel	45,495	49,850	52,850
03 Transportation of things	810	489	490
04 Communication services	20,615	22,395	22,815
05 Rents and utility services			
06 Printing and reproduction	3,238	2,661	2,660
07 Other contractual services	3,861	3,821	9,736
08 Supplies and materials	6,555	5,071	5,320
09 Equipment	4,411	2,097	1,550
11 Grants, subsidies, and contributions	33,365	35,846	38,063
13 Refunds, awards, and indemnities	472		
15 Taxes and assessments	592	634	667
Total costs	680,452	705,593	751,000
Costs financed from obligations of other years, net (−)		−2,593	
Obligations incurred for costs of other years, net	227		
Total obligations	680,679	703,000	751,000

WHITE HOUSE CONFERENCE ON AGING

For necessary expenses in carrying out the provisions of the White House Conference on Aging Act, [$452,000] *including rent in the District of Columbia, $522,000. (72 Stat. 1746; Department of Health, Education, and Welfare Appropriation Act, 1960.)*

Appropriated 1960, **$452,000** Estimate 1961, **$522,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Grants to States		$810,000	
2. Technical assistance to States and planning of conference	$96,208	462,954	$525,550
Total program costs	96,208	1,272,954	525,550
3. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)		−10,954	−3,550
Obligations incurred for costs of other years (unpaid undelivered orders), net	14,504		
Total program (obligations)	110,712	1,262,000	522,000
Financing:			
Unobligated balance brought forward		−810,000	
Unobligated balance carried forward	810,000		
Unobligated balance no longer available	23,288		
Appropriation (new obligational authority)	944,000	452,000	522,000

Federal grants to the States to aid them in conducting State conferences on aging will be distributed in 1960. Funds provided in 1961 will cover technical assistance to the States, planning and conducting the national conference in January 1961, and needed followup work upon the completion of the conference.

In addition, a $50,000 supplemental appropriation for 1960 is anticipated under Proposed for later transmission.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, $14,504; 1960, $3,550.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	9	31	31
Full-time equivalent of all other positions	1	2	2
Average number of all employees	4	30	28
Number of employees at end of year	10	30	12
Average GS grade and salary	10.2 $8,158	8.6 $7,243	8.6 $7,243
01 Personal services:			
Permanent positions	$24,528	$205,221	$189,707
Positions other than permanent	7,155	17,300	17,300
Other personal services	754	1,987	1,130
Total personal services	32,437	224,508	208,137
02 Travel	23,241	63,090	107,490
03 Transportation of things	317	2,050	2,050
04 Communication services	326	5,580	5,580
05 Rents and utility services		800	4,300
06 Printing and reproduction	16,840	18,602	58,600
07 Other contractual services	15,663	122,846	125,085
08 Supplies and materials	977	2,212	3,360
09 Equipment	5,844	12,539	1,200
11 Grants, subsidies, and contributions		818,977	7,898
15 Taxes and assessments	563	1,750	1,850
Total costs	96,208	1,272,954	525,550
Costs financed from obligations of other years, net (−)		−10,954	−3,550
Obligations incurred for costs of other years, net	14,504		
Total obligations	110,712	1,262,000	522,000

Intragovernmental funds:

WORKING CAPITAL FUND

The Working capital fund established under this head in the Federal Security Agency Appropriation Act, 1953, shall also be available for expenses necessary for a central laborers' service, and such other administrative services, common to two or more operating agencies of the Department, as the Secretary may, with the approval of the Bureau of the Budget, determine can be performed more advantageously on a centralized basis: Provided, That said fund may hereafter be credited in advance or reimbursed for services performed or supplies and equipment furnished.

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The Working capital fund provides departmental headquarters offices with selected centralized administrative services, as authorized by 42 U.S.C. 905.

Budget program—1. *Reproduction.*—Consists of offset printing, mimeographing, photographic, visual aids, microfilming, and addressograph services for the Department's headquarters and for other Government agencies as required. This activity also includes procurement of printing from Government Printing Office and other sources and procurement and distribution of congressional materials.

2. *Tabulating.*—Provides tabulating services on a centralized basis for all of the headquarters units of the Department. The services performed cover fiscal, payroll, and statistical data processing.

3. *Supply services.*—Includes purchasing and supply functions on a centralized basis for the headquarters units of the Department. In 1961, authorization is requested to provide laboring services.

Operating results and financial conditions.—Government investment at end of 1961 is expected to consist of donated assets and retained earnings. The earnings are retained to meet future needs.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Reproduction:			
Acquisition of equipment	$25,563	$56,000	$27,500
Expense:			
Purchase of commodities for manufacture or sale	186,679	200,000	212,000
Other expense	445,627	456,278	455,365
Tabulating:			
Acquisition of equipment	3,179	3,300	320
Expense:			
Purchase of commodities for manufacture or sale	13,031	14,000	15,000
Other expense	372,877	423,755	443,309
Supply services:			
Acquisition of equipment	2,412		
Expense:			
Purchase of commodities for manufacture or sale	300,856	280,000	280,000
Other expense	118,535	153,453	189,324
Adjustment of prior year expense	5,033		
Increase in selected working capital	4,108	13,463	
Total gross expenditures	1,477,900	1,600,249	1,622,818
Receipts from operations (funds provided):			
Reproduction: Revenue	665,665	683,094	695,550
Tabulating: Revenue	392,205	443,780	467,780
Supply services: Revenue	427,724	435,375	474,825
Undistributed receipts:			
Sale of equipment at book value	64		
Sale of donated supplies	376		
Adjustment of prior year's revenue	1,327		
Donated working capital during the year	650		
Reclassification affecting selected working capital	1,309		
Decrease in selected working capital			6,937
Total receipts from operations	1,489,320	1,562,249	1,645,092
Budget expenditures	−11,420	38,000	−22,274

Revenue, Expense, and Retained Earnings

Reproduction:			
Revenue	$665,665	$683,094	$695,550
Expense	647,376	673,578	685,965
Net operating income, reproduction	18,289	9,516	9,585
Tabulating:			
Revenue	392,205	443,780	467,780
Expense	388,578	440,455	461,109
Net operating income, tabulating	3,627	3,325	6,671
Supply services:			
Revenue	427,724	435,375	474,825
Expense	420,724	434,753	470,624
Net operating income, supply services	7,000	622	4,201

Revenue, Expense, and Retained Earnings—Continued

	1959 actual	1960 estimate	1961 estimate
Nonoperating income: Proceeds from sale of donated supplies	$376		
Net income for the year	29,292	$13,463	$20,457
Analysis of retained earnings:			
Retained earnings, beginning of year	80,047	105,633	119,096
Adjustment of prior year revenue	1,327		
Adjustment of prior year expense	−5,033		
Retained earnings, end of year	105,633	119,096	139,553

Financial Condition

Assets:			
Cash with Treasury	$275,759	$237,759	$260,033
Accounts receivable, net	55,710	50,000	47,000
Supplies, deferred charges	104,143	116,937	114,000
Net equipment	96,142	134,142	139,262
Total assets	531,754	538,838	560,295
Liabilities:			
Current	205,379	199,000	200,000
Government investment:			
Non-interest-bearing capital:			
Start of year	220,088	220,742	220,742
Donated working capital during year	650		
Donated equipment during year	4		
End of year	220,742	220,742	220,742
Retained earnings	105,633	119,096	139,553
Total Government investment	326,375	339,838	360,295

NOTE.—Unpaid undelivered orders are as follows: June 30, 1958, $28,829; 1959, $21,115; 1960, $18,300; 1961, $25,000.

Object Classification

		1959 actual		1960 estimate		1961 estimate
Total number of permanent positions		154		151		159
Full-time equivalent of all other positions		3		1		1
Average number of all employees		138		146		158
Number of employees at end of year		136		150		159
Average GS grade and salary		4.7	$4,629	4.8	$4,710	4.8	$4,741
Average salary of ungraded positions			$4,962		$4,984		$4,814
01	Personal services:						
	Permanent positions		$656,613		$706,628		$755,364
	Positions other than permanent		11,402		5,500		5,000
	Other personal services		42,276		36,838		28,321
	Excess of annual leave earned over leave taken		2,488				
	Total personal services		712,779		748,966		788,685
02	Travel		860		870		870
03	Transportation of things		1,576		1,600		1,600
04	Communications services		3,524		3,550		3,550
05	Rents and utility services		113,395		122,622		124,188
07	Other contractual services		92,722		108,800		118,700
08	Supplies and materials		475,144		494,000		507,000
09	Equipment		31,154		59,300		27,820
11	Grants, subsidies, and contributions		40,791		45,878		49,105
13	Refunds, awards, and contributions		1,015		500		600
15	Taxes and assessments		832		700		700
	Total costs		1,473,792		1,586,786		1,622,818
	Costs financed from obligations of other years, net (−)		−29,636				
	Obligations incurred for costs of other years, net				9,979		3,763
	Total obligations		1,444,156		1,596,765		1,626,581

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. State merit systems:			
Department of Labor	$58,477	$57,500	$57,500
Office of Civil and Defense Mobilization	38,395	60,000	60,000
2. Federal Council on Aging		19,500	19,500
3. Ryukyu leader program (Army)	12,975		
4. Miscellaneous services	4,627		
Total obligations	114,474	137,000	137,000
Financing:			
Advances and reimbursements from other accounts	125,807	137,000	137,000
Unobligated balance no longer available	−11,333		
Total financing	114,474	137,000	137,000

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OFFICE OF THE SECRETARY—Continued

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS—Continued

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	14	17	17
Full-time equivalent of all other positions	1		
Average number of all employees	10	16	16
Number of employees at end of year	18	18	18
Average GS grade and salary	9.4 $7,124	10.0 $7,587	10.0 $7,587
01 Personal services:			
Permanent positions	$73,527	$117,250	$118,590
Positions other than permanent	9,986	2,023	1,138
Other personal services	383	1,921	1,495
Total personal services	83,896	121,194	121,223
02 Travel	8,364	5,990	5,990
03 Transportation of things	807	130	
04 Communication services		420	420
06 Printing and reproduction	226	500	500
07 Other contractual services	1,475	354	354
08 Supplies and materials	109	410	410
09 Equipment	7,338	360	360
11 Grants, subsidies, and contributions	12,120	7,592	7,743
15 Taxes and assessments	139	50	
Total obligations	114,474	137,000	137,000

Proposed for later transmission:

WHITE HOUSE CONFERENCE ON AGING

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Technical assistance to States and planning of conference (total costs—obligations)		$50,000	
Financing:			
Proposed supplemental appropriation		50,000	

Under existing legislation, 1960.—A supplemental appropriation for $50,000 is anticipated for 1960 to stimulate more effective citizen awareness, and participation in the various conference programs.

GENERAL PROVISIONS

SEC. 202. Appropriations under this title available for salaries and expenses shall be available for payment in advance for dues or fees for library membership in organizations whose publications are available to members only or to members at a price lower than to the general public and for payment in advance for publications available only upon that basis or available at a reduced price on prepublication orders.

SEC. 203. Appropriations under this title available for salaries and expenses shall be available for uniforms or allowances therefor as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131).

SEC. 204. None of the funds appropriated by this title to the Social Security Administration for grants-in-aid of State agencies to cover, in whole or in part, the cost of operation of said agencies including the salaries and expenses of officers and employees of said agencies, shall be withheld from the said agencies of any States which have established by legislative enactment and have in operation a merit system and classification and compensation plan covering the selection, tenure in office, and compensation of their employees, because of any disapproval of their personnel or the manner of their selection by the agencies of the said States, or the rates of pay of said officers or employees.

SEC. 205. The Secretary is authorized to make such transfers of motor vehicles, between bureaus and offices, without transfer of funds, as may be required in carrying out the operations of the Department.

[SEC. 206. None of the funds provided herein shall be used to pay any recipient of a grant for the conduct of a research project an amount for indirect expenses in connection with such project in excess of 15 per centum of the direct costs.]

[SEC. 207. Hereafter any appropriation available for the pay and allowances of commissioned officers of the Public Health Service may be utilized for the payment of claims as authorized by the Act of September 2, 1957 (71 Stat 575).]

[SEC. 208. Any] *SEC. 206. Except as otherwise provided under the appropriation to the Public Health Service for "Buildings and facilities", any* obligational authority for planning or construction of any building made available to the Department of Health, Education, and Welfare, which otherwise expires for obligation on June 30, [1959] *1960*, shall remain available until June 30, [1960] *1961*.

SEC. [209] *207*. The Secretary is authorized to make available not to exceed [$1,500] *$5,000* from funds available for salaries and expenses under this title for entertainment, not otherwise provided for, of officials, visiting scientists, and other experts of other countries.

SEC. [210] *208*. Appropriations to the Public Health Service available for research grants pursuant to the Public Health Service Act shall also be available, on the same terms and conditions as apply to non-Federal institutions, for research grants to hospitals of the Service or to Saint Elizabeths Hospital.

SEC. [211] *209*. Appropriations under this title available for salaries and expenses shall be available for expenses of attendance at meetings which are concerned with the functions or activities for which the appropriation is made or which will contribute to improved conduct, supervision, or management of those functions or activities. (*Department of Health, Education, and Welfare Appropriation Act, 1960.*)

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1961

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
FOOD AND DRUG ADMINISTRATION								
Salaries and expenses						249	$143,200	For use of inspectors in traveling to food, drug, and cosmetic factories, canneries, warehouses, seafood packers, and other establishments where products subject to the Food, Drug, and Cosmetic Act are prepared, stored, or sold, in pursuance of their duties in enforcing the act. 248 of these vehicles are located in the field and 1 is assigned to the inspector of the Baltimore field district who is located in Washington and operates in Washington and those inspectional areas more convenient to Washington than to the Baltimore district.
FREEDMEN'S HOSPITAL								
Salaries and expenses						1	3,344	1 ambulance for emergency calls and transportation of patients.
PUBLIC HEALTH SERVICE								
Assistance to States, general						9	6,000	Professional and technical personnel: General health demonstrations, field training, and consultative services in the field.
Station wagon						1		Do.
Control of tuberculosis						1	1,000	Public health representatives, professional and technical personnel: Demonstrations, casefindings and training activities related to the tuberculosis program in the field.
Station wagon						2		Do.
Communicable disease activities	4	$6,000	4	$700	$5,300	46	11,000	Technical, professional, and other personnel: Investigation and control of communicable diseases, and transportation of material related thereto. Health and sanitation activities in Alaska.
Station wagon						3	2,000	Do.
Bus						3		Do.
Environmental health activities	6	9,000	6	1,500	7,500	7	35,000	Engineers and field personnel: Environmental health and sanitation activities in the field.
Station wagon	5	9,750	5	1,250	8,500	5	1,000	Do.
Salaries and expenses, hospital construction services.							3,000	Hospital, consultants, architects, engineers, and other field personnel: Work incident to the construction of hospitals and health facilities in the field.
Hospitals and medical care	3	4,500	3	300	4,200	15	6,300	Patients and employees: Transportation incident to operation of medical facilities, transport of emergency purchases in the field.
Station wagon	3	5,850	3	400	5,450	9	7,100	Do.
Ambulance	1	6,500	1	50	6,450	10	1,300	Patients: Transportation to and from hospitals and public transportation terminals in the field.
Bus						3	4,500	Patients: Transportation of large groups to other government installations in the field. Schoolchildren: Transportation in accordance with 42 U.S.C. 227.
Foreign quarantine activities						44	19,800	Officers and employees at foreign quarantine stations: Inspection and fumigation of ships and airplanes arriving from foreign ports.
Station wagon						3	2,700	Do.
Indian health activities	17	25,500	5	1,250	24,250	67	250,000	Patients and employees: Transportation of patients to hospitals and clinics. Physicians and other personnel: Transportation to field locations to render public health services.
Station wagon	7	13,650	7	1,050	12,600	102		Do.
Ambulance	3	16,500	2	200	16,300	11		Patients: Transportation to hospitals and clinics in the field.
Bus						6		Patients: Transportation of large groups to other government installations in the field.
National Heart Institute: Station wagon.						1		Scientists and other technical personnel: Heart research, control and demonstration programs in the field.
Dental health activities: Station wagon.						3	200	Professional and scientific personnel: Dental studies and investigations in the field.
Allergy and infectious disease activities.						5		Research personnel: Collecting scientific data and material and transportation in connection with epidemiological studies and field studies of the Rocky Mountain Laboratory.
Station wagon						2		Do.
Salaries and expenses							10,400	Surgeon General, Deputy Surgeon General, health survey representatives and other personnel: Transportation to and from official meetings, conferences and health surveys in the Washington area.
National Institutes of Health management fund.	7	10,500	7	875	9,625	26	20,000	Research personnel and research patients: Collecting data and materials, and transportation from points where public transportation is not adequately available in the field, and package pickup service on nights and weekends.
Station wagon	3	5,850	3	300	5,550	8		Same as above. Also transporting mail and personnel between Bethesda, Md. and Department of Health, Education, and Welfare and other points in the downtown Washington area.
Ambulance						2		Patients: Transportation between the Clinical Center, Bethesda, Md. and hospitals and transportation terminals in the Washington area.
Bus						2		Scientists and other personnel: Transportation between buildings at the National Institutes of Health.
Patients' benefit fund, Public Health Service hospitals: Station wagon.						1		Patients: Transporting patients at the Carville, La., hospital within a 1 day travel radius of the hospital to and from their homes on authorized vacation leave since patients afflicted with leprosy cannot be carried by public transportation.
Total, Public Health Service	59	113,600	46	7,875	105,725	397	381,300	
SAINT ELIZABETHS HOSPITAL								
Salaries and expenses						1	974	Vehicles used for transporting patients to and from court, to and from railroad, bus and air terminals, and to and from medical facilities at the hospital and in the District of Columbia; transporting social service workers; and transporting hospital officials to and from Government agencies in connection with official business.
Station wagon							262	
Bus						4		
Ambulance	1	6,500	1	250	6,250	1		
Total, Saint Elizabeths Hospital.	1	6,500	1	250	6,250	6	1,236	

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1961—Continued

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
SOCIAL SECURITY ADMINISTRATION								
Limitation on salaries and expenses, Bureau of Old-Age and Survivors Insurance.						1		Automobile is used by top-level administrative and technical personnel of the Bureau. The public purpose is to provide prompt transportation of top staff between widely separated Bureau installations in Baltimore.
Station wagon						1	$480	Station wagon is used to transport small groups of employees between Bureau installations in Baltimore. 1 station wagon is rented from the General Services Administration motor pool in New York City. The public purpose is to transport transcripts of benefit payment rolls between Treasury Department disbursing office and the New York payment center. The station wagon is also used to haul mail between the payment center and the New York Post Office.
Bus						1		Bus is used by Bureau employees including messengers. Public purpose is to maintain regular shuttle service among the separated Bureau locations in Baltimore.
Total, Social Security Administration.						3	480	
OFFICE OF THE SECRETARY								
Salaries and expenses						2	[1] 2,358	Secretary, under secretary, assistant secretaries: To transport these officials to and from official meetings and conferences with other Government officials, Members of Congress, and officials of international organizations. Messengers: To deliver classified and special mail in the metropolitan area.
Total, Department of Health, Education, and Welfare.	60	$120,100	47	$8,125	$111,975	658	531,918	

[1] $500 is for rentals other than from Government motor pools.

Statement of proposed obligations for purchase, maintenance, and operation of aircraft for the fiscal year 1961

Appropriation	Aircraft to be purchased		Aircraft to be exchanged		Net cost of aircraft to be purchased	Old aircraft still to be used	Cost of maintenance and operation of aircraft	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
PUBLIC HEALTH SERVICE								
Communicable disease activities						3	$4,700	Professional and technical personnel: Technical development and epidemic control activities of the Communicable Disease Center, including devising spray equipment, appraising new insecticides, testing application rates and efficacy of larviciding. Also for use in epidemics and disasters.

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DEPARTMENT OF THE INTERIOR

The 1961 recommendations for new obligational authority for the Department of the Interior total $771 million. Approximately 90% of this total will be for the development of the Nation's natural resources.

The recommended new obligational authority is $18 million above the total for 1960. An increase of $54 million is recommended for the Bureau of Reclamation, mainly for continuing work on construction projects underway and for starting six new projects and making loans to local groups for five small reclamation projects. This increase also includes $5 million to purchase foreign currencies for engineering research in foreign countries, which will supplement domestic research. The increase for the Bureau of Reclamation is offset to a large extent by decreases of $43 million for the Bureau of Indian Affairs and the National Park Service. The construction of roads and parkways by these agencies will be financed in 1961 from contract authority made available in 1960, and thus requires no new obligational authority in 1961.

Expenditures by the Department of the Interior are estimated at $809 million, an increase of $65 million over the 1960 estimated total. The major increase is for the Bureau of Reclamation.

The programs of the Department of the Interior are largely investment programs for development and operation of water and related land resources, range and forest lands, minerals, national parks, and fish and wildlife resources. Expenditures for public works construction in 1961 total $382 million—almost half of the Department's total expenditures. The Department also carries on other developmental programs such as reforestation and soil and moisture conservation, research on production and utilization of minerals, and collection of basic data including topographic surveys and mapping, geologic and mineral resources surveys, and water resources investigations. Other expenditures are mainly for maintenance and operation activities and for the education and welfare programs of the Bureau of Indian Affairs.

In addition to providing long-range economic benefits, many of these programs result in direct financial returns. This revenue, estimated at $520 million in 1961, arises mostly from the sale of power generated at Government dams, collections from water users on irrigation projects, grazing fees, park permits, timber sales, and mineral leases on public lands, including the Outer Continental Shelf. Some of the revenue is used to repay earlier investments of the Government in irrigation and power facilities. Other revenue is shared with States and counties as provided by law, appropriated or placed in revolving funds to finance Federal programs, or added to the general revenue of the Treasury. Expenditures of the Department in 1961 include $57 million for payments of shared revenue to States and counties. They also include $22 million in payments to States from appropriations equal to excise tax revenue from sale of hunting and fishing gear, to be used in restoration of wildlife and fish resources.

New obligational authority and expenditures of the Department are shown by function in the following table:

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
Labor and welfare:						
211 Labor and manpower	$6,363	$6,387	$6,782	$6,596	$6,400	$6,700
214 Promotion of education	57,899	60,986	63,669	58,815	58,000	60,500
Total, labor and welfare	64,262	67,373	70,451	65,411	64,400	67,200
Natural resources:						
401 Conservation and development of land and water resources	421,913	393,201	432,488	369,959	372,220	436,621
402 Conservation and development of forest resources	11,112	14,899	16,052	11,112	14,899	16,052
403 Conservation and development of mineral resources	74,743	60,443	63,122	70,971	65,561	64,288
404 Conservation and development of fish and wildlife	59,748	66,697	66,055	66,625	67,733	69,208
405 Recreational use of natural resources	84,073	85,590	52,462	85,428	85,744	85,762
409 General resource surveys and administration	58,379	52,212	53,377	60,308	53,240	53,186
Total, natural resources	709,968	673,042	683,556	664,403	659,397	725,117
Commerce and housing:						
515 Community development and facilities	5,300	350	300	6,087	5,639	477
518 Other aids to business				2,937	2,205	500
Total, commerce and housing	5,300	350	300	9,024	7,844	977
General government:						
609 Territories and possessions, and the District of Columbia	11,090	11,834	16,049	11,793	11,885	15,439
610 Other general government	201	293	220	523	410	414
Total, general government	11,291	12,127	16,269	12,316	12,295	15,853
Total, Department of the Interior	790,821	752,892	770,576	751,154	743,936	809,147

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
							1961 estimate		
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	Total	From new obligational authority	From prior authority
DEPARTMENTAL OFFICES									
Current authorizations:									
Office of Saline Water:									
Salaries and expenses	401	$1,183	$1,755	$1,355	$1,084	$1,655	$1,455	$875	$580
Reappropriation	401	63							
Construction, demonstration plants	401		1,850	2,040		466	2,945	1,561	1,384
Office of Oil and Gas: Salaries and expenses	403	577	480	480	542	480	480	441	39
Office of the Solicitor: Salaries and expenses	409	3,078	3,091	3,400	3,166	3,091	3,400	3,226	174
Office of Minerals Exploration: Salaries and expenses	403	2,622	1,100	1,100	827	900	900	583	317
Office of Minerals Mobilization: Salaries and expenses	403	275			256	15			
Acquisition of strategic minerals	403	3,200			4,754	47			
Total, departmental offices		10,998	8,276	8,375	10,629	6,654	9,180	6,686	2,494
COMMISSION OF FINE ARTS									
Current authorizations:									
Salaries and expenses	610	37	42	69	39	42	69	67	2
BONNEVILLE POWER ADMINISTRATION									
Current authorizations:									
Construction	401	20,934	21,450	20,220	18,204	22,400	20,450	11,550	8,900
Operation and maintenance	401	9,546	9,994	10,975	9,654	10,025	10,950	10,800	150
Proposed for later transmission:									
Under existing legislation: Operation and maintenance	401		195			175	20		20
Total, Bonneville Power Administration		30,480	31,639	31,195	27,858	32,600	31,420	22,350	9,070
SOUTHEASTERN POWER ADMINISTRATION									
Current authorizations:									
Operation and maintenance	401	735	717	800	490	683	780	690	90
SOUTHWESTERN POWER ADMINISTRATION									
Current authorizations:									
Construction	401		858	1,325	353	1,499	1,188	768	420
Operation and maintenance	401	1,031	1,121	1,250	1,056	1,115	1,246	1,180	66
Continuing fund (indefinite special fund)	401	3,140	5,000	5,000	3,065	4,461	4,866	4,020	846
Permanent authorizations:									
Continuing fund (indefinite special fund)	401	15							
Total, Southwestern Power Administration		4,186	6,979	7,575	4,474	7,075	7,300	5,968	1,332
BUREAU OF LAND MANAGEMENT									
Current authorizations:									
Management of lands and resources	401	26,910	25,402	24,475	26,799	23,825	25,075	22,075	3,000
Construction	401	5,685	7,750	350	4,384	6,000	350	150	200
Oregon and California grant lands (indefinite special fund)	401			8,000			8,000	1,500	6,500
Range improvements (receipt limitation)	401	687	769	925	544	696	762	730	32
Permanent authorizations:									
Expenses, sale of timber, etc., on reclamation lands (indefinite special fund)	402	1	2	2	1	2	2	2	
Leasing of grazing lands (receipt limitation)	401	1	1	1	1	1	1	1	
Payments to Oklahoma (royalties) (receipt limitation)	403	15	19	15	15	19	15	15	
Payments to Coos and Douglas Counties, Oreg., from receipts, Coos Bay Wagon Road grant lands (indefinite special fund)	402	135	135	50	135	135	50	50	
Payments to counties, Oregon and California grant lands (indefinite special fund)	402	10,976	14,762	16,000	10,976	14,762	16,000	16,000	
Payments to States (grazing fees) (indefinite special fund)	401	1	1	1	1	1	1	1	
Payments to States (proceeds of sales) (receipt limitation)	401	175	274	250	175	274	250	250	
Payments to States from grazing receipts, etc., public lands outside grazing districts (indefinite special fund)	401	168	225	250	176	225	250	250	
Payments to States from grazing receipts, etc., public lands within grazing districts (indefinite special fund)	401	227	271	281	221	271	281	281	
Payments to States from grazing receipts, etc., public lands within grazing districts, miscellaneous (indefinite special fund)	401	3	5	5	3	5	5	5	

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
							1961 estimate		
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	Total	From new obligational authority	From prior authority
BUREAU OF LAND MANAGEMENT—Continued									
Permanent authorizations—Continued									
Payments to States from receipts under Mineral Leasing Act (indefinite special fund)	403	$32,985	$36,260	$38,543	$32,985	$36,260	$38,543	$38,543	
Payments to Territory of Alaska, income and proceeds, Alaska school lands (indefinite special fund)	401	34	20		14	20			
Payments to Alaska, coal leases (indefinite special fund)	403	91	110	110	91	110	110	110	
Payments due counties, submarginal land program, Farm Tenant Act (indefinite special fund)	401		94	100		94	100	100	
Proposed for later transmission:									
Under existing legislation: Management of lands and resources	401		2,800			2,550	250		$250
Total, Bureau of Land Management		78,094	88,900	89,358	76,521	85,250	90,045	80,063	9,982
BUREAU OF INDIAN AFFAIRS									
Current authorizations:									
Education and welfare services:									
Appropriation	214	57,340	60,366	63,049	58,815	58,000	60,500	52,378	8,122
Liquidation of contract authorization	214	(419)	(559)	(620)					
Resources management	401	18,979	22,202	22,684	19,160	20,972	21,440	17,781	3,659
Construction	401	26,000	13,575	13,575	18,447	16,000	18,000	1,506	16,494
Road construction (liquidation of contract authorization)	401	(12,000)	(14,600)	(13,000)	13,590	16,893	13,000		13,000
General administrative expenses	409	3,702	3,715	3,739	3,760	3,718	3,718	3,434	284
Payment to Klamath Tribe of Indians	409	250	100		249	101			
Liquidation of Klamath and Menominee agencies	409		250	150		240	160	150	10
Distribution of funds of the Creek Indians	610		100		71	70	44		44
Colorado River Indian Reservation benefits, southern and northern reserves (indefinite special fund)	401	177	112	112	234	114	112	112	
Miscellaneous accounts:									
Payment to loyal Creeks and freedmen	610				158	100	150		150
Payment to Menominee Tribe of Indians	409	200				275			
Payment to Pine Ridge Sioux Tribe of Indians	610				102	45			
Payment to Standing Rock Sioux Tribe of Indians	409	6,960			6,960				
Permanent authorizations:									
Education and welfare services (contract authorization)	214	559	620	620					
Road construction (contract authorization)	401	32,000	12,000						
Claims and treaty obligations (indefinite)	610	159	141	141	144	141	141	107	34
Other permanent appropriations (indefinite special funds):									
Acquisition of lands and loans to Indians in Oklahoma, act of June 26, 1936	610	5	10	10		10	10		10
Operation and maintenance, Indian irrigation systems	401	2,620	3,000	3,000	2,400	2,600	2,800	8	2,792
Power systems, Indian irrigation projects	401	1,591	1,600	1,600	1,659	1,650	1,650	921	729
Purchase of land for Rocky Boy's Reservation, Mont	610				9	2			
Colorado River Indian Reservation fund, southern reserve	401				10				
Public enterprise funds:									
Revolving fund for loans	401				1,996	3,088	334		334
Liquidation of Hoonah housing project revolving fund	409				−4	1	101		101
Intragovernmental funds:									
Advances and reimbursements	409				−680	680			
Proposed for later transmission:									
Under existing legislation: Resources management	401		360			300	60		60
Total, Bureau of Indian Affairs		150,542	118,151	108,680	127,080	125,000	122,220	76,397	45,823
BUREAU OF RECLAMATION									
Current authorizations:									
General investigations	401	4,556	4,669	4,650	5,738	4,700	4,600	3,868	732
General investigations (special foreign currency program)	401			4,957			1,000	1,000	
Construction and rehabilitation	401	146,015	132,466	173,950	147,375	139,000	160,000	123,067	36,933
Operation and maintenance	401	28,332	28,403	31,900	27,871	28,000	31,000	27,190	3,810
General administrative expenses	401	4,382	4,290	4,320	4,417	4,300	4,320	4,103	217
Loan program	401	14,497	11,228	18,437	4,553	10,910	20,000	5,000	15,000
Disposal of Coulee Dam community	401			15			15	15	
Boulder City municipal fund	401			150			81	81	
Emergency fund	401				147	162	100		100
Permanent authorizations:									
Disposal of Coulee Dam community (indefinite special fund)	401	265	60	16	274	80	15	12	3
Boulder City municipal fund (indefinite special fund)	401		270	8	69	89	110		110
Colorado River Dam fund; Boulder Canyon project:									
Payment of interest on advances from the Treasury (indefinite special fund)	401	3,115	3,200	3,200	3,115	3,200	3,200	3,200	
Payment to States of Arizona and Nevada (definite special fund)	401	600	600	600	600	600	600	600	

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
							1961 estimate		
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	Total	From new obligational authority	From prior authority
BUREAU OF RECLAMATION—Continued									
Permanent authorizations—Continued									
Operation, maintenance, and replacement of project works, North Platte project (Gering and Fort Laramie, Goshen, and Pathfinder Irrigation Districts) (indefinite special fund)	401	$4	----------	$10	$57	$1	$10	----------	$10
Payments to Farmers' Irrigation District (North Platte project, Nebraska-Wyoming) (indefinite special fund)	401	8	$8	8	8	8	8	$8	----------
Refunds and returns (indefinite)	401	100	125	92	27	22	92	----------	92
Loan to Boulder City municipal fund	401	100	----------	----------	----------	----------	----------	----------	----------
Public enterprise funds:									
Continuing fund for emergency expenses, Fort Peck project, Montana	401	----------	----------	----------	−1,150	−1,931	−2,151	----------	−2,151
Upper Colorado River Basin fund (current appropriation)	401	68,033	74,460	71,600	53,139	45,000	77,000	25,656	51,344
Proposed for later transmission:									
Under existing legislation: Disposal of Coulee Dam community	401	----------	21	----------	----------	21	----------	----------	----------
Total, Bureau of Relamation	-----	270,007	259,799	313,913	246,239	234,162	300,000	193,800	106,200
GEOLOGICAL SURVEY									
Current authorizations:									
Surveys, investigations, and research	409	41,488	42,350	43,365	44,013	42,300	43,000	41,100	1,900
Permanent authorizations:									
Payments from proceeds, sale of water, Mineral Leasing Act of 1920, sec. 40(d) (indefinite special fund)	401	1	1	1	----------	----------	----------	----------	----------
I ntragovernmental funds:									
Advances and reimbursements	409	----------	----------	----------	134	100	100	----------	100
Total, Geological Survey	-----	41,489	42,351	43,366	44,147	42,400	43,100	41,100	2,000
BUREAU OF MINES									
Current authorizations:									
Conservation and development of mineral resources	403	21,162	21,277	21,667	21,627	21,600	21,800	20,050	1,750
Health and safety	211	6,363	6,387	6,782	6,596	6,400	6,700	6,310	390
Construction	403	12,624	----------	----------	8,593	4,495	425	----------	425
General administrative expenses	403	1,192	1,197	1,207	1,267	1,200	1,200	1,125	75
Drainage of anthracite mines	403	----------	----------	----------	1,532	1,443	2,000	----------	2,000
Public enterprise funds:									
Development and operation of helium properties	403	----------	----------	----------	−1,380	−1,008	−1,185	----------	−1,185
Intragovernmental funds:									
Advances and reimbursements	403	----------	----------	----------	−138	----------	----------	----------	----------
Total Bureau of Mines	-----	41,341	28,861	29,656	38,097	34,130	30,940	27,485	3,455
NATIONAL PARK SERVICE									
Current authorizations:									
Management and protection	405	16,011	16,647	18,976	16,380	16,370	17,000	14,900	2,100
Reappropriation	405	45	----------	----------					
Maintenance and rehabilitation of physical facilities	405	12,477	14,000	15,250	12,555	13,400	13,500	11,499	2,001
Construction	405	20,000	13,600	16,600	19,330	16,511	11,077	1,577	9,500
Construction (liquidation of contract authorization)	405	(30,000)	(30,000)	(34,000)	35,583	36,300	41,000	----------	41,000
General administrative expenses	405	1,430	1,475	1,485	1,430	1,450	1,300	1,200	100
Permanent authorizations:									
Construction (contract authorization)	405	34,000	36,000	----------					
Educational expenses, children of employees, Yellowstone National Park	405	27	44	109	27	39	69	64	5
Operation, management, maintenance, and demolition of federally acquired properties, Independence National Historical Park	405	53	13	12	87	36	25	9	16
Payment of tax losses on land acquired for Grand Teton National Park	405	30	30	30	29	30	30	----------	30
Purchase of Great Onyx and Crystal Cave properties, Mammoth Cave National Park	405	----------	----------	----------	----------	----------	80	----------	80
Intragovernmental funds:									
Advances and reimbursements	405	----------	----------	----------	7	1	7	----------	7
Proposed for later transmission:									
Under existing legislation:									
Management and protection	405	----------	150	----------	----------	150	----------	----------	----------
Maintenance and rehabilitation	405	----------	454	----------	----------	430	24	----------	24
Construction	405	----------	3,177	----------	----------	1,027	1,650	----------	1,650
Total, National Park Service	-----	84,073	85,590	52,462	85,428	85,744	85,762	29,249	56,513

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate		
							Total	From new obligational authority	From prior authority
FISH AND WILDLIFE SERVICE									
OFFICE OF THE COMMISSIONER OF FISH AND WILDLIFE									
Current authorizations:									
Salaries and expenses	404	$332	$340	$382	$435	$333	$387	$349	$38
BUREAU OF SPORT FISHERIES AND WILDLIFE									
Current authorizations:									
Management and investigations of resources:									
Definite	404	12,491	13,520	18,050	13,681	13,700	17,500	16,400	1,100
Indefinite:									
General fund	404	455							
Special fund	404		268						
Construction	404	3,929	3,410	3,410	5,126	4,990	4,145	1,645	2,500
General administrative expenses	404	772	631	950	738	632	927	883	44
Upper Mississippi River wildlife refuge	404				7	1			
Permanent authorizations:									
Expenses for sales, etc., in refuges, Migratory Bird Conservation Act (indefinite special fund)	404	73	76	84	69	75	84	80	4
Federal aid in fish restoration and management (receipt limitation)	404	4,995	5,589	4,900	5,031	5,050	5,500	800	4,700
Federal aid in wildlife restoration (indefinite special fund)	404	17,311	16,602	14,600	16,448	16,501	16,000	2,500	13,500
Management of national wildlife refuges (indefinite special fund)	404	1,520	1,519	1,491	1,992	1,400	1,400	1,150	250
Migratory bird conservation account (receipt limitation)	404	4,330	6,000	5,500	6,134	6,600	5,500	3,500	2,000
Payment to Alaska, Alaska game law (indefinite special fund)	404	95	10		95	10			
Payments to counties from receipts under Migratory Bird Conservation Act (indefinite special fund)	404	506	506	497	506	506	497	497	
Intragovernmental funds:									
Advances and reimbursements	404				1	25			
Proposed for later transmission:									
Under existing legislation: Construction	404		65			10	55		55
Total, Bureau of Sport Fisheries and Wildlife		46,477	48,196	49,482	49,828	49,500	51,608	27,455	24,153
BUREAU OF COMMERCIAL FISHERIES									
Current authorizations:									
Management and investigations of resources:									
Definite	404	6,270	6,345	6,249	6,664	6,800	6,300	5,644	656
Indefinite:									
General fund	404	455							
Special fund	404		398						
Construction	404	500	345	2,400	611	1,200	1,500	916	584
General administrative expenses	404	189	325	361	192	318	357	334	23
Administration of Pribilof Islands (indefinite special fund)	404	739	1,940	2,070	1,737	1,810	2,157	1,616	541
Permanent authorizations:									
Promote and develop fishery products and research pertaining to American fisheries (indefinite)	404	4,786	4,994	4,800	6,466	5,100	5,200	3,932	1,268
Payment to Alaska from Pribilof Islands funds (indefinite special fund)	404		814	311		814	311	311	
Public enterprise funds:									
Federal ship mortgage insurance for fishing vessels	404					−10	−72		−72
Fisheries loan fund	404		3,000		684	1,868	1,460		1,460
Limitation on administrative expenses		(313)	(313)	(250)					
Intragovernmental funds:									
Advances and reimbursements	404				8				
Total, Bureau of Commercial Fisheries		12,939	18,161	16,191	16,362	17,900	17,213	12,753	4,460
Total, Fish and Wildlife Service		59,748	66,697	66,055	66,625	67,733	69,208	40,557	28,651
OFFICE OF TERRITORIES									
Current authorizations:									
Administration of territories	609	2,100	2,606	2,560	2,052	2,550	2,595	2,525	70
Trust Territory of the Pacific Islands	609	4,862	5,225	5,225	4,858	5,215	5,230	5,212	18
Alaska public works	515	5,300			6,044	5,619	477	300	177
Reappropriation	515		350	300					
Virgin Islands public works	515				43	20			
Permanent authorizations:									
Internal revenue collections for Virgin Islands (indefinite special fund)	609	3,873	3,873	3,800	3,873	3,873	3,800	3,800	

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
							1961 estimate		
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	Total	From new obligational authority	From prior authority
OFFICE OF TERRITORIES—Continued									
Public enterprise funds:									
Alaska Railroad revolving fund	518				$2,937	$2,205	$500		$500
Loans to private trading enterprises, Trust Territory of the Pacific Islands	609				−56	−30	−30		−30
Total, Office of Territories		$16,135	$12,054	$11,885	19,751	19,452	12,572	$11,837	735
VIRGIN ISLANDS CORPORATION									
Public enterprise funds:									
Contributions (current appropriation)	609	130	130	691					
Operating fund (current appropriation)	609			2,538					
Authorization to expend from debt receipts	609	125		1,235	1,066	277	3,844	3,832	12
Limitation on administrative expenses		(171)	(172)	(172)					
Total, Virgin Islands Corporation		255	130	4,464	1,066	277	3,844	3,832	12
OFFICE OF THE SECRETARY									
Current authorizations:									
Salaries and expenses	409	2,701	2,706	2,723	2,759	2,707	2,707	2,547	160
Intragovernmental funds:									
Working capital fund	409				−36	9			
Advances and reimbursements	409				−13	18			
Total, Office of the Secretary		2,701	2,706	2,723	2,710	2,734	2,707	2,547	160
Total new obligational authority and budget expenditures		790,821	752,892	770,576	751,154	743,936	809,147	542,628	266,519
RECAPITULATION									
Enacted or recommended in this document:									
Current authorizations:									
Appropriations		$633,035	$595,436	$667,993					
Appropriations to liquidate contract authorizations		(42,419)	(45,159)	(47,620)					
Authorizations to expend from debt receipts		125		1,235	$751,154	$739,273	$807,088	$542,628	$264,460
Reappropriations		108	350	300					
Permanent authorizations:									
Appropriations		90,994	101,264	100,428					
Contract authorizations		66,559	48,620	620					
Proposed for later transmission:									
Appropriations			7,222			4,663	2,059		2,059
Total new obligational authority and budget expenditures		790,821	752,892	770,576	751,154	743,936	809,147	542,628	266,519

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EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

[In thousands]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1959	1960	1961	1959	1960	1961	1959	1960	1961
BUREAU OF INDIAN AFFAIRS										
Revolving fund for loans	401	$3,567	$5,008	$1,754	$1,571	$1,920	$1,420	$1,996	$3,088	$334
Liquidation of Hoonah housing project revolving fund	409	----------	5	105	4	4	4	−4	1	101
BUREAU OF RECLAMATION										
Continuing fund for emergency expenses, Fort Peck project, Montana	401	3,094	4,423	1,475	4,244	6,355	3,626	−1,150	−1,931	−2,151
Upper Colorado River Basin fund	401	53,373	56,232	100,715	234	11,232	23,715	53,139	45,000	77,000
BUREAU OF MINES										
Development and operation of helium properties	403	5,504	8,450	8,984	6,884	9,458	10,169	−1,380	−1,008	−1,185
FISH AND WILDLIFE SERVICE										
BUREAU OF COMMERCIAL FISHERIES										
Federal ship mortgage insurance for fishing vessels	404	----------	----------	----------	----------	10	72	----------	−10	−72
Fisheries loan fund	404	1,568	2,917	2,555	884	1,049	1,095	684	1,868	1,460
OFFICE OF TERRITORIES										
Alaska Railroad revolving fund	518	17,174	17,781	16,295	14,237	15,576	15,795	2,937	2,205	500
Loans to private trading enterprises, Trust Territory of the Pacific Islands	609	96	100	100	152	130	130	−56	−30	−30
VIRGIN ISLANDS CORPORATION										
Operating fund	609	4,261	3,775	7,262	3,195	3,498	3,418	1,066	277	3,844
Total, public enterprise funds	------	88,637	98,691	139,245	31,405	49,232	59,444	57,232	49,459	79,801

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ANALYSIS OF UNEXPENDED BALANCES

[In thousands]

Description	Balance, start of 1959		Balance, start of 1960		Balance, start of 1961		Balance, start of 1962	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document:								
Appropriations:								
Acquisition of strategic minerals, departmental offices	$1,012	$3,054		$47				
Construction, Bonneville Power Administration	77	12,784	$430	15,514	$422	$14,564		$14,334
Continuing fund for emergency expenses, Bonneville Power Administration (indefinite special fund)	500	500	500	500	500	500	$500	500
Continuing fund, Southeastern Power Administration (indefinite special fund)	50	50	50	50	50	50	50	50
Construction, Southwestern Power Administration	1,310	1,414	286	1,061		420		557
Continuing fund, Southwestern Power Administration (indefinite special fund)	300	573	300	607	300	1,146	300	1,280
Construction, Bureau of Land Management	1,783	5,683	4,699	6,984	2,000	2,200		200
Range improvements, Bureau of Land Management (receipt limitation) (indefinite special fund)	178	297	297	440	32	513	32	676
Construction, Bureau of Indian Affairs	1,515	11,367	9,752	18,919		16,494		12,069
Payment to Klamath Tribe of Indians, Bureau of Indian Affairs			1	1				
Payment to Menominee Tribe of Indians, Bureau of Indian Affairs	300	300	500	500	225	225	225	225
Distribution of funds of the Creek Indians, Bureau of Indian Affairs	79	85	10	14	40	44		
Payment to Pine Ridge Sioux Tribe of Indians, Bureau of Indian Affairs	147	147	45	45				
Acquisition of lands and loans to Indians in Oklahoma, act of June 26, 1936, Bureau of Indian Affairs	63	63	68	68	10	68	10	68
Operation and maintenance, Indian irrigation systems, Bureau of Indian Affairs	1,931	2,171	2,173	2,392	2,563	2,792	2,763	2,992
Power systems, Indian irrigation projects, Bureau of Indian Affairs	466	847	564	779	564	729	564	679
Purchase of land for Rocky Boy's Reservation, Montana, Bureau of Indian Affairs	11	11	2	2				
Colorado River Indian Reservation fund, southern reserve, Bureau of Indian Affairs	9	10						
General investigations, Bureau of Reclamation	1,137	1,945	380	763	12	732	12	782
General investigations (special foreign currency program), Bureau of Reclamation								3,957
Construction and rehabilitation, Bureau of Reclamation	7,670	59,096	9,793	43,467	824	36,933	204	50,883
Loan program, Bureau of Reclamation			5,541	24,213	564	24,530		22,967
Emergency fund, Bureau of Reclamation	664	690	501	543	350	381		281
Disposal of Coulee Dam community, Bureau of Reclamation (indefinite special fund)	11	32	7	23		3		4
Boulder City municipal fund, Bureau of Reclamation (indefinite special fund)			24	31		212		110
Operation, maintenance, and replacement work, North Platte project, Bureau of Reclamation (indefinite special fund)	64	67	15	14	13	13	13	13
Refunds and returns, Bureau of Reclamation (indefinite general fund)	24	24	97	97		200		200
Surveys, investigations, and research, Geological Survey	475	5,013	400	2,300	400	2,350	400	2,715
Payment from proceeds, sale of water, Mineral Leasing Act of 1920, sec. 40(d), Geological Survey (indefinite special fund)	11	11	11	11	12	12	13	13
Construction, Bureau of Mines	1,274	1,341	1,218	5,370	425	425		
Drainage of anthracite mines, Bureau of Mines	6,819	8,077	5,864	6,545	4,364	5,102	2,364	3,102
Construction, National Park Service	3,119	14,567	4,970	15,237	33	12,326		17,849
Construction (liquidation of contract authorization) National Park Service		19,297		13,714		7,414		414
Operation, management, maintenance, and demolition of federally acquired properties, Independence National Historical Park, National Park Service (indefinite special fund)	52	75	27	41		18		5
Payment of tax leases on land acquired for Grand Teton National Park, National Park Service (indefinite special fund)	29	29	30	30	30	30	30	30
Purchase of Great Onyx and Crystal Cave properties, Mammoth Cave National Park, National Park Service (indefinite special fund)	80	80	80	80	80	80		
Construction, Bureau of Sport Fisheries and Wildlife	2,568	6,181	1,669	4,984		3,404		2,669
Upper Mississippi River wildlife refuge, Bureau of Sport Fisheries and Wildlife	1	11		1				
Expenses for sales, etc., in refuges, Migratory Bird Conservation Act, Bureau of Sport Fisheries and Wildlife (indefinite special fund)	21	39		4		5		5
Federal aid in fish restoration and management, Bureau of Sport Fisheries and Wildlife (receipt limitation) (general fund)	1,792	8,361	1,643	8,325	1,767	8,864	1,129	8,264
Federal aid in wildlife restoration, Bureau of Sport Fisheries and Wildlife (indefinite special fund)	6,674	28,558	4,289	29,421	2,318	29,522	1,223	28,122
Management of national wildlife refuges, Bureau of Sport Fisheries and Wildlife (indefinite special fund)	236	790	17	318	136	437	180	528
Migratory bird conservation account, Bureau of Sport Fisheries and Wildlife (receipt limitation) (general fund)	3,002	5,496	1,841	3,692	513	3,092	507	3,092
Construction, Bureau of Commercial Fisheries	863	1,550	291	1,439		584		1,484
Administration of Pribilof Islands, Bureau of Commercial Fisheries (receipt limitation) (indefinite special fund)	1,181	1,607	198	609		541		454
Promote and develop fishery products and research pertaining to American fisheries, Bureau of Commercial Fisheries (indefinite)	373	3,054	151	1,374	79	1,268		868

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ANALYSIS OF UNEXPENDED BALANCES—Continued

[In thousands]

Description	Balance, start of 1959		Balance, start of 1960		Balance, start of 1961		Balance, start of 1962	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document—Continued								
Appropriations—Continued								
Alaska public works, Office of Territories	$1,811	$7,621		$5,827		$558		$381
Virgin Islands public works, Office of Territories	357	357	$294	314	$294	294	$294	294
Other		35,266		25,938		38,526		48,817
Total, appropriations	50,039	248,591	59,028	242,648	18,920	217,601	10,813	231,933
Authorizations to expend from debt receipts: Operating fund, Virgin Islands Corporation				125		12		235
Contract authorizations:								
Education and welfare services, Bureau of Indian Affairs		419		559		620		620
Road construction, Bureau of Indian Affairs	10,248	14,685	30,643	34,685	27,400	32,085	15,400	19,085
Construction, National Park Service	20,793	41,052	35,727	45,053	36,000	51,052		17,052
Total, contract authorizations	31,041	56,156	66,370	80,297	63,400	83,757	15,400	36,757
Revolving and management funds:								
Upper Colorado River Basin fund, Bureau of Reclamation	1,246	6,996	1,994	21,887	18,000	51,344		45,942
Development and operation of helium properties, Bureau of Mines	4,075	6,313	5,007	7,693	8,099	8,701	9,212	9,886
Other	22,826	25,790	16,925	19,724	13,250	14,782	12,304	12,779
Total, revolving and management funds	28,147	39,099	23,926	49,304	39,349	74,827	21,516	68,607
Proposed for later transmission:								
Appropriations						2,559		500
Total, Department of the Interior	109,227	343,846	149,324	372,374	121,669	378,756	47,729	338,032

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

	1959 actual	1960 estimate	1961 estimate
Balances brought forward at start of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	$248,591	$242,648	$217,601
Authorizations to expend from debt receipts	----------	125	12
Contract authorizations	56,156	80,297	83,757
Revolving and management funds	39,099	49,304	74,827
Proposed for later transmission: Appropriations	----------	----------	2,559
Total balances brought forward	343,846	372,374	378,756
New obligational authority:			
Enacted or recommended in this document:			
Current authorizations:			
Appropriations	633,035	595,436	667,993
Appropriations to liquidate contract authorizations	(42,419)	(45,159)	(47,620)
Authorizations to expend from debt receipts	125	----------	1,235
Reappropriations	108	350	300
Total new obligational authority under current authorizations	633,268	595,786	669,528
Permanent authorizations:			
Appropriations	90,994	101,264	100,428
Contract authorizations	66,559	48,620	620
Total new obligational authority under permanent authorizations	157,553	149,884	101,048
Total new obligational authority enacted or recommended	790,821	745,670	770,576
Proposed for later transmission: Appropriations	----------	7,222	----------
Total new obligational authority	790,821	752,892	770,576
Other amounts available:			
Net transfer of balance from other agencies	111	----------	----------
Appropriations available in prior year	−1,972	----------	----------
Total other amounts available	−1,861	----------	----------
Total budget authorizations available	1,132,806	1,125,266	1,149,332
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	751,154	739,273	542,628
Out of balances of prior obligational authority			264,460
Total expenditures from obligational authority enacted or recommended	751,154	739,273	807,088
From obligational authority proposed for later transmission:			
Out of new obligational authority	----------	4,663	----------
Out of balances of prior obligational authority	----------	----------	2,059
Total budget expenditures	751,154	743,936	809,147
Amounts no longer available:			
Unobligated balances expiring and lapsing	6,988	686	----------
Capital transfers from revolving funds to receipt accounts	1,332	1,888	2,153
Adjustment of balances downward in expired accounts	958	----------	----------
Total amounts no longer available	9,278	2,574	2,153
Balances carried forward at close of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	242,648	217,601	231,933
Authorizations to expend from debt receipts	125	12	235
Contract authorizations	80,297	83,757	36,757
Revolving and management funds	49,304	74,827	68,607
Proposed for later transmission: Appropriations	----------	2,559	500
Total balances carried forward at close of year	372,374	378,756	338,032
Obligations incurred, net	$740,543	$777,973	$842,363

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DEPARTMENTAL OFFICES

Current authorizations:

Office of Saline Water

SALARIES AND EXPENSES

For expenses necessary to carry out provisions of the Act of July 3, 1952, as amended (42 U.S.C. 1951–1958), authorizing studies of the conversion of saline water for beneficial consumptive uses, $1,355,000. (*Department of the Interior and Related Agencies Appropriation Act, 1960.*)

Appropriated 1960, [a] **$1,755,000** Estimate 1961, **$1,355,000**

[a] Includes $400,000 appropriated in Supplemental Appropriation Act, 1960.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Administration and coordination:			
(a) Research and development	$175,964	$220,000	$220,000
(b) Demonstration plants	29,865		
2. Research and development:			
(a) Contracts and grants (non-Federal)	900,489	1,385,000	985,000
(b) Federal laboratories	102,950	150,000	150,000
(c) Contracts for engineering designs and demonstration plant site analysis	32,700		
Total obligations	1,241,968	1,755,000	1,355,000
Financing:			
Unobligated balance no longer available	3,738		
New obligational authority	1,245,706	1,755,000	1,355,000
New obligational authority:			
Appropriation	$1,182,960	$1,755,000	$1,355,000
Reappropriation	62,746		

This program provides for research to develop low-cost processes for converting saline water to fresh water in quantities sufficient for municipal, industrial, and agricultural use.

1. *Administration and coordination.*—This activity covers departmental administration of federally sponsored research, coordination of 100 known Federal and non-Federal research projects, and stimulation of private and public saline water research.

2. *Research and development.*—This activity relates to the federally sponsored research and evaluation work accomplished by means of contract or grant to Federal or non-Federal agencies, institutions, and consultants.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	27	22	22
Full-time equivalent of all other positions	1	1	1
Average number of all employees	21	22	22
Number of employees at end of year	31	25	25
Average GS grade and salary	8.7 $7,362	9.1 $7,721	9.4 $8,048
01 Personal services:			
Permanent positions	$146,816	$162,200	$162,900
Positions other than permanent	4,471	5,000	5,000
Other personal services	2,516	2,000	1,300
Total personal services	153,803	169,200	169,200
02 Travel	10,883	12,000	12,000
03 Transportation of things	249	300	300
04 Communication services	4,541	5,000	5,000
06 Printing and reproduction	8,987	9,000	9,000
07 Other contractual services	935,525	1,365,000	965,000
Services performed by other agencies	107,746	150,000	150,000
08 Supplies and materials	1,949	3,000	3,000
09 Equipment	7,736	5,000	5,000
11 Grants, subsidies, and contributions	10,113	36,000	36,000
15 Taxes and assessments	436	500	500
Total obligations	1,241,968	1,755,000	1,355,000

CONSTRUCTION

For construction of demonstration plants for the production of water suitable for agricultural, industrial, municipal, and other beneficial consumptive uses, as authorized by the Act of September 2, 1958 (72 Stat. 1706), [$300,000] *$2,040,000*, to remain available until September 3, 1965. (*Department of the Interior and Related Agencies Appropriation Act, 1960.*)

Appropriated 1960, [a] **$1,850,000** Estimate 1961, **$2,040,000**

[a] Includes $1,550,000 appropriated in Supplemental Appropriation Act, 1960.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Engineering and design		$215,000	$200,000
2. Construction		1,500,000	1,500,000
3. Operation and maintenance			150,000
4. Administration		135,000	190,000
Total obligations		1,850,000	2,040,000
Financing:			
Appropriation (new obligational authority)		1,850,000	2,040,000

This appropriation provides for the practical application of research in the conversion of saline water to fresh water.

1. *Engineering and design.*—Preconstruction planning will be completed on three demonstration plants in 1960 and on two in 1961.

2. *Construction.*—Construction is being started on a sea water plant at Freeport, Tex., in 1960; the 1961 funds will be used to start a brackish water plant and a second sea water plant. It is anticipated that the State of California will contribute $750,000 toward the second sea water plant.

3. *Operation and maintenance.*—The first two demonstration projects will go into operation in 1961; the cost of operation and maintenance will be borne by the Federal Government for a limited period until sufficient operational data has been secured.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions		11	14
Full-time equivalent of all other positions		1	1
Average number of all employees		11	15
Number of employees at end of year		13	16
Average GS grade and salary		9.1 $7,721	9.4 $8,048
01 Personal services:			
Permanent positions		$73,200	$120,200
Positions other than permanent		5,000	5,000
Other personal services		1,000	1,000
Total personal services		79,200	126,200
02 Travel		15,800	20,000
03 Transportation of things		10,000	10,000
04 Communication services		5,000	5,000
06 Printing and reproduction		5,000	5,000
07 Other contractual services		5,000	155,000
08 Supplies and materials		3,000	3,000
09 Equipment		7,000	7,000
10 Lands and structures		1,715,000	1,700,000
11 Grants, subsidies, and contributions		5,000	8,800
Total obligations		1,850,000	2,040,000

Office of Oil and Gas

SALARIES AND EXPENSES

For necessary expenses to enable the Secretary to discharge his responsibilities with respect to oil and gas, including cooperation with the petroleum industry and State authorities in the production, processing, and utilization of petroleum and its products, and

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DEPARTMENTAL OFFICES—Continued

Current authorizations—Continued

OFFICE OF OIL AND GAS—Continued

SALARIES AND EXPENSES—continued

natural gas, [$390,000] *$480,000.* (*Department of the Interior and Related Agencies Appropriation Act, 1960.*)

Appropriated 1960, [a] **$480,000** Estimate 1961, **$480,000**

[a] Includes $90,000 appropriated in Supplemental Appropriation Act, 1960.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Coordination of oil and gas activities	$322,625	$390,000	$390,000
2. Administration of oil import program		76,000	76,000
3. Oil import appeals		14,000	14,000
Total obligations	322,625	480,000	480,000
Financing:			
Comparative transfers to other accounts	214,491		
Unobligated balance no longer available	40,584		
Appropriation (new obligational authority)	577,700	480,000	480,000

1. *Coordination of oil and gas activities.*—This office provides coordination and advice to the Federal Government on all phases of petroleum and gas. Studies, domestic and worldwide, are made to maintain data on adequacy of petroleum and gas, to define deficient areas or elements, and to develop ways to alleviate actual or potential deficiencies.

2. *Administration of oil import program.*—This appropriation finances the Oil Import Administration established March 13, 1959, pursuant to Presidential Proclamation No. 3279. The Administration establishes quotas for importers of crude oil and oil products under the mandatory quota system.

3. *Oil import appeals.*—The Oil Import Appeals Board has been established to conduct hearings on appeals from importers who request a change in their quota or who do not qualify for a quota.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	36	52	52
Full-time equivalent of all other positions		1	2
Average number of all employees	29	50	49
Number of employees at end of year	33	56	55
Average GS grade and salary	10.1 $8,747	9.7 $8,290	9.7 $8,313
01 Personal services:			
Permanent positions	$256,411	$393,600	$394,900
Positions other than permanent		3,300	3,300
Other personal services	3,538	4,100	2,800
Total personal services	259,949	401,000	401,000
02 Travel	7,990	13,400	13,400
03 Transportation of things	6	300	300
04 Communication services	6,606	10,300	10,300
06 Printing and reproduction	9,559	9,700	9,700
07 Other contractual services	800	4,800	4,800
Services performed by other agencies	13,011	9,200	9,200
08 Supplies and materials	2,698	3,500	3,500
09 Equipment	4,904	1,800	1,800
11 Grants, subsidies, and contributions	17,054	25,600	25,600
13 Refunds, awards, and indemnities		300	300
15 Taxes and assessments	48	100	100
Total obligations	322,625	480,000	480,000

OFFICE OF THE SOLICITOR

SALARIES AND EXPENSES

For necessary expenses of the Office of the Solicitor, [$3,091,000] *$3,400,000,* and in addition, not to exceed [$100,000] *$130,000* may be reimbursed or transferred to this appropriation from other accounts available to the Department of the Interior: *Provided,* That hearing officers appointed for Indian probate work need not be appointed pursuant to the Administrative Procedure Act (60 Stat. 237), as amended. (*5 U.S.C. 483a; Department of the Interior and Related Agencies Appropriation Act, 1960.*)

Appropriated 1960, **$3,091,000** Estimate 1961, **$3,400,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Legal services (total obligations)	$3,151,467	$3,191,000	$3,530,000
Financing:			
Advances and reimbursements from other accounts	−101,811	−100,000	−130,000
Unobligated balance no longer available	28,644		
New obligational authority	3,078,300	3,091,000	3,400,000
New obligational authority:			
Appropriation	$3,041,300	$3,091,000	$3,400,000
Transferred from "Salaries and expenses," Office of Minerals Exploration (72 Stat. 874)	37,000		
Appropriation (adjusted)	3,078,300	3,091,000	3,400,000

This Office furnishes legal services to the Secretary and the heads of the constituent bureaus of the Department. All attorneys and auxiliary personnel (with the exception of those in the Trust Territory of the Pacific Islands) are under the supervision of the Solicitor.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	390	392	417
Average number of all employees	357	352	394
Number of employees at end of year	342	385	400
Average GS grade and salary	9.1 $7,501	9.1 $7,509	9.1 $7,507
Personal service obligations:			
Permanent positions	$2,691,360	$2,680,800	$2,975,500
Positions other than permanent		1,000	1,000
Other personal services	32,585	46,100	35,700
Total personal service obligations	2,723,945	2,727,900	3,012,200
Direct obligations:			
01 Personal services	2,638,785	2,644,600	2,901,000
02 Travel	61,242	85,000	88,000
03 Transportation of things	1,038	4,000	4,000
04 Communication services	45,963	46,000	48,000
05 Rents and utility services	5,859	5,800	5,800
06 Printing and reproduction	20,246	20,000	21,000
07 Other contractual services	3,271	5,000	28,200
Services performed by other agencies	58,351	60,000	61,000
08 Supplies and materials	12,076	12,600	15,400
09 Equipment	33,755	35,000	38,000
11 Grants, subsidies, and contributions	165,267	169,000	185,600
13 Refunds, awards, and indemnities	3,275	3,500	3,500
15 Taxes and assessments	528	500	500
Total direct obligations	3,049,656	3,091,000	3,400,000
Reimbursable obligations:			
01 Personal services	85,160	83,300	111,200
02 Travel	2,898	3,000	3,500
04 Communication services	1,455	1,400	1,600
06 Printing and reproduction	3,531	4,000	4,000
07 Other contractual services	1,942	2,000	2,000
08 Supplies and materials	388	400	600
09 Equipment	1,065	500	500
11 Grants, subsidies, and contributions	5,277	5,300	6,500
15 Taxes and assessments	95	100	100
Total reimbursable obligations	101,811	100,000	130,000
Total obligations	3,151,467	3,191,000	3,530,000

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Office of Minerals Exploration

SALARIES AND EXPENSES

For expenses necessary to provide a program for the discovery of the minerals reserves of the United States, its Territories and possessions, by encouraging exploration for minerals, including administration of contracts entered into prior to June 30, 1958, under section 303 of the Defense Production Act of 1950, as amended, $1,100,000, to remain available until expended. *(72 Stat. 700; Department of the Interior and Related Agencies Appropriation Act, 1960.)*

Appropriated 1960, **$1,100,000** Estimate 1961, **$1,100,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Financial assistance for exploration projects	$90,295	$620,000	$700,000
2. Administrative and technical services	853,696	480,000	400,000
Total obligations	943,991	1,100,000	1,100,000
Financing:			
Unobligated balance no longer available	1,678,309		
New obligational authority	2,622,300	1,100,000	1,100,000
New obligational authority:			
Appropriation	$4,000,000	$1,100,000	$1,100,000
Transferred to "Salaries and expenses," Office of the Solicitor (72 Stat. 874)	−37,000		
Transferred (73 Stat. 45 and 57) to—			
"Management of lands and resources," Bureau of Land Management	−100,000		
"Conservation and development of mineral resources," Bureau of Mines	−1,240,700		
Appropriation (adjusted)	2,622,300	1,100,000	1,100,000

This program provides for the discovery of the mineral reserves of the United States and its possessions, by encouraging exploration for minerals, excluding organic fuels, by private individuals.

1. *Financial assistance for exploration projects.*—This is the Government's share of the cost of accepted projects for the exploration of strategic and critical minerals. The Government contributes not more than 50% of the cost. If the exploration is successful the advance is subject to repayment with interest.

2. *Administrative and technical services.*—This activity finances the Office of Minerals Exploration and the technical and clerical staffs of the Bureau of Mines and the Geological Survey assigned to it.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	49	25	23
Average number of all employees	32	20	18
Number of employees at end of year	27	22	20
Average GS grade and salary	9.8 $8,613	9.9 $8,736	9.7 $8,681
01 Personal services:			
Permanent positions	$273,481	$174,800	$159,400
Other personal services	1,051	1,200	600
Total personal services	274,532	176,000	160,000
02 Travel	1,964	2,700	2,000
04 Communication services	2,806	2,500	1,800
06 Printing and reproduction	2,348	2,300	1,600
07 Other contractual services	5,924	4,500	3,400
Services performed by—			
Bureau of Mines	298,000	150,000	115,000
Geological Survey	248,000	130,000	105,000
08 Supplies and materials	1,733	500	800
09 Equipment	1,610		
11 Grants, subsidies, and contributions	16,357	11,500	10,400
13 Refunds, awards, and indemnities	422		
16 Investments and loans	90,295	620,000	700,000
Total obligations	943,991	1,100,000	1,100,000

Acquisition of Strategic Minerals

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Acquisition and upgrading materials	$2,611,136		
2. Inventory management	121,296		
3. Operating expense:			
(a) Management and supervision	17,815		
(b) Administrative operations	20,000		
Total obligations	2,770,247		
Financing:			
Unobligated balance brought forward	−1,011,688		
Unobligated balance no longer available	1,441,441		
Appropriation (new obligational authority)	3,200,000		

Object Classification

	1959 actual	1960 estimate	1961 estimate
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
Total number of permanent positions	4		
Average number of all employees	2		
Number of employees at end of year	0		
Average GS grade and salary	7.8 $6,672		
01 Personal services: Permanent positions	$13,467		
02 Travel	2,013		
03 Transportation of things	337,810		
04 Communication services	490		
05 Rents and utility services	66		
06 Printing and reproduction	13		
07 Other contractual services	76,841		
Services performed by other agencies	65,406		
08 Supplies and materials	2,273,346		
11 Grants, subsidies, and contributions	752		
15 Taxes and assessments	43		
Total obligations	2,770,247		

Office of Minerals Mobilization

SALARIES AND EXPENSES

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Coordination of activities (total obligations)	$253,163		
Financing:			
Unobligated balance no longer available	21,437		
Appropriation (new obligational authority)	274,600		

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	25		
Full-time equivalent of all other positions	1		
Average number of all employees	23		
Number of employees at end of year	22		
Average GS grade and salary	10.8 $9,626		
01 Personal services:			
Permanent positions	$210,181		
Positions other than permanent	2,778		
Other personal services	800		
Total personal services	213,759		
02 Travel	11,668		
04 Communication services	2,632		
06 Printing and reproduction	1,391		
07 Other contractual services	1,021		
Services performed by other agencies	7,211		
08 Supplies and materials	781		
09 Equipment	1,150		
11 Grants, subsidies, and contributions	13,049		
13 Refunds, awards, and indemnities	300		
15 Taxes and assessments	201		
Total obligations	253,163		

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COMMISSION OF FINE ARTS

Current authorizations:

SALARIES AND EXPENSES

For expenses made necessary by the Act establishing a Commission of Fine Arts (40 U.S.C. 104), including payment of actual traveling expenses of the members and secretary of the Commission in attending meetings and committee meetings of the Commission either within or outside the District of Columbia, to be disbursed on vouchers approved by the Commission, [$37,800] *$69,000. (Department of the Interior and Related Agencies Appropriation Act, 1960.)*

Appropriated 1960, [a] **$42,300** Estimate 1961, **$69,000**

[a] Includes $4,500 appropriated in Supplemental Appropriation Act, 1960.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Administration (total obligations)	$37,633	$42,300	$69,000
Financing:			
Unobligated balance no longer available	67		
Appropriation (new obligational authority)	37,700	42,300	69,000

The Commission advises the President, Congress, and department heads on matters of architecture, sculpture, painting, and other fine arts. Additional personnel and the printing of the 17th annual report are provided for in 1961.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	4	4	6
Average number of all employees	4	4	6
Number of employees at end of year	4	4	6
Average GS grade and salary	9.5 $7,072	9.5 $7,248	10.6 $8,212
01 Personal services:			
Permanent positions	$28,124	$28,700	$48,600
Other personal services	153	200	200
Total personal services	28,277	28,900	48,800
02 Travel	2,941	6,600	6,800
04 Communication services	946	900	1,100
06 Printing and reproduction	633	700	4,500
07 Other contractual services	2,330	2,400	3,100
08 Supplies and materials	641	600	700
09 Equipment	30	400	900
11 Grants, subsidies, and contributions	1,835	1,800	3,100
Total obligations	37,633	42,300	69,000

BONNEVILLE POWER ADMINISTRATION

Current authorizations:

CONSTRUCTION

For construction and acquisition of transmission lines, substations, and appurtenant facilities, as authorized by law, [$21,450,000] *$20,220,000,* to remain available until expended. *(16 U.S.C. 825s, 832–832l; Executive Order 8526; 43 U.S.C. 389, 485h, 593–A; 59 Stat. 10, 21–22; 62 Stat. 382; Public Works Appropriation Act, 1960.)*

Appropriated 1960, **$21,450,000** Estimate 1961, **$20,220,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations:			
1. Construction in progress	$17,137,673	$12,120,124	$13,341,000
2. New construction	3,047,497	8,707,000	6,515,000
3. General plant	$395,657	$631,000	$786,000
Total direct obligations	20,580,827	21,458,124	20,642,000
Reimbursable obligations: Services performed for—			
(a) Operation and maintenance	935,288	953,000	1,046,000
(b) Other accounts	373,168	426,000	425,000
(c) Non-Federal sources	66,119	14,000	15,000
Total reimbursable obligations	1,374,575	1,393,000	1,486,000
Total obligations	21,955,402	22,851,124	22,128,000
Financing:			
Unobligated balance brought forward	−76,951	−430,124	−422,000
Advances and reimbursements from—			
Other accounts	−1,308,456	−1,379,000	−1,471,000
Non-Federal sources (16 U.S.C. 832(a), (h))	−66,119	−14,000	−15,000
Unobligated balance carried forward	430,124	422,000	
Appropriation (new obligational authority)	20,934,000	21,450,000	20,220,000

The Administration is responsible for the marketing of electric power produced at 17 Federal hydroelectric generating plants in service or under construction and wheels power from certain non-Federal plants in the Pacific Northwest.

Transmission facilities programed are associated with generating capacity at Federal plants shown on the following schedule:

	First generation (fiscal year)	*Installed capacity (kilowatts—nameplate rating)*
Projects in operation		5,070,250
Additional generation under construction:		
The Dalles	1958	1,119,000
Hills Creek	1962	30,000
Ice Harbor	1962	270,000
Cougar	1963	25,000
Total		6,514,250

In addition, other transmission facilities are included which will enable the Administration to wheel power over the Federal grid from the non-Federal Priest Rapids, Rocky Reach, and Wanapum Dams.

The amounts of peak generating capacity on the Federal system at the beginning and end of the 1961 budget construction period follow:

KILOWATTS	*July 1, 1960*	*July 1, 1964*
Federal projects	6,958,600	7,511,800
Power wheeled from non-Federal projects	614,200	1,933,200
Total	7,572,800	9,445,000

1. *Construction in progress.*—Amounts are included to continue work on transmission facilities started in prior years.

2. *New construction.*—Amounts in 1961 provide for starting construction of new transmission and substation capacity to carry to load centers the power production of Federal and non-Federal generating installations scheduled to be in operation by July 1964 and to meet service requirements of power customers.

3. *General plant.*—Provision is made for acquisition of items such as tools; office, shop, laboratory, and transportation equipment; and portable communication equipment used in the construction and operation of the Federal power system.

Program costs to this appropriation are presented in the following table:

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PROGRAM BY ACTIVITIES

	Costs to this appropriation					Analysis of 1961 financing				
	Total estimate	*To June 30, 1958*	*1959 actual*	*1960 estimate*	*1961 estimate*	*Deduct selected resources and unobligated balance, start of year*	*Add selected resources, end of year*	*Appropriation required for 1961*	*Appropriation required to complete*	*Percent cost complete through 1961*
Direct program:										
1. Construction in progress	$55,031,984	$11,637,505	$16,240,039	$11,975,000	$6,872,000	$8,486,440	$6,392,440	$4,778,000	$1,915,000	85
2. New construction:										
1959	10,827,575	----------	1,637,575	5,636,000	2,764,000	1,510,000	460,000	1,714,000	330,000	93
1960	17,731,000	----------	----------	4,547,000	9,578,000	5,047,000	2,038,000	6,569,000	1,568,000	80
1961	15,187,000	----------	----------	----------	3,453,000	493,000	3,413,000	6,373,000	8,321,000	23
3. General plant	1,812,826	----------	207,826	631,000	786,000	188,000	188,000	786,000	----------	
Total direct program costs	100,590,385	11,637,505	18,085,440	22,789,000	23,453,000	15,724,440	12,491,440	20,220,000	12,134,000	
4. Relation of costs to obligations:										
Costs financed from obligations of other years, net (−)			----------	−1,330,876	−2,811,000					
Obligations incurred for costs of other years, net			2,495,387	----------	----------					
Total direct program (obligations)			20,580,827	21,458,124	20,642,000					
Reimbursable program: Services performed for—										
(a) Operation and maintenance			935,288	953,000	1,046,000					
(b) Other accounts			373,168	426,000	425,000					
(c) Non-Federal sources (16 U.S.C. 832 (a), (h))			66,119	14,000	15,000					
Total reimbursable program (costs—obligations)			1,374,575	1,393,000	1,486,000					
Total program (obligations)			21,955,402	22,851,124	22,128,000					

4. *Relation of costs to obligations.*—The relationship of costs to obligations is derived from year-end balances of selected resources as reflected in the following table:

Selected resources at end of year:	*1958 actual*	*1959 actual*	*1960 estimate*	*1961 estimate*
Inventories and items on order:				
Stores (goods unconsumed by projects)	$6,201,193	$5,819,435	$5,350,000	$4,900,000
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	7,865,569	10,449,850	9,930,000	7,575,000
Deferred items (net charges not assigned to specific projects)	71,167	364,031	22,440	16,440
Total selected resources at end of year	14,137,929	16,633,316	15,302,440	12,491,440
Selected resources at start of year (−)		−14,137,929	−16,633,316	−15,302,440
Costs financed from obligations of other years, net (−)		----------	−1,330,876	−2,811,000
Obligations incurred for costs of other years, net		2,495,387	----------	----------

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	1,248	1,168	1,130
Full-time equivalent of all other positions	33	30	50
Average number of all employees	1,221	1,171	1,153
Number of employees at end of year	1,259	1,236	1,216
Average GS grade and salary	8.1 $6,661	8.2 $6,731	8.2 $6,731
Average salary of ungraded positions	$6,317	$6,578	$6,584
01 Personal services:			
Permanent positions	$7,584,926	$7,289,000	$6,978,000
Positions other than permanent	173,728	162,000	271,000
Other personal services	125,285	146,000	154,000
Excess of annual leave taken (−) over leave earned	−30,650	----------	----------
Total personal services	7,853,289	7,597,000	7,403,000
02 Travel	692,054	682,000	711,000
03 Transportation of things	47,767	48,000	48,000
04 Communication services	90,949	94,000	94,000
05 Rents and utility services	87,429	113,000	111,000
06 Printing and reproduction	2,641	5,000	4,000
07 Other contractual services	551,148	573,000	623,000
08 Supplies and materials	5,792,317	5,956,124	4,230,000
09 Equipment	2,517,314	2,641,000	2,300,000
10 Lands and structures	3,802,352	4,622,000	6,097,000
11 Grants, subsidies, and contributions	495,161	496,000	483,000
13 Refunds, awards, and indemnities	22,981	24,000	24,000
Total obligations	21,955,402	22,851,124	22,128,000

Operation and Maintenance

For necessary expenses of operation and maintenance of the Bonneville transmission system and of marketing electric power and energy, [$9,993,750] *$10,975,000. (16 U.S.C. 825s, 832–832l; Executive Order 8526; 43 U.S.C. 389, 485h, 593–A; 59 Stat. 10, 21–22; 62 Stat. 382; Public Works Appropriation Act, 1960.)*

Appropriated 1960, **$9,993,750** Estimate 1961, **$10,975,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. System operation and maintenance	$8,327,773	$8,771,750	$9,670,000
2. Power contracts and rates	314,172	323,000	325,000
3. General administration	831,391	899,000	980,000
Total program costs	9,473,336	9,993,750	10,975,000
4. Relation of costs to obligations: Obligations incurred for costs of other years, net	20,939	----------	----------
Total program (obligations)	9,494,275	9,993,750	10,975,000
Financing:			
1959 appropriation available in 1958	45,170	----------	----------
Unobligated balance no longer available	6,755	----------	----------
Appropriation (new obligational authority)	9,546,200	9,993,750	10,975,000

This program provides for the operation and maintenance of the Administration's high-voltage electric grid system, and for commercial and administrative expenses in marketing wholesale electric power from Federal dams, and in wheeling power from non-Federal dams in the Pacific Northwest.

1. *System operation and maintenance.*—This activity consists of the scheduling and dispatching of power; the operation of substations; the maintenance of transmission lines, substations, and other electrical facilities; load estimating; the integration of resources; and system engineering.

Transmission facilities of the Administration are expanded as increased generating capacity becomes available. The system will be operated and maintained at a level which will insure safe and continuous operation and provide a reliable grade of service to customers. Power resources and requirements work will be continued to obtain the fullest utilization of generating capacity, streamflows, and stored water. The following table shows the rising trend in several of the more important indexes of the operation and maintenance activity:

	1959 actual	*1960 estimate*	*1961 estimate*
Transmission plant in service	$431,300,000	$449,000,000	$470,000,000
Transmission lines (structure miles)	7,208	7,462	7,542
Number of substations	186	193	200
Transformer capacity (kilovolt-amperes)	13,033,000	14,005,000	14,450,000
Energy sales (millions of kilowatt-hours)	28,700	30,700	31,900
Points of delivery	349	360	372

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BONNEVILLE POWER ADMINISTRATION—Con.

Current authorizations—Continued

OPERATION AND MAINTENANCE—Continued

2. *Power contracts and rates.*—This activity provides for the negotiation of power sales and wheeling contracts, the billing and servicing of contracts, including the development of service plans, and the establishment of wholesale rate schedules. Receipts which are deposited in the Treasury amounted to $66,264,850 in 1959, and are estimated at $74,100,000 and $78,700,000 for 1960 and 1961.

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet delivered)	$114,694	$132,587	$132,587	$132,587
Selected resources at start of year (−)		−114,694	−132,587	−132,587
Adjustment of selected resources reported at start of year		3,046		
Obligations incurred for costs of other years, net		20,939		

A supplemental appropriation of $195,000 is anticipated for 1960 under Proposed for later transmission.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	960	1,003	1,046
Full-time equivalent of all other positions	22	25	28
Average number of all employees	937	995	1,049
Number of employees at end of year	966	1,061	1,117
Average GS grade and salary	8.1 $6,661	8.2 $6,731	8.2 $6,731
Average salary of ungraded positions	$6,317	$6,578	$6,584
01 Personal services:			
Permanent positions	$6,310,225	$6,715,000	$7,256,000
Positions other than permanent	105,540	113,100	141,000
Other personal services	153,119	189,200	180,000
Excess of annual leave earned over leave taken	86,127	40,000	45,000
Total personal services	6,655,011	7,057,300	7,622,000
02 Travel	224,001	244,000	250,000
03 Transportation of things	34,167	33,000	34,000
04 Communication services	187,021	209,000	228,000
05 Rents and utility services	106,735	122,000	122,000
06 Printing and reproduction	1,613	3,000	3,000
07 Other contractual services	409,845	409,000	586,000
Services performed by other agencies	935,288	931,700	1,046,000
08 Supplies and materials	549,504	518,000	586,000
11 Grants, subsidies, and contributions	419,294	447,750	478,000
13 Refunds, awards, and indemnities	16,966	19,000	20,000
1959 program obligated in 1958	−45,170		
Total obligations	9,494,275	9,993,750	10,975,000

ADMINISTRATIVE PROVISIONS

Appropriations of the Bonneville Power Administration shall be available to carry out all the duties imposed upon the Administrator pursuant to law, including purchase of one aircraft for replacement only. Appropriations made herein to the Bonneville Power Administration shall be available in one fund, except that the appropriation herein made for operation and maintenance shall be available only for the service of the current fiscal year.

Other than as may be necessary to meet local emergencies, not to exceed 12 per centum of the appropriation for construction herein made for the Bonneville Power Administration shall be available for construction work by force account or on a hired-labor basis. (*16 U.S.C. 825s, 832–832l; Executive Order 8526; 43 U.S.C. 389, 485h, 593–A; 59 Stat. 10, 21–22; 62 Stat. 382; Public Works Appropriation Act, 1960.*)

Permanent authorizations:

CONTINUING FUND FOR EMERGENCY EXPENSES

(Indefinite special fund)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Financing:			
Unobligated balance brought forward	−$500,000	−$500,000	−$500,000
Unobligated balance carried forward	500,000	500,000	500,000
Appropriation (new obligational authority)			

A continuing fund of $500,000, maintained from power receipts, is used to defray expense incurred under emergency conditions and to insure continuous operation of the Bonneville Power Administration transmission system (16 U.S.C. 832).

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Consolidated administrative services	$381,028	$402,700	$402,700
2. Miscellaneous services to other accounts	270,015	214,300	214,300
Total obligations	651,043	617,000	617,000
Financing:			
Advances and reimbursements from—			
Other accounts	593,989	550,000	559,000
Non-Federal sources (40 U.S.C. 481(c))	57,054	67,000	58,000
Total financing	651,043	617,000	617,000

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	59	61	56
Full-time equivalent of all other positions	1	1	1
Average number of all employees	60	62	57
Number and employees at end of year	60	62	57
Average GS grade and salary	8.1 $6,661	8.2 $6,731	8.2 $6,731
Average salary of ungraded positions	$6,317	$6,578	$6,584
01 Personal services:			
Permanent positions	$359,649	$367,000	$343,000
Positions other than permanent	4,556	4,000	4,000
Other personal services	2,844	3,000	3,000
Total personal services	367,049	374,000	350,000
02 Travel	11,496	12,000	11,000
03 Transportation of things		1,000	1,000
04 Communication services	51,491	51,000	50,000
05 Rents and utility services	14,008	20,000	20,000
06 Printing and reproduction	808	1,000	1,000
07 Other contractual services	4,076	10,000	9,000
Services performed by other agencies	84,840	35,000	34,000
08 Supplies and materials	10,018	21,000	23,000
09 Equipment	84,234	67,000	58,000
10 Lands and structures	1,364	3,000	39,000
11 Grants, subsidies, and contributions	21,359	22,000	21,000
13 Refunds, awards, and indemnities	300		
Total obligations	651,043	617,000	617,000

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Proposed for later transmission:

OPERATION AND MAINTENANCE

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. System operation and maintenance		$191,000	
3. General administration		4,000	
Total program (costs—obligations)		195,000	
Financing:			
Proposed supplemental appropriation		195,000	

Under existing legislation, 1960.—A supplemental appropriation for 1960 in the amount of $195,000 is anticipated to finance increased wage rates for hourly craft-type employees.

SOUTHEASTERN POWER ADMINISTRATION

Current authorizations:

OPERATION AND MAINTENANCE

For necessary expenses of operation and maintenance of power transmission facilities and of marketing electric power and energy pursuant to the provisions of section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), as applied to the southeastern power area, [$716,625] *including purchase of one passenger motor vehicle for replacement only, $800,000. (Public Works Appropriation Act, 1960.)*

Appropriated 1960, **$716,625** Estimate 1961, **$800,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. System operation and maintenance	$73,353	$81,000	$80,000
2. Purchase of energy and wheeling charges	2,107,128	2,679,625	2,789,000
3. Power contracts and rates	104,757	96,000	96,000
4. General administration	81,428	85,000	85,000
Total program costs [1]	2,366,666	2,941,625	3,050,000
5. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−7,163	−1,000	
Total program (obligations)	2,359,503	2,940,625	3,050,000
Financing:			
Advances and reimbursements from non-Federal sources	−1,959,240	−2,224,000	−2,250,000
Unobligated balance no longer available	334,737		
Appropriation (new obligational authority)	735,000	716,625	800,000

[1] Includes capital outlay as follows: June 30, 1959, $10,995; 1960, $3,500; 1961, $2,500.

NOTE.—Reimbursements from non-Federal sources result from sale of power and are applied against charges for purchase of energy and wheeling by customers of the Administration.

Power generated at 14 Corps of Engineers hydroelectric generating plants in a 10-State area of the Southeast is marketed by the Administration through transmission facilities owned by others. A schedule of generation through 1964 of projects in operation or under construction follows:

	First generation (fiscal year)	*Installed capacity (kilowatts—nameplate rating)*
Projects in operation		1,283,600
Projects under construction:		
Hartwell	1962	330,000
Walter F. George	1963	130,000
Barkley	1965	130,000
Total		1,873,600

1. *System operation and maintenance.*—Provision is made for scheduling and dispatching power generation; scheduling storage and release of water; administering contractual operation requirements; and determining methods of operating generating plants individually and in coordination with others to obtain maximum utilization of resources.

2. *Purchase of power and wheeling charges.*—Funds are provided for the payment of wheeling fees and for the purchase of firming energy in connection with disposal of power from the Kerr and Jim Woodruff projects under contracts with utility companies.

3. *Power contracts and rates.*—Provision is made for negotiation and administration of power contracts, collection of revenue, development of wholesale power rates, and the determination of adequate provisions for the amortization of the power investment. Receipts which are deposited in the Treasury amounted to $15,850,268 in 1959 and are estimated at $16,820,000 and $16,810,000 for 1960 and 1961.

5. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Inventories and items on order: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$10,735	$1,391	$2,000	$2,000
Accrued annual leave (leave earned and not taken by employees, charged to activity costs) (−)	−28,967	−27,680	−29,289	−29,289
Total selected resources at end of year	−18,232	−26,289	−27,289	−27,289
Selected resources at start of year		18,232	26,289	27,289
Adjustment of selected resources reported at start of year		894		
Costs financed from obligations of other years, net (−)		−7,163	−1,000	

Object Classification

		1959 actual		1960 estimate		1961 estimate	
	Total number of permanent positions		36		35		35
	Average number of all employees		34		34		34
	Number of employees at end of year		33		35		35
	Average GS grade and salary	7.9	$6,593	8.0	$6,632	7.9	$6,634
01	Personal services:						
	Permanent positions		$217,441		$221,500		$221,500
	Positions other than permanent				500		500
	Other personal services		826		1,000		1,000
	Total personal services		218,267		223,000		223,000
02	Travel		5,819		7,000		7,000
03	Transportation of things		35				
04	Communication services		4,101		5,000		5,000
06	Printing and reproduction		393		500		500
07	Other contractual services		2,112,800		2,685,625		2,795,000
08	Supplies and materials		2,038		2,500		2,500
09	Equipment		1,911		2,500		2,500
11	Grants, subsidies, and contributions		14,129		14,500		14,500
15	Taxes and assessments		10				
	Total obligations		2,359,503		2,940,625		3,050,000

Permanent authorizations:

CONTINUING FUND

(Indefinite special fund)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Financing:			
Unobligated balance brought forward	−$50,000	−$50,000	−$50,000
Unobligated balance carried forward	50,000	50,000	50,000
Appropriation (new obligational authority)			

A continuing fund of $50,000 maintained from receipts for the transmission and sale of electric power in the southeastern area, is available to defray emergency expense necessary to insure continuity of service (16 U.S.C. 825s–2).

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SOUTHWESTERN POWER ADMINISTRATION

Current authorizations:

Construction

For construction and acquisition of transmission lines, substations, and appurtenant facilities, and for administrative expenses connected therewith, in carrying out the provisions of section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), as applied to the southwestern power area, [$858,000] *$1,325,000*, to remain available until expended. (*Public Works Appropriation Act, 1960.*)

Appropriated 1960, **$858,000** Estimate 1961, **$1,325,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Construction in progress	$1,023,955	$285,725	
2. New construction and additions		858,000	$1,325,000
Total obligations	1,023,955	1,143,725	1,325,000
Financing:			
Unobligated balance brought forward	−1,309,680	−285,725	
Unobligated balance carried forward	285,725		
Appropriation (new obligational authority)		858,000	1,325,000

The Administration is responsible for the marketing of power produced at 14 Corps of Engineers dams in the Southwest. A schedule of Federal generation through 1965 of plants in operation and under construction in this area follows:

Project	*First generation (fiscal year)*	*Installed capacity (kilowatts—nameplate rating)*
Projects in operation		601,000
Projects under construction:		
Table Rock, units 3 and 4	1961	100,000
Bull Shoals, units 5-8	1962	180,000
Greers Ferry	1964	96,000
Beaver	1965	112,000
Dardanelle	1965	124,000
Eufaula	1965	90,000
McGee Bend	1965	52,000
Total		1,355,000

1. *Construction in progress.*—Construction of facilities started in former years will be completed during the budget year.

2. *New construction and additions.*—Provision is made for one new substation and increased capacity at existing substations in addition to communications and other equipment utilized in the operation of the transmission system.

Program costs to this appropriation are presented in the following table:

PROGRAM BY ACTIVITIES

	Costs to this appropriation					*Analysis of 1961 financing*			*Percent cost complete through 1961*
	Total estimate	*To June 30, 1958*	*1959 actual*	*1960 estimate*	*1961 estimate*	*Deduct selected resources, start of year*	*Add selected resources, end of year*	*Appropriation required for 1961*	
1. Construction in progress	$3,130,954	$1,716,927	$352,862	$1,019,165	$42,000	$42,000			100
2. New construction and additions:									
1960	858,000			442,000	416,000	416,000			100
1961	1,325,000				768,000		$557,000	$1,325,000	58
Total program costs	5,313,954	1,716,927	352,862	1,461,165	1,226,000	458,000	557,000	1,325,000	
3. Relation of costs to obligations:									
Costs financed from obligations of other years (unpaid undelivered orders), net (−)				−317,440					
Obligations incurred for costs of other years (unpaid undelivered orders), net			671,093		99,000				
Total program (obligations)			1,023,955	1,143,725	1,325,000				

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $104,347; 1959, $775,440; 1960, $458,000; 1961, $557,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	8	9	10
Full-time equivalent of all other positions	3	3	5
Average number of all employees	11	12	15
Number of employees at end of year	8	9	10
Average GS grade and salary	8.0 $6,592	8.0 $6,458	8.0 $6,521
Average salary of ungraded positions	$4,984	$5,271	$5,292
01 Personal services:			
Permanent positions	$58,369	$81,318	$66,118
Positions other than permanent	16,787	19,662	26,552
Other personal services	3,323	2,020	2,330
Total personal services	78,479	103,000	95,000
02 Travel	12,585	13,000	15,000
03 Transportation of things	3,918	4,000	4,500
04 Communication services		500	500
06 Printing and reproduction	3,097	4,000	5,000
07 Other contractual services	20,061	23,225	25,000
08 Supplies and materials	296,137	300,000	315,000
09 Equipment	197,532	177,500	205,000
10 Lands and structures	409,027	514,500	655,000
11 Grants, subsidies, and contributions	3,119	4,000	5,000
Total obligations	1,023,955	1,143,725	1,325,000

Operation and Maintenance

For necessary expenses of operation and maintenance of power transmission facilities and of marketing electric power and energy pursuant to the provisions of section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), as applied to the southwestern power area, including purchase of not to exceed [four] *six* passenger motor vehicles, *of which four are* for replacement only, [$1,121,250] *$1,250,000.* (*Public Works Appropriation Act, 1960.*)

Appropriated 1960, **$1,121,250** Estimate 1961, **$1,250,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. System operation and maintenance	$1,313,521	$1,368,764	$1,474,500
2. Power contracts and rates	84,809	91,251	98,300
3. General administration	360,713	365,004	393,200
Total program costs	1,759,043	1,825,019	1,966,000
4. Unfunded adjustments to total operating costs: Depreciation included above (−)	−702,364	−710,000	−720,000
Total program costs, funded	1,056,679	1,115,019	1,246,000
5. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)	−25,468		
Obligations incurred for costs of other years, net		6,231	4,000
Total program (obligations)	1,031,211	1,121,250	1,250,000
Financing:			
Unobligated balance no longer available	39		
Appropriation (new obligational authority)	1,031,250	1,121,250	1,250,000

Power developed at Corps of Engineers dams in four Southwestern States is marketed by the Administration through transmission facilities owned by others and through its own system. The Administration also contracts for the sale, purchase, and interchange of power with other systems.

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1. *System operation and maintenance.*—The Administration operates and maintains a transmission system as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Transmission lines, miles	1,022	1,061	1,061
Number of substations	14	14	14

2. *Power contracts and rates.*—This includes (*a*) negotiation of power contracts, (*b*) billing and servicing contracts, (*c*) development of wholesale power rates, and (*d*) participation in determination of the cost of amortizing the Federal Government's investment in power facilities. Receipts which are deposited in the Treasury amounted to $7,700,036 in 1959, and are estimated at $9,292,000 and $8,942,000 for 1960 and 1961.

5. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$85,237	$54,457	$60,688	$64,688
Accrued annual leave (leave earned but not taken by employees, charged to actlvity costs)	−84,007	−78,695	−78,695	−78,695
Total selected resources at end of year	1,230	−24,238	−18,007	−14,007
Selected resources at start of year (−)		−1,230	24,238	18,007
Costs financed from obligations of other years, net (−)		−25,468		
Obligations incurred for costs of other years, net			6,231	4,000

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Total number of permanent positions	127	148	151
	Full-time equivalent of all other positions	7		7
	Average number of all employees	124	134	157
	Number of employees at end of year	141	148	165
	Average GS grade and salary	8.0 $6,592	8.0 $6,458	8.0 $6,521
	Average salary of ungraded positions	$4,984	$5,271	$5,292
01	Personal services:			
	Permanent positions	$710,363	$820,096	$914,603
	Positions other than permanent	19,495		20,000
	Other personal services	31,531	32,154	30,397
	Total personal services	761,389	852,250	965,000
02	Travel	103,953	107,000	107,000
03	Transportation of things	1,772	1,500	2,000
04	Communication services	23,521	22,000	22,000
05	Rents and utility services	17,486	17,000	18,000
06	Printing and reproduction	6,269	6,000	6,000
07	Other contractual services	25,860	24,000	36,500
08	Supplies and materials	39,487	39,000	40,000
09	Equipment	4,552	4,500	4,500
11	Grants, subsidies, and contributions	42,673	44,000	45,000
13	Refunds, awards, and indemnities	1,877	2,000	2,000
15	Taxes and assessments	2,372	2,000	2,000
	Total obligations	1,031,211	1,121,250	1,250,000

Continuing Fund

(Indefinite special fund)

Not to exceed $5,000,000 shall be available during the current fiscal year from the continuing fund for all costs in connection with the purchase of electric power and energy, and rentals for the use of transmission facilities. (*Public Works Appropriation Act, 1960.*)

Appropriated 1960, **$5,000,000** Estimate 1961, **$5,000,000**

Amounts Available for Appropriation

	1959 actual	1960 estimate	1961 estimate
Unappropriated balance at beginning of year	$11,702,912	$10,303,358	$6,595,358
Receipts	1,700,036	1,292,000	1,942,000
Total available for appropriation	13,402,948	11,595,358	8,537,358
Appropriation (−)	−3,154,640	−5,000,000	−5,000,000
Return of prior year appropriations	55,050		
Unappropriated balance at end of year	10,303,358	6,595,358	3,537,358

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Purchase of energy and wheeling charges	$8,369,593	$9,991,000	$9,903,000
2. Rentals for use of transmission facilities	1,186,039	1,480,000	1,465,000
3. Emergency expense	15,000		
Total program (costs—obligations)	9,570,632	11,471,000	11,368,000
Financing:			
Unobligated balance brought forward	−300,000	−300,000	−300,000
Advances and reimbursements from non-Federal sources	−6,415,992	−6,471,000	−6,368,000
Unobligated balance carried forward	300,000	300,000	300,000
New obligational authority	3,154,640	5,000,000	5,000,000
New obligational authority:			
Appropriation:			
Current indefinite	$3,139,640	$5,000,000	$5,000,000
Permanent indefinite	15,000		

NOTE.—Reimbursements from non-Federal sources result from sale of power and are applied against charges for purchase of energy and wheeling by customers of the Administration.

This fund, accumulated from power receipts, is available permanently for emergency expense necessary to insure continuity of service. It is also available in such amounts as may be approved annually in appropriation acts to cover costs in connection with the purchase of electric power and rentals for use of facilities for transmission and distribution of power. Electric power is purchased from private utilities and generating and transmission cooperatives. Power is transmitted to customers through wheeling arrangements with private utilities, and through lease of the transmission capacity in facilities owned by the generating and transmission cooperatives (16 U.S.C. 825s–1).

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Full-time equivalent of all other positions	2		
	Average number of all employees	2		
	Number of employees at end of year	0		
01	Personal services:			
	Permanent positions	$598		
	Positions other than permanent	6,690		
	Total personal services	7,288		
02	Travel	2,680		
07	Other contractual services	9,555,632	$11,471,000	$11,368,000
08	Supplies and materials	5,032		
	Total obligations	9,570,632	11,471,000	11,368,000

BUREAU OF LAND MANAGEMENT

The Bureau of Land Management administers 475 million acres of public lands in the Western States and Alaska for the purpose of conserving forest, range, mineral, and water resources. In addition, the Bureau has responsibility for mineral resources on 358 million acres of land under the jurisdiction of other Federal agencies and private land with mineral rights reserved to the United States.

The work of the Bureau produces revenue from various sources which is distributed as follows:

[In millions]

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Total receipts	$127	$136	$243	$268
Payments to States and counties (−)	−46	−51	−52	−55
Deposited in the Treasury	81	85	191	213

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BUREAU OF LAND MANAGEMENT—Continued

Current authorizations:

MANAGEMENT OF LANDS AND RESOURCES

For expenses necessary for protection, use, improvement, development, disposal, cadastral surveying, classification, and performance of other functions, as authorized by law, in the management of lands and their resources under the jurisdiction of the Bureau of Land Management, [including $250,000 for the operation and maintenance of access roads on or adjacent to the revested Oregon and California Railroad grant lands, $24,627,000: *Provided*, That this appropriation may be expended on a reimbursable basis for (1) surveys of lands other than those under the jurisdiction of the Bureau of Land Management and (2) protection and leasing of lands and mineral resources for the State of Alaska: *Provided further*, That, for the purposes of surveying federally controlled or intermingled lands and operation and maintenance of access roads, contributions toward the costs thereof may be accepted] *$24,475,000. (5 U.S.C. 133a, 133y, 485; 16 U.S.C. 583, 594; 43 U.S.C. 1, 2, 54, 72, 129, 315; 50 Stat. 874; Department of the Interior and Related Agencies Appropriation Act, 1960.)*

Appropriated 1960, [a] **$25,402,000** Estimate 1961, [b] **$24,475,000**

[a] Includes $775,000 appropriated in Supplemental Appropriation Act, 1960.
[b] Excludes $850,000 for activities transferred in the estimates to "Oregon and California grant lands." The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Lease and disposal of lands and mineral resources	$6,692,982	$7,205,200	$7,443,100
2. Management of grazing lands	2,596,785	2,552,300	2,562,300
3. Forestry	4,978,930	5,537,700	5,832,500
4. Cadastral surveys	2,451,981	2,800,800	2,801,200
5. Soil and moisture conservation	3,815,050	3,733,900	3,252,500
6. Fire suppression	2,989,718	400,000	400,000
7. Maintenance of physical facilities	48,411	50,000	50,000
8. Maintenance of access roads	1,837		
9. Weed control	1,068,660	841,000	591,200
10. General administration	1,489,463	1,531,100	1,542,200
11. 1959 program obligated in 1958	−77,353		
Total obligations	26,056,464	24,652,000	24,475,000
Financing:			
Comparative transfers to other accounts	750,000	750,000	
1959 appropriation available in 1958	77,353		
Unobligated balance no longer available	26,283		
New obligational authority	26,910,100	25,402,000	24,475,000
New obligational authority:			
Appropriation	$26,810,100	$25,402,000	$24,475,000
Transferred from "Salaries and expenses, Office of Minerals Exploration" (73 Stat. 45)	100,000		
Appropriation (adjusted)	26,910,100	25,402,000	24,475,000

1. *Lease and disposal of lands and mineral resources.*—Applications for all types of land use and for lease of mineral resources, principally oil and gas, are acted upon. Field investigations are made to determine the best use of resources. Land records are being modernized.

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Cases pending, start of year	74,151	95,306	100,675	112,000
New and reactivated cases	164,700	178,697	190,000	200,000
Cases closed	152,824	173,318	178,675	192,000
Cases pending, end of year	95,306	100,675	112,000	120,000

2. *Management of grazing lands.*—The 185 million acres of Federal range used by 30,000 livestock growers are supervised. Proper management of these lands perpetuates forage resources thereon by reducing overuse, unseasonal use, and trespass, and provides protection from fire and erosion.

3. *Forestry.*—Forty-six million acres of commercial forest lands, of which 40 million acres are in Alaska, and 110 million acres of woodland-type lands, are managed. The 1961 program will permit selling 1,184 million board feet of timber having a stumpage value of $35.1 million.

4. *Cadastral surveys.*—These surveys are required to locate and identify legal boundaries of lands under application for lease or disposal, including submerged lands on the outer Continental Shelf; for administration of timber sales; for management of forest and range lands; to provide legal descriptions for the work of other Federal agencies and to permit States to obtain title to lands granted them by law.

5. *Soil and moisture conservation.*—The 1961 program will benefit 1,403,000 acres of public lands in critical condition from erosion. Cooperative programs with other agencies in river basin areas will continue.

6. *Fire suppression.*—Provision is made for fighting fires on or threatening lands under the jurisdiction of the Bureau of Land Management. A supplemental appropriation for 1960 is anticipated under Proposed for later transmission.

7. *Maintenance of physical facilities.*—This activity provides for physical maintenance of storehouses, equipment shelters, fire crew barracks, and like buildings used by the Bureau of Land Management in its various activities.

9. *Weed control.*—This activity continues treatment of areas infested by halogeton and other poisonous and noxious weeds.

10. *General administration.*—Provision is made here for providing executive direction for the Bureau as well as furnishing such services as accounting, personnel administration, procurement, budget preparation, and internal auditing to the technical divisions of the Bureau.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	2,379	2,532	2,563
Full-time equivalent of all other positions	515	427	461
Average number of all employees	2,634	2,783	2,841
Number of employees at end of year	2,872	3,322	3,380
Average GS grade and salary	7.3 $5,812	7.3 $5,826	7.3 $5,821
Average salary of ungraded positions	$5,878	$6,260	$6,260
01 Personal services:			
Permanent positions	$12,458,550	$13,791,554	$13,951,425
Positions other than permanent	1,176,648	1,452,923	1,580,362
Other personal services	1,693,889	658,975	672,715
Total personal services	15,329,087	15,903,452	16,204,502
02 Travel	1,644,964	1,297,900	1,307,000
03 Transportation of things	386,263	251,600	260,000
04 Communication services	295,681	238,300	230,500
05 Rents and utility services	264,303	366,500	246,000
06 Printing and reproduction	210,321	116,900	121,000
07 Other contractual services	3,981,251	3,565,700	3,236,198
Services performed by other agencies	50,418	52,000	55,000
08 Supplies and materials	1,966,983	1,355,200	1,213,200
09 Equipment	1,172,009	668,000	759,000
10 Lands and structures	6,837		
11 Grants, subsidies, and contributions	779,878	808,900	820,100
13 Refunds, awards, and indemnities	18,318	9,900	10,000
15 Taxes and assessments	39,309	30,448	25,300
1959 program obligated in 1958	−77,353		
Subtotal	26,068,269	24,664,800	24,487,800
Deduct quarters and subsistence charges	11,805	12,800	12,800
Total obligations	26,056,464	24,652,000	24,475,000

CONSTRUCTION

For construction of access [roads on or adjacent to the Coos Bay Wagon Road grant lands and on lands in the vicinity of Powderhorn Creek, Strawberry Creek, and Waugh Mountain, Colorado; Lemhi River, Idaho; Gallagher Creek, Your Name Creek, and Cottonwood Creek, Montana; Malpois management unit, New Mexico; John Day River, Rudio Mountain, Bonanza unit, and Pine Creek, Oregon; and Shirley Mountain, Wyoming;] *roads*, acquisition of rights-of-way and of existing connecting roads [on or adjacent to the Coos Bay Wagon Road grant lands; acquisition of rights-of-way on

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lands in the vicinity of McElwain Creek, Gallagher Creek, Your Name Creek, Garnet Range, Cottonwood Creek, and Union Creek, Montana; Malpois management unit, New Mexico; Elk Creek, Signal Tree, Kilches River, and Holmes Creek, Oregon;] *(other than on or adjacent to the revested Oregon and California Railroad grant lands)*, and acquisition and construction of buildings and appurtenant facilities, [$200,000] *$350,000*, to remain available until expended [and in addition, for construction of access roads and acquisition of rights-of-way and of existing connecting roads on or adjacent to the revested Oregon and California Railroad grant lands, a sum equivalent to 25 per centum or receipts from the sale of timber and other products during the current fiscal year from said lands, less $500,000 for the reforestation of said lands and $250,000 for the maintenance of timber access roads on said lands appropriated in this Act, to remain available until expended: *Provided*, That the amount appropriated herein for road construction on the revested Oregon and California Railroad grant lands and Coos Bay Wagon Road grant lands shall be transferred to the Bureau of Public Roads, Department of Commerce: *Provided further*, That the amount appropriated herein for construction of access roads on the revested Oregon and California Railroad grant lands is hereby made a reimbursable charge against the Oregon and California land-grant fund and shall be reimbursed to the general fund in the Treasury in accordance with the provisions of the second paragraph of subsection (b) of title II of the Act of August 28, 1937 (50 Stat. 876)]. *(16 U.S.C. 594; 43 U.S.C. 2; 69 Stat. 374; 70 Stat. 130; Department of the Interior and Related Agencies Appropriation Act, 1960.)*

Appropriated 1960:
Definite, **$200,000**
Indefinite **$7,550,000**

Estimate 1961, [a] **$350,000**

[a] Excludes $7,078,000 for activities transferred in the estimates to "Oregon and California grant lands." The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Access roads	$9,880	$268,273	$250,000
2. Buildings	405,785	153,466	100,000
3. Recreational facilities	109,466	1,724	
Total obligations	525,131	423,463	350,000
Financing:			
Comparative transfers to other accounts	2,244,794	10,024,814	
Unobligated balance brought forward	−1,783,202	−4,698,277	−2,000,000
Unobligated balance transferred to "Oregon and California grant lands" (1961 appropriation act)			2,000,000
Unobligated balance carried forward	4,698,277	2,000,000	
New obligational authority	5,685,000	7,750,000	350,000
New obligational authority:			
Appropriation:			
Definite	$5,685,000	$200,000	$350,000
Indefinite		7,550,000	

1. *Access roads.*—This estimate will continue a program for construction of roads and acquisition of rights-of-way on public domain and Coos Bay Wagon Road grant lands to afford access to stands of timber, thus making it available to the market. Construction of access roads on the Oregon and California grant lands, previously financed under this head, are provided for under a new title, Oregon and California grant lands.

2. *Buildings.*—Provision is made to house supplies, equipment, and personnel at isolated locations, principally in connection with fire control measures in Alaska.

Object Classification

	1959 actual	1960 estimate	1961 estimate
BUREAU OF LAND MANAGEMENT			
Total number of permanent positions	1	1	1
Full-time equivalent of all other positions	7	3	4
Average number of all employees	13	7	8
Number of employees at end of year	5	6	6
Average GS grade and salary	11.0 $7,030	9.0 $5,990	9.0 $6,136

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
01 Personal services:			
Permanent positions	$32,979	$20,235	$20,500
Positions other than permanent	39,356	13,701	20,100
Other personal services	15,069	4,345	2,000
Total personal services	87,404	38,281	42,600
02 Travel	14,142	8,500	9,400
03 Transportation of things	4,509	950	1,000
04 Communication services	635	500	600
05 Rents and utility services	1,152	400	400
06 Printing and reproduction	89	275	300
07 Other contractual services	67,300	74,015	86,000
08 Supplies and materials	38,399	20,852	36,000
09 Equipment	6,260	700	1,000
10 Lands and structures	297,918	153,846	171,700
11 Grants, subsidies, and contributions	767	390	400
13 Refunds, awards, and indemnities	50		
15 Taxes and assessments	1,254	552	600
Subtotal	519,879	299,261	350,000
Deduct quarters and subsistence charges	546		
Total, Bureau of Land Management	519,333	299,261	350,000
ALLOCATION TO BUREAU OF PUBLIC ROADS, DEPARTMENT OF COMMERCE			
01 Personal services: Positions other than permanent	$1,481		
02 Travel	847		
04 Communication services	12		
05 Rents and utility services	194		
07 Other contractual services	3,016		
08 Supplies and materials	248		
10 Lands and structures		$124,202	
Total, Bureau of Public Roads	5,798	124,202	
Total obligations	525,131	423,463	$350,000

Oregon and California Grant Lands

(Indefinite special fund)

For construction, operation, and maintenance of access roads, reforestation, and other improvements on the revested Oregon and California Railroad grant lands; and acquisition of rights-of-way and of existing connecting roads on or adjacent to such lands; 25 per centum of the aggregate of all receipts during the current fiscal year from such lands, to remain available until expended: Provided, That the amount appropriated herein for road construction shall be transferred to the Bureau of Public Roads, Department of Commerce: Provided further, That the amount appropriated herein shall be in lieu of payments to counties in accordance with the provisions of the second paragraph of subsection (b) of title II of the Act of August 28, 1937 (50 Stat. 876): Provided further, That any unexpended balances heretofore appropriated under the head "Construction", for construction of access roads and acquisition of rights-of-way and of existing connecting roads on or adjacent to the revested Oregon and California Railroad grant lands, shall be merged with this appropriation. (16 U.S.C. 583, 594; 43 U.S.C. 1, 2; 50 Stat. 874; 69 Stat. 374.)

Estimate 1961, [a] **$8,000,000**

[a] Includes $7,928,000 for activities previously carried under the following appropriations:
"Management of lands and resources" $850,000
"Construction" 7,078,000
The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Construction and acquisition	$2,244,794	$10,024,814	$9,078,000
2. Reforestation and improvements	500,000	500,000	672,000
3. Operation and maintenance	250,000	250,000	250,000
Total obligations	2,994,794	10,774,814	10,000,000
Financing:			
Comparative transfers from (−) other accounts	−2,994,794	−10,774,814	
Unobligated balance transferred from "Construction" (1961 appropriation act)			−2,000,000
Appropriation (new obligational authority)			8,000,000

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BUREAU OF LAND MANAGEMENT—Continued

Current authorizations—Continued

OREGON AND CALIFORNIA GRANT LANDS—Continued

(Indefinite special fund)—Continued

Twenty-five percent of the revenue from the revested Oregon and California grant lands is made available for the following:

1. *Construction and acquisition.*—Provision is made for construction of roads, acquisition of existing connecting roads and rights-of-way for roads into stands of high value timber.

2. *Reforestation and improvements.*—Provision is made for reforestation of Oregon and California timberlands and development of recreation facilities.

3. *Operation and maintenance.*—Provision is made for maintenance of access roads to highly valuable stands of timber.

Object Classification

	1959 actual	1960 estimate	1961 estimate
BUREAU OF LAND MANAGEMENT			
Total number of permanent positions	49	52	56
Full-time equivalent of all other positions	9	7	8
Average number of all employees	57	64	69
Number of employees at end of year	77	80	85
Average GS grade and salary	8.2 $6,019	8.2 $6,043	8.1 $6,033
01 Personal services:			
Permanent positions	$287,300	$349,393	$372,193
Positions other than permanent	47,663	39,000	43,650
Other personal services	4,811	2,607	1,457
Total personal services	339,774	391,000	417,300
02 Travel	36,807	38,632	38,135
03 Transportation of things	1,755	1,760	1,800
04 Communication services	5,669	5,900	5,795
05 Rents and utility services	3,309	3,500	7,000
06 Printing and reproduction	724	1,243	1,300
07 Other contractual services	327,530	331,579	518,550
08 Supplies and materials	152,724	155,800	204,800
09 Equipment	14,016	16,100	21,480
10 Lands and structures	149,549	1,682,119	837,000
11 Grants, subsidies, and contributions	25,798	27,364	27,615
15 Taxes and assessments	1,126	1,200	1,225
Total, Bureau of Land Management	1,058,781	2,656,197	2,082,000
ALLOCATION TO BUREAU OF PUBLIC ROADS, DEPARTMENT OF COMMERCE			
Total number of permanent positions	85	85	85
Full-time equivalent of all other positions	21	21	21
Average number of all employees	100	100	100
Number of employees at end of year	77	77	77
Average GS grade and salary	8.1 $6,598	8.2 $6,674	8.2 $6,771
01 Personal services:			
Permanent positions	$402,412	$408,500	$412,500
Positions other than permanent	78,650	80,000	80,000
Other personal services	13,895	11,500	7,500
Total personal services	494,957	500,000	500,000
02 Travel	131,236	132,400	132,400
03 Transportation of things	903	1,500	1,500
04 Communication services	1,299	1,000	1,000
05 Rents and utility services	63,413	63,600	63,600
06 Printing and reproduction	1,032	1,000	1,000
07 Other contractual services	20,222	23,000	23,000
Services performed by other agencies	321,812	322,200	322,200
08 Supplies and materials	16,957	17,200	17,200
09 Equipment	270		
10 Lands and structures	855,684	7,028,217	6,827,800
11 Grants, subsidies, and contributions	26,430	26,500	26,300
15 Taxes and assessments	1,884	2,000	2,000
Subtotal	1,936,099	8,118,617	7,918,000
Deduct quarters and subsistence charges	86		
Total, Bureau of Public Roads	1,936,013	8,118,617	7,918,000
Total obligations	2,994,794	10,774,814	10,000,000

ADMINISTRATIVE PROVISIONS

Appropriations for the Bureau of Land Management shall be available for purchase of [twenty-three] *twenty-eight* passenger motor vehicles for replacement only; purchase of [one] *two* aircraft (*one of which shall be for replacement only*); purchase, erection, and dismantlement of temporary structures; and alteration and maintenance of necessary buildings and appurtenant facilities to which the United States has title: *Provided*, That of appropriations herein made for the Bureau of Land Management expenditures in connection with the revested Oregon and California Railroad and reconveyed Coos Bay Wagon Road grant lands (other than [those] expenditures [for reforestation, for construction and operation and maintenance of access roads, and for acquisition of rights-of-way and of existing connecting roads adjacent to such land,] *made under the appropriation "Oregon and California grant lands"* [which are reimbursable to the Treasury]) shall be reimbursed from the 25 per centum referred to in [section C] *subsection (c)*, title II, of the Act approved August 28, 1937 (50 Stat. 876), of the special fund designated the "Oregon and California [Land Grant Fund] *land-grant fund*" and section 4 of the Act approved May 24, 1939 (53 Stat. 754), of the special fund designated the "Coos Bay Wagon Road [Grant Fund] *grant fund*": *Provided further*, That [the amount appropriated for maintenance of access roads and $500,000 of the amount appropriated for reforestation on the Oregon and California Railroad grant lands, under the appropriation "Management of lands and resources", shall be reimbursed to the general fund of the Treasury in accordance with the provisions of the second paragraph of subsection (b) of title II of said Act of August 28, 1937] *appropriations herein made may be expended on a reimbursable basis for (1) surveys of lands other than those under the jurisdiction of the Bureau of Land Management and (2) protection and leasing of lands and mineral resources for the State of Alaska: Provided further, That contributions may be accepted toward the costs of administration, management, and protection of lands under the jurisdiction of the Bureau of Land Management and of surveying federally controlled or intermingled lands.* (*Department of the Interior and Related Agencies Appropriation Act, 1960.*)

RANGE IMPROVEMENTS

(Indefinite)

For construction, purchase, and maintenance of range improvements pursuant to the provisions of sections 3 and 10 of the Act of June 28, 1934, as amended (43 U.S.C. 315), sums equal to the aggregate of all moneys received, during the current fiscal year, as range improvement fees under section 3 of said Act, 25 per centum of all moneys received, during the current fiscal year, under section 15 of said Act, and the amount designated for range improvements from grazing fees from Bankhead-Jones lands transferred to the Department of the Interior by Executive Order 10787, dated November 6, 1958, to remain available until expended. (*Department of the Interior and Related Agencies Appropriation Act, 1960.*)

Appropriated (est.) 1960, **$768,653** Estimate 1961, **$925,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Improvements to—			
Public lands	$567,323	$989,438	$875,000
Farm Tenant Act lands		44,000	50,000
Total obligations	567,323	1,033,438	925,000
Financing:			
Unobligated balance brought forward	−177,832	−297,222	−32,437
Unobligated balance carried forward	297,222	32,437	32,437
Appropriation (new obligational authority)	686,713	768,653	925,000

This appropriation is derived from receipts from grazing of livestock on public lands and on Bankhead-Jones Farm Tenant Act lands transferred from the Department of Agriculture by Executive Order 10787. On public lands, the fee for grazing includes a range improvement fee (usually 25%) which is available for range improvements

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when appropriated (43 U.S.C. 315i). A similar practice is followed on Farm Tenant Act lands.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	20	17	17
Full-time equivalent of all other positions	33	31	31
Average number of all employees	51	49	49
Number of employees at end of year	58	55	55
Average GS grade and salary	6.2 $5,037	6.5 $5,061	6.5 $5,085
01 Personal services:			
Permanent positions	$90,571	$89,338	$89,775
Positions other than permanent	146,009	144,045	144,000
Other personal services	2,887	1,547	1,225
Total personal services	239,467	234,930	235,000
02 Travel	16,125	17,940	17,975
03 Transportation of things	19,532	19,267	20,000
04 Communication services	2,914	3,264	3,000
05 Rents and utility services	1,602	1,877	1,700
06 Printing and reproduction	872	1,064	900
07 Other contractual services	91,181	229,086	224,600
08 Supplies and materials	151,868	474,308	371,000
09 Equipment	32,289	38,867	38,000
10 Lands and structures	995	1,064	1,200
11 Grants, subsidies, and contributions	7,146	7,495	7,600
13 Refunds, awards, and indemnities	220	300	
15 Taxes and assessments	3,287	4,151	4,200
Subtotal	567,498	1,033,613	925,175
Deduct quarters and subsistence charges	175	175	175
Total obligations	567,323	1,033,438	925,000

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriation "Construction and rehabilitation," Bureau of Reclamation.

Permanent authorizations:

BUREAU OF LAND MANAGEMENT PERMANENT APPROPRIATIONS

(Indefinite special funds unless otherwise specified)

Appropriated (est.) 1960, **$52,178,197** Estimate 1961, **$55,608,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Expenses, sale of timber, etc., on reclamation lands	$1,046	$2,074	$2,000
2. Leasing of grazing lands	730	1,104	1,000
3. Payments to Oklahoma (royalties)	15,137	18,632	15,000
4. Payments to Coos and Douglas Counties, Oreg., from receipts, Coos Bay Wagon Road grant lands	135,367	135,000	50,000
5. Payments to counties, Oregon and California grant lands	10,975,514	14,761,926	16,000,000
6. Payments to States (grazing fees)	801	800	1,000
7. Payments to States (proceeds of sales)	174,754	273,839	250,000
8. Payments to States from grazing receipts, etc., public lands outside grazing districts	168,100	225,000	250,000
9. Payments to States from grazing receipts, etc., public lands within grazing districts	227,413	270,800	281,000
10. Payments to States from grazing receipts, etc., public lands within grazing districts, miscellaneous	3,243	5,000	5,000
11 Payments to States from receipts under Mineral Leasing Act	32,984,963	36,260,000	38,543,000
12. Payments to Alaska, income and proceeds, Alaska school lands	33,535	20,500	
13. Payments to Alaska, coal leases	90,634	110,000	110,000
14. Payments due counties, submarginal land program		93,700	100,000
Total obligations	44,811,237	52,178,375	55,608,000
Financing:			
Unobligated balance brought forward	−135	−178	
Unobligated balance carried forward	178		
New obligational authority	44,811,280	52,178,197	55,608,000

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
New obligational authority:			
"Expenses, sale of timber, etc., on reclamation lands"	$1,120	$2,000	$2,000
"Leasing of grazing lands" (receipt limitation) (general fund)	699	1,000	1,000
"Payments to Oklahoma (royalties)" (receipt limitation) (general fund)	15,137	18,632	15,000
"Payments to Coos and Douglas Counties, Oreg., from receipts Coos Bay Wagon Road grant lands"	135,367	135,000	50,000
"Payments to counties, Oregon and California grant lands"	10,975,514	14,761,926	16,000,000
"Payments to States (grazing fees)"	801	800	1,000
"Payments to States (proceeds of sales)" (receipt limitation) (general fund)	174,754	273,839	250,000
"Payments to States from grazing receipts, etc., public lands outside grazing districts"	168,100	225,000	250,000
"Payments to States from grazing receipts, etc., public lands within grazing districts"	227,413	270,800	281,000
"Payments to States from grazing receipts, etc., public lands within grazing districts, miscellaneous"	3,243	5,000	5,000
"Payments to States from receipts under Mineral Leasing Act"	32,984,963	36,260,000	38,543,000
"Payments to Territory of Alaska, income and proceeds, Alaska school lands"	33,535	20,500	
"Payments to Alaska, coal leases"	90,634	110,000	110,000
"Payments due counties, submarginal land program, Farm Tenant Act"		93,700	100,000
Appropriation	44,811,280	52,178,197	55,608,000

1. *Expenses, sale of timber, etc., on reclamation lands.*—A portion of the receipts from timber sales on public lands set aside for reclamation purposes is used to cover the cost of sales (41 Stat. 202; 53 Stat. 1196).

2. *Leasing of grazing lands.*—State, county, and privately owned grazing lands that are intermingled with public grazing lands are managed on a leased basis within the limits of receipts from such arrangements (43 U.S.C. 315m).

3. *Payments to Oklahoma (royalties).*—The State of Oklahoma is paid 37½% of the Red River oil and gas royalties in lieu of State and local taxes on Kiowa, Comanche, and Apache tribal funds (42 Stat. 1448), to be used for construction and maintenance of public roads and support of public schools (44 Stat. 740).

4. *Payments to Coos and Douglas Counties, Oreg., from receipts, Coos Bay Wagon Road grant lands.*—Out of receipts from the Coos Bay Wagon Road grant lands in Oregon, payments in lieu of taxes are made to Coos and Douglas Counties for schools, roads, highways, bridges, and port districts (53 Stat. 753–754).

5. *Payments to counties, Oregon and California grant lands.*—The counties in which the lands are situated are paid 50% of the receipts of Oregon and California land-grant fund to be used as other county funds (39 Stat. 218).

6. *Payments to States (grazing fees).*—The States are paid 33⅓% of the fees from each grazing district on Indian lands ceded to the United States within the State's boundaries (43 U.S.C. 315j).

7. *Payments to States (proceeds of sales).*—The States are paid 5% of the net proceeds from sale of public land and public land products (31 U.S.C. 711).

8. *Payments to States from grazing receipts, etc., public lands outside grazing districts.*—The States are paid 50% of the grazing fee receipts from public domain lands outside grazing districts (43 U.S.C. 315i, 315m).

9. *Payments to States from grazing receipts, etc., public lands within grazing districts.*—The States are paid 12½%

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BUREAU OF LAND MANAGEMENT—Continued

Permanent authorizations—Continued

BUREAU OF LAND MANAGEMENT PERMANENT APPROPRIATIONS—Continued

(Indefinite special funds unless otherwise specified)—Continued

of grazing fee receipts from grazing district lands within their boundaries (43 U.S.C. 315b, 315i).

10. *Payments to States from grazing receipts, etc., public lands within grazing districts, miscellaneous.*—The States are paid specifically determined amounts from grazing fee receipts from miscellaneous lands within grazing districts when payment is not feasible on a percentage basis (43 U.S.C. 315).

11. *Payments to States from receipts under Mineral Leasing Act.*—Alaska is paid 90% and other States 37½% of the receipts from bonuses, royalties, and rentals resulting from development of mineral resources under the Mineral Leasing Act (30 U.S.C. 191), and from leases of potash deposits (30 U.S.C. 285) on public lands.

12. *Payments to Alaska, income and proceeds, Alaska school lands.*—Alaska was paid the income derived from sale of timber and disposition of lands or minerals on public lands reserved for school and other educational purposes (38 Stat. 1214; 53 Stat. 1243; 48 U.S.C. 353). This account will be discontinued in 1961 when the State assumes administration of the lands.

13. *Payments to Alaska, coal leases.*—Alaska is paid 90% of all net profits from operation of Government mines, and all bonuses, royalties, and rentals under coal leases as provided by law (71 Stat. 282).

14. *Payments due counties, submarginal land program, Farm Tenant Act.*—Of the revenues received from the use of submarginal lands, 25% is paid to the counties in which such land is situated for school and road purposes. These lands were formerly administered by the Department of Agriculture, but were recently transferred to this Bureau for administration in connection with the grazing program (7 U.S.C. 1012).

Object Classification

	1959 actual	1960 estimate	1961 estimate
02 Travel	$626	$600	$600
05 Rents and utility services	652	700	700
07 Other contractual services	498	500	500
11 Grants, subsidies, and contributions	44,809,461	52,176,575	55,606,200
Total obligations	44,811,237	52,178,375	55,608,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Replacement of personal property sold	$37,716	$38,200	$38,000
2. Miscellaneous services	631,510	649,800	650,000
Total obligations	669,226	688,000	688,000
Financing:			
Advances and reimbursements from—			
Other accounts	507,110	520,800	521,000
Non-Federal sources	162,116	167,200	167,000
Total financing	669,226	688,000	688,000

NOTE.—Reimbursements from non-Federal sources above are from copying fees (64 Stat. 418), from the proceeds of sale of personal property (40 U.S.C. 481(c)), and from contributions for cadastral surveys (Department of the Interior and Related Agencies Appropriation Act, 1960).

Object Classification

	1959 actual	1960 estimate	1961 estimate
Average number of all employees	72	74	74
Number of employees at end of year	72	74	74
01 Personal services: Positions other than permanent	$369,832	$384,668	$386,000
02 Travel	56,067	68,252	65,000
03 Transportation of things	545	365	400
04 Communication services	7,759	8,500	8,500
06 Printing and reproduction	368	500	500
07 Other contractual services	130,748	130,469	131,700
08 Supplies and materials	58,961	56,246	57,000
09 Equipment	30,021	22,640	22,500
11 Grants, subsidies, and contributions	13,527	14,950	15,000
13 Refunds, awards, and indemnities	226		
15 Taxes and assessments	1,172	1,410	1,400
Total obligations	669,226	688,000	688,000

Proposed for later transmission:

MANAGEMENT OF LANDS AND RESOURCES

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Fire suppression (total obligations)		$2,800,000	
Financing:			
Proposed supplemental appropriation		2,800,000	

Under existing legislation, 1960.—A supplemental appropriation for 1960 in the amount of $2,800,000 is anticipated for fighting fires.

BUREAU OF INDIAN AFFAIRS

The responsibility of the United States toward the Indian people includes protection and development of trust property and the furnishing of services not otherwise available to Indians and which are normally provided other citizens through Government and private agencies. Active programs are being aimed toward the integration of like services to Indians and non-Indians through the same sources and toward increased Indian participation in the management of Indian-owned resources. States and counties are participating at an increasing rate in the service programs, usually with financing by the United States demanded because of the tax-exempt status of Indian lands. The ultimate goal of the entire program is to have the Indian people take their proper place in the social and economic life of the Nation on the same basis as other citizens.

Current authorizations:

EDUCATION AND WELFARE SERVICES

For expenses necessary to provide education and welfare services for Indians, either directly or in cooperation with States and other organizations, including payment (in advance or from date of admission), of care, tuition, assistance, and other expenses of Indians in boarding homes, institutions, or schools; grants and other assistance to needy Indians; maintenance of law and order, and payment of rewards for information or evidence concerning violations of law on Indian reservations or lands; and operation of Indian arts and crafts shops and museums; [$58,700,000] *$63,669,000. (25 U.S.C. 13, 631–640; 48 U.S.C. 169, 250a, 250f, Department of the Interior and Related Agencies Appropriation Act, 1960.)*

Appropriated 1960, [a] **$60,925,000** Estimate 1961, **$63,669,000**

[a] Includes $2,225,000 appropriated in Supplemental Appropriation Act, 1960.

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Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Educational assistance, facilities, and services	$49,574,374	$51,156,824	$53,983,000
2. Welfare and guidance services	5,418,842	5,815,000	5,824,000
3. Relocation services	2,789,546	3,298,000	2,978,000
4. Maintaining law and order	1,000,285	1,215,000	1,223,000
5. Fire suppression	154,065		
Total program costs	58,937,112	61,484,824	64,008,000
6. Unfunded adjustment to total program costs: Property or services transferred in (—) without charge, net	−730,820	−499,000	−339,000
Total program costs, funded	58,206,292	60,985,824	63,669,000
7. Relation of costs to obligations: Costs financed from obligations of other years, net (—)	−1,514,195		
Total program (obligations)	56,692,097	60,985,824	63,669,000
Financing:			
1959 appropriation available in 1958	570,270		
Unobligated balance no longer available	636,865		
New obligational authority	57,899,232	60,985,824	63,669,000
New obligational authority:			
Appropriation	$58,139,000	$60,925,000	$63,669,000
Transferred to "Resources management" (73 Stat. 57)	−380,000		
Appropriation (adjusted)	57,759,000	60,925,000	63,669,000
Applied to contract authorization	−418,944	−559,176	−620,000
Contract authorization (new) (permanent)	559,176	620,000	620,000

1. *Educational assistance, facilities, and services.*—Financial assistance is extended to public schools enrolling Indian children under State and district contracts. Where such facilities are inadequate or nonexistent, the Bureau operates boarding and day schools. Pupils included in the following table under "Dormitories" attend public schools but are domiciled in federally operated dormitories. The figures shown for public schools include children for whom grants are also made under Federal impact legislation administered by the Department of Health, Education, and Welfare. Assistance is also given to adult Indians through an education and training program.

NUMBER OF PUPILS

	1959 actual	*1960 estimate*	*1961 estimate*
Boarding schools	25,273	26,235	27,835
Dormitories	3,169	3,400	3,730
Day schools	15,909	16,750	17,420
Public schools	38,167	41,370	41,370
Other institutions	731	895	895
Total	83,249	88,650	91,250

2. *Welfare and guidance services.*—Welfare services including direct relief and foster home care are provided for needy adults and children.

CASE LOADS

Aid to individuals:	*1959 actual*	*1960 estimate*	*1961 estimate*
General assistance	9,965	10,500	10,500
Child welfare	2,142	2,400	2,400
Total	12,107	12,900	12,900

3. *Relocation services.*—The relocation program (*a*) assists Indians from reservations to settle and secure permanent employment in communities away from the reservation and (*b*) assists in a program of industrial development on or near reservations to provide local job opportunities. Financial assistance to move to and settle in the new community where employment opportunities have been developed is provided to those Indians who wish to relocate but do not have enough resources to leave the reservation.

NUMBER OF RELOCATIONS

	1959 actual	*1960 estimate*	*1961 estimate*
Persons relocated	3,560	4,500	4,100

4. *Maintaining law and order.*—Police services and tribal court operations are financed on Indian reservations, and special officers direct enforcement of Federal law.

5. *Fire suppression.*—Nonrecurring costs were charged to this appropriation in 1959, in accordance with section 102, Public Law 85–439.

7. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$617,632	$403,002	$403,002	$403,002
Undelivered orders (appropriation balances obligated for goods and services on order not yet received)	4,743,040	2,600,710	2,600,710	2,600,710
Advances (payments for goods and services on order not yet received)	12,612	9,482	9,482	9,482
Work in process (goods and services to be costed to activities when completed)	555	33,844	33,844	33,844
Total selected resources at end of year	5,373,839	3,047,038	3,047,038	3,047,038
Selected resources at start of year (—)		−5,373,839	−3,047,038	−3,047,038
Adjustment of selected resources reported at start of year		812,606		
Cost financed from obligations of other years, net (—)		−1,514,195		

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	6,068	6,448	6,660
Full-time equivalent of all other positions	227	225	225
Average number of all employees	5,801	6,251	6,463
Number of employees at end of year	5,793	6,550	6,762
Average GS grade and salary	6.4 $5,336	6.4 $5,358	6.4 $5,353
Average salary of ungraded positions	$4,260	$4,420	$4,420
01 Personal services:			
Permanent positions	$27,307,077	$29,612,446	$30,569,002
Positions other than permanent	847,998	850,562	850,562
Other personal services	963,874	1,161,322	1,051,002
Total personal services	29,118,949	31,624,330	32,470,566
02 Travel	1,452,478	1,463,158	1,463,158
03 Transportation of things	699,475	690,355	690,355
04 Communication services	348,475	354,550	354,550
05 Rents and utility services	1,050,479	1,021,673	1,221,673
06 Printing and reproduction	17,919	17,949	17,949
07 Other contractual services	3,855,583	3,426,747	3,784,747
Services performed by other agencies	597,871	601,905	601,905
08 Supplies and materials	8,067,591	8,353,424	9,270,188
09 Equipment	1,285,815	770,669	970,669
10 Lands and structures	54,938	50,000	50,000
11 Grants, subsidies, and contributions	11,660,393	13,579,779	13,741,955
12 Pensions, annuities, and insurance claims	96		
13 Refunds, awards, and indemnities	24,088	21,100	21,100
14 Interest	157		
15 Taxes and assessments	45,843	45,771	45,771
16 Investments and loans	1,180		
1959 program obligated in 1958	−570,270		
Subtotal	57,711,060	62,021,410	64,704,586
Deduct quarters and subsistence charges	1,018,963	1,035,586	1,035,586
Total obligations	56,692,097	60,985,824	63,669,000

Resources Management

For expenses necessary for management, development, improvement, and protection of resources and appurtenant facilities under the jurisdiction of the Bureau of Indian Affairs, including payment of irrigation assessments and charges; acquisition of water rights; advances for Indian industrial and business enterprises; operation of Indian arts and crafts shops and museums; and development of Indian arts and crafts as authorized by law; [$22,202,000] *$22,684,000*, and in addition, $754,000 of the Revolving Fund for Loans, Bureau of Indian Affairs, shall be used in connection with administering loans to Indians: *Provided*, That the Secretary of the Inte-

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BUREAU OF INDIAN AFFAIRS—Continued

Current authorizations—Continued

RESOURCES MANAGEMENT—Continued

rior is authorized to expend income received from leases on lands on the Colorado River Indian Reservation (southern and northern reserves) for the benefit of the Colorado River Indian Tribes and their members during the current fiscal year, or until beneficial ownership of the lands has been determined if such determination is made during the current fiscal year. *(25 U.S.C. 7a, 13, 16, 305, 381, 385, 631–640; 16 U.S.C. 590a–590f; 48 U.S.C. 169, 250, 250a–250f; 29 Stat. 321; 33 Stat. 189, 595, 1048; 34 Stat. 1015; 35 Stat 70, 558; 36 Stat. 269, 855; 38 Stat. 582; 45 Stat. 1562, 1639; 48 Stat. 362; 49 Stat. 887; 52 Stat. 80; 54 Stat. 707; 7 U.S.C. 1651–1656; Department of the Interior and Related Agencies Appropriation Act, 1960.)*

Appropriated 1960, **$22,202,000** Estimate 1961, **$22,684,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Forest and range lands	$3,079,838	$3,066,000	$3,085,000
2. Fire suppression	367,669	140,000	140,000
3. Agricultural and industrial assistance	1,729,026	2,004,689	2,013,689
4. Soil and moisture conservation	5,223,562	4,954,000	4,986,000
5. Maintenance of roads		2,800,000	2,817,000
6. Development of Indian arts and crafts	120,087	119,000	120,000
7. Management of Indian trust property	3,312,670	3,498,311	3,877,311
8. Repair and maintenance of buildings and utilities	4,676,574	4,781,000	4,802,000
9. Operation, repair, and maintenance of Indian irrigation systems	841,690	839,000	843,000
10. Weed control	9,099		
Total program costs [1]	19,360,215	22,202,000	22,684,000
11. Unfunded adjustment to total operating costs: Property or services transferred in (−) without charge, net	−470,219		
Total program costs, funded	18,889,996	22,202,000	22,684,000
12. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−163,786		
Total program (obligations)	18,726,210	22,202,000	22,684,000
Financing:			
1959 appropriation available in 1958	252,490		
New obligational authority	18,978,700	22,202,000	22,684,000
New obligational authority:			
Appropriation	$18,598,700	$22,202,000	$22,684,000
Transferred from "Education and welfare services" (73 Stat. 57)	380,000		
Appropriation (adjusted)	18,978,700	22,202,000	22,684,000

[1] Includes capital outlay as follows: 1959, $929,212; 1960, $600,000; 1961, $620,000.

This program promotes the economic advancement of the Indians through the utilization of their resources.

1. *Forest and range lands.*—This activity covers management, protection, and utilization of the forest, range, and wildlife resources on nearly 50 million acres of Indian-owned lands.

	1959 actual	1960 estimate	1961 estimate
Timber cut:			
Million board-feet	532	597	621
Dollar value	$10,055,700	$11,973,000	$12,120,000
Number of cattle units grazed	791,000	791,000	791,000

2. *Fire suppression.*—Funds under this item provide for the payment of the cost of suppression and prevention of fires on or threatening Indian reservations. Approximately 60 million acres require protection. A supplemental appropriation is anticipated for 1960 under Proposed for later transmission.

3. *Agricultural and industrial assistance.*—Funds under this activity provide for improved methods in farming, homemaking, the management of a revolving loan credit program for small business enterprises, and formulation of plans for readjustment legislation pertaining to special trust relationships between Indian tribes and the Federal Government.

4. *Soil and moisture conservation.*—Land-use practices based on land inventories and soil conservation plans are introduced to control erosion and promote more effective utilization of soil and water resources. Approximately 24 million acres, or 42.5% of Indian-owned lands are severely or critically eroded. The construction phase of soil and moisture conservation is approximately 30.5% completed, an increase of 3.5% over 1958.

5. *Maintenance of roads.*—The Bureau of Indian Affairs road system which requires maintenance includes 16,866 miles of roads on Indian reservations.

6. *Development of Indian arts and crafts.*—Production and marketing of the products of Indian crafts are fostered through formation of production groups; establishing of standards; and improving of markets, design and production methods.

7. *Management of Indian trust property.*—Banking services are provided for Indians; land is purchased, sold, exchanged, and leased; and Indian property and money rights are safeguarded. Consolidation or disposal of fractionated landholdings, especially in those areas affected by readjustment legislation, is to be accomplished.

	1959 actual	1960 estimate	1961 estimate
Cases pending, start of year	20,530	29,026	34,026
New and reactivated cases	81,489	85,000	88,000
Cases closed	72,993	80,000	90,000
Cases pending, end of year	29,026	34,026	32,026

8. *Repair and maintenance of buildings and utilities.*—Federal buildings and their related utility and communication systems are maintained.

	1959 actual	1960 estimate	1961 estimate
Square foot buildings maintained	20,750,000	21,550,000	23,485,000
Average amount available per square foot for maintaining buildings	$0.15	$0.116	$0.106

9. *Operation, repair, and maintenance of Indian irrigation systems.*—Approximately 300 irrigation systems serving about 864,000 acres of Indian and mixed-ownership lands are operated and maintained. About 84% of the cost is financed from collections from water users, leaving 16% to be met from funds appropriated under this activity.

12. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$35,384	$17,305	$17,305	$17,305
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	1,521,704	1,309,640	1,309,640	1,309,640
Advances (payments for goods and services on order not yet received)	8,240	7,134	7,134	7,134
Work in process (goods and services to be costed to activities when completed)		1,752	1,752	1,752
Total selected resources at end of year	1,565,328	1,335,831	1,335,831	1,335,831
Selected resources at start of year (−)		−1,565,328	−1,335,831	−1,335,831
Adjustment of selected resources reported at start of year		65,711		
Costs financed from obligations of other years, net (−)		−163,786		

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Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	2,130	2,498	2,532
Full-time equivalent of all other positions	193	216	216
Average number of all employees	2,158	2,545	2,573
Number of employees at end of year	2,351	3,100	3,128
Average GS grade and salary	6.4 $5,336	6.4 $5,358	6.4 $5,353
Average salary of ungraded positions	$4,260	$4,420	$4,420
01 Personal services:			
Permanent positions	$10,532,937	$12,536,764	$12,702,764
Positions other than permanent	902,267	998,730	998,730
Other personal services	200,274	232,208	188,208
Total personal services	11,635,478	13,767,702	13,889,702
02 Travel	630,896	698,334	734,334
03 Transportation of things	196,682	213,698	213,698
04 Communication services	172,720	200,792	202,792
05 Rents and utility services	275,478	288,695	289,195
06 Printing and reproduction	26,568	27,242	32,742
07 Other contractual services	1,709,778	1,936,086	2,209,086
Services performed by other agencies	127,844	138,000	138,000
08 Supplies and materials	2,309,123	2,941,307	2,951,307
09 Equipment	675,250	618,756	639,756
10 Lands and structures	273,329	301,518	301,518
11 Grants, subsidies, and contributions	1,114,643	1,266,232	1,278,232
12 Pensions, annuities, and insurance claims	989	1,465	1,465
13 Refunds, awards, and indemnities	25,975	24,968	24,968
15 Taxes and assessments	31,666	35,772	35,772
1959 program obligated in 1958	−252,490		
Subtotal	18,953,929	22,460,567	22,942,567
Deduct quarters and subsistence charges	$227,719	$258,567	$258,567
Total obligations	18,726,210	22,202,000	22,684,000

Construction

For construction, major repair, and improvement of irrigation and power systems, buildings, utilities, and other facilities; acquisition of lands and interests in lands; preparation of lands for farming; and architectural and engineering services by contract; $13,575,000, to remain available until expended: *Provided,* That *annual accrued expenditures under this appropriation account, covering amounts becoming payable as a result of obligations incurred both in the current fiscal year and in prior fiscal years, shall not exceed $21,670,000: Provided further, That* no part of the sum herein appropriated shall be used for the acquisition of land within the States of Arizona, California, Colorado, New Mexico, South Dakota, Utah, and Wyoming outside of the boundaries of existing Indian reservations: *Provided further,* That no part of this appropriation shall be used for the acquisition of land or water rights within the States of Nevada, Oregon, and Washington either inside or outside the boundaries of existing reservations. *(25 U.S.C. 13, 381b, 386, 465, 631–640; Department of the Interior and Related Agencies Appropriation Act, 1960.)*

Appropriated 1960, **$13,575,000** Estimate 1961, **$13,575,000**

Program and Financing

	Costs to this appropriation					Analysis of 1961 financing			Appropriation required to complete
	Total estimate	To June 30, 1958	1959 actual	1960 estimate	1961 estimate	Deduct accrued resources and unpaid undelivered orders, start of year	Add accrued resources and unpaid undelivered orders, end of year	Appropriation required for 1961	
Program by activities:									
1. Buildings and utilities	$69,532,770	$19,072,113	$15,490,547	$16,000,000	$16,000,000	$9,078,110	$2,970,110	$9,892,000	
2. Irrigation systems	167,679,000	102,058,599	4,021,973	3,700,000	3,700,000	1,653,909	1,636,909	3,683,000	$52,561,519
3. Land acquisition	132,805	50,380	3,600	78,825					
Total program costs	237,344,575	121,181,092	19,516,120	19,778,825	19,700,000	10,732,019	4,607,019	13,575,000	52,561,519
4. Unfunded adjustment to total program costs: Property or services transferred in (−) without charge, net			−93,772						
Total program costs, funded			19,422,348	19,778,825	19,700,000				
5. Relation of costs to accrued expenditures: Expenditures accrued for costs of other years, net			118,736						
Total accrued expenditures			19,541,084	19,778,825	19,700,000				
Unpaid undelivered orders brought forward (−)			−8,820,607	−7,041,895	−10,590,155				
Unpaid undelivered orders carried forward			7,041,895	10,590,155	4,465,155				
Total program (obligations)			17,762,372	23,327,085	13,575,000				
Financing:									
Unobligated balance brought forward			−1,514,457	−9,752,085					
Unobligated balance carried forward			9,752,085						
Appropriation (new obligational authority)			26,000,000	13,575,000	13,575,000				

1. *Buildings and utilities.*—This consists of construction and additions to schools, dormitories, quarters, office, and other buildings; improvement to sewer systems and waterworks; major repairs and rehabilitation of existing buildings and utilities; preparation of plans; and engineering supervision and surveys. The 1961 program will include 14 school projects, 7 utility systems, and 3 municipal centers.

2. *Irrigation systems.*—This work consists of construction, extension, and rehabilitation of irrigation systems on Indian reservations for the utilization of irrigable lands.

3. *Land acquisition.*—Purchases are made to consolidate lands in heirship status. No program is planned for 1961.

5. *Relation of costs to accrued expenditures.*—This appropriation contains a limitation on accrued expenditures in accord with Public Law 85–759, approved August 25, 1958. Since this is the first year this type of limitation has been included, and since this estimate is being prepared so long in advance of the receipt of goods and services at the widely dispersed delivery points in the Bureau of Indian Affairs, some flexibility is being provided by setting the amount of the limitation 10% above the amount of accrued expenditures shown in the schedules.

The relationship between costs and accrued expenditures is derived from year-end balances of accrued resources as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Accrued resources at end of year:				
Stores (goods unconsumed by projects)	$4,788	$8,892	$8,892	$8,892
Advances (payments for goods and services on order not yet received)	6,913	96,433	96,433	96,433
Work in process (goods and services to be costed to activities when completed)	11,427	36,539	36,539	36,539
Total accrued resources at end of year	23,128	141,864	141,864	141,864
Accrued resources at start of year (−)		−23,128	−141,864	−141,864
Expenditures accrued for costs of other years, net		118,736		

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BUREAU OF INDIAN AFFAIRS—Continued

Current authorizations—Continued

CONSTRUCTION—Continued

Object Classification

	1959 actual	1960 estimate	1961 estimate
BUREAU OF INDIAN AFFAIRS			
Total number of permanent positions	494	488	488
Full-time equivalent of all other positions	169	197	197
Average number of all employees	618	657	657
Number of employees at end of year	534	660	660
Average GS grade and salary	6.4 $5,336	6.4 $5,358	6.4 $5,353
Average salary of ungraded positions	$4,260	$4,420	$4,420
01 Personal services:			
Permanent positions	$2,447,489	$2,612,877	$2,612,877
Positions other than permanent	864,436	1,015,964	1,015,964
Other personal services	121,855	120,549	111,119
Total personal services	3,433,780	3,749,390	3,739,960
02 Travel	420,790	438,200	438,200
03 Transportation of things	424,309	667,216	321,000
04 Communication services	40,408	45,700	45,700
05 Rents and utility services	75,116	81,000	81,000
06 Printing and reproduction	35,505	43,228	33,000
07 Other contractual services	1,097,707	915,876	638,942
Services performed by other agencies	19,044	21,225	21,225
08 Supplies and materials	1,808,133	2,424,780	1,325,000
09 Equipment	847,359	1,302,100	662,000
10 Lands and structures	8,116,785	12,275,641	6,046,000
11 Grants, subsidies, and contributions	158,084	169,050	168,300
12 Pensions, annuities, and insurance claims	241		
13 Refunds, awards, and indemnities	2,209	3,575	3,575
15 Taxes and assessments	30,427	34,650	34,650
Subtotal	16,509,897	22,171,631	13,558,552
Deduct quarters and subsistence charges	14,326	12,052	12,052
Total, Bureau of Indian Affairs	16,495,571	22,159,579	13,546,500

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
ALLOCATION ACCOUNTS			
Total number of permanent positions	4	4	
Average number of all employees	4	4	
Number of employees at end of year	4	0	
Average GS grade and salary	7.4 $6,135	7.4 $6,158	
01 Personal services:			
Permanent positions	$26,679	$26,893	
Other personal services	679	807	
Total personal services	27,358	27,700	
02 Travel	500	150	
07 Other contractual services	98,033	67,761	$28,500
08 Supplies and materials	170	50	
10 Lands and structures	1,138,999	1,070,045	
11 Grants, subsidies, and contributions	1,741	1,800	
Total, allocation accounts	1,266,801	1,167,506	28,500
Total obligations	17,762,372	23,327,085	13,575,000
Obligations are distributed as follows:			
Bureau of Indian Affairs	$16,495,571	$22,159,579	$13,546,500
Rivers and harbors and flood control, Army—Civil	1,221,541	1,114,204	
Bureau of Reclamation	41,311	41,744	28,500
Geological Survey	3,949	11,558	

ROAD CONSTRUCTION (LIQUIDATION OF CONTRACT AUTHORIZATION)

For liquidation of obligations incurred pursuant to authority contained in section 106 of the Federal-Aid Highway Act of 1956 (70 Stat. 376) [and section], *section* 6 of the Federal-Aid Highway Act of 1958 (72 Stat. 93) and the Act of August 23, 1958 (72 Stat. 834), [$14,600,000] *$13,000,000*, to remain available until expended. (*Department of the Interior and Related Agencies Appropriation Act, 1960.*)

Appropriated 1960, **$14,600,000** Estimate 1961, **$13,000,000**

Program and Financing

	Costs			Analysis of 1961 financing		
	1959 actual	1960 estimate	1961 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Contract authorization available for 1961
Program by activities:						
1. Road maintenance	$2,843,004					
2. Federal-aid highway roads	10,560,130	$11,643,989	$8,000,000	$20,495,000	$12,495,000	
3. Navajo-Hopi roads		5,000,000	5,000,000	16,000,000	11,000,000	
Total program costs	13,403,134	16,643,989	13,000,000	36,495,000	23,495,000	
4. Unfunded adjustment to program costs: Property and services transferred in (−) without charge, net	−475,574					
Total program costs, funded	12,927,560	16,643,989	13,000,000			
5. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−1,322,170	−1,400,693	−1,000,000			
Total program (obligations)	11,605,390	15,243,296	12,000,000			
Financing:						
Unobligated balance brought forward (contract authorization)	−10,248,686	−30,643,296	−27,400,000			
Unobligated balance carried forward (contract authorization)	30,643,296	27,400,000	15,400,000			
Contract authorization (new) (permanent)	32,000,000	12,000,000				

Status of Unfunded Contract Authorization

	1959 actual	1960 estimate	1961 estimate
Unfunded balance at beginning of year	$14,685,071	$34,685,071	$32,085,071
Contract authorization (new) (permanent)	32,000,000	12,000,000	
Unfunded balance at end of year	−34,685,071	−32,085,071	−19,085,071
Appropriation to liquidate contract authorization	12,000,000	14,600,000	13,000,000

2. *Federal-aid highway roads.*—The road construction program proposed for 1961 places emphasis on the most critical road and bridge improvement needs on the 18,000-mile system. The improved roads will be turned over to the local governments willing to assume future maintenance responsibilities. It is anticipated that beginning in 1962 this program will be financed by

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direct appropriations rather than by contract authorizations included in Federal-Aid Highway Acts.

	1959 actual	*1960 estimate*	*1961 estimate*
Grading and draining (miles)	326	332	303
Surface (miles)	351	375	387
Bridge construction (running feet)	2,687	4,263	1,825
Surveys and plans (miles)	606	538	453

3. *Navajo-Hopi roads.*—The 1961 program continues operations for the improvement of 368 miles of Navajo-Hopi Routes 1 and 3 to State highway secondary standards. Completed sections of these roads will be turned over to the State for maintenance as State highways.

	1959 actual	*1960 estimate*	*1961 estimate*
Grading and draining (miles)	51	69	47
Surface (miles)	51	69	47
Bridge construction (running feet)	--	682	510
Surveys and plans (miles)	76	122	71

5. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects)	$15,188	$9,921	$10,000	$10,000
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	7,450,779	5,762,939	5,000,000	4,000,000
Advances (payments for goods and services on order not yet received)	74,812	74,568	75,000	75,000
Work in process (goods and services to be costed to activities when completed)	3,754	9,781	10,000	10,000
Equipment (acquisition value of facilities used on projects less depreciation charged to project costs)	4,273,330	4,638,484	4,000,000	4,000,000
Total selected resources at end of year	11,817,863	10,495,693	9,095,000	8,095,000
Selected resources at start of year (−)		−11,817,863	−10,495,693	−9,095,000
Costs financed from obligations of other years, net (−)		−1,322,170	−1,400,693	−1,000,000

Object Classification

	1959 actual	1960 estimate	1961 estimate
BUREAU OF INDIAN AFFAIRS			
Total number of permanent positions	843	461	461
Full-time equivalent of all other positions	156	100	100
Average number of all employees	845	500	500
Number of employees at end of year	873	600	600
Average GS grade and salary	6.4 $5,336	6.4 $5,358	6.4 $5,353
Average salary of ungraded positions	$4,260	$4,420	$4,420
01 Personal services:			
Permanent positions	$3,249,672	$2,058,740	$2,058,740
Positions other than permanent	681,710	452,800	452,800
Other personal services	61,391	48,870	40,870
Total personal services	3,992,773	2,560,410	2,552,410
02 Travel	183,991	166,800	160,000
03 Transportation of things	31,280	23,375	14,000
04 Communication services	35,556	33,581	28,000
05 Rents and utility services	62,761	57,850	44,000
06 Printing and reproduction	3,344	4,830	5,000
07 Other contractual services	431,367	322,168	248,000
Services performed by other agencies	33,319	17,000	17,000
08 Supplies and materials	905,906	794,547	560,000
09 Equipment	375,042	138,450	90,000
10 Lands and structures	5,280,983	10,896,265	8,110,090
11 Grants, subsidies, and contributions	188,222	124,255	69,500
12 Pensions, annuities, and insurance claims	100		
13 Refunds, awards, and indemnities	120,481		
15 Taxes and assessments	20,341	13,765	12,000
Subtotal	11,665,466	15,153,296	11,910,000
Deduct quarters and subsistence charges	60,076	60,000	60,000
Total, Bureau of Indian Affairs	11,605,390	15,093,296	11,850,000
ALLOCATION TO BUREAU OF PUBLIC ROADS, DEPARTMENT OF COMMERCE			
Total number of permanent positions		3	3
Full-time equivalent of all other positions		1	1
Average number of all employees		3	3
Number of employees at end of year		2	2

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
ALLOCATION TO BUREAU OF PUBLIC ROADS, DEPARTMENT OF COMMERCE—Continued			
Average GS grade and salary		8.2 $6,674	8.2 $6,771
01 Personal services:			
Permanent positions		$12,250	$12,300
Positions other than permanent		2,600	2,600
Other personal services		150	100
Total personal services		15,000	15,000
02 Travel		6,000	6,000
04 Communication services		100	100
05 Rents and utility services		2,100	2,100
07 Other contractual services		500	500
Services performed by other agencies		8,100	8,100
08 Supplies and materials		100	100
10 Lands and structures		117,200	117,200
11 Grants, subsidies, and contributions		800	800
15 Taxes and assessments		100	100
Total, Bureau of Public Roads		150,000	150,000
Total obligations	$11,605,390	15,243,296	12,000,000

General Administrative Expenses

For expenses necessary for the general administration of the Bureau of Indian Affairs, including such expenses in field offices, [$3,715,000] *$3,739,000.* (*25 U.S.C. 13; Department of the Interior and Related Agencies Appropriation Act, 1960.*)

Appropriated 1960, **$3,715,000** Estimate 1961, **$3,739,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Departmental offices	$998,367	$1,007,000	$1,013,400
2. Field offices	2,921,610	2,708,000	2,725,600
Total program costs	3,919,977	3,715,000	3,739,000
3. Unfunded adjustment to total program costs: Property or services transferred in (−) without charge, net	−283,867		
Total program costs, funded	3,636,110	3,715,000	3,739,000
4. Relation of cost to obligations: Obligations incurred for costs of other year, net	14,055		
Total program (obligations)	3,650,165	3,715,000	3,739,000
Financing:			
1959 appropriation available in 1958	1,772		
Unobligated balance no longer available	49,863		
Appropriation (new obligational authority)	3,701,800	3,715,000	3,739,000

Direction and guidance are furnished at the central, area, and reservation organizational levels with regard to administrative methods and organization, budget and fiscal management, personnel management, audit, safety and inspection services, property and supply management, records management, and office services. The administration of common service activities is partially financed on a benefit basis from other Bureau activity funds.

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$712	$800	$800	$800
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	102,621	102,691	102,691	102,691
Advances (payments for goods and services on order not yet received)	3,677	2,663	2,663	2,663
Work in process (goods and services to be costed to activities when completed)	550	668	668	668
Total selected resources at end of year	107,560	106,822	106,822	106,822
Selected resources at start of year (−)		−107,560	−106,822	−106,822
Adjustment of selected resources reported at start of year		14,793		
Obligations incurred for costs of other years, net		14,055		

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BUREAU OF INDIAN AFFAIRS—Continued

Current authorizations—Continued

GENERAL ADMINISTRATIVE EXPENSES—Continued

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	479	477	477
Full-time equivalent of all other positions	2	1	1
Average number of all employees	453	456	456
Number of employees at end of year	450	455	455
Average GS grade and salary	6.4 $5,336	6.4 $5,358	6.4 $5,353
Average salary of ungraded positions	$4,260	$4,420	$4,420
01 Personal services:			
Permanent positions	$2,756,553	$2,808,317	$2,808,317
Positions other than permanent	13,999	5,024	5,024
Other personal services	25,449	35,759	25,759
Total personal services	2,796,001	2,849,100	2,839,100
02 Travel	230,034	257,600	257,600
03 Transportation of things	13,067	15,000	15,000
04 Communication services	111,785	112,000	112,000
05 Rents and utility services	50,939	52,300	52,300
06 Printing and reproduction	29,151	29,000	29,000
07 Other contractual services	102,296	107,058	141,058
Services performed by other agencies	28,442	27,942	27,942
08 Supplies and materials	98,721	100,000	100,000
09 Equipment	63,110	33,200	33,200
11 Grants, subsidies, and contributions	180,840	185,000	185,000
13 Refunds, awards, and indemnities	5,120	3,800	3,800
14 Interest	13		
15 Taxes and assessments	1,709	600	600
1959 program obligated in 1958	−1,772		
Subtotal	3,709,456	3,772,600	3,796,600
Deduct quarters and subsistence charges	59,291	57,600	57,600
Total obligations	3,650,165	3,715,000	3,739,000

LIQUIDATION OF KLAMATH AND MENOMINEE AGENCIES

For expenses necessary for the liquidation of the Klamath and Menominee Indian Agencies in terminating supervision over the property of the Klamath and Menominee Tribes of Indians and the individual members thereof, [$250,000] *$150,000.* (*Department of the Interior and Related Agencies Appropriation Act, 1960.*)

Appropriated 1960, **$250,000** Estimate 1961, **$150,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Expenses of liquidating Klamath and Menominee Indian Agencies (total costs—obligations)		$250,000	$150,000
Financing:			
Appropriation (new obligational authority)		250,000	150,000

During the period of liquidating the Klamath and Menominee Indian Agencies appropriated funds will be used for expenses instead of tribal funds.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions		23	14
Full-time equivalent of all other positions		16	14
Average number of all employees		37	24
Number of employees at end of year		25	24
Average GS grade and salary		6.4 $5,358	6.4 $5,353
Average salary of ungraded positions		$4,420	$4,420
01 Personal services:			
Permanent positions		$119,881	$52,000
Positions other than permanent		57,562	50,000
Other personal services		2,157	1,500
Total personal services		179,600	103,500
02 Travel		7,000	5,000
03 Transportation of things		1,250	1,200
04 Communication services		2,250	1,500
05 Rents and utility services		4,100	3,000
06 Printing and reproduction		2,500	1,000
07 Other contractual services		$27,700	$26,800
08 Supplies and materials		13,400	5,000
09 Equipment		5,500	1,000
11 Grants, subsidies, and contributions		9,200	3,300
15 Taxes and assessments		400	200
Subtotal		252,900	151,500
Deduct quarters and subsistence charges		2,900	1,500
Total obligations		250,000	150,000

[DISTRIBUTION OF FUNDS OF THE CREEK INDIANS]

[For an additional amount for necessary expenses incident to the distribution of funds belonging to members of the Creek Nation of Indians, in accordance with the Act of August 1, 1955 (69 Stat. 431), as amended, $100,000, to remain available until expended.] (*Mutual Security Appropriation Act, 1960.*)

Appropriated 1960, **$100,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Expenses of distribution (total program costs)	$69,049	$70,000	$40,097
2. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net	43		
Total program (obligations)	69,092	70,000	40,097
Financing:			
Unobligated balance brought forward	−79,189	−10,097	−40,097
Unobligated balance carried forward	10,097	40,097	
Appropriation (new obligational authority)		100,000	

1. *Expenses of distribution.*—This provides for expenses incident to the distribution of funds held in trust for members of the Creek Nation of Indians (69 Stat. 431).

2. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1958, $125; 1959, $168; 1960, $168; 1961, $168.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	14	14	7
Full-time equivalent of all other positions	1		
Average number of all employees	14	13	7
Number of employees at end of year	13	13	7
Average GS grade and salary	6.4 $5,336	6.4 $5,358	6.4 $5,353
Average salary of ungraded positions	$4,260	$4,420	$4,420
01 Personal services:			
Permanent positions	$58,808	$59,695	$32,440
Positions other than permanent	2,802		
Other personal services	228	498	120
Total personal services	61,838	60,193	32,560
02 Travel	393	500	500
03 Transportation of things	4		
04 Communication services	1,437	1,500	1,200
06 Printing and reproduction	120	200	100
07 Other contractual services	765	3,100	2,700
08 Supplies and materials	643	900	747
09 Equipment	337		
11 Grants, subsidies, and contributions	3,357	3,330	2,115
13 Refunds, awards, and indemnities	30	100	
15 Taxes and assessments	168	177	175
Total obligations	69,092	70,000	40,097

[PAYMENT TO KLAMATH TRIBE OF INDIANS]

[For reimbursement to the Klamath Tribe of Indians of necessary expenses involved in preparing for termination of Federal supervision, in accordance with the Acts of August 14, 1957 (71 Stat. 347), and August 23, 1958 (72 Stat. 816), $100,000, to remain

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available until expended.] (*Department of the Interior and Related Agencies Appropriation Act, 1960.*)

Appropriated 1960, **$100,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Payment to Klamath Tribe of Indians (total costs—obligations) (object class 07)	$248,920	$101,080	
Financing:			
Unobligated balance brought forward		−1,080	
Unobligated balance carried forward	1,080		
Appropriation (new obligational authority)	250,000	100,000	

Provision is made for reimbursing the Klamath Tribe of Indians for necessary expense involved in preparation for termination of Federal supervision.

Colorado River Indian Reservation Benefits, Southern and Northern Reserve

(Indefinite special fund)

Appropriated (est.) 1960, **$112,000** Estimate 1961, **$112,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Colorado River Indian Reservation benefits (total costs—obligations) (object class 11)	$177,342	$112,000	$112,000
Financing:			
Appropriation (new obligational authority)	177,342	112,000	112,000

All receipts from leasing of unassigned lands, Colorado River Indian Reservation, Ariz., southern and northern reserves, may be expended for the benefit of the Colorado River tribes and their members as authorized in annual appropriation acts (69 Stat. 723).

Bureau of Indian Affairs Miscellaneous Accounts

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Payment to loyal Creeks and Freedmen	$156,370	$249,629	
2. Payment to Menominee Tribe of Indians		275,000	
3. Payment to Pine Ridge Sioux Tribe of Indians	101,500	45,500	
4. Payment to Standing Rock Sioux Tribe of Indians	6,960,000		
Total program costs	7,217,870	570,129	
5. Relation of costs to obligations: Costs financed from obligations of other years, (unpaid grants and refunds), net (−)	−156,370	−249,629	
Total program (obligations)	7,061,500	320,500	
Financing:			
Unobligated balance brought forward	−447,000	−545,500	−$225,000
Unobligated balance carried forward	545,500	225,000	225,000
Appropriation (new obligational authority)	7,160,000		

Relation of costs to obligations.—The year-end balances of unpaid grants and refunds are as follows: 1958, $405,999; 1959, $249,629.

Object Classification

	1959 actual	1960 estimate	1961 estimate
07 Other contractual services		$275,000	
11 Grants, subsidies, and contributions	$7,061,500	45,500	
Total obligations	7,061,500	320,500	

Administrative Provisions

Appropriations for the Bureau of Indian Affairs (except the revolving fund for loans) shall be available for expenses of exhibits; purchase of not to exceed two hundred and [eighty-five] *ninety* passenger motor vehicles (including twenty-five for police-type use which may exceed by $300 each the general purchase price limitation for the current fiscal year) for replacement only, which may be used for the transportation of Indians; advance payments for service (including services which may extend beyond the current fiscal year) under contracts executed pursuant to the Act of June 4, 1936 (25 U.S.C. 452), the Act of August 3, 1956 (70 Stat. 986), and legislation terminating Federal supervision over certain Indian tribes; purchase of ice for official use of employees; and expenses required by continuing or permanent treaty provisions. (*Department of the Interior and Related Agencies Appropriation Act, 1960.*)

Allocations Received From Other Accounts

Note.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations, as follows:
"Construction of Indian health facilities," Public Health Services.
"Construction and rehabilitation," Bureau of Reclamation.
"Mutual security—economic," funds appropriated to the President.
"Plant acquisition and construction," Atomic Energy Commission.

Tribal Funds

(Trust fund)

In addition to the tribal funds authorized to be expended by existing law, there is hereby appropriated $3,000,000 from tribal funds not otherwise available for expenditure for the benefit of Indians and Indian tribes, including pay and travel expenses of employees; care, tuition, and other assistance to Indian children attending public and private schools (which may be paid in advance or from date of admission); purchase of land and improvements on land, title to which shall be taken in the name of the United States in trust for the tribe for which purchased; lease of lands and water rights; compensation and expenses of attorneys and other persons employed by Indian tribes under approved contracts; pay, travel, and other expenses of tribal officers, councils, and committees thereof, or other tribal organizations, including mileage for use of privately owned automobiles and per diem in lieu of subsistence at rates established administratively but not to exceed those applicable to civilian employees of the Government; relief of Indians, without regard to section 7 of the Act of May 27, 1930 (46 Stat. 391), including cash grants; and employment of a recreational director for the Menominee Reservation and a curator for the Osage Museum, each of whom shall be appointed with the approval of the respective tribal councils and without regard to the classification laws: *Provided,* That in addition to the amount appropriated herein, tribal funds may be advanced to Indian tribes during the current fiscal year for such purposes as may be designated by the governing body of the particular tribe involved and approved by the Secretary: *Provided, however,* That no part of this appropriation or other tribal funds shall be used for the acquisition of land or water rights within the States of Nevada, Oregon, Washington, and Wyoming, either inside or outside the boundaries of existing Indian reservations, if such acquisition results in the property being exempted from local taxation, except as provided for by the Act of July 24, 1956 [(Public Law 772, Eighty-fourth Congress)] (*70 Stat. 627*). (*25 U.S.C. 123; Department of the Interior and Related Agencies Appropriation Act, 1960.*)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct costs:			
1. Education and welfare services	$162,615	$153,300	$157,898
2. Resources management	623,238	672,145	682,052
3. Construction and land acquisition	16,601	110,826	89,545
4. General tribal affairs	888,927	2,063,729	2,070,505
Subtotal (limitation)	1,691,381	3,000,000	3,000,000

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BUREAU OF INDIAN AFFAIRS—Continued

Current authorizations—Continued

TRIBAL FUNDS—Continued

(Trust fund)—Continued

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
Direct costs—Continued			
5. Payments to Indian tribes	$33,318,925	$24,190,837	$97,887,298
6. Miscellaneous tribal activities	19,143,135	32,681,224	16,790,764
7. Advances to Indian tribes (indefinite authorizations)	3,418,050	11,307,585	1,967,568
Total direct costs	57,571,491	71,179,646	119,645,630
Reimbursable costs:			
8. Revolving tribal credit funds		275,000	415,000
Total program costs	57,571,491	71,454,646	120,060,630
9. Relation of costs to obligations: Obligations incurred for costs of other years, net	5,760		
Total program (obligations)	57,577,251	71,454,646	120,060,630
Financing:			
Unobligated balance brought forward:			
Cash:			
Appropriated	134,468,846	174,075,183	175,616,612
Unappropriated	2,394,523	2,541,075	
U.S. securities (par)		100,000	100,000
Receipts:			
Various tribal funds	97,243,551	70,000,000	115,000,000
Licenses under Federal Power Act from Indian reservations	180,122	180,000	180,000
Reimbursement from non-Federal sources (25 U.S.C. 470)		275,000	415,000
Gain from premium or discount on investments	6,467		
Unobligated balance carried forward:			
Cash:			
Appropriated	−174,075,183	−175,616,612	−171,150,982
Unappropriated	−2,541,075		
U.S. securities (par)	−100,000	−100,000	−100,000
Total financing	57,577,251	71,454,646	120,060,630

Funds held in trust for Indian tribes under the provisions of various acts are used for expenses of tribal governments, administration of Indian tribal affairs, employment of tribal attorneys, establishment and operation of tribal enterprises, and relief of Indians. The tribes are encouraged to develop plans for the beneficial use of their funds. Tribal funds are derived from various sources including revenue from tribal resources and enterprises.

9. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$343,375	$348,976	$348,976	$348,976
Advances (payments for goods and services on order not yet received)	424	583	583	583
Total selected resources at end of year	343,799	349,559	349,559	349,559
Selected resources at start of year (−)		−343,799	−349,559	−349,559
Obligations incurred for costs of other years, net		5,760		

Object Classification

	1959 actual		1960 estimate		1961 estimate	
Direct obligations:						
Total number of permanent positions	316		287		247	
Full-time equivalent of all other positions	401		390		388	
Average number of all employees	674		653		628	
Number of employees at end of year	331		400		400	
Average GS grade and salary	5.5	$4,828	5.4	$4,819	5.5	$4,841
Average salary of ungraded positions		$4,595		$4,758		$5,029

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
Direct obligations—Continued			
01 Personal services:			
Permanent positions	$1,319,616	$1,281,299	$1,174,211
Positions other than permanent	1,425,416	1,385,420	1,378,218
Other personal services	25,844	27,945	20,265
Total personal services	2,770,876	2,694,664	2,572,694
02 Travel	38,779	35,075	33,750
03 Transportation of things	19,948	23,300	23,300
04 Communication services	22,724	19,650	20,200
05 Rents and utility services	38,594	33,580	31,450
06 Printing and reproduction	3,091	2,600	2,600
07 Other contractual services	1,376,630	916,952	529,939
08 Supplies and materials	263,601	372,990	276,406
09 Equipment	39,677	46,026	53,245
10 Lands and structures	70,093	100,000	60,000
11 Grants, subsidies, and contributions	52,900,160	66,678,296	115,783,607
14 Interest	17,480		
15 Taxes and assessments	9,492	6,931	6,479
16 Investments and loans	37,824	275,000	275,000
Subtotal	57,608,969	71,205,064	119,668,670
Deduct quarters and subsistence charges	31,718	25,418	23,040
Total direct obligations	57,577,251	71,179,646	119,645,630
Reimbursable obligations:			
16 Investments and loans		275,000	415,000
Total obligations	57,577,251	71,454,646	120,060,630

Permanent authorizations:

CLAIMS AND TREATY OBLIGATIONS

(Indefinite)

Appropriated (est.) 1960, **$140,500** Estimate 1961, **$140,500**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. "Fulfilling treaties with Senecas of New York"	$5,987	$6,000	$6,000
2. "Fulfilling treaties with Six Nations of New York"	4,500	4,500	4,500
3. "Fulfilling treaties with Pawnees of Oklahoma"	30,000	30,000	30,000
4. "Payment to Indians of Sioux Reservation"	118,279	100,000	100,000
Total program (costs—obligations) (object class 12)	158,766	140,500	140,500
Financing:			
Appropriation (new obligational authority)	158,766	140,500	140,500

Payments are made under treaties with certain Indian tribes and for the benefit of Sioux Indians as authorized by law.

OTHER BUREAU OF INDIAN AFFAIRS PERMANENT APPROPRIATIONS

(Indefinite special funds)

Appropriated (est.) 1960, **$4,610,200** Estimate 1961, **$4,610,200**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Acquisition of lands and loans to Indians in Oklahoma, act of June 26, 1936		$68,316	$10,000
2. Indian arts and crafts fund		350	200
3. Operation and maintenance, Indian irrigation systems	$2,588,233	2,600,000	2,800,000
4. Power systems, Indian irrigation projects	1,801,909	1,600,000	1,600,000
5. Purchase of land, Rocky Boy's Reservation, Mont	9,200	1,957	
6. Colorado River Indian Reservation Fund, Southern Reserve	8,951		
Total program costs	4,408,293	4,270,623	4,410,200

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Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
7. Unfunded adjustments to total program costs: Property or services transferred in (−) without charge, net	−$289,507		
Total program costs, funded	4,118,786	$4,270,623	$4,410,200
8. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−229,787		
Obligations incurred for costs of other years, net		9,361	
Total program (obligations)	3,888,999	4,279,984	4,410,200
Financing:			
Unobligated balance brought forward	−2,479,934	−2,807,049	−3,137,265
Unobligated balance carried forward	2,807,049	3,137,265	3,337,265
New obligational authority	4,216,114	4,610,200	4,610,200
New obligational authority:			
"Acquisition of lands and loans to Indians in Oklahoma, act of June 26, 1936"	$5,474	$10,000	$10,000
"Indian arts and crafts fund"	10	200	200
"Operation and maintenance, Indian irrigation systems"	2,619,755	3,000,000	3,000,000
"Power systems, Indian irrigation projects"	1,590,875	1,600,000	1,600,000
Appropriation	4,216,114	4,610,200	4,610,200

1. *Acquisition of lands and loans to Indians in Oklahoma, act of June 26, 1936.*—Revenue derived from mineral deposits underlying certain lands purchased in Oklahoma is used for the acquisition of lands and for loans to individual Indians, associations, or corporate groups of Indians residing in Oklahoma (25 U.S.C. 507).

2. *Indian arts and crafts fund.*—Fees charged for use of Government trademarks attesting to genuineness and quality of Indian products are used to stimulate sales of Indian arts and crafts (25 U.S.C. 305 a, c).

3. *Operation and maintenance, Indian irrigation systems.*—Revenue derived from charges for operation and maintenance of Indian irrigation projects is used to defray in part the cost of operating and maintaining these projects (60 Stat. 895).

4. *Power systems, Indian irrigation projects.*—Revenue collected from the sale of electric power by the Colorado River, Flathead, and San Carlos power systems is used to operate and maintain these systems (60 Stat. 895; 65 Stat. 254).

7. *Property or services transferred in without charge (net).*—Represents acquisition of surplus equipment without cost to these accounts pursuant to the provisions of the act of June 30, 1949 (63 Stat. 377), as amended.

8. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$264,276	$261,497	$265,000	$265,000
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	374,025	132,961	150,000	150,000
Advances (payments for goods and services on order not yet received)	108			
Work in process (goods and services to be costed to activities when completed)	2,017	16,181	5,000	5,000
Total selected resources at end of year	640,426	410,639	420,000	420,000
Selected resources at start of year (−)		−640,426	−410,639	−420,000
Costs financed from obligations of other years, net (−)	−229,787			
Obligations incurred for costs of other years, net			9,361	

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Total number of permanent positions	526	542	539
	Full-time equivalent of all other positions	35	34	34
	Average number of all employees	471	485	476
	Number of employees at end of year	596	620	610
	Average GS grade and salary	6.4 $5,336	6.4 $5,358	6.4 $5,353
	Average salary of ungraded positions	$4,260	$4,420	$4,420
01	Personal services:			
	Permanent positions	$2,022,049	$2,106,399	$2,075,551
	Positions other than permanent	133,633	134,300	134,300
	Other personal services	46,369	52,717	45,607
	Total personal services	2,202,051	2,293,416	2,255,458
02	Travel	13,332	15,500	15,000
03	Transportation of things	32,712	30,000	30,000
04	Communication services	21,484	22,000	22,000
05	Rents and utility services	381,037	450,000	500,000
06	Printing and reproduction	856	500	400
07	Other contractual services	552,611	594,045	646,000
	Services performed by other agencies	26,663	28,000	27,000
08	Supplies and materials	485,688	561,303	592,501
09	Equipment	45,104	90,040	190,000
10	Lands and structures	9,200	70,000	10,000
11	Grants, subsidies, and contributions	121,609	142,401	140,000
13	Refunds, awards, and indemnities	2,367	2,600	2,550
14	Interest	1,694	1,500	800
15	Taxes and assessments	8,429	7,993	7,805
16	Investments and loans	15,768		
	Subtotal	3,920,605	4,309,298	4,439,514
	Deduct quarters and subsistence charges	31,606	29,314	29,314
	Total obligations	3,888,999	4,279,984	4,410,200

Public enterprise funds:

Revolving Fund for Loans

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs:			
Administrative expenses	$540,428	$754,000	$754,000
Provision for losses on loans	171,924	100,000	100,000
Total operating costs	712,352	854,000	854,000
Unfunded adjustment to total operating costs: Provision for losses on loans included above (−)	−171,924	−100,000	−100,000
Total operating costs, funded	540,428	754,000	754,000
Capital outlay: Acquisition of loans	2,526,704	4,253,886	1,000,000
Total program costs, funded	3,067,132	5,007,886	1,754,000
Relation of costs to obligations: Obligations incurred for costs of other years, net	500,000		
Total program (obligations)	3,567,132	5,007,886	1,754,000
Financing:			
Amounts becoming available: Revenue and receipts:			
Collection of loans	1,302,310	1,200,000	1,200,000
Interest on loans	216,872	200,000	200,000
Cattle settlements	50,824	20,000	20,000
Recovery of prior year obligations		500,000	
Refunds	867		
Total amounts becoming available	1,570,873	1,920,000	1,420,000
Unobligated balance brought forward	7,314,911	5,318,652	2,230,766
Total amounts available	8,885,784	7,238,652	3,650,766
Unobligated balance carried forward	−5,318,652	−2,230,766	−1,896,766
Financing applied to program	3,567,132	5,007,886	1,754,000

This fund is used to assist Indians in acquiring livestock, farm, and other equipment and in establishing tribal business enterprises (25 U.S.C. 470, 471, 631). This fund and miscellaneous tribal funds provide the only source of loans for the great majority of Indians who cannot borrow from ordinary commercial credit sources because of their low economic status and lack of bankable security.

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BUREAU OF INDIAN AFFAIRS—Continued

Public enterprise funds—Continued

REVOLVING FUND FOR LOANS—Continued

Budget program.—As of June 30, 1959, the principal of the fund amounted to $16.5 million, consisting of $13.8 million appropriated, and $2.7 million cattle settlements. Cattle settlements are payments made by the Indians for breeding stock furnished by the Government generally prior to establishment of this fund.

Operating results.—The deficit is a result of expenses exceeding revenues and includes net writeoffs of loans receivable amounting to $182,439.53.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1959 actual	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Advances (payments for goods and services on order not yet received)	$500,000	----------	----------
Selected resources at start of year (−)	---------	−$500,000	----------
Adjustment due to recovery of prior year obligations	---------	500,000	----------
Obligations incurred for costs of other years, net	500,000	----------	----------

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied)			
Loan program:			
Acquisition of loans	$2,526,704	$4,253,886	$1,000,000
Expense	540,428	754,000	754,000
Increase in selected working capital	500,000	----------	----------
Total gross expenditures	3,567,132	5,007,886	1,754,000
Receipts from operations (funds provided):			
Loan program:			
Loans repaid	1,302,310	1,200,000	1,200,000
Revenue	216,872	200,000	200,000
Cattle settlements	50,824	20,000	20,000
Refunds	867	----------	----------
Decrease in selected working capital	----------	500,000	----------
Total receipts from operations	1,570,873	1,920,000	1,420,000
Budget expenditures	1,996,259	3,087,886	334,000

Revenue, Expense, and Retained Earnings

Loan program:			
Revenue	$216,872	$200,000	$200,000
Expense	712,352	854,000	854,000
Net loss (−) for the year	−495,480	−654,000	−654,000
Deficit (−), beginning of year	−2,140,360	−2,635,840	−3,289,840
Deficit (−), end of year	−2,635,840	−3,289,840	−3,943,840

Financial Condition

Assets:			
Cash with Treasury and in banks	$5,318,652	$2,230,766	$1,896,766
Advances	500,000	----------	----------
Loans outstanding, net	8,077,903	11,031,789	10,731,789
Total assets	13,896,555	13,262,555	12,628,555
Government investment:			
Non-interest-bearing capital:			
Start of year	16,480,704	16,532,395	16,552,395
Refunds	867	----------	----------
Cattle settlements	50,824	20,000	20,000
End of year	16,532,395	16,552,395	16,572,395
Deficit (−)	−2,635,840	−3,289,840	−3,943,840
Total Government investment	13,896,555	13,262,555	12,628,555

Status of Certain Fund Balance

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash with Treasury	$7,314,911	$5,318,652	$2,230,766	$1,896,766

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	75	92	92
Average number of all employees	67	80	80
Number of employees at end of year	72	83	83
Average GS grade and salary	6.4 $5,336	6.4 $5,358	6.4 $5,353
Average salary of ungraded positions	$4,260	$4,420	$4,420
01 Personal services:			
Permanent positions	$390,031	$488,163	$488,163
Positions other than permanent	2,133	1,433	1,433
Other personal services	18,958	31,728	30,000
Total personal services	411,122	521,324	519,596
02 Travel	44,543	66,268	66,300
03 Transportation of things	11,742	21,355	21,300
04 Communication services	8,114	11,950	12,000
05 Rents and utility services	12,949	19,580	19,600
06 Printing and reproduction	1,492	1,505	1,500
07 Other contractual services	515,095	54,159	55,704
08 Supplies and materials	12,023	21,704	21,700
09 Equipment	5,541	13,750	14,000
11 Grants, subsidies, and contributions	24,784	29,666	29,600
13 Refunds, awards, and indemnities	20	20	----------
15 Taxes and assessments	247	321	300
16 Investment and loans	2,526,704	4,253,886	1,000,000
Subtotal	3,574,376	5,015,488	1,761,600
Deduct quarters and subsistence charges	7,244	7,602	7,600
Total obligations	3,567,132	5,007,886	1,754,000

LIQUIDATION OF HOONAH HOUSING PROJECT REVOLVING FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Expenses of liquidation	----------	$2,500	$101,276
Administrative expenses	----------	3,112	3,612
Total program (obligations)	----------	5,612	104,888
Financing:			
Amounts becoming available:			
Unobligated balance transferred from "Revolving fund (liquidating programs)," Office of the Administrator, Housing and Home Finance Agency (72 Stat. 974)	$111,204	----------	----------
Revenue and receipts:			
Collection of loans	1,290	1,300	1,300
Interest on loans	2,984	3,000	3,000
Total amounts becoming available	115,478	4,300	4,300
Unobligated balance brought forward	----------	115,478	114,166
Total amount available	115,478	119,778	118,466
Unobligated balance carried forward	−115,478	−114,166	−13,578
Financing applied to program	----------	5,612	104,888

This fund was transferred from the Housing and Home Finance Agency to the Secretary of the Interior under the provisions of Public Law 85–806, approved August 28, 1958 (72 Stat. 974). The Secretary will use the $111,204, transferred from the Housing and Home Finance Agency, along with any other revenue that may be received from the Hoonah housing project for the purpose of liquidating said project in accordance with the provisions of law.

Budget program.—As of June 30, 1959, the principal of the fund amounted to $285,792, consisting of $115,478 in cash and mortgage notes in the net amount of $170,314.

Operating results.—The retained earnings are expected to decrease as funds are used for the liquidation of the project.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Liquidation program:			
Expenses of liquidation	----------	$2,500	$101,276
Administrative expense	----------	3,112	3,612
Total gross expenditures	----------	5,612	104,888

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Sources and Application of Funds (Operations)—Continued

	1959 actual	1960 estimate	1961 estimate
Receipts from operations (funds provided):			
Loans repaid	$1,290	$1,300	$1,300
Revenue	2,984	3,000	3,000
Total receipts from operations	4,274	4,300	4,300
Budget expenditures	−4,274	1,312	100,588

Revenue, Expense, and Retained Earnings

Liquidation program:			
Revenue	$2,984	$3,000	$3,000
Expense		5,612	104,888
Net income or loss (−) for the year	2,984	−2,612	−101,888
Retained earnings, beginning of year	42,808	45,792	43,180
Retained earnings or deficit (−), end of year	45,792	43,180	−58,708

Financial Condition

Assets:			
Cash with Treasury	$115,478	$114,166	$13,578
Mortgage notes, net	170,314	169,014	167,714
Total assets	285,792	283,180	181,292
Government investment:			
Non-interest-bearing capital:			
Start of year		240,000	240,000
Balance transferred from "Revolving fund (liquidating programs)," Office of the Administrator, Housing and Home Finance Agency (72 Stat. 974):			
Cash	111,204		
Other assets	128,796		
End of year	240,000	240,000	240,000
Retained earnings or deficit (−)	45,792	43,180	−58,708
Total Government investment	285,792	283,180	181,292

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash with Treasury		$115,478	$114,166	$13,578
Unobligated balance		115,478	114,166	13,578

Object Classification

	1959 actual	1960 estimate	1961 estimate
02 Travel		$300	$600
07 Other contractual services		5,112	83,888
08 Supplies and materials		200	400
10 Lands and structures			20,000
Total obligations		5,612	104,888

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Facilitating common services (Department of Health, Education, and Welfare)	$244,318	$526,811	$599,000
2. Road relocation (Rivers and harbors and flood control, Army—Civil)	63,927	1,328,743	
3. Miscellaneous other accounts	102,485	253,166	255,000
4. Replacement of personal property sold	139,499	153,733	150,000
5. Veterans tuition	12,687	13,000	13,000
6. Surplus milk products	410,147	450,000	500,000
7. Printing and reproduction	2,338	3,000	3,000
8. Refund of lump-sum leave	433		
Total obligations	975,834	2,728,453	1,520,000

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Financing:			
Unobligated balance brought forward	$200	$678,743	
Advances and reimbursements from—			
Other accounts	1,500,877	1,881,977	$1,356,000
Non-Federal sources:			
Replacement of personal property sold (40 U.S.C. 481(c))	139,499	153,733	150,000
Veterans tuition (25 U.S.C. 288-289)	12,687	13,000	13,000
Printing and reproduction (5 U.S.C. 488)	881	1,000	1,000
Refund of terminal leave	433		
Unobligated balance carried forward	−678,743		
Total financing	975,834	2,728,453	1,520,000

Object Classification

		1959 actual		1960 estimate		1961 estimate
Total number of permanent positions		33		36		36
Average number of all employees		33		36		36
Number of employees at end of year		33		36		36
Average GS grade and salary		6.4 $5,336		6.4 $5,358		6.4 $5,353
Average salary of ungraded positions		$4,260		$4,420		$4,420
01	Personal services:					
	Permanent positions	$154,183		$164,643		$164,643
	Other personal services	2,059				
	Total personal services	156,242		164,643		164,643
02	Travel	6,353		10,500		6,000
03	Transportation of things	183		2,500		1,000
04	Communication services	43		1,000		1,000
05	Rents and utility services	10,560		92,330		89,930
06	Printing and reproduction	881		3,000		3,000
07	Other contractual services	89,346		217,844		200,000
08	Supplies and materials	555,503		840,421		890,177
09	Equipment	135,368		160,846		160,000
10	Lands and structures			1,231,119		
11	Grants, subsidies, and contributions	3,275		4,000		4,000
13	Refunds, awards, and indemnities	17,853				
15	Taxes and assessments	227		250		250
	Total obligations	975,834		2,728,453		1,520,000

Proposed for later transmission:

RESOURCES MANAGEMENT

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Fire suppression (total costs—obligations)		$360,000	
Financing:			
Proposed supplemental appropriation		360,000	

Under existing legislation, 1960.—A supplemental appropriation for 1960 in the amount of $360,000 is anticipated for fighting fires.

BUREAU OF RECLAMATION

The Bureau plans, constructs, and operates facilities to irrigate lands, furnish domestic water supplies, and develop related hydroelectric power and flood control in the 17 Western States and Alaska.

Appropriations to the Bureau are made from the general fund and special funds. The special funds are (*a*) the Reclamation fund, largely derived from certain irrigation and power revenue; receipts from the sale, lease, and rental of public lands; and certain oil and mineral revenue; (*b*) the Colorado River Dam fund, derived from the revenue of the Boulder Canyon project; (*c*) the Colorado River development fund, derived from transfers of money from the Colorado River Dam fund; (*d*) Disposal of Coulee Dam community, derived from sale of Federal property in the city of Coulee Dam and city of Grand Coulee; and (*e*) Boulder City municipal fund, derived from

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BUREAU OF RECLAMATION—Continued

the sale of Federal property in Boulder City, Nev. The estimates of appropriation for the budget year are summarized by source, as follows:

[In thousands]

Appropriation title	Estimate of appropriation	General fund	Reclamation fund	Colorado River Dam fund	Colorado River development fund	Other
General investigations	$4,650	$700	$3,450	------	$500	----
General investigations (special foreign currency program)	4,957	4,957	------	------	----	----
Construction and rehabilitation	173,950	83,950	90,000	------	----	----
Operation and maintenance	31,900	4,069	26,496	$1,335	----	----
General administrative expenses	4,320	------	4,320	------	----	----
Loan program	18,437	18,437	------	------	----	----
Upper Colorado River Basin fund	71,600	71,600	------	------	----	----
Permanents and other	4,099	------	100	3,800	----	$199
Total	313,913	183,713	124,366	5,135	500	199

The total appropriation request of $313.9 million represents an increase of $54.1 million compared with the current year appropriations and an increase of $43.9 million compared with the preceding year.

Current authorizations:

For carrying out the functions of the Bureau of Reclamation as provided in the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto) and other Acts applicable to that Bureau, as follows:

GENERAL INVESTIGATIONS

For engineering and economic investigations of proposed Federal reclamation projects and studies of water conservation and development plans[; formulating plans and preparing designs and specifications for authorized Federal reclamation projects or parts thereof prior to initial allocation of appropriations for construction of such projects or parts;] and activities preliminary to the reconstruction, rehabilitation and betterment, financial adjustment, or extension of existing projects, to remain available until expended, [$4,668,992] *$4,650,000,* of which [$3,742,742] *$3,450,000* shall be derived from the reclamation fund and $500,000 shall be derived from the Colorado River development fund: *Provided,* That none of this appropriation shall be used for more than one-half of the cost of an investigation requested by a State, municipality, or other interest: *Provided further,* That [$195,000] *$200,000* of this appropriation shall be transferred to the United States Fish and Wildlife Service for studies, investigations, and reports thereon as required by the Fish and Wildlife Coordination Act of 1958 (72 Stat. 563–565) to provide that wildlife conservation shall receive equal consideration and be coordinated with other features of water-resource development programs of the Bureau of Reclamation. (*Public Works Appropriation Act, 1960.*)

Appropriated 1960, **$4,668,992** Estimate 1961, ◦ **$4,650,000**

◦ Excludes $254,000 for activities transferred in the estimates to "Construction and rehabilitation." The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Engineering and economic investigations:			
(a) Reconnaissance	$202,541	$369,874	$436,907
(b) Basin surveys	873,702	468,342	315,770
(c) Project investigations	3,664,808	3,558,051	3,203,621
(d) General engineering and research:			
(1) Planning studies	111,429	119,170	108,000
(2) Engineering methods and materials research	----------	----------	250,000
2. Investigations of existing projects	4,544	40,512	29,000
3. Alaskan investigations	248,205	247,301	250,000
4. Fish and wildlife studies	----------	195,000	200,000
5. Adjustment in cost: Prior year balance of advances to chief engineer, Denver, Colo., and centralized project activities in the regional offices	76,868	101,878	----------
Total program costs	5,182,097	5,100,128	4,793,298
6. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−$143,194	−$58,179	−$39,311
Total program (obligations)	5,038,903	5,041,949	4,753,987
Financing:			
Comparative transfers to other accounts	360,659	164,142	----------
Unobligated balance brought forward	−1,136,673	−379,712	−12,435
Advanced from reclamation trust funds	−86,601	−169,822	−103,987
Unobligated balance carried forward	379,712	12,435	12,435
New obligational authority	4,556,000	4,668,992	4,650,000
New obligational authority:			
Reclamation fund, special fund	$3,831,000	$3,742,742	$3,450,000
Colorado River development fund	500,000	500,000	500,000
General fund	225,000	426,250	700,000
Appropriation	4,556,000	4,668,992	4,650,000

Surveys and investigations are made to determine the feasibility of potential reclamation projects and the need for rehabilitation of existing Federal reclamation projects. Total investigations scheduled, excluding a number of investigations for which stream gaging only is in progress, are as follows:

Status	1959 actual	1960 estimate	1961 estimate
Prior year studies continuing	63	57	47
Prior year studies completed	17	27	22
Initiated or resumed and completed during the year	2	5	2
Initiated or resumed but not completed	21	12	16

Advance planning formerly financed from this appropriation is now funded under Construction and rehabilitation.

1. *Engineering and economic investigations.*—These are made to plan the development of river basins; to make feasibility investigations of potential projects prior to authorization; to investigate new and improved engineering methods including studies of reservoir evaporation control; and to make general engineering and research studies of reclamation problems either independently or in cooperation with local, State, or other Federal agencies.

2. *Investigations of existing projects.*—These studies are made to determine the need and to plan for rehabilitation, financial adjustments, or water conservation on existing Federal reclamation projects.

3. *Alaskan investigations.*—These engineering and economic investigations relate to projects for the development and utilization of the water resources of Alaska (48 U.S.C. 487–487b).

4. *Fish and wildlife studies.*—These funds are transferred to the Fish and Wildlife Service for studies of the fish and wildlife aspects of reclamation projects under construction or in the planning stage, exclusive of the Missouri River Basin.

5. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources as reflected in the following table:

Selected resources at end of year: Inventories and items on order:	1958 actual	1959 actual	1960 estimate	1961 estimate
Stores (goods unconsumed by projects)	$56,652	$64,943	$62,495	$59,984
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	210,914	82,657	32,117	5,062
Equipment and service facilities (acquisition value of facilities used on investigation activities, less depreciation charged to investigation costs)	417,121	393,893	388,702	378,957
Total selected resources at end of year	684,687	541,493	483,314	444,003
Selected resources at start of year (−)	----------	−684,687	−541,493	−483,314
Costs financed from obligations of other years net (−)		−143,194	−58,179	−39,311

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Object Classification

	1959 actual	1960 estimate	1961 estimate
BUREAU OF RECLAMATION			
Total number of permanent positions	710	622	599
Full-time equivalent of all other positions	30	20	16
Average number of all employees	601	574	537
Number of employees at end of year	607	563	550
Average GS grade and salary	7.4 $6,168	7.5 $6,236	7.5 $6,269
Average salary of ungraded positions	$5,228	$5,412	$5,481
01 Personal services:			
Permanent positions	$3,705,609	$3,675,460	$3,510,479
Positions other than permanent	121,677	109,707	66,231
Other personal services	59,766	69,615	57,427
Total personal services	3,887,052	3,854,782	3,634,137
02 Travel	202,455	196,197	178,670
03 Transportation of things	15,739	13,331	21,353
04 Communication services	38,519	39,169	37,215
05 Rents and utility services	19,477	13,122	10,385
06 Printing and reproduction	41,644	49,480	56,735
07 Other contractual services	42,819	22,414	33,759
Services performed by other agencies	410,925	285,621	224,291
08 Supplies and materials	101,324	90,657	83,179
09 Equipment	35,824	37,105	38,461
11 Grants, subsidies, and contributions	232,118	238,518	230,984
13 Refunds, awards, and indemnities	8,384	3,549	2,335
15 Taxes and assessments	2,623	3,004	2,483
Total, Bureau of Reclamation	5,038,903	4,846,949	4,553,987
ALLOCATION TO FISH AND WILDLIFE SERVICE			
Total number of permanent positions		25	26
Full-time equivalent of all other positions		1	1
Average number of all employees		26	27
Number of employees at end of year		25	26
Average GS grade and salary		7.9 $6,065	7.9 $6,088
01 Personal services:			
Permanent positions		$138,680	$145,000
Positions other than permanent		5,240	3,500
Other personal services		2,080	1,600
Total personal services		146,000	150,100
02 Travel		19,000	19,000
03 Transportation of things		200	150
04 Communication services		1,500	1,750
05 Rents and utility services		500	500
06 Printing and reproduction		750	700
07 Other contractual services		8,520	9,355
08 Supplies and materials		7,000	7,000
09 Equipment		2,500	2,000
11 Grants, subsidies, and contributions		9,000	9,425
15 Taxes and assessments		30	20
Total, Fish and Wildlife Service		195,000	200,000
Total obligations	5,038,903	5,041,949	4,753,987

General Investigations (Special Foreign Currency Program)

For purchase of foreign currencies which accrue under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for the purposes authorized by section 104(k) of that Act, to remain available until expended, $4,957,000, of which not less than $4,522,000 shall be available to purchase currencies which the Treasury Department shall determine to be excess to the normal requirements of the United States: Provided, That this appropriation shall not be used for the purchase of currencies available in the Treasury for the purposes of section 104(f) of said Act unless such currencies are excess to the normal requirements of the United States.

Estimate 1961, **$4,957,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Foreign engineering research (total program costs)			$1,000,000
2. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net			3,957,000
Total program (obligations)			4,957,000
Financing:			
Appropriation (new obligational authority)			4,957,000

A total amount of $4,957,000 is requested for research and related scientific activities under the foreign currency program. Of this amount it is estimated that $1,000,000 will be expended in 1961. The general fields in which studies will be conducted include fundamental properties of cement and concrete, hydraulics, soil mechanics, evaporation reduction, rock properties, soil stabilization and drainage, and weed controls. This research will complement the regular research work carried on in the domestic laboratories of the Bureau of Reclamation and other Government agencies.

In addition to travel and administrative costs to be funded with foreign currencies, it is estimated that $100,000 will be provided from other Bureau appropriations for these purposes, of which $50,000 will be expended in 1961.

2. *Relation of costs to obligations.*—Year-end balance of unpaid undelivered orders in 1961 is $3,957,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
02 Travel			$84,000
07 Other contractual services			4,843,000
08 Supplies and materials			30,000
Total obligations			4,957,000

Construction and Rehabilitation

For construction and rehabilitation of authorized reclamation projects or parts thereof (including power transmission facilities) and for other related activities, as authorized by law, to remain available until expended, [$132,466,171] *$173,950,000,* of which [$95,000,000] *$90,000,000* shall be derived from the reclamation fund: *Provided,* That no part of this appropriation shall be used to initiate the construction of transmission facilities within those areas covered by power wheeling service contracts which include provision for service to Federal establishments and preferred customers, except those transmission facilities for which construction funds have been heretofore appropriated, those facilities which are necessary to carry out the terms of such contracts or those facilities for which the Secretary of the Interior finds the wheeling agency is unable or unwilling to provide for the integration of Federal projects or for service to a Federal establishment or preferred customer[: *Provided further,* That not to exceed $25,000 of the funds appropriated in this paragraph shall be available for the construction of safety and public-use facilities at the Alamogordo Dam (Carlsbad project), New Mexico, which shall be nonreimbursable and nonreturnable]. (*Public Works Appropriation Act, 1960.*)

Appropriated 1960, **$132,466,171** Estimate 1961, ◦ **$173,950,000**

◦ Includes $254,000 for activities previously carried under "General investigations." The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Advance planning	$360,659	$164,142	$254,000
2. Gila project, Arizona	379,567	3,432,003	4,219,000
3. Colorado River front work and levee system, Arizona-California	168,089	483,411	769,500
4. Boulder Canyon project, Arizona-Nevada	376,266	2,827,524	2,857,000
5. Central Valley project, California	42,758,779	43,525,613	61,306,100
6. Collbran project, Colorado	3,574,332	4,453,965	5,140,000
7. Minidoka project, North Side pumping division, Idaho	351,435	865,523	429,000
8. Palisades project, Burns Creek Dam and powerplant, Idaho			487,500
9. Huntley project, Montana	184,823		
10. Washoe project, Nevada-California	459,170	1,019,580	3,137,000
11. McMillan Delta project, New Mexico	62,132	268,368	100,000
12. Middle Rio Grande project, New Mexico	2,863,232	1,991,595	1,729,000
13. Washita Basin project, Oklahoma	7,912,658	9,938,748	6,960,000
14. Crooked River project, Oregon	1,826,609	2,809,700	2,235,000
15. Rogue River Basin project, Talent Division, Oregon	8,348,000	2,679,093	2,450,000

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BUREAU OF RECLAMATION—Continued

Current authorizations—Continued

CONSTRUCTION AND REHABILITATION—Continued

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
16. Vale project, Bully Creek extension, Oregon			$173,000
17. Klamath project, Oregon-California	$235,759	$611,083	868,000
18. Lower Rio Grande rehabilitation project, LaFeria division, Texas			500,000
19. Lower Rio Grande rehabilitation project, Mercedes division, Texas	445,283	1,467,217	2,500,000
20. San Angelo project, Texas	370,974	4,139,026	11,000,000
21. Provo River project, Utah	278,547	881,200	825,000
22. Weber Basin project, Utah	5,673,787	5,805,083	8,283,000
23. Chief Joseph Dam project, Greater Wenatchee division, Washington		414,375	2,000,000
24. Columbia Basin project, Washington	9,943,418	7,824,845	6,100,000
25. Drainage and minor construction	16,047,536	6,057,465	927,120
26. Rehabilitation and betterment of existing projects	2,571,796	3,483,223	3,735,750
27. Missouri River Basin:			
(a) Ainsworth unit, Nebraska	598,096	136,932	1,500,000
(b) Almena unit, Kansas			1,000,000
(c) Bostwick division, Nebraska-Kansas	1,813,387	2,176,320	821,000
(d) Cedar Bluff unit, Kansas	27,044	333,618	1,400,000
(e) East Bench unit, Montana		500,000	2,800,000
(f) Farwell unit, Nebraska	603,590	3,016,410	7,700,000
(g) Frenchman-Cambridge division, Nebraska	3,533,132	4,070,884	5,439,000
(h) Glendo unit, Wyoming	9,512,217	2,620,531	775,280
(i) Helena Valley unit, Montana	2,626,224	2,157,452	565,000
(j) Owl Creek unit, Wyoming	1,187,234	1,000,075	455,000
(k) Transmission division (includes Fort Peck project)	11,092,704	18,132,046	24,415,000
(l) Webster unit, Kansas	1,208,054	2,830,187	617,000
(m) Yellowtail unit, Montana-Wyoming	2,500,000	15,000	2,500,000
(n) Drainage and minor construction	758,008	1,049,175	598,000
(o) Investigations	821,780	866,419	716,993
(p) Advance planning	1,352,475	1,137,400	1,283,007
Subtotal, Missouri River Basin, Bureau of Reclamation	37,633,945	40,042,449	52,585,280
(q) Other Department of the Interior agencies	2,360,995	2,648,436	3,000,000
Total, Missouri River Basin	39,994,940	42,690,885	55,585,280
28. Prior year balances of advances to chief engineer, Denver, Colo., and centralized project activities in the regional offices	−1,219,738	1,579,593	
29. Undistributed reduction based on anticipated delays		−7,675,342	−10,000,000
Total program (obligations)	143,968,053	141,737,918	174,570,250
Financing:			
Comparative transfers from (−) other accounts	−360,659	−164,142	

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Financing—Continued			
Unobligated balance brought forward	−$7,670,693	−$9,792,663	−$824,128
Unobligated balance transferred to "Loan program" (72 Stat. 1576)	419,318		
Recovery of prior year obligations	−133,682	−139,070	
Unobligated balance carried forward	9,792,663	824,128	203,878
New obligational authority	146,015,000	132,466,171	173,950,000
New obligational authority:			
Reclamation fund, special fund	$85,000,000	$95,000,000	$90,000,000
General fund	61,015,000	37,466,171	83,950,000
Appropriation	146,015,000	132,466,171	173,950,000

The advance planning activity consists of the preparation of preconstruction designs and specifications on authorized projects; in 1959 and 1960 it is shown as a comparative transfer from General investigations.

The program for the various projects consists of award and servicing of construction contracts, construction of authorized projects, operation and maintenance during construction of completed features of projects, and rehabilitation of existing facilities. Investigations and advance planning for units of the Missouri River Basin are included under that project.

The appropriation request of $174 million represents an increase of $28 million over 1959 and an increase of $41.5 million over 1960.

The administration has recommended legislation to provide for a more equitable sharing of the cost of flood control works between the Federal and local interests. Its adoption and application to new starts proposed herein would reduce the Federal cost of these projects by an estimated $3 million.

Work will be continued in 1961 on 46 projects started in prior years and construction will be initiated on 4 new projects with estimated total costs of $132 million. Five projects will be completed in 1961. The program also includes work on 10 rehabilitation and betterment projects. Construction during the year will provide facilities for 131,900 additional acres of irrigated land and 24,000 kilowatts of new power generating capacity.

The following workload table summarizes the program goals and accomplishments.

PROGRAM WORKLOAD SUMMARY

Projects or activities	*Estimated total project cost (in millions)*	*Estimated transfers to or from (−) other projects or funds, net (in millions)*	*Total estimate of costs to this appropriation (in millions)*	*Program accomplished through 1960*			*1961 program goals*		
					Irrigation			*Irrigation*	
				Power (kilowatts installed capacity, in thousands)	*New acres (in thousands)*	*Supplemental acres (in thousands)*	*Power (kilowatts installed capacity, in thousands)*	*New acres (in thousands)*	*Supplemental acres (in thousands)*
Completed, June 30, 1959 (77 projects and 4 Missouri River Basin units)	$523.5	------	$523.5	474.8	2,275.0	1,952.7	----	----	----
Completed, 1960 (11 projects and 3 Missouri River Basin units)	370.7	−2.8	367.9	293.0	100.0	817.5	----	----	----
Inactive (4 projects and 5 Missouri River Basin units)	187.1	0.6	187.7	115.5	73.0	57.4	----	----	----
Authorization pending (1 project)	45.4	−.2	45.2	-------	-------	-------	----	----	----
Under construction, 1961:									
Continuing:									
Central Valley	813.6	4.3	817.9	629.5	34.0	816.8	----	3.2	2.6
Collbran	16.0	−.3	15.7	-------	-------	-------	----	1.9	15.3
Columbia Basin	949.0	−24.2	924.8	1,974.0	431.7	-------	----	6.9	----
Gila	63.2	4.3	67.5	-------	103.4	-------	----	----	----
Missouri River Basin:									
Farwell	33.3	−1.6	31.7	-------	-------	-------	----	----	----
Frenchman-Cambridge division	80.7	−.5	80.2	-------	37.6	1.0	----	4.4	8.6
Transmission division	343.0	−3.5	339.5	-------	-------	-------	----	----	----
San Angelo	32.4	−.1	32.3	-------	-------	-------	----	----	----
Washita Basin	39.1	−.3	38.8	-------	-------	-------	----	----	----
Weber Basin	90.9	−1.7	89.2	5.7	8.0	9.0	----	4.0	2.0
Other (11 projects and 7 Missouri River Basin units)	575.2	−16.0	559.2	1,318.8	476.8	84.2	24.0	38.4	34.7
Drainage and minor construction (7 projects and 6 Missouri River Basin units)	355.6	−10.1	345.5	369.6	908.7	-------	----	----	----
Total continuing (25 projects and 16 Missouri River Basin units)	3,392.0	−49.7	3,342.3	4,297.6	2,000.2	911.0	24.0	58.8	63.2
Completed:									
Colorado River front work and levee system	1.4	------	1.4	-------	-------	-------	----	----	----
Milk River, Fresno Dam and reservoir	2.1	------	2.1	-------	-------	-------	----	----	----
Missouri River Basin: Owl Creek	6.0	−.6	5.4	-------	-------	3.2	----	----	9.9

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PROGRAM WORKLOAD SUMMARY—continued

Projects or activities	Estimated total project cost (in millions)	Estimated transfers to or from (−) other projects or funds, net (in millions)	Total estimate of costs to this appropriation (in millions)	Program accomplished through 1960			1961 program goals		
				Power (kilowatts installed capacity, in thousands)	Irrigation		Power (kilowatts installed capacity, in thousands)	Irrigation	
					New acres (in thousands)	Supplemental acres (in thousands)		New acres (in thousands)	Supplemental acres (in thousands)
Under construction, 1961—Continued									
Completed—Continued									
Rio Grande, Elephant Butte power	16.7	−.8	15.9	24.3					
Ventura	29.1	−.7	28.4		10.7	2.5			
Total completed (4 projects and 1 Missouri River Basin unit)	55.3	−2.1	53.2	24.3	10.7	5.7			9.9
New project starts:									
Lower Rio Grande rehabilitation, La Feria	5.8	−.1	5.7						
Missouri River Basin:									
Almena	15.4	−.3	15.1						
Yellowtail	109.3	−1.8	107.5						
Vale, Bully Creek extension	3.3	−.1	3.2						
Total new project starts (2 projects and 2 Missouri River Basin units)	133.8	−2.3	131.5						
Total construction	3,581.1	−54.1	3,527.0	4,321.9	2,010.9	916.7	24.0	58.8	73.1
Rehabilitation and betterment (work on 10 projects)	36.4	−.4	36.0						
Grand total, construction and rehabilitation	4,744.2	−56.9	4,687.3	5,205.2	4,458.9	3,744.3	24.0	58.8	73.1

Project costs to this appropriation are presented in the following table:

PROGRAM BY ACTIVITIES

	Costs to this appropriation					Analysis of 1961 financing			
	Total estimate	To June 30, 1958	1959 actual	1960 estimate	1961 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1961	Appropriation required to complete
1. Advance planning	[1] $3,267,190	$2,425,646	$360,659	$164,142	$254,000			$254,000	$62,743
2. Gila project, Arizona	67,520,000	53,448,789	493,338	3,434,055	4,225,000	$64,959	$58,959	4,219,000	5,859,859
3. Colorado River front work and levee system, Arizona-California	1,421,000		113,668	537,832	769,500			769,500	
4. Boulder Canyon project, Arizona-Nevada	167,063,996	160,287,966	176,264	3,027,526	2,857,000			2,857,000	715,240
5. Central Valley project, California	817,886,082	507,831,940	41,188,504	42,667,439	63,832,136	8,966,274	6,440,238	61,306,100	155,925,825
6. Collbran project, Colorado	15,685,000	1,740,717	2,560,846	5,242,436	5,464,000	558,609	234,609	5,140,000	442,392
7. Minidoka project, North Side pumping division, Idaho	11,395,000	9,105,859	494,433	677,617	661,088	309,050	76,962	429,000	379,041
8. Palisades project, Burns Creek Dam and powerplant, Idaho	45,154,000				462,500	487,500	25,000		44,666,500
9. Huntley project, Montana	184,823		184,823						
10. Washoe project, Nevada-California	50,452,000		387,024	785,837	2,987,000	305,889	455,889	3,137,000	45,836,250
11. McMillan Delta project, New Mexico	2,300,716		62,132	267,051	93,500	1,317	7,817	100,000	1,870,216
12. Middle Rio Grande project, New Mexico	30,731,730	22,976,987	2,871,927	2,239,954	1,948,100	268,318	49,218	1,729,000	645,544
13. Washita Basin project, Oklahoma	38,756,500	3,636,672	7,255,455	8,810,085	8,988,345	2,107,658	79,313	6,960,000	9,986,630
14. Crooked River project, Oregon	8,083,000	532,660	1,725,559	2,938,672	2,257,784	28,284	5,500	2,235,000	622,825
15. Rogue River Basin project, Talent division, Oregon	22,902,000	8,398,608	7,684,763	3,648,352	2,480,000	56,370	26,370	2,450,000	753,907
16. Vale project, Bully Creek extension, Oregon	3,210,000				173,000			173,000	3,037,000
17. Klamath project, Oregon-California	19,271,130	14,881,820	206,574	640,471	868,030	26,072	26,042	868,000	2,648,193
18. Lower Rio Grande rehabilitation project, La Feria division, Texas	5,737,990				487,000		13,000	500,000	5,237,990
19. Lower Rio Grande rehabilitation project, Mercedes division, Texas	10,760,000		190,683	1,688,817	2,506,000	33,000	27,000	2,500,000	6,347,500
20. San Angelo project, Texas	32,266,300		349,623	4,089,809	10,996,000	70,568	74,568	11,000,000	16,756,300
21. Provo River project, Utah	35,898,320	33,395,674	278,479	774,412	890,000	119,443	54,443	825,000	505,312
22. Weber Basin project, Utah	89,222,000	30,520,939	5,411,033	7,417,525	8,856,000	1,197,781	624,781	8,283,000	36,391,722
23. Chief Joseph Dam project, Greater Wenatchee division, Washington	7,540,000			407,375	1,995,000	7,000	12,000	2,000,000	5,125,625
24. Columbia Basin project, Washington	924,789,560	524,755,852	10,307,070	8,790,031	6,435,000	2,523,560	2,188,560	6,100,000	372,313,047
25. Drainage and minor construction	735,977,467	689,065,203	22,005,747	7,934,071	1,033,620	379,924	267,424	921,120	15,671,402
26. Rehabilitation and betterment of existing projects	38,553,948	18,116,907	2,719,843	3,614,846	3,683,750	554,463	479,713	3,609,000	9,938,889
27. Missouri River Basin:									
(a) Ainsworth unit, Nebraska	25,435,000		376,989	223,711	1,478,000	134,328	156,328	1,500,000	23,199,972
(b) Almena unit, Kansas	15,121,000				1,000,000			1,000,000	14,121,000
(c) Bostwick division, Nebraska-Kansas	51,283,176	33,561,877	2,005,584	2,260,244	821,000	116,396	116,396	821,000	12,518,075
(d) Cedar Bluff unit, Kansas	18,301,020	13,843,498	26,404	313,618	1,404,000	21,000	17,000	1,400,000	2,696,500
(e) East Bench unit, Montana	20,195,000			372,000	2,620,000	128,000	308,000	2,800,000	16,895,000
(f) Farwell unit, Nebraska	31,682,000		528,254	2,881,726	7,370,000	210,020	540,020	7,700,000	20,362,000
(g) Frenchman-Cambridge division, Nebraska	80,243,057	56,828,629	3,456,668	4,347,210	5,439,840	604,675	603,835	5,439,000	9,566,875
(h) Glendo unit, Wyoming	44,909,628	27,548,509	9,506,963	6,254,092	1,058,106	282,826		775,280	541,958
(i) Helena Valley unit, Montana	14,104,741	7,416,944	2,705,597	2,330,487	566,000	111,713	110,713	565,000	975,000
(j) Owl Creek unit, Wyoming	5,377,761	2,238,832	1,443,023	1,234,106	461,800	6,800		455,000	
(k) Transmission division (includes Fort Peck project)	339,536,913	118,337,783	9,194,311	18,043,490	27,491,781	3,436,230	359,449	24,415,000	166,110,099
(l) Webster unit, Kansas	18,406,042	12,611,793	1,436,955	2,870,009	617,000	841	841	617,000	869,444
(m) Yellowtail unit, Montana-Wyoming	107,491,129	386,585	2,500,000	15,000	1,415,000	64,544	1,149,544	2,500,000	102,025,000
(n) Drainage and minor construction	208,283,191	151,958,174	944,633	1,138,145	608,000	10,531	531	598,000	53,633,708
(o) Investigations	43,854,304	32,121,455	1,052,903	878,671	719,793	54,211	51,411	716,993	9,030,071
(p) Advance planning	33,239,890	22,430,902	1,171,074	1,186,128	1,293,207	234,033	223,833	1,283,007	6,934,746
Subtotal, Missouri River Basin, Bureau of Reclamation	1,057,463,852	479,284,981	36,349,358	44,348,637	54,363,527	5,416,148	3,637,901	52,585,280	439,479,448
(q) Other Department of the Interior agencies	[2] 55,691,153	47,681,722	2,360,995	2,648,436	3,000,000			3,000,000	
Total, Missouri River Basin	1,113,155,005	526,966,703	38,710,353	46,997,073	57,363,527	5,416,148	3,637,901	55,585,280	439,479,448
28. Adjustment in cost—prior year balance of advances to chief engineer, Denver, Colo., and centralized project activities in the regional offices			−1,219,738	1,579,593					−359,855
29. Undistributed reduction based on anticipated delays				−7,675,342	−10,000,000			−10,000,000	17,675,342
Total program costs	4,299,274,757	2,608,088,942	144,519,062	150,699,679	182,566,880	23,482,187	14,865,307	173,950,000	1,198,534,887
30. Relation of costs to obligations: Costs financed from obligations of other years, net (−)			−551,009	−8,961,761	−7,996,630				
Total program (obligations)			143,968,053	141,737,918	174,570,250				

[1] Represents costs of advance planning on certain projects prior to initial construction appropriation.

[2] Represents total cost to June 30, 1961.

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BUREAU OF RECLAMATION—Continued

Current authorizations—Continued

CONSTRUCTION AND REHABILITATION—Continued

30. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects)	$1,251,972	$1,080,891	$927,265	$811,510
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	20,157,073	20,803,039	12,625,964	4,256,881
Service facilities (acquisition value of facilities less depreciation charged to project cost)	10,437,970	9,419,421	8,781,543	9,269,751
Deferred charges (investigations of abandoned or unprogramed works, operation and maintenance during construction, and investments)	560,783	424,469	323,287	323,287
Total selected resources at end of year	32,407,798	31,727,820	22,658,059	14,661,429
Selected resources at start of year (−)	−32,407,798	−31,727,820	−22,658,059	
Adjustment due to recovery of prior year obligations		128,969	108,000	
Costs financed from obligations of other years, net (−)		−551,009	−8,961,761	−7,996,630

Object Classification

	1959 actual	1960 estimate	1961 estimate
BUREAU OF RECLAMATION			
Total number of permanent positions	4,397	4,329	4,210
Full-time equivalent of all other positions	115	113	99
Average number of all employees	3,972	3,949	3,894
Number of employees at end of year	3,962	3,922	3,855
Average GS grade and salary	7.4 $6,168	7.5 $6,236	7.5 $6,269
Average salary of ungraded positions	$5,228	$5,412	$5,481
01 Personal services:			
Permanent positions	$23,516,650	$23,700,908	$23,421,758
Positions other than permanent	475,732	460,862	402,601
Other personal services	606,185	673,222	580,788
Total personal services	24,598,567	24,834,992	24,405,147
02 Travel	831,318	834,681	809,071
03 Transportation of things	238,363	213,532	234,222
04 Communication services	289,895	282,379	263,134
05 Rents and utility services	196,164	226,747	200,377
06 Printing and reproduction	132,481	198,938	169,254
07 Other contractual services	3,290,491	3,578,649	5,217,071
Services performed by other agencies	937,969	888,819	945,814
08 Supplies and materials	1,933,868	2,588,004	4,070,295
09 Equipment	968,228	1,697,699	1,486,638
10 Lands and structures	106,718,102	102,223,024	132,207,854
11 Grants, subsidies, and contributions	1,557,995	1,581,871	1,566,332
13 Refunds, awards, and indemnities	118,212	108,470	139,340
15 Taxes and assessments	27,948	27,954	32,186
Subtotal	141,839,601	139,285,759	171,746,735
Deduct quarters and subsistence charges	232,543	196,277	176,485
Total, Bureau of Reclamation	141,607,058	139,089,482	171,570,250
ALLOCATION ACCOUNTS			
Total number of permanent positions	134	108	118
Full-time equivalent of all other positions	11	8	7
Average number of all employees	123	107	118
Number of employees at end of year	111	110	123
Average GS grade and salary	7.6 $5,992	7.5 $6,079	7.7 $6,134
Average salary of ungraded positions	$4,744	$4,871	$4,929
01 Personal services:			
Permanent positions	$683,150	$619,795	$700,833
Positions other than permanent	55,175	37,205	31,295
Other personal services	9,871	8,858	7,388
Total personal services	748,196	665,858	739,516
02 Travel	80,333	82,838	99,965
03 Transportation of things	1,223	2,709	3,740
04 Communication services	5,488	4,966	6,970
05 Rents and utility services	2,596	2,935	3,347
06 Printing and reproduction	15,269	7,414	18,900
07 Other contractual services	1,297,000	1,712,203	1,946,909
Services performed by other agencies	138,000	95,355	95,355
08 Supplies and materials	23,214	29,210	31,250
09 Equipment	3,728	3,066	6,990
11 Grants, subsidies, and contributions	43,890	40,478	45,907

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
ALLOCATION ACCOUNTS—continued			
13 Refunds, awards, and indemnities	$641	$266	$100
15 Taxes and assessments	1,417	1,138	1,051
Total, allocation accounts	2,360,995	2,648,436	3,000,000
Total obligations	143,968,053	141,737,918	174,570,250
Obligations are distributed as follows:			
Bureau of Reclamation	$141,607,058	$139,089,482	$171,570,250
Fish and Wildlife Service	211,651	233,237	280,000
Geological Survey	1,255,508	1,669,942	1,890,000
Bureau of Indian Affairs	225,168	176,954	196,400
Bureau of Land Management	237,079	210,745	249,600
Bureau of Mines	123,674	122,926	140,000
National Park Service	307,915	234,632	244,000

OPERATION AND MAINTENANCE

For operation and maintenance of reclamation projects or parts thereof and of other facilities, as authorized by law; and for a soil and moisture conservation program on lands under the jurisdiction of the Bureau of Reclamation, pursuant to law, **[**$28,402,725**]** *$31,900,000,* of which **[**$23,072,400**]** *$26,496,000* shall be derived from the reclamation fund and **[**$2,030,000**]** *$1,335,000* shall be derived from the Colorado River Dam fund: *Provided,* That funds advanced for operation and maintenance of reclamation projects or parts thereof shall be deposited to the credit of this appropriation and may be expended for the same objects and in the same manner as sums appropriated herein may be expended, and the unexpended balances of such advances shall be credited to the appropriation for the next succeeding fiscal year. (*Public Works Appropriation Act, 1960.*)

Appropriated 1960, **$28,402,725** Estimate 1961, **$31,900,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Eklutna project, Alaska	$258,317	$269,000	$280,500
2. Yuma area projects, Arizona-California	734,919	525,630	658,410
3. Colorado River front work and levee system, Arizona-California-Nevada	1,453,723	1,493,234	1,865,930
4. Parker-Davis project, Arizona-California-Nevada	2,496,350	2,537,189	2,740,570
5. Boulder Canyon project, Arizona-Nevada	1,310,612	1,445,000	1,333,000
6. Boulder City, Nev	584,732	769,312	
7. Cachuma project, California	71,500	73,035	77,000
8. Central Valley project, California	5,827,331	6,487,000	6,101,000
9. Kings River project, California	2,300	1,460	15,000
10. Solano project, California		54,982	57,600
11. Colorado-Big Thompson project, Colorado	787,496	950,123	963,450
12. Grand Valley project, Colorado			59,500
13. San Luis Valley project, Colorado	6,217	7,785	8,000
14. Boise project, Idaho-Oregon	464,714	405,675	424,000
15. Minidoka area projects, Idaho-Wyoming	1,213,734	1,516,673	2,007,360
16. Hungry Horse project, Montana	544,278	534,946	647,000
17. Milk River project, Montana	84,698	291,799	50,351
18. North Platte project, Nebraska-Wyoming	267,059	253,415	290,500
19. Carlsbad project, New Mexico	15,302	13,771	15,000
20. Middle Rio Grande project, New Mexico	1,028,165	1,244,912	1,300,000
21. Rio Grande project, New Mexico-Texas	1,514,356	1,520,500	1,460,000
22. W. C. Austin project, Oklahoma	10,098	8,940	11,800
23. Rogue River Basin project, Talent division, Orgeon		56,904	86,000
24. Klamath project, Oregon-California	116,879	110,701	115,500
25. Falcon project, Texas	9,320	4,866	5,000
26. Provo River project, Utah	20,415	19,317	23,750
27. Columbia Basin project, Washington	4,791,240	5,045,758	6,640,000
28. Yakima project, Washington	655,413	693,862	629,000
29. Kendrick project, Wyoming	338,135	271,277	349,000
30. Riverton project, Wyoming	109,867	113,845	112,000
31. Shoshone project, Wyoming	166,410	173,172	128,000
32. Missouri River Basin	5,387,949	5,378,152	5,726,600
33. Soil and moisture conservation operations	791,385	936,922	999,229
34. Halogeton (poisonous weed) control	53,140	73,810	71,000
35. Projects financed entirely with funds advanced	105,058	126,627	127,600
Total program costs	31,221,112	33,409,594	35,378,650

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Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
36. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−$1,268,140	
Obligations incurred for costs of other years, net	$145,078		$91,590
Total program (obligations)	31,366,190	32,141,454	35,470,240
Financing:			
1959 appropriation available in 1958	227,289		
Non-Federal funds advanced by water users:			
Unobligated balance brought forward	−1,385,488	−1,332,482	−1,085,233
New advances	−3,706,919	−3,491,480	−3,398,180
Unobligated balance carried forward	1,332,482	1,085,233	913,173
Unobligated balance no longer available	498,046		
New obligational authority	28,331,600	28,402,725	31,900,000
New obligational authority:			
Reclamation fund, special fund	$23,083,483	$23,072,400	$26,496,000
Colorado River Dam fund, Boulder Canyon project	2,078,900	2,030,000	1,335,000
General fund	3,169,217	3,300,325	4,069,000
Appropriation	28,331,600	28,402,725	31,900,000

The Bureau operates and maintains the power-generation and transmission facilities, and generally the storage dams and reservoirs of completed projects. Where necessary, irrigation works are operated and maintained until the water users are able to undertake the responsibilities. In 1961 a total of 42 projects and 23 Missouri River Basin units and divisions will be operated and maintained for irrigation, power, municipal, and industrial water supplies. Of these, 20 projects and 5 Missouri River Basin units have power facilities. Energy sales from power operations, exclusive of Fort Peck project, are as follows:

	Kilowatt-hours of energy (millions)	*Gross energy sales*
Fiscal year:		
1959	26,294	$69,968,106
1960	29,667	69,500,482
1961	31,321	73,741,809

Commercial power is sold to wholesale customers such as municipalities, Rural Electrification Administration-financed cooperatives, private utilities, and other Government agencies. These revenues are deposited in the reclamation fund, the Colorado River Dam fund, and the general fund.

Provision is also made for flood control operations on certain projects, soil and moisture conservation operations, and halogeton control on public lands under jurisdiction of the Bureau.

36. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$4,010,595	$3,867,101	$3,869,458	$3,922,048
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	1,337,438	1,555,424	284,927	323,927
Total selected resources at end of year	5,348,033	5,422,525	4,154,385	4,245,975
Selected resources at start of year (−)	−5,348,033	−5,422,525	−4,154,385	
Adjustment of selected resources reported at start of year		70,586		
Costs financed from obligations of other years, net (−)			−1,268,140	
Obligations incurred for costs of other years, net		145,078		91,590

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	3,872	3,825	3,769
Full-time equivalent of all other positions	75	83	84
Average number of all employees	3,638	3,683	3,701
Number of employees at end of year	3,704	3,771	3,727
Average GS grade and salary	7.4 $6,168	7.5 $6,236	7.5 $6,269
Average salary of ungraded positions	$5,228	$5,412	$5,481
01 Personal services:			
Permanent positions	$19,911,058	$20,500,965	$20,967,944
Positions other than permanent	274,659	287,288	313,499
Other personal services	683,487	803,110	747,040
Total personal services	20,869,204	21,591,363	22,028,483
02 Travel	400,674	399,325	466,230
03 Transportation of things	74,257	87,350	104,895
04 Communication services	316,343	330,975	338,040
05 Rents and utility services	462,105	399,225	411,790
06 Printing and reproduction	25,661	33,159	27,715
07 Other contractual services	3,079,526	2,951,676	3,390,574
Services performed by other agencies	218,203	244,629	309,242
08 Supplies and materials	3,150,997	2,812,245	3,076,249
09 Equipment	761,184	799,209	1,420,454
10 Lands and structures	1,296,825	1,477,038	2,822,846
11 Grants, subsidies, and contributions	1,284,835	1,312,500	1,376,452
13 Refunds, awards, and indemnities	34,309	32,675	32,455
15 Taxes and assessments	25,149	28,750	30,241
1959 appropriation available in 1958	−227,289		
Subtotal	31,771,983	32,500,119	35,835,666
Deduct quarters and subsistence charges	405,793	358,665	365,426
Total obligations	31,366,190	32,141,454	35,470,240

General Administrative Expenses

For necessary expenses of general administration and related functions in the offices of the Commissioner of Reclamation and in the regional offices of the Bureau of Reclamation, [$4,290,000] *$4,320,000*, to be derived from the reclamation fund and to be nonreimbursable pursuant to the Act of April 19, 1945 (43 U.S.C. 377): *Provided*, That no part of any other appropriation in this Act shall be available for activities or functions budgeted for the current fiscal year as general administrative expenses. (*Public Works Appropriation Act, 1960.*)

Appropriated 1960, **$4,290,000** Estimate 1961, **$4,320,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Departmental and Denver offices	$2,424,343	$2,482,764	$2,508,000
2. Regional offices	1,894,695	1,811,941	1,812,000
Total program costs	4,319,038	4,294,705	4,320,000
3. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−4,705	
Obligations incurred for costs of other years, net	12,128		
Total program (obligations)	4,331,166	4,290,000	4,320,000
Financing:			
1959 appropriation available in 1958	6,795		
Unobligated balance no longer available	43,639		
Appropriation (new obligational authority)	4,381,600	4,290,000	4,320,000

1. *Departmental and Denver offices.*—These offices direct, coordinate, and review the entire reclamation program.

2. *Regional offices.*—The seven regional offices administer and supervise activities on a regionwide basis as distinguished from project supervision. Administrative costs directly chargeable to specific projects or activities are included under other appropriations.

3. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

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BUREAU OF RECLAMATION—Continued

Current authorizations—Continued

GENERAL ADMINISTRATIVE EXPENSES—Continued

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$44,579	$47,557	$42,852	$42,852
Selected resources at start of year (−)		−44,579	−47,557	−42,852
Adjustment of selected resources reported at start of year		9,150		
Costs financed from obligations of otber years, net (−)			−4,705	
Obligations incurred for costs of other years, net		12,128		

Object Classification

		1959 actual		1960 estimate		1961 estimate
Total number of permanent positions		480		462		464
Full-time equivalent of all other positions		4		4		4
Average number of all employees		466		456		462
Number of employees at end of year		468		457		461
Average GS grade and salary	7.4	$6,168	7.5	$6,236	7.5	$6,269
Average salary of ungraded positions		$5,228		$5,412		$5,481
01 Personal services:						
Permanent positions		$3,592,405		$3,515,953		$3,567,640
Positions other than permanent		19,790		18,915		18,005
Other personal services		17,742		58,944		29,618
Total personal services		3,629,937		3,593,812		3,615,263
02 Travel		176,260		161,460		162,410
03 Transportation of things		16,884		21,310		20,175
04 Communication services		68,614		69,810		65,885
05 Rents and utility services		4,897		4,860		5,180
06 Printing and reproduction		36,229		37,050		32,860
07 Other contractual services		35,669		42,479		71,185
Services performed by other agencies		30,608		33,260		36,280
08 Supplies and materials		54,883		56,860		48,200
09 Equipment		38,968		32,663		24,687
11 Grants, subsidies, and contributions		229,629		220,501		221,960
13 Refunds, awards, and indemnities		14,805		15,380		15,360
15 Taxes and assessments		578		555		555
1959 appropriation available in 1958		−6,795				
Total obligations		4,331,166		4,290,000		4,320,000

LOAN PROGRAM

For loans to irrigation districts and other public agencies for construction of distribution systems on authorized Federal reclamation projects, and for loans and grants to non-Federal agencies for construction of projects, as authorized by the Acts of July 4, 1955, as amended (43 U.S.C. 421a–421d), and August 6, 1956 (43 U.S.C. 422a–422k), as amended (71 Stat. 48), including expenses necessary for carrying out the program, [$6,080,587] *$18,437,000,* to remain available until expended [: *Provided,* That any contract under the Act of July 4, 1955 (69 Stat. 244), as amended, not yet executed by the Secretary, which calls for the making of loans beyond the fiscal year in which the contract is entered into shall be made only on the same conditions as those prescribed in section 12 of the Act of August 4, 1939 (53 Stat. 1187, 1197)]. (*Public Works Appropriation Act, 1960.*)

Appropriated 1960, [a] **$11,227,587** Estimate 1961, **$18,437,000**

[a] Includes $5,147,000 appropriated in Supplemental Appropriation Act, 1960.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Distribution systems	$2,692,799	$9,557,323	$9,035,222
2. Small projects: Loans	1,775,415	9,907,733	15,372,522
3. Administration	93,158	254,854	220,075
Total program costs	4,561,372	19,719,910	24,627,819
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−3,515,181	−5,626,721
Obligations incurred for costs of other years, net	4,951,871		
Total program (obligations)	9,513,243	16,204,729	19,001,098
Financing:			
Unobligated balance brought forward		−5,541,240	−564,098
Unobligated balance transferred from "Construction and rehabilitation" (72 Stat. 1576)	−419,318		
Recovery of prior year obligations	−138,165		
Unobligated balance carried forward	5,541,240	564,098	
Appropriation (new obligational authority)	14,497,000	11,227,587	18,437,000

This appropriation from the general fund provides for loans to non-Federal organizations for construction and rehabilitation of distribution systems and for loans and grants to enable non-Federal organizations to construct small irrigation projects. Repayments of these loans will be deposited in the reclamation fund.

1. *Distribution systems.*—Loans are made to irrigation districts for construction of distribution systems on authorized Federal reclamation projects.

2. *Small projects.*—Loans and grants not exceeding a total of $5 million are made to non-Federal agencies for construction of small irrigation projects. The funds recommended will fully finance five new loans in 1961 and will meet the remaining requirements on four loans partially financed in 1960.

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$13,849,026	$18,662,732	$15,147,551	$9,520,830
Selected resources at start of year (−)		−13,849,026	−18,662,732	−15,147,551
Adjustment due to recovery of prior year obligations		138,165		
Costs financed from obligations of other years, net (−)			−3,515,181	−5,626,721
Obligations incurred for costs of other years, net		4,951,871		

Object Classification

		1959 actual		1960 estimate		1961 estimate
Total number of permanent positions		13		16		17
Average number of all employees		12		19		19
Number of employees at end of year		10		12		13
Average GS grade and salary	7.4	$6,168	7.5	$6,236	7.5	$6,269
Average salary of ungraded positions		$5,228		$5,412		$5,481
01 Personal services:						
Permanent positions		$94,267		$144,245		$144,850
Other personal services		367		905		465
Total personal services		94,634		145,150		145,315
02 Travel		5,681		10,240		11,695
03 Transportation of things		117		200		190
04 Communication services		418		720		750
05 Rents and utility services		299		480		455
06 Printing and reproduction		1,571		2,350		2,290
07 Other contractual services		13,677		67,035		47,990
Services performed by other agencies		2,364		41,379		12,440
08 Supplies and materials		1,023		1,880		1,915
09 Equipment		695		980		940
11 Grants, subsidies, and contributions		4,409		8,575		8,410
16 Investments and loans		9,388,355		15,925,740		18,768,708
Total obligations		9,513,243		16,204,729		19,001,098

EMERGENCY FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Central Valley project, California	$26,687		
2. Parker-Davis project, Arizona-California	41,988	$3,012	
3. Missouri River Basin: Transmission division	115,446	20,554	
4. Funds available for emergencies		130,792	$350,000
Total program costs	184,121	154,358	350,000
5. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−21,194	−3,767	
Total program (obligations)	162,927	150,591	350,000
Financing:			
Unobligated balance brought forward	−663,518	−500,591	−350,000
Unobligated balance carried forward	500,591	350,000	
Appropriation (new obligational authority)			

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This fund is used to assure continuous operation of irrigation and power systems in the event of droughts, canal-bank failures, generator failures, damage to transmission lines, or other emergencies.

5. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $24,961; and 1959, $3,767.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	5	1	
Average number of all employees	4	1	
Number of employees at end of year	4	0	
Average GS grade and salary	7.4 $6,168	7.5 $6,236	
Average salary of ungraded positions	$5,228	$5,412	
01 Personal services:			
Permanent positions	$26,584	$4,401	
Other personal services	258		
Total personal services	26,842	4,401	
02 Travel	333	200	
03 Transportation of things	75	100	
07 Other contractual services	57,311	4,330	
08 Supplies and materials	6,718	500	
10 Lands and structures	70,813	10,000	
11 Grants, subsidies, and contributions	835	268	
Funds available for emergencies		130,792	$350,000
Total obligations	162,927	150,591	350,000

Boulder City Municipal Fund

(Special fund)

Not to exceed $150,000 of the Boulder City municipal fund shall be available without fiscal year limitation for initial construction, improvements, and additions to certain utility systems for that part of Boulder City known as Lakeview Addition, as authorized by section 6(b)(2) of the Act of December 2, 1958 (72 Stat. 1731).

Appropriated (est.) 1960:
Permanent indefinite, **$270,000**

Estimate 1961:
Current definite, **$150,000**
Permanent indefinite, **$8,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Expenses of disposal	$76,445	$193,545	$8,000
2. Construction and improvement of utility systems			150,000
Total program (costs—obligations)	76,455	193,545	158,000
Financing:			
Loan from "Colorado River dam fund, Boulder Canyon project"	−100,000		
Unobligated balance brought forward		−23,545	
Return of loan to "Colorado River dam fund, Boulder Canyon project"		100,000	
Unobligated balance carried forward	23,545		
New obligational authority		270,000	158,000
New obligational authority:			
Appropriation:			
Current definite			$150,000
Permanent indefinite		$270,000	8,000
Appropriation		270,000	158,000

This fund is derived from the sale of Federal property in Boulder City, Nev., and is available for work in connection with the disposal of certain Federal property in the town, financial assistance to facilitate the establishment of a municipal corporation under the laws of the State of Nevada, and for construction and improvement of street, water, electric, and sewage systems (72 Stat. 1726).

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions			1
Full-time equivalent of all other positions	5	5	
Average number of all employees	5	5	1
Number of employees at end of year			1
Average GS grade and salary	7.4 $6,168	7.5 $6,236	7.5 $6,269
Average salary of ungraded positions	$5,228	$5,412	$5,481
01 Personal services:			
Permanent positions			$5,000
Positions other than permanent	$24,243	$25,000	
02 Travel	3,433	3,500	
03 Transportation of things	85	100	
04 Communication services	209	300	
06 Printing and reproduction	208	300	
07 Other contractual services	47,196	163,000	2,650
Services performed by other agencies	63	220	
08 Supplies and materials	277	300	
11 Grants, subsidies, and contributions	716	800	150,350
15 Taxes and assessments	25	25	
Total obligations	76,455	193,545	158,000

Disposal of Coulee Dam Community

(Special fund)

Not to exceed $15,000 of the proceeds from the sale of Federal property in the Coulee Dam and Grand Coulee areas shall be available without fiscal year limitation for payment to the city of Coulee Dam in accordance with the provisions of sections 7(b) and 9(a) of the Act of August 30, 1957 (71 Stat. 530).

Appropriated (est.) 1960:
Permanent indefinite, **$60,000**

Estimate 1961:
Current definite, **$15,000**
Permanent indefinite, **$16,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Expenses of disposal	$225,333	$66,630	$16,000
2. Payment to city of Coulee Dam	44,000		15,000
Total program (costs—obligations)	269,333	66,630	31,000
Financing:			
Unobligated balance brought forward	−10,963	−6,630	
Unobligated balance carried forward	6,630		
New obligational authority	265,000	60,000	31,000
New obligational authority:			
Appropriation:			
Current definite			$15,000
Permanent indefinite	$265,000	$60,000	16,000
Appropriation	265,000	60,000	31,000

This fund is derived from the sale of Federal property in the city of Coulee Dam and the city of Grand Coulee and is available, directly or through the local units of government, for work in connection with the disposal of the Federal interest in the communities, for construction of sewage disposal facilities, including betterment work on the existing open drains and financial assistance to the city after incorporation. A supplemental appropriation for 1960 providing for the second payment to the city of Coulee Dam is anticipated under Proposed for later transmission (71 Stat. 530).

Object Classification

	1959 actual	1960 estimate	1961 estimate
Average number of all employees	5	4	1
Number of employees at end of year	0	0	0
Average GS grade and salary	7.4 $6,168	7.5 $6,236	7.5 $6,269
01 Personal services: Permanent positions	$26,998	$23,000	$10,000
02 Travel	240	250	
04 Communication services	296	250	
07 Other contractual services	11,789	26,500	5,500
Services performed by other agencies	375	15,000	
08 Supplies and materials	2,481		
10 Lands and structures	114,976		
11 Grants, subsidies, and contributions	45,754	1,630	15,500
13 Refunds, awards, and indemnities	66,424		
Total obligations	269,333	66,630	31,000

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BUREAU OF RECLAMATION—Continued

Current authorizations—Continued

SPECIAL FUNDS

Sums herein referred to as being derived from the reclamation fund, the Colorado River Dam fund, or the Colorado River development fund, are appropriated from the special funds in the Treasury created by the Act of June 17, 1902 (43 U.S.C. 391), the Act of December 21, 1928 (43 U.S.C. 617a), and the Act of July 19, 1940 (43 U.S.C. 618a), respectively. Such sums shall be transferred, upon request of the Secretary, to be merged with and expended under the heads herein specified; and the unexpended balances of sums transferred for expenditure under the heads "Operation and Maintenance" and "General Administrative Expenses" shall revert and be credited to the special fund from which derived. (*Public Works Appropriation Act, 1960.*)

ADMINISTRATIVE PROVISIONS

Appropriations to the Bureau of Reclamation shall be available for purchase of not to exceed [eighty-four] *ninety-eight* passenger motor vehicles for replacement only; *purchase of one aircraft for replacement only;* payment of claims for damage to or loss of property, personal injury, or death arising out of activities of the Bureau of Reclamation; payment, except as otherwise provided for, of compensation and expense of persons on the rolls of the Bureau of Reclamation appointed as authorized by law to represent the United States in the negotiation and administration of interstate compacts without reimbursement or return under the reclamation laws; rewards for information or evidence concerning violations of law involving property under the jurisdiction of the Bureau of Reclamation; performance of the functions specified under the head "Operation and Maintenance Administration", Bureau of Reclamation, in the Interior Department Appropriation Act, 1945; preparation and dissemination of useful information including recordings, photographs, and photographic prints; and studies of recreational uses of reservoir areas, and investigation and recovery of archeological and paleontological remains in such areas in the same manner as provided for in the Act of August 21, 1935 (16 U.S.C. 461–467): *Provided,* That no part of any appropriation made herein shall be available pursuant to the Act of April 19, 1945 (43 U.S.C. 377), for expenses other than those incurred on behalf of specific reclamation projects except "General Administrative Expenses" and amounts provided for reconnaissance, basin surveys, and general engineering and research under the head "General Investigations".

Allotments to the Missouri River Basin project from the appropriation under the head "Construction and Rehabilitation" shall be available additionally for said project for those functions of the Bureau of Reclamation provided for under the head "General Investigations" (but this authorization shall not preclude use of the appropriation under said head within that area), and for the continuation of investigations by agencies of the Department on a general plan for the development of the Missouri River Basin. Such allotments may be expended through or in cooperation with State and other Federal agencies, and advances to such agencies are hereby authorized.

Sums appropriated herein which are expended in the performance of reimbursable functions of the Bureau of Reclamation shall be returnable to the extent and in the manner provided by law.

No part of any appropriation for the Bureau of Reclamation, contained in this Act or in any prior Act, which represents amounts earned under the terms of a contract but remaining unpaid, shall be obligated for any other purpose, regardless of when such amounts are to be paid: *Provided,* That the incurring of any obligation prohibited by this paragraph shall be deemed a violation of section 3679 of the Revised Statutes, as amended (31 U.S.C. 665).

No funds appropriated to the Bureau of Reclamation for operation and maintenance, except those derived from advances by water users, shall be used for the particular benefit of lands (a) within the boundaries of an irrigation district, (b) of any member of a water users' organization, or (c) of any individual, when such district, organization, or individual is in arrears for more than twelve months in the payment of charges due under a contract entered into with the United States pursuant to laws administered by the Bureau of Reclamation.

Not to exceed $225,000 may be expended from the appropriation "Construction and rehabilitation" for work by force account on any one project or Missouri Basin unit and then only when such work is unsuitable for contract or no acceptable bid has been received and, other than otherwise provided in this paragraph or as may be necessary to meet local emergencies, not to exceed 12 per centum of the construction allotment for any project from the appropriation "Construction and rehabilitation" contained in this Act shall be available for construction work by force account: *Provided, That this paragraph shall not apply to work performed under the Rehabilitation and Betterment Act of 1949 (63 Stat. 724).* (*Public Works Appropriation Act, 1960.*)

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations, as follows:
"United States dollars advanced from foreign governments, United States educational exchange program," Department of State.
"Construction," Bureau of Indian Affairs.

Permanent authorizations:

RECLAMATION FUND, SPECIAL FUND

(Indefinite special fund)

Amounts Available for Appropriation

	1959 actual	1960 estimate	1961 estimate
Unappropriated balance brought forward	$125,985,130	$130,388,611	$128,889,269
Receipts: Reclamation fund:			
Collections, Bureau of Reclamation	15,392,766	16,439,000	17,927,000
Collections, other agencies	46,517,273	53,678,800	56,433,800
Power revenue	58,475,183	54,621,000	56,813,000
Unobligated balance returned to unappropriated receipts	415,547		
Total available for appropriation	246,785,899	255,127,411	260,063,069
Deduct—			
Annual appropriations:			
"General investigations"	3,831,000	3,742,742	3,450,000
"Construction and rehabilitation"	85,000,000	95,000,000	90,000,000
"Operation and maintenance"	23,083,483	23,072,400	26,496,000
General administrative expenses:			
Annual appropriation	4,381,600	4,290,000	4,320,000
1959 appropriation available in 1958	−6,795		
Permanent appropriations:			
"Payments to farmers' irrigation district (North Platte project, Nebraska-Wyoming)"	8,000	8,000	8,000
"Refunds and returns"	100,000	125,000	92,000
Total appropriations	116,397,288	126,238,142	124,366,000
Unappropriated balance carried forward	130,388,611	128,889,269	135,697,069

This fund is derived from repayments and other revenue from irrigation and power facilities, together with certain receipts from sales, leases, and rentals of Federal lands in the 17 Western States, and is available for expenditure pursuant to authorization contained in appropriation acts (43 U.S.C. 391).

COLORADO RIVER DAM FUND, ALL-AMERICAN CANAL

(Indefinite special fund)

Amounts Available for Appropriation

	1959 actual	1960 estimate	1961 estimate
Unappropriated balance brought forward	$11,503	$81,536	$101,236
Receipts	70,033	19,700	15,200
Unappropriated balance carried forward	81,536	101,236	116,436

Revenue from water rental, as well as other minor operations of the All-American Canal, is available for appropriation for payment of expense of operation and maintenance of the project, and for repayment of amounts advanced by the Treasury for construction or other purposes (43 U.S.C. 617a). Current operations are financed by water users' advances and are included in the Yuma area projects under the Operation and maintenance account.

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Colorado River Dam Fund, Boulder Canyon Project

(Indefinite special fund)

Amounts Available for Appropriation

	1959 actual	1960 estimate	1961 estimate
Unappropriated balance brought forward	$1,938,846	$2,024,468	$1,894,468
Receipts	5,822,687	5,600,000	5,300,000
Return of loan from "Boulder City municipal fund"		100,000	
Unobligated balance returned to unappropriated receipts	152,049		
Total available for appropriation	7,913,582	7,724,468	7,194,468
Deduct—			
Loan to "Boulder City municipal fund"	100,000		
Annual appropriation:			
"Operation and maintenance"	2,078,900	2,030,000	1,335,000
1959 appropriation available in 1958	−4,950		
Permanent appropriations:			
"Colorado River Dam fund, Boulder Canyon project, payments to States of Arizona and Nevada"	600,000	600,000	600,000
"Colorado River Dam fund, Boulder Canyon project, payment of interest on advances from the Treasury"	3,115,164	3,200,000	3,200,000
Unappropriated balance carried forward	2,024,468	1,894,468	2,059,468

Revenue from Boulder Canyon project operations is placed in this fund. The fund is available automatically for repayment of advances from Treasury for construction or other purposes, for interest on the amounts advanced, and for annual payments of $300,000 each to Arizona and Nevada. It is also available for annual appropriation for payment of expense of operation and maintenance of the project (43 U.S.C. 617a).

Colorado River Development Fund

(Indefinite special fund)

Amounts Available for Appropriation

	1959 actual	1960 estimate	1961 estimate
Unappropriated balance brought forward	$11,595	$15,595	$15,595
Receipts	504,000	500,000	500,000
Total available for appropriation	515,595	515,595	515,595
Deduct annual appropriation for "General investigations"	500,000	500,000	500,000
Unappropriated balance carried forward	15,595	15,595	15,595

This fund is derived from revenue of the Boulder Canyon project, and is available for appropriation for General investigations (43 U.S.C. 618a).

Other Bureau of Reclamation Permanent Appropriations

(Indefinite special funds unless otherwise indicated)

Appropriated (est.) 1960, **$3,933,000** Estimate 1961, **$3,910,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Colorado River Dam fund, Boulder Canyon project:			
(a) Payment of interest on advances from the Treasury	$3,115,164	$3,200,000	$3,200,000
(b) Payments to States of Arizona and Nevada	600,000	600,000	600,000
2. Operation, maintenance, and replacement of project works, North Platte project	53,023	1,784	10,000
3. Payments to Farmers' irrigation district (North Platte project, Nebraska-Wyoming)	8,000	8,000	8,000
4. Refunds and returns	$26,647	$222,491	$92,000
Total program (costs—obligations)	3,802,834	4,032,275	3,910,000
Financing:			
Unobligated balance brought forward	−88,050	−112,435	−13,160
Loan to "Boulder City municipal fund"	100,000		
Unobligated balance carried forward	112,435	13,160	13,160
New obligational authority	3,927,219	3,933,000	3,910,000
New obligational authority:			
"Colorado River Dam fund, Boulder Canyon project":			
Payment of interest on advances from the Treasury	$3,115,164	$3,200,000	$3,200,000
Payments to States of Arizona and Nevada (definite special fund)	600,000	600,000	600,000
"Operation, maintenance, and replacement of project works, North Platte project (Gering and Fort Laramie, Goshen, and Pathfinder irrigation districts)"	4,055		10,000
"Payments to Farmers' irrigation district (North Platte project, Nebraska-Wyoming)"	8,000	8,000	8,000
"Refunds and returns" (indefinite general fund)	100,000	125,000	92,000
Loan to "Boulder City municipal fund"	100,000		
Appropriation	3,927,219	3,933,000	3,910,000

1. *Colorado River Dam fund, Boulder Canyon project*—(*a*) *Payment of interest on advances from the Treasury.*—Interest is paid to the Treasury on moneys advanced for construction (43 U.S.C. ch. 12A).

(*b*) *Payments to States of Arizona and Nevada.*—Annual payments of $300,000 each in lieu of taxes are made to Arizona and Nevada, from operation of the Boulder Canyon project (43 U.S.C. ch. 12A).

2. *Operation, maintenance, and replacement of project works, North Platte project.*—This fund is derived from operation of project powerplants, leasing of project grazing and farm lands, sale or use of townsites, and sale or rental of surplus water (66 Stat. 755, sec. 4).

3. *Payments to the Farmers' irrigation district (North Platte project, Nebraska-Wyoming).*—Payments are made to the Farmers' irrigation district on behalf of the Northport irrigation district for water carriage (62 Stat. 273, as amended).

4. *Refunds and returns.*—Overcollections are refunded and amounts of unapplied deposits are returned (64 Stat. 689).

Loan to Boulder City municipal fund.—Loans may be made from the Colorado River Dam fund to the Boulder City municipal fund to finance certain authorized expenditures prior to the receipt of sufficient revenue to cover these expenses (72 Stat. 1732).

Object Classification

	1959 actual		1960 estimate		1961 estimate
Total number of permanent positions	1		0		
Average number of all employees	1				
Number of employees at end of year	0		0		
Average GS grade and salary	7.4	$6,168	7.5	$6,236	
01 Personal services:					
Permanent positions		$5,686		$1,515	
Other personal services		10		10	
Total personal services		5,696		1,525	
02 Travel		49		25	
03 Transportation of things		7		5	
04 Communication services		24		15	
05 Rents and utility services		17		10	

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BUREAU OF RECLAMATION—Continued

Permanent authorizations—Continued

OTHER BUREAU OF RECLAMATION PERMANENT APPROPRIATIONS—Continued

(Indefinite special funds unless otherwise indicated)—Continued

Object Classification—Continued

		1959 actual	1960 estimate	1961 estimate
06	Printing and reproduction	$91	$40	
07	Other contractual services	7,377	8,024	$9,000
08	Supplies and materials	177	20	
09	Equipment	41	20	
10	Lands and structures	47,355		9,000
11	Grants, subsidies, and contributions	600,189	600,100	600,000
13	Refunds, awards, and indemnities	26,647	222,491	92,000
14	Interest	3,115,164	3,200,000	3,200,000
	Total obligations	3,802,834	4,032,275	3,910,000

Public enterprise funds:

CONTINUING FUND FOR EMERGENCY EXPENSES, FORT PECK PROJECT, MONTANA

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs:			
Operation and maintenance program:			
(a) Generation and transmission of power	$777,724	$1,001,224	$1,136,524
(b) Administrative and general expense	109,457	120,765	123,000
(c) Interest on investment	238,343	235,000	235,000
(d) Other	187,418	125,000	125,000
Total operating costs	1,312,942	1,481,989	1,619,524
Unfunded adjustments to total operating costs:			
Property losses included above (−)	−2,406		
Replacement and depreciation included above (−)	−113,585	−125,000	−125,000
Interest on investment included above (−)	−238,343	−235,000	−235,000
Cost of purchase power and wheeling included above (−)	−61,252	−250,000	−300,000
Adjustment of prior year expense (−)	−71,427		
Total operating costs, funded	825,929	871,989	959,524
Capital outlay:			
Construction work in progress	1,577,289	3,551,332	504,476
Property transferred in (−) without cost	−11,335		
Total capital outlay, funded	1,565,954	3,551,332	504,476
Total program costs, funded	2,391,883	4,423,321	1,464,000
Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−664,552	
Obligations incurred for costs of other years, net	463,417		10,000
Total program (obligations)	2,855,300	3,758,769	1,474,000
Financing:			
Amounts becoming available:			
Advanced from "Construction and rehabilitation"	1,999,810	2,858,769	450,000
Sale of electric energy and other income	2,244,211	2,848,320	3,175,553
Total amounts becoming available	4,244,021	5,707,089	3,625,553
Unobligated balance brought forward	540,646	800,367	863,687
Total amounts available	4,784,667	6,507,456	4,489,240
Capital transfer (repayment of investment to Treasury) (−)	−1,129,000	−1,885,000	−2,151,000
Unobligated balance carried forward	−800,367	−863,687	−864,240
Financing applied to program	2,855,300	3,758,769	1,474,000

This fund defrays the expense of operating the power-generation and transmission facilities of the Fort Peck project, Rivers and harbors and flood control, Department of the Army, and emergency expense to insure continuous operation (16 U.S.C. 833).

Budget program.—Funded operating costs will be $88,000 over the current year. The decrease in capital outlay is related to the near completion of construction of the Fort Peck-Dawson County 230-kilovolt transmission line.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Supplies	$123,458	$127,020	$137,020	$147,020
Deferred charges	22,302	20,804	20,804	20,804
Unpaid undelivered orders	192,804	627,881		
Prepayments	20,395	46,671		
Total selected resources at end of year	358,959	822,376	157,824	167,824
Selected resources at start of year (−)		−358,959	−822,376	−157,824
Costs financed from obligations of other years, net (−)			−664,552	
Obligations incurred for costs of other years, net		463,417		10,000

Financing.—The operation of the Fort Peck project power and transmission facilities is financed by this fund and capital outlays for transmission facilities by advances from the appropriation Construction and rehabilitation. The accompanying statements consolidate the financing from the Continuing fund for emergency expenses, Fort Peck project, Montana, and Construction and rehabilitation.

Operating results.—Net income is estimated at $1.9 million for 1961, an increase of $0.2 million over the 1960 estimate. Earnings in excess of current operating needs are retained so as to maintain a continuing emergency fund of $0.5 million. The balance is paid into the Treasury as miscellaneous receipts toward amortizing with interest that part of the Government investment allocated to power generation and transmission. Such payments totaled $1.1 million in 1959 and are estimated at $1.9 million in 1960 and $2.2 million in 1961.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Acquisition of assets: Construction work in progress	$1,565,954	$3,551,332	$504,476
Expenses	825,929	871,989	959,524
Increase in selected working capital	701,785		10,553
Total gross expenditures	3,093,668	4,423,321	1,474,553
Receipts from operations (funds provided):			
Advanced from "Construction and rehabilitation"	1,999,810	2,858,769	450,000
Revenue: Sale of electric energy	2,244,211	2,848,320	3,175,553
Decrease in selected working capital		647,702	
Total receipts from operations	4,244,021	6,354,791	3,625,553
Budget expenditures	−1,150,353	−1,931,470	−2,151,000

Revenue, Expense, and Retained Earnings

Revenue:			
Sale of electricity and other revenue	$2,244,211	$2,848,320	$3,175,553
Other (interchange of power and other items not requiring funding)	113,754	250,000	300,000
Total revenue	2,357,965	3,098,320	3,475,553
Expense	754,502	871,989	959,524
Net operating income	1,603,463	2,226,331	2,516,029
Other expense, nonfunded (−)	−487,013	−610,000	−660,000
Net income for the year	1,116,450	1,616,331	1,856,029
Analysis of retained earnings:			
Retained earnings, beginning of year	8,227,106	9,272,129	10,888,460
Adjustment of prior year expense, not affecting working capital	−71,427		
Retained earnings, end of year	9,272,129	10,888,460	12,744,489

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Financial Condition

	1959 actual	1960 estimate	1961 estimate
Assets:			
Cash:			
With Treasury	$453,530	$500,000	$500,000
Advances from "Construction and rehabilitation" appropriation [1]	917,003	363,687	164,240
Deposit funds	296,904	300,000	300,000
Accounts receivable, net	110,386	100,000	100,000
Supplies	127,020	137,020	147,020
Deferred charges	20,804	20,804	20,804
Prepayments	46,671		
Fixed assets, net	13,349,737	16,764,069	17,131,545
Total assets	15,322,055	18,185,580	18,363,609
Liabilities:			
Current	349,575	400,000	200,000
Government investment:			
Interest-bearing investment:			
Start of year	4,591,853	5,700,351	6,897,120
Advanced from "Construction and rehabilitation"	1,999,810	2,858,769	450,000
Donated assets, net	11,335		
Repayment of investment to Treasury (−)	−1,129,000	−1,885,000	−2,151,000
Deposits to the Reclamation fund, special fund	−128		
Net interest accrued due United States [2]	226,481	223,000	223,000
End of year	5,700,351	6,897,120	5,419,120
Retained earnings	9,272,129	10,888,460	12,744,489
Total Government investment	14,972,480	17,785,580	18,163,609

[1] Carried as Treasury cash under the Construction and rehabilitation appropriation.
[2] The method used to compute the interest payment due the United States is 3% of the balance to be repaid at the end of the previous year of the interest-bearing allocation to commercial electric plant. This allocation is based on the cost of project works constructed by the Bureau of Reclamation and Rivers and harbors and flood control, Department of the Army.

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash with Treasury	$432,177	$453,530	$500,000	$500,000
Obligated balance, net:				
Current liabilities	214,294	349,575	400,000	200,000
Unpaid undelivered orders	192,804	627,881		
Accounts receivable, net, and advances and deposit fund cash (−)	−515,567	−1,324,293	−763,687	−564,240
Total obligated balance	−108,469	−346,837	−363,687	−364,240
Unobligated balance	540,646	800,367	863,687	864,240

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	52	54	54
Average number of all employees	50	54	54
Number of employees at end of year	53	53	53
Average GS grade and salary	7.4 $6,168	7.5 $6,236	7.5 $6,269
Average salary of ungraded positions	$5,228	$5,412	$5,481
01 Personal services:			
Permanent positions	$263,346	$283,466	$290,007
Positions other than permanent	293	1,000	1,000
Other personal services	6,419	8,834	5,853
Total personal services	270,058	293,300	296,860
02 Travel	15,157	16,220	16,660
03 Transportation of things	2,067	2,340	2,325
04 Communication services	3,787	4,270	4,260
05 Rents and utility services	4,137	4,180	4,070
06 Printing and reproduction	310	450	450
07 Other contractual services	178,183	105,230	282,630
Services performed by other agencies	298,486	372,000	380,000
Services performed by "Construction and rehabilitation"	1,564,407	3,526,055	400,000
08 Supplies and materials	47,490	31,270	35,920
09 Equipment	21,249	15,260	34,400
10 Lands and structures	2,713		
11 Grants, subsidies, and contributions	15,166	19,475	19,425
13 Refunds, awards, and indemnities	257	300	400
15 Taxes and assessments	287	300	300
Subtotal	2,423,754	4,390,650	1,478,000
Deduct quarters and subsistence charges	3,531	4,000	4,000
Total accrued expenditures	2,420,223	4,386,650	1,474,000

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
Increase or decrease (−) in undelivered orders	$435,077	−$627,881	
Total program obligations	2,855,300	3,758,769	$1,474,000

Upper Colorado River Basin Fund

For payment to the "Upper Colorado River Basin fund", authorized by section 5 of the Act of April 11, 1956 (Public Law 485), [$74,459,775] *$71,600,000;* to remain available until expended. (*Public Works Appropriation Act, 1960.*)

Appropriated 1960, **$74,459,775** Estimate 1961, **$71,600,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Colorado River storage project:			
(a) Curecanti unit (Blue Mesa), Colorado			$1,863,626
(b) Flaming Gorge unit, Utah	$4,917,247	$11,740,638	18,411,673
(c) Glen Canyon unit, Arizona	27,934,827	27,128,744	62,690,484
(d) Navajo unit, New Mexico	7,908,900	10,469,408	12,060,000
(e) Transmission division	222,769	755,033	536,287
(f) Advance planning	3,571,632	985,034	970,098
2. Participating projects:			
(a) Central Utah project, Vernal unit	1,074,970	2,360,672	2,228,317
(b) Florida project, Colorado			1,017,956
(c) Hammond project, New Mexico		608,612	1,280,000
(d) Paonia project, Colorado	3,172,809	3,132,666	1,040,536
(e) Seedskadee project, Wyoming		1,762,525	3,975,956
(f) Smith Fork project, Colorado		575,422	1,444,000
3. Undistributed reduction based on anticipated delays		−175,000	−2,209,000
Total program costs	48,803,154	59,343,754	105,309,933
4. Unfunded adjustments to total program costs:			
Interest on investment included above (−)	−1,067,286	−1,605,604	−3,531,745
Property transferred in (−) without charge	−5,225,663	−1,675,486	−966,573
Property transferred in (−) without charge, service facilities	−134,274	−88,677	−97,000
Total program costs, funded	42,375,931	55,973,987	100,714,615
5. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)			−11,114,615
Obligations incurred for costs of other years, net	25,220,510	2,560,623	
Total program (obligations) [1]	67,596,441	58,534,610	89,600,000
Financing:			
Amounts becoming available:			
Appropriation	68,033,335	74,459,775	71,600,000
Contributions [2]	231,199	80,581	
Nonoperating revenue	3,189	3,000	1,800
Recovery of prior year obligations	80,137		
Total amounts becoming available	68,347,860	74,543,356	71,601,800
Unobligated balance brought forward	1,246,024	1,994,254	18,000,000
Total amounts available	69,593,884	76,537,610	89,601,800
Capital transfer (payment of profits to Treasury) (−)	−3,189	−3,000	−1,800
Unobligated balance carried forward	−1,994,254	−18,000,000	
Financing applied to program	67,596,441	58,534,610	89,600,000

[1] Includes $4,852,158 of contract earnings which were shown in project costs in 1958 but not obligated until 1959.
[2] Represents contributions from city, State, and Federal governmental units.

The fund defrays the cost of construction, operation, and maintenance of the Colorado River storage project and participating projects, a comprehensive basinwide development which will make possible the control and utilization of the water resources of the Upper Colorado River Basin (43 U.S.C. 620–620o). The storage project will regulate and conserve the flows of the Colorado River and its major tributaries through holdover storage in large reservoirs, thus making possible increased consumptive use in the upper basin, and will also produce hydroelectric power. Excess revenue from the sale of power will be applied to repayment of costs allocated to irriga-

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BUREAU OF RECLAMATION—Continued

Public enterprise funds—Continued

UPPER COLORADO RIVER BASIN FUND—Continued

tion which are beyond the ability of the water users to repay. The participating projects consist of irrigation and municipal and industrial water supply developments.

Construction costs of the storage project and participating projects are, by law, financed through appropriations advanced to the fund. Project revenue will be credited to the fund and will cover costs of operation and maintenance. Revenue in excess of these costs will be utilized to repay to the Federal Government project costs allocated to power, municipal and industrial water supply, and irrigation.

Construction will be initiated in 1961 on one new unit and one participating project with estimated total costs of $55.4 million.

Budget program—1. *Colorado River storage project*—(*a*) *Curecanti* (*Blue Mesa*) *unit.*—Designs will be completed and work will be initiated on construction of the Blue Mesa Dam.

(*b*) *Flaming Gorge unit.*—Land acquisition and highway relocations will be completed. Concrete placement in the dam, reservoir clearing, and construction on the powerhouse and switchyard will be continued.

(*c*) *Glen Canyon unit.*—Concrete placement in the dam and construction of the powerplant will continue. Contracts for generators and other electrical equipment will be awarded and the preparation of designs and specifications and awarding of contract for protection of Rainbow Bridge National Monument will be completed.

(*d*) *Navajo unit.*—Construction will be continued on the dam and reservoir. The right-of-way program will be completed and work started on relocation of the Denver & Rio Grande Western Railroad, a county road, and other private enterprises in the project area.

(*e*) *Transmission division.*—Alinement studies and preconstruction investigations will be continued.

(*f*) *Advance planning.*—Detailed studies of one storage unit and five participating projects will be continued.

2. *Participating projects*—(*a*) *Central Utah project, Vernal unit.*—The Stanaker Dam and Reservoir, the Fort Thornburgh diversion dam, and the Stanaker feeder canal will be completed; work will continue on the Stanaker service canal and laterals.

(*b*) *Florida project.*—A prime contract for construction of the Lemon Dam and Reservoir will be awarded. Collection of design data and site exploration will also be initiated on the Florida farmers diversion dam and enlargement of the Florida farmers ditch and canal.

(*c*) *Hammond project.*—Construction will be initiated on the Hammond diversion dam and the Hammond pumping plant and continued on the main canal.

(*d*) *Paonia project.*—Work on the Paonia Dam and Reservoir and other phases of the project will be substantially completed in 1961.

(*e*) *Seedskadee project.*—Contracts will be awarded for the Fontenelle Dam and Reservoir, for relocation of the highway, and for reservoir clearing. Design and collection of data will be continued on the pumping plants and canals.

(*f*) *Smith Fork project.*—Work will continue on the Crawford Dam and Reservoir. Design and specifications will be completed and contracts awarded for the Smith Fork feeder canal, the diversion dam, and the Aspen Canal.

5. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Service facilities	$9,167,240	$15,075,197	$15,333,403	$15,083,672
Supplies	44,574	107,795	266,195	277,595
Deferred credits	[1] −4,852,290			
Deferred charges	849,439	215,745	209,249	197,543
Unpaid undelivered orders	2,003,939	16,954,538	19,105,051	8,240,473
Total selected resources at end of year	7,212,902	32,353,275	34,913,898	23,799,283
Selected resources at start of year (−)		−7,212,902	−32,353,275	−34,913,898
Adjustment due to recovery of prior year obligations		80,137		
Costs financed from obligations of other years, net (−)				−11,114,615
Obligations incurred for costs of other years, net		25,220,510	2,560,623	

[1] Includes $4,852,158 of contract earnings included in project costs in 1958, but not obligated until 1959.

Financing.—The total of the authorized storage units and participating projects is estimated to be $1,058 million of which $190.6 million has been appropriated. The 1961 appropriation request of $71.6 million will leave a balance to complete the authorized work of $795.8 million.

Operating results.—During the construction period, only minor revenue is realized and expense is capitalized, so the fund will show neither revenue nor expense for 1961.

Budget expenditures will rise from $45 million in 1960 to $77 million in 1961.

The total investment of the Government in the fund is expected to reach $280.7 million by the end of 1961.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Acquisition of assets:			
Construction work in progress	$42,375,931	$55,973,987	$100,714,615
Increase in selected working capital:			
Service facilities (net)	5,907,957	258,206	
Other	5,089,312		
Total gross expenditures	53,373,200	56,232,193	100,714,615
Receipts from operations (funds provided):			
Nonoperating revenue	3,189	3,000	1,800
Contributions	231,199	80,581	
Decrease in selected working capital:			
Service facilities (net)			249,731
Other		11,148,612	23,463,084
Total receipts from operations	234,388	11,232,193	23,714,615
Budget expenditures	53,138,812	45,000,000	77,000,000

Revenue, Expense, and Retained Earnings

Revenue			
Expense:			
Interest, Treasury	$1,067,286	$1,605,604	$3,531,745
Less interest charged to construction	1,067,286	1,605,604	3,531,745
Net income for the year			
Nonoperating income: Proceeds from lease of grazing lands	3,189	3,000	1,800
Analysis of retained earnings:			
Retained earnings, beginning of year			
Payments of profits to Treasury (−)	−3,189	−3,000	−1,800
Retained earnings, end of year			

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Financial Condition

	1959 actual	1960 estimate	1961 estimate
Assets:			
Cash	$21,886,972	$51,343,747	$45,941,947
Accounts receivable, net	190,608	117,746	117,746
Service facilities, net	15,075,197	15,333,403	15,083,672
Supplies	107,795	266,195	277,595
Deferred charges	215,745	209,249	197,543
Fixed assets	87,094,157	145,420,567	249,750,402
Advance planning	5,214,726	6,199,760	7,169,858
Total assets	129,785,200	218,890,667	318,538,763
Liabilities:			
Current	3,128,788	14,356,442	37,819,220
Government investment:			
Interest-bearing investment:			
Start of year	50,254,541	124,095,021	201,892,253
Appropriation during the year	68,033,335	74,459,775	71,600,000
Donated assets during the year:			
Fixed assets	2,735,333	1,661,152	935,902
Advance planning	2,490,330	14,334	30,671
Service facilities	202,161	98,300	97,000
Transfers to other projects (—):			
Fixed assets	—1,763	—32,310	—10,000
Advance planning	—618,315		
Service facilities	—67,887	—9,623	
Interest on investment (capitalized)	1,067,286	1,605,604	3,531,745
End of year	124,095,021	201,892,253	278,077,571
Non-interest-bearing investment:			
Start of year	2,330,192	2,561,391	2,641,972
Contributions [1]	231,199	80,581	
End of year	2,561,391	2,641,972	2,641,972
Total Government investment	126,656,412	204,534,225	280,719,543

[1] Consists of contributions from city, State, and Federal governmental units.

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash with Treasury	$6,995,639	$21,886,972	$51,343,747	$45,941,947
Obligated balance, net:				
Current liabilities	3,824,221	3,128,788	14,356,442	37,819,220
Unpaid undelivered orders	2,003,939	16,954,538	19,105,051	8,240,473
Accounts receivable, net (—)	—78,545	—190,608	—117,746	—117,746
Total obligated balance	5,749,615	19,892,718	33,343,747	45,941,947
Unobligated balance	1,246,024	1,994,254	18,000,000	

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	1,149	1,312	1,477
Full-time equivalent of all other positions	50	48	40
Average number of all employees	954	1,144	1,455
Number of employees at end of year	983	1,298	1,494
Average GS grade and salary	7.4 $6,168	7.5 $6,236	7.5 $6,269
Average salary of ungraded positions	$5,228	$5,412	$5,481
01 Personal services:			
Permanent positions	$5,716,890	$6,870,656	$8,766,762
Positions other than permanent	243,284	227,310	196,037
Other personal services	123,047	237,142	235,770
Total personal services	6,083,221	7,335,108	9,198,569
02 Travel	161,720	255,702	299,063
03 Transportation of things	193,868	408,104	484,037
04 Communication services	84,694	108,573	127,018
05 Rents and utility services	96,615	157,642	194,875
06 Printing and reproduction	76,713	64,553	74,896
07 Other contractual services	520,590	738,614	460,146
Services performed by other agencies	282,893	71,230	57,000
08 Supplies and materials	406,637	5,596,962	9,166,095
09 Equipment	291,958	490,507	457,976
10 Lands and structures	44,197,805	40,903,603	79,670,398
11 Grants, subsidies, and contributions	365,306	458,320	579,355
13 Refunds, awards, and indemnities	2,760	4,350	4,800
15 Taxes and assessments	7,223	7,929	8,450
Subtotal	52,772,003	56,601,197	100,782,678
Deduct quarters and subsistence charges	126,161	217,100	318,100
Total accrued expenditures	52,645,842	56,384,097	100,464,578
Increase or decrease (—) in unpaid undelivered orders	14,950,599	2,150,513	—10,864,578
Total obligations	67,596,441	58,534,610	89,600,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. General investigations	$24,517	$161,400	$148,400
2. Construction and rehabilitation	468,144	197,035	72,700
3. Operation and maintenance	141,675	126,900	18,100
4. General administrative expenses	14,222	12,100	12,100
5. Upper Colorado River Basin fund	306,665	374,000	283,000
6. Loan program	3,000	5,000	
Total obligations	958,223	876,435	534,300
Financing:			
Advances and reimbursements from—			
Other accounts	516,516	380,535	247,100
Non-Federal sources (40 U.S.C. 481 (c), 43 U.S.C., 395, 396, 620–620o)	441,707	495,900	287,200
Total financing	958,223	876,435	534,300

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	19	23	24
Average number of all employees	18	23	24
Number of employees at end of year	19	21	22
Average GS grade and salary	7.4 $6,168	7.5 $6,236	7.5 $6,269
Average salary of ungraded positions	$5,228	$5,412	$5,481
01 Personal services:			
Permanent positions	$161,008	$185,120	$188,870
Other personal services	1,687	464	230
Total personal services	162,695	185,584	189,100
02 Travel	19,624	8,600	4,800
03 Transportation of things	506		
04 Communication services	901	85	50
05 Rents and utility services	15,254	17,700	17,300
06 Printing and reproduction	663		
07 Other contractual services	410,260	265,521	61,500
Services performed by other agencies	12,994	12,000	12,000
08 Supplies and materials	88,857	102,915	109,220
09 Equipment	44,718	60,900	32,600
10 Lands and structures	193,467	212,000	96,000
11 Grants, subsidies, and contributions	8,284	11,130	11,730
Total obligations	958,223	876,435	534,300

Proposed for later transmission:

DISPOSAL OF COULEE DAM COMMUNITY

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Payment to city of Coulee Dam (total costs—obligations)		$21,000	
Financing:			
Proposed supplemental appropriation		21,000	

Under existing legislation, 1960.—An amount of $21,000 is anticipated as a 1960 supplemental for the second of three scheduled annual assistance payments to the new municipality after incorporation in accordance with subsection 9(a) of the Coulee Dam Community Act of 1957 (71 Stat. 524), which provides that this payment can be made only after specific appropriation by Congress. The first payment was made at the time of incorporation on February 26, 1959, and the third payment is requested for 1961.

GENERAL PROVISIONS—DEPARTMENT OF THE INTERIOR

SEC. 201. Appropriations in this title shall be available for expenditure or transfer (within each bureau or office), with the approval of the Secretary, for the emergency reconstruction, replacement or repair of buildings, utilities, or other facilities or equipment damaged or destroyed by fire, flood, storm, or other unavoidable causes: *Provided*, That no funds shall be made available under this authority until funds specifically made available to the Department of the Interior for emergencies shall have been exhausted.

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BUREAU OF RECLAMATION—Continued

GENERAL PROVISIONS—DEPARTMENT OF THE INTERIOR—Continued

SEC. 202. The Secretary may authorize the expenditure or transfer (within each bureau or office) of any appropriation in this title, in addition to the amounts included in the budget programs of the several agencies, for the suppression or emergency prevention of forest or range fires on or threatening lands under jurisdiction of the Department of the Interior.

SEC. 203. Appropriations in this title shall be available for operation of warehouses, garages, shops, and similar facilities, wherever consolidation of activities will contribute to efficiency or economy, and said appropriations shall be reimbursed for services rendered to any other activity in the same manner as authorized by the Act of June 30, 1932 (31 U.S.C. 686): *Provided*, That reimbursements for cost of supplies, materials and equipment, and for services rendered may be credited to the appropriation current at the time such reimbursements are received.

SEC. 204. No part of any funds made available by this Act to the Southwestern Power Administration may be made available to any other agency, bureau, or office for any purposes other than for services rendered pursuant to law to the Southwestern Power Administration. (*Public Works Appropriation Act, 1960.*)

GEOLOGICAL SURVEY

Current authorizations:

SURVEYS, INVESTIGATIONS, AND RESEARCH

For expenses necessary for the Geological Survey to perform surveys, investigations, and research covering topography, geology, and the mineral and water resources of the United States, its Territories and possessions, and other areas as authorized by law (72 Stat. 837); classify lands as to mineral character and water and power resources; give engineering supervision to power permits and Federal Power Commission licenses; enforce departmental regulations applicable to oil, gas, and other mining leases, permits, licenses, and operating contracts; control the interstate shipment of contraband oil as required by law (15 U.S.C. 715); and publish and disseminate data relative to the foregoing activities; [42,350,000] *$43,365,000*, of which $7,450,000 shall be available only for cooperation with States or municipalities for water resources investigations: *Provided*, That no part of this appropriation shall be used to pay more than one-half the cost of any topographic mapping or water resources investigations carried on in cooperation with any State or municipality. (*43 U.S.C. 31; Department of the Interior and Related Agencies Appropriation Act, 1960.*)

Appropriated 1960, **$42,350,000** Estimate 1961, [a] **$43,365,000**

[a] Includes $350,000 for activities previously carried under "Operating expenses," Atomic Energy Commission. The amounts obligated in 1959 and 1960 are shown in the schedules as comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations:			
1. Topographic surveys and mapping	$14,673,792	$14,725,000	$14,810,000
2. Geologic and mineral resource surveys and mapping	11,842,325	11,762,600	11,837,000
3. Water resources investigations	11,277,879	11,975,000	12,044,000
4. Soil and moisture conservation	174,000	175,000	176,000
5. Conservation of lands and minerals	2,646,760	2,749,000	3,169,000
6. General administration	1,294,400	1,319,400	1,329,000
Total direct obligations	41,909,156	42,706,000	43,365,000
Reimbursable obligations:			
1. Topographic surveys and mapping:			
(a) States, counties, and municipalities	2,003,863	2,735,000	2,700,000
(b) Miscellaneous non-Federal sources	199,046	210,000	210,000
(c) Bureau of Reclamation	804,372	929,900	1,058,800
(d) Army	1,235,000	837,000	280,000
(e) National Science Foundation	41,402	197,298	
(f) Miscellaneous Federal agencies	191,377	310,300	420,000
2. Geologic and mineral resource surveys and mapping:			
(a) States, counties, and municipalities	310,264	354,000	340,000
(b) Miscellaneous non-Federal sources	19,434	10,000	10,000
(c) Office of Minerals Exploration	290,615	96,200	101,100

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
Reimbursable obligations—Continued			
2. Geologic and mineral resource surveys and mapping—Cont.			
(d) Air Force	$161,300	$142,900	$60,000
(e) Army	1,298,772	1,312,500	1,312,500
(f) Atomic Energy Commission	1,719,823	1,437,100	1,251,200
(g) Government Printing Office	104,473	115,000	115,000
(h) International Cooperation Administration	1,106,007	1,130,500	1,130,500
(i) Miscellaneous Federal agencies	251,631	309,200	309,700
3. Water resources investigations:			
(a) States, counties, and municipalities	5,663,314	6,500,000	6,500,000
(b) Permittees and licensees of the Federal Power Commission	210,102	240,600	240,600
(c) Miscellaneous non-Federal sources	62,139	70,000	70,000
(d) Bureau of Reclamation	776,330	925,078	993,000
(e) Department of Agriculture	249,621	232,166	222,600
(f) Air Force	142,000	130,000	130,000
(g) Army	1,759,979	1,754,571	1,685,700
(h) Department of State	118,073	115,691	123,000
(i) Atomic Energy Commission	432,255	509,700	509,700
(j) International Cooperation Administration	498,044	526,655	501,200
(k) Tennessee Valley Authority	95,792	107,951	101,100
(l) Miscellaneous Federal agencies	346,253	300,588	290,100
5. Conservation of lands and minerals:			
(a) Miscellaneous non-Federal sources	1,020	2,000	2,000
(b) Miscellaneous Federal agencies	48,652	46,300	46,300
6. General administration:			
(a) Miscellaneous non-Federal sources	14,400	15,800	15,800
(b) Army	165,973	148,900	125,200
(c) Miscellaneous Federal agencies	277,748	297,600	293,000
Total reimbursable obligations	20,598,892	22,050,498	21,148,100
Total obligations	62,508,048	64,756,498	64,513,100
Financing:			
Comparative transfers from (−) other accounts	−730,676	−356,000	
Unobligated balance brought forward	−475,000	−400,000	−400,000
Advances and reimbursements from—			
Other accounts	−12,115,310	−11,913,098	−11,059,700
Non-Federal sources	−8,483,582	−10,137,400	−10,088,400
Unobligated balance carried forward	400,000	400,000	400,000
Unobligated balance no longer available	384,720		
Appropriation (new obligational authority)	41,488,200	42,350,000	43,365,000

The Geological Survey provides basic scientific data concerning the water, land, and mineral resources of the Nation, supervises the development and production of minerals and mineral fuels on leased Federal and Indian lands, and enforces the provisions of the Connally Hot Oil Act.

1. *Topographic surveys and mapping.*—Topographic maps portray the elevation, shape, and position of the natural and manmade features of the earth's surface; provide engineering information for (*a*) mineral, water, and other natural resources investigations, (*b*) engineering and industrial development, and (*c*) military and civil defense. This program will provide maps for those areas where investigations and development are most imminent, and areas to which the Department of Defense has assigned a high priority. In 1961 an estimated 1,200 standard quadrangle maps of previously unmapped or inadequately mapped areas, and 210 revised maps will be published. This compares with 1,200 and 160 respectively in 1960, and 1,179 and 200 in 1959.

2. *Geologic and mineral resource surveys and mapping.*—These investigations (*a*) provide an accurate appraisal of the Nation's mineral resources, (*b*) provide data needed to classify the public lands and to explore for mineral raw materials, and (*c*) develop new concepts and techniques needed in the search for hidden deposits of useful minerals.

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The work includes the collection and evaluation of data on geologic conditions for use in engineering construction and water development projects; and the preparation of large-scale geologic maps of the United States, its Territories and possessions. Geologic mapping and other research in geologic processes, in geochemistry, and in geophysics, are being carried on under the long-range minerals program.

3. *Water resources investigations.*—This program includes determinations of the flow, stage, and sediment discharge of rivers; reservoir contents; locations and safe yields of underground waters; the chemical quality and temperature of waters; and the availability of water supplies as related to present and future demands. These data are used to plan water-supply projects for military, industrial, and domestic purposes, as well as irrigation, hydroelectric power, navigation, flood control, highway and bridge design, and land-use projects. The 1961 program continues to emphasize studies which will develop a more thorough understanding of the principles and physical processes of water's occurrence and movement.

4. *Soil and moisture conservation.*—Basic data and advice concerning hydrologic and geologic problems are provided to other bureaus. The program includes surveys of rates of erosion, effects of soil and moisture treatment measures, and studies for improving the design of remedial measures.

5. *Conservation of lands and minerals.*—Prospecting, development, and production of minerals and mineral fuels on leased Federal, Indian, and Outer Continental Shelf lands are regulated. Federally owned and controlled lands are classified as to their mineral and water power values. The Federal Petroleum Board conducts investigations in support of State conservation laws to prevent the interstate shipment of contraband oil. In the current year approximately 198,000 leased properties, oil wells, and mines in 41 States are supervised. These leases are expected to produce oil, gas, and other minerals, valued at $1 billion, and render royalty returns of about $115 million. The States which produce the minerals receive 37½% of the royalties; the Reclamation fund, 52½%; and 10% is retained in the U.S. Treasury. In 1961 it is anticipated that the workload will aggregate 216,000 leases, wells, and mines, and the production and royalty values will reach $1.08 billion and $125 million, respectively. The classification functions provide the foundation for the system of public-land administration prescribed by mineral leasing and land disposal laws. Owing to the unprecedented rate of development of the Nation's oil and gas resources, increased demands are being made upon the Survey for mineral classification services. In 1961 it is expected that some 125,000 technical classification reports will be completed.

Reimbursable obligations.—Reimbursements from non-Federal sources are from States and municipalities for making cooperative topographic and geologic surveys and water resources investigations (43 U.S.C. 48), proceeds from sale to the public of copies of photographs and records (43 U.S.C. 45), proceeds from sale of personal property (40 U.S.C. 481(c)), and reimbursements from permittees and licensees of the Federal Power Commission (16 U.S.C. 797). Reimbursements from other Federal agencies (31 U.S.C. 686) are for special purpose mapping and investigations performed at the request of the financing agency, much of which contributes to the basic objectives of the Geological Survey.

The unobligated balance carried forward each year includes $400,000 cash advance to pay the expense of reimbursable work pending collection from cooperating agencies. This advance is not available for obligation.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	6,700	6,900	6,928
Full-time equivalent of all other positions	663	700	694
Average number of all employees	7,230	7,466	7,514
Number of employees at end of year	7,712	7,950	8,000
Average GS grade and salary	7.9 $6,378	7.9 $6,403	7.9 $6,428
Personal service obligations:			
Permanent positions	$42,109,036	$43,565,000	$44,135,000
Positions other than permanent	2,513,529	2,690,000	2,660,000
Other personal services	807,119	935,000	675,000
Total personal service obligations	45,429,684	47,190,000	47,470,000
Direct obligations:			
01 Personal services	30,570,665	31,615,000	32,300,000
02 Travel	1,925,270	2,050,000	1,970,000
03 Transportation of things	251,279	250,000	250,000
04 Communication services	401,531	395,000	400,000
05 Rents and utility services	582,866	690,000	725,000
06 Printing and reproduction	621,611	530,000	575,000
07 Other contractual services	1,192,134	1,510,000	1,605,000
Services performed by other agencies	579,719	515,000	500,000
08 Supplies and materials	1,750,712	1,691,600	1,615,700
09 Equipment	2,151,343	1,505,000	1,430,000
11 Grants, subsidies, and contributions	1,845,221	1,915,000	1,950,000
13 Refunds, awards, and indemnities	16,588	15,000	20,000
15 Taxes and assessments	36,682	40,000	40,000
Subtotal	41,925,621	42,721,600	43,380,700
Deduct quarters and subsistence charges	16,465	15,600	15,700
Total direct obligations	41,909,156	42,706,000	43,365,000
Reimbursable obligations:			
01 Personal services	14,859,019	15,575,000	15,170,000
02 Travel	1,151,817	1,295,000	1,215,000
03 Transportation of things	172,029	195,000	180,000
04 Communication services	175,895	185,000	170,000
05 Rents and utility services	293,996	320,000	330,000
06 Printing and reproduction	100,025	195,000	160,000
07 Other contractual services	687,848	900,000	870,000
Services performed by other agencies	328,776	335,000	300,000
08 Supplies and materials	1,006,814	1,172,098	1,029,400
09 Equipment	637,974	770,000	640,000
11 Grants, subsidies, and contributions	1,163,528	1,080,000	1,060,000
13 Refunds, awards, and indemnities	5,179	7,000	7,000
15 Taxes and assessments	18,844	25,000	20,000
Subtotal	20,601,744	22,054,098	21,151,400
Deduct quarters and subsistence charges	2,852	3,600	3,300
Total reimbursable obligations	20,598,892	22,050,498	21,148,100
Total obligations	62,508,048	64,756,498	64,513,100

Administrative Provisions

The amount appropriated for the Geological Survey shall be available for purchase of not to exceed [fifty-one] *forty-eight* passenger motor vehicles, for replacement only; reimbursement of the General Services Administration for security guard service for protection of confidential files; contracting for the furnishing of topographic maps and for the making of geophysical or other specialized surveys when it is administratively determined that such procedures are in the public interest; construction and maintenance of necessary buildings and appurtenant facilities; acquisition of lands for gaging stations; and payment of compensation and expenses of persons on the rolls of the Geological Survey appointed, as authorized by law, to represent the United States in the negotiation and administration of interstate compacts. (*Department of the Interior and Related Agencies Appropriation Act, 1960.*)

Allocations Received From Other Accounts

Note.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriations as follows:
"Construction," Bureau of Indian Affairs.
"Construction and rehabilitation," Bureau of Reclamation.
"Revolving fund, Defense Production Act," funds appropriated to the President.
"Watershed protection," Soil Conservation Service, Department of Agriculture.
"American sections, international commissions," Department of State.
"United States dollars advanced from foreign governments, United States educational exchange program," Department of State.

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GEOLOGICAL SURVEY—Continued

Permanent authorizations:

PAYMENTS FROM PROCEEDS, SALE OF WATER, MINERAL LEASING ACT OF 1920, SEC. 40(d)

(Indefinite special fund)

Appropriated (est.) 1960, **$600** Estimate 1961, **$600**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Financing:			
Unobligated balance brought forward	−$10,991	−$11,566	−$12,166
Unobligated balance carried forward	11,566	12,166	12,766
Appropriation (new obligational authority)	575	600	600

When lessees or operators drilling for oil and gas on public lands strike water, water wells may be developed by the Department from proceeds from the sale of water from existing wells (30 U.S.C. 221–229).

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Topographic surveys and mapping	$147,196	$197,298	
2. Geologic and mineral resource surveys and mapping	3,823,535	3,363,836	$2,794,500
3. Water resources investigations	2,430,012	2,551,338	2,469,820
5. Conservation of lands and minerals	43,154	43,300	43,300
6. General administration	250,900	234,500	201,000
Total obligations (object class 07)	6,694,797	6,390,272	5,508,620
Financing:			
Unobligated balance brought forward	34,852	59,680	
Advances and reimbursements from other accounts	6,802,964	6,330,592	5,508,620
Unobligated balance carried forward	−59,680		
Unobligated balance no longer available	−83,339		
Total financing	6,694,797	6,390,272	5,508,620

BUREAU OF MINES

Current authorizations:

CONSERVATION AND DEVELOPMENT OF MINERAL RESOURCES

For expenses necessary for promoting the conservation, exploration, development, production, and utilization of mineral resources, including fuels, in the United States, its Territories, and possessions; and developing synthetics and substitutes; [$21,277,000] *$21,667,000. (30 U.S.C. 1–11; 50 U.S.C. 161–166; Department of the Interior and Related Agencies Appropriation Act, 1960.)*

Appropriated 1960, **$21,277,000** Estimate 1961, **$21,667,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Bituminous coal	$6,314,476	$6,216,000	$6,508,000
2. Anthracite coal	1,113,469	938,000	943,000
3. Petroleum, natural gas, and oil shale	2,632,992	2,663,000	2,681,000
4. Ferrous metals	3,647,374	3,683,000	3,707,000
5. Nonferrous metals	5,172,313	5,307,000	5,342,000
6. Nonmetallic minerals	2,076,063	2,129,000	2,143,000
7. Foreign mineral activities	310,117	341,000	343,000
Total program costs [1]	21,266,804	21,277,000	21,667,000
8. Unfunded adjustment to total program costs: Property or services transferred in (−) without charge, net	−12,093		
Total program costs, funded	21,254,711	21,277,000	21,667,000
9. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−$278,582		
Total program (obligations)	20,976,129	$21,277,000	$21,667,000
Financing:			
1959 appropriation available in 1958	53,690		
Unobligated balance no longer available	132,381		
New obligational authority	21,162,200	21,277,000	21,667,000
New obligational authority:			
Appropriation	$19,921,500	$21,277,000	$21,667,000
Transferred from "Salaries and expenses," Office of Minerals Exploration (73 Stat. 57)	1,240,700		
Appropriation (adjusted)	21,162,200	21,277,000	21,667,000

[1] Includes capital outlay as follows: June 30, 1959, $1,492,991; 1960, $1,015,000; 1961, $1,162,000.

Provision is made for conserving, evaluating, and developing mineral resources.

1. *Bituminous coal.*—Scientific research and engineering investigations are carried out on the chemical and physical properties of coal and its mining, preparation, combustion, carbonization, and gasification. Laboratory research is conducted to find feasible methods for converting coal to fluid fuels for better utilization in the Nation's machines. Coal samples are analyzed; efficiency of coal-mining methods is evaluated; and economic statistical studies are performed. Research is conducted to discover causes of explosions in coal mines and to improve methods of preventing explosions. Tests are conducted on explosives and blasting devices to determine their permissibility for use in mining operations.

2. *Anthracite coal.*—Research is conducted to develop new and improve present uses for anthracite; improved mining and preparation methods are developed; and basic economic data are prepared.

3. *Petroleum, natural gas, and oil shale.*—Research is conducted to conserve these resources by improving the processes of recovery and utilization. Research is coordinated with work done by other Government agencies, educational institutions, and industry. Economic and statistical information is analyzed to provide a factual basis for industry operations and Government policy. Research is conducted on oil shale and shale oil to determine the composition of the various products, to test the applicability of those products to different uses, and to determine the basic chemistry and physics of the refining processes.

4. *Ferrous metals.*—This includes (*a*) research on use of low-grade ores, conservation of raw materials, and improved methods for steelmaking; (*b*) investigation of manganese occurrences and use of low-grade manganiferous materials; (*c*) investigation of domestic chromite deposits; (*d*) studies to lower production costs of offgrade ores; (*e*) research on use of alloying metals to produce iron and steel products and high-temperature alloys; and (*f*) the dissemination of data on the production and distribution of these metals.

5. *Nonferrous metals.*—This includes (*a*) investigations and development of new sources of copper, lead, and zinc, recovery of tin and mercury from low-grade ore, and new uses for arsenic; (*b*) research in metallurgy to develop economic and efficient methods for processing complex low-grade and currently submarginal materials; (*c*) research on resources and utilization of light metals; (*d*) development of basic information on properties and uses of

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ores and metals for realization of potential military and civilian uses; (*e*) development of information on domestic reserves of rare and precious metals and materials; (*f*) research to improve the quality of rare metals and related products; (*g*) research to develop economic processes for the recovery of various rare and precious metals; and (*h*) economic and statistical studies on nonferrous metals.

6. *Nonmetallic minerals.*—The Bureau's program on nonmetallic minerals is primarily designed to develop adequate supplies of various minerals that are in short supply or must be imported and are therefore vulnerable in emergencies. These problems of nonmetallic mineral supply are attacked by (*a*) field investigations of mineral deposits; (*b*) laboratory research on the beneficiation of nonmetallic minerals; (*c*) research on the development of synthetic minerals as substitutes; and (*d*) research to develop more efficient methods of using our available nonmetallic minerals.

7. *Foreign mineral activities.*—The Bureau analyzes technical and economic data on foreign mineral resources, production, consumption, and international trade for Government use in coping with problems of mineral supply and to assist industry in planning domestic and foreign minerals ventures.

9. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$640,780	$623,915	$625,000	$625,000
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	1,301,13	1,041,677	1,042,000	1,042,000
Advances (payments for goods and services on order not yet received)	63,157	16,433	15,025	15,025
Total selected resources at end of year	2,005,076	1,682,025	1,682,025	1,682,025
Selected resources at start of year (−)		−2,005,076	−1,682,025	−1,682,025
Adjustment of selected resources reported at start of year		44,469		
Costs financed from obligations of other years, net (−)		−278,582		

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	2,381	2,473	2,483
Full-time equivalent of all other positions	80	88	88
Average number of all employees	2,371	2,455	2,465
Number of employees at end of year	2,532	2,630	2,640
Average GS grade and salary	8.0 $6,582	8.0 $6,594	8.0 $6,617
Average salary of ungraded positions	$5,228	$5,322	$5,346
01 Personal services:			
Permanent positions	$14,606,344	$15,113,000	$15,260,000
Positions other than permanent	448,633	489,000	489,000
Other personal services	181,439	243,000	175,000
Total personal services	15,236,416	15,845,000	15,924,000
02 Travel	448,035	496,000	485,000
03 Transportation of things	77,719	80,000	79,000
04 Communication services	192,151	238,000	237,000
05 Rents and utility services	362,087	368,000	367,000
06 Printing and reproduction	298,401	321,000	315,000
07 Other contractual services	639,573	639,000	733,000
08 Supplies and materials	1,457,394	1,265,000	1,338,000
09 Equipment	1,322,735	973,000	1,125,000
10 Lands and structures	35,620	42,000	37,000
11 Grants, subsidies, and contributions	933,030	983,000	1,001,000
13 Refunds, awards, and indemnities	15,136	16,000	15,000
15 Taxes and assessments	13,531	13,000	13,000
1959 program obligated in 1958	−53,690		
Subtotal	20,978,138	21,279,000	21,669,000
Deduct quarters and subsistence charges	2,009	2,000	2,000
Total obligations	20,976,129	21,277,000	21,667,000

Health and Safety

For expenses necessary for promotion of health and safety in mines and in the minerals industries, and controlling fires in coal deposits, as authorized by law, [$6,387,000] *$6,782,000. (30 U.S.C. 1–11; 66 Stat. 692; 68 Stat. 1009; Department of the Interior and Related Agencies Appropriation Act, 1960.)*

Appropriated 1960, **$6,387,000** Estimate 1961, **$6,782,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Inspections, investigations, and rescue work	$6,151,234	$6,063,000	$6,457,000
2. Control of fires in coal deposits	241,594	324,000	325,000
Total program costs	6,392,828	6,387,000	6,782,000
3. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−81,049		
Total program (obligations)	6,311,779	6,387,000	6,782,000
Financing:			
1959 appropriation available in 1958	32,500		
Unobligated balance no longer available	18,421		
Appropriation (new obligational authority)	6,362,700	6,387,000	6,782,000

1. *Inspections, investigations, and rescue work.*—The objectives for 1961 are to: (*a*) inspect, at least once annually, every active coal mine regularly employing more than 14 men underground, to take action to bring about compliance with mandatory provisions, and make recommendations to gain compliance with its voluntary provisions of law; (*b*) inspect annually, or as necessary, underground coal mines regularly employing less than 15 men, and all strip mines, and report on observed hazards with appropriate corrective recommendations; (*c*) conduct investigations of serious accidents, make recommendations to reduce working hazards, and safeguard the health of workers; and (*d*) promote efficiency in the mineral industries. The Bureau encourages accident-prevention through education and safety organizations, exhibits, safety-film productions, demonstrations, instruction, and first-aid and mine-rescue methods. Research is conducted on the support of mine roof and control of overburden, and equipment is tested for use in mines and plants where explosive atmospheres may be encountered. The Bureau also conducts studies on ventilation of mines, methods of allaying coal and mineral dusts, and safe blasting practices.

SUMMARY OF COAL-MINE INSPECTIONS

[Calendar years]

	1957 actual	*1958 actual*	*1959 estimate*	*1960 estimate*
Active mines	10,879	10,712	11,000	11,000
Individual mines inspected	7,915	7,895	9,000	9,000
Number of mine inspections	11,012	11,164	11,000	11,000

2. *Control of fires in coal deposits.*—Fires in inactive or abandoned coal deposits on public lands or private property are controlled or extinguished. Expenditures in connection with fires in active coal mines are limited to investigations and research.

3. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$298,219	$191,124	$191,000	$191,000
Advances (payments for goods and services on order not yet delivered)	5,052	3,799	3,923	3,923
Total selected resources at end of year	303,271	194,923	194,923	194,923
Selected resources at start of year (−)		−303,271	−194,923	−194,923
Adjustment of selected resources reported at start of year		27,299		
Costs financed from obligations of other years, net (−)		−81,049		

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BUREAU OF MINES—Continued

Current authorizations—Continued

HEALTH AND SAFETY—Continued

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	767	770	805
Full-time equivalent of all other positions	20	21	21
Average number of all employees	753	753	788
Number of employees at end of year	801	813	848
Average GS grade and salary	8.0 $6,582	8.0 $6,594	8.0 $6,617
Average salary of ungraded positions	$5,228	$5,322	$5,346
01 Personal services:			
Permanent positions	$4,848,975	$4,855,000	$5,110,000
Positions other than permanent	123,018	128,000	128,000
Other personal services	37,587	59,000	40,000
Total personal services	5,009,580	5,042,000	5,278,000
02 Travel	267,455	268,000	300,000
03 Transportation of things	15,518	16,000	18,000
04 Communication services	47,148	60,000	65,000
05 Rents and utility services	13,384	15,000	17,000
06 Printing and reproduction	34,955	36,000	40,000
07 Other contractual services	372,361	367,000	415,000
08 Supplies and materials	174,954	177,000	190,000
09 Equipment	83,312	78,000	116,000
11 Grants, subsidies, and contributions	314,456	316,000	331,000
13 Refunds, awards, and indemnities	8,581	9,000	9,000
15 Taxes and assessments	2,575	3,000	3,000
1959 program obligated in 1958	−32,500		
Total obligations	6,311,779	6,387,000	6,782,000

GENERAL ADMINISTRATIVE EXPENSES

For expenses necessary for general administration of the Bureau of Mines, including such expenses in the regional offices, [$1,197,000] *$1,207,000. (30 U.S.C. 1–11; Department of the Interior and Related Agencies Appropriation Act, 1960.)*

Appropriated 1960, **$1,197,000** Estimate 1961, **$1,207,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. General administrative expenses (total program costs)	$1,213,682	$1,197,000	$1,207,000
2. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−23,058		
Total program (obligations)	1,190,624	1,197,000	1,207,000
Financing:			
Unobligated balance no longer available	1,276		
Appropriation (new obligational authority)	1,191,900	1,197,000	1,207,000

1. *General administrative expenses.*—This appropriation provides for the immediate office of the director and deputy director, the administrative division in Washington, and the top executive and administrative staffs in the five regional offices. The balance of the cost of administering the Bureau is charged to program funds appropriated directly or transferred from the Department of Defense, Atomic Energy Commission, General Services Administration, and other agencies.

2. *Relation of costs to obligations.*—The relationship is derived from year-end balance of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$39,789	$14,395	$14,500	$14,500
Advances (payments for goods and services on order not yet received)	691	661	556	556
Total selected resources at end of year	40,480	15,056	15,056	15,056
Selected resources at start of year (−)		−40,480	−15,056	−15,056
Adjustment of selected resources reported at start of year		2,366		
Costs financed from obligations of other years, net (−)		−23,058		

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	168	166	166
Full-time equivalent of all other positions	2	3	3
Average number of all employees	162	163	163
Number of employees at end of year	168	171	171
Average GS grade and salary	8.0 $6,582	8.0 $6,594	8.0 $6,617
Average salary of ungraded positions	$5,228	$5,322	$5,346
01 Personal services:			
Permanent positions	$980,848	$1,008,000	$1,008,000
Positions other than permanent	11,220	10,000	12,000
Other personal services	5,038	8,000	4,000
Total personal services	997,106	1,026,000	1,024,000
02 Travel	43,877	40,000	42,000
03 Transportation of things	3,548	3,000	3,000
04 Communication services	11,534	7,000	7,000
05 Rents and utility services	1,598	2,000	2,000
06 Printing and reproduction	18,160	16,000	16,000
07 Other contractual services	18,961	15,000	25,000
08 Supplies and materials	17,556	12,500	12,500
09 Equipment	13,269	6,000	6,000
11 Grants, subsidies, and contributions	60,639	65,000	65,000
13 Refunds, awards, and indemnities	4,073	4,000	4,000
15 Taxes and assessments	303	500	500
Total obligations	1,190,624	1,197,000	1,207,000

CONSTRUCTION

Program and Financing

	Costs to this appropriation				
	Total estimate	To June 30, 1958	1959 actual	1960 estimate	1961 estimate
Program by activities:					
1. Laboratory facilities	$1,865,754		$1,187,308	$678,446	
2. Helium facilities	16,312,079	$4,662,863	9,111,079	2,113,137	$425,000
Total program costs	18,177,833	4,662,863	10,298,387	2,791,583	425,000
3. Relation of costs to obligations:					
Costs financed from obligations of other years (unpaid undelivered orders), net (−)				−2,448,753	
Obligations incurred for costs of other years (unpaid undelivered orders), net			2,381,856		
Total program (obligations)			12,680,243	342,830	425,000
Financing:					
Unobligated balance brought forward			−1,274,073	−1,217,830	−425,000
Recovery of prior year obligations			−2,629		
Unobligated balance carried forward			1,217,830	425,000	
Unobligated balance no longer available			2,629	450,000	
Appropriation (new obligational authority)			12,624,000		

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1. *Laboratory facilities.*—Funds previously appropriated are being used in 1960 to complete the construction of a metallurgical and mining research facility at Minneapolis, Minn., and for the preparation of plans and specifications of an additional research facility at the Bartlesville, Okla., petroleum experiment station.

2. *Helium facilities.*—Funds previously appropriated will be used to complete the construction of helium production facilities at Keyes, Okla.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $66,897; 1959, $2,448,753.

Object Classification

	1959 actual	1960 estimate	1961 estimate
BUREAU OF MINES			
Total number of permanent positions	25	20	6
Full-time equivalent of all other positions	1	1	1
Average number of all employees	23	13	6
Number of employees at end of year	25		6
Average GS grade and salary	8.0 $6,582	8.0 $6,594	8.0 $6,617
Average salary of ungraded positions	$5,228	$5,322	$5,346
01 Personal services:			
Permanent positions	$129,086	$79,000	$35,000
Positions other than permanent	1,565	2,000	4,000
Other personal services	4,558		1,000
Total personal services	135,209	81,000	40,000
02 Travel	36,591	15,000	2,000
03 Transportation of things	7,380	4,000	1,800
04 Communication services	2,060	1,500	500
05 Rents and utility services	759	2,000	
06 Printing and reproduction	111		
07 Other contractual services	103,125	65,000	21,000
08 Supplies and materials	197,883	4,654	10,000
09 Equipment	295,289	5,000	153,300
10 Lands and structures	11,811,349	139,783	193,800
11 Grants, subsidies, and contributions	8,077	5,000	2,600
15 Taxes and assessments	203	100	
Total, Bureau of Mines	12,598,036	323,037	425,000
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
06 Printing and reproduction	7	500	
07 Other contractual services	82,200	19,293	
Total, General Services Administration	82,207	19,793	
Total obligations	12,680,243	342,830	425,000

Drainage of Anthracite Mines

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Contribution to the Commonwealth of Pennsylvania (total program costs)	$1,133,076	$1,500,000	$2,000,000
2. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−178,168		
Total program (obligations) (object class 11)	954,908	1,500,000	2,000,000
Financing:			
Unobligated balance brought forward	−6,819,059	−5,864,151	−4,364,151
Unobligated balance carried forward	5,864,151	4,364,151	2,364,151
Appropriation (new obligational authority)			

Funds appropriated in 1956 (69 Stat. 460) will be expended in 1960 and future years on a matched fund basis with the Commonwealth of Pennsylvania for the conservation of anthracite coal resources through flood control and anthracite mine drainage. No new funds are requested for 1961.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $859,180; 1959, $681,012; 1960, $681,012; 1961, $681,012.

Administrative Provisions

Appropriations and funds available to the Bureau of Mines may be expended for purchase of not to exceed [seventy-five] *ninety-four* passenger motor vehicles *of which sixty-nine are* for replacement only; providing transportation services in isolated areas for employees, student dependents of employees, and other pupils, and such activities may be financed under cooperative arrangements; purchase and bestowal of certificates and trophies in connection with mine rescue and first-aid work: *Provided*, That the Secretary is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, or private: *Provided further*, That the sums made available for the current fiscal year to the Departments of the Army, Navy, and Air Force for the acquisition of helium from the Bureau of Mines shall be transferred to the Bureau of Mines, and said sums, together with all other payments to the Bureau of Mines for helium, shall be credited to the special helium production fund, established pursuant to the Act of March 3, 1925, as amended (50 U.S.C. 164(c)): *Provided further*, That the Bureau of Mines is authorized, during the current fiscal year, to sell directly or through any Government agency, including corporations, any metal or mineral product that may be manufactured in pilot plants operated by the Bureau of Mines, and the proceeds of such sales shall be covered into the Treasury as miscellaneous receipts. (*Department of the Interior and Related Agencies Appropriation Act, 1960.*)

Allocations Received From Other Accounts

NOTE.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations as follows:
"Army industrial fund."
"Construction and rehabilitation," Bureau of Reclamation.
"Military construction, Army."
"Operating expenses," Atomic Energy Commission.
"Procurement of equipment and missiles, Army."
"Research, development, test, and evaluation, Navy."
"Revolving fund, Defense Production Act," funds appropriated to the President.

Public enterprise funds:

Development and Operation of Helium Properties

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs:			
1. Manufacturing expense	$4,331,816	$6,109,842	$6,448,260
2. Administrative and other expense	745,608	1,089,741	1,173,956
3. Transfer of fixed assets to other agencies	4,757		
4. Prior year adjustment affecting fixed assets	−68,390		
Total operating costs	5,013,791	7,199,583	7,622,216
5. Unfunded adjustments to total operating costs:			
Depreciation and depletion included above (−)	−1,191,504	−1,740,557	−1,819,618
Transfer of fixed assets to other agencies	−4,757		
Prior year adjustment affecting fixed assets	68,390		
Total operating costs, funded	3,885,920	5,459,026	5,802,598
Capital outlay:			
6. Acquisition of lands, structures, and equipment [1]	613,724	2,981,142	3,175,000
Total program costs, funded	4,499,644	8,440,168	8,977,598
7. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−2,229,861	
Obligations incurred for costs of other years, net	1,452,812		71,289
Total program (obligations)	5,952,456	6,210,307	9,048,887
Financing:			
Amounts becoming available: Revenue and receipts:			
Sale of fixed assets	3,447	5,000	5,000
Sale of helium	5,866,826	8,101,550	8,885,200
Other revenue	958,154	1,196,256	1,271,518
Donated working capital	49,744		
Adjustment of prior year revenue	5,956		
Total amounts becoming available	6,884,127	9,302,806	10,161,718
Unobligated balance brought forward	4,074,686	5,006,357	8,098,856
Total amounts available	10,958,813	14,309,163	18,260,574
Unobligated balance carried forward	−5,006,357	−8,098,856	−9,211,687
Financing applied to program	5,952,456	6,210,307	9,048,887

[1] Excludes property transferred in without charge, as follows: June 30, 1959, $4,740,000; 1960, $11,553,443.

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BUREAU OF MINES—Continued

Public enterprise funds—Continued

DEVELOPMENT AND OPERATION OF HELIUM PROPERTIES—Con.

This fund provides for the conservation, development, production, and sale of helium. Production is primarily for the Department of Defense and the Atomic Energy Commission, who reimburse the fund for products received. Sales are also made to non-Federal consumers for medical, scientific, and commercial use (50 U.S.C. 164).

Budget program.—Operating costs are rising in keeping with the increase in production resulting from the completion in August 1959 of a new plant at Keyes, Okla., and the rehabilitation during 1960–61 of a plant at Exell, Tex.

The increase in capital outlay in 1960 and 1961 provides chiefly for the plant rehabilitation mentioned above, the improvement of production facilities at other plants, and the purchase of additional tank cars.

Operating results.—Retained earnings have been allowed to increase to meet the requirements of the above program which is expanding in response to the growing demands for helium and in anticipation of increased conservation of this vital natural resource for which the administration has recommended legislation.

Relationship of costs to obligations.—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Helium for sale	$64,277	$71,419	$80,982	$87,271
Advances	128	1,115	500	500
Supplies, deferred charges, and conserved helium	594,073	633,531	670,094	620,094
Unpaid undelivered orders	1,055,147	2,460,372	185,000	300,000
Total selected resources at end of year	1,713,625	3,166,437	936,576	1,007,865
Selected resources at start of year (−)		−1,713,625	−3,166,437	−936,576
Costs financed from obligations of other years, net (−)			−2,229,861	
Obligations incurred for costs of other years, net		1,452,812		71,289

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Sales program:			
Acquisition of land, structures, and equipment	$613,724	$2,981,142	$3,175,000
Expense	3,893,062	5,468,589	5,808,887
Total sales program	4,506,786	8,449,731	8,983,887
Increase in selected working capital	997,183		
Total gross expenditures	5,503,969	8,449,731	8,983,887
Receipts from operations (funds provided):			
Sales program: Revenue	6,824,980	9,297,806	10,156,718
Undistributed receipts:			
Proceeds from sale of fixed assets	3,447	5,000	5,000
Donated working capital	49,744		
Adjustment for prior year revenue	5,956		
Decrease in selected working capital		154,615	7,360
Total receipts from operations	6,884,127	9,457,421	10,169,078
Budget expenditures	−1,380,158	−1,007,690	−1,185,191

Revenue, Expense, and Retained Earnings

Sales program:			
Revenue	$6,824,980	$9,297,806	$10,156,718
Expense	5,077,424	7,199,583	7,622,216
Net operating income	1,747,556	2,098,223	2,534,502
Nonoperating income or loss (−):			
Proceeds from sale of land, structures, and equipment	3,447	5,000	5,000

Revenue, Expense, and Retained Earnings—Continued

	1959 actual	1960 estimate	1961 estimate
Nonoperating income or loss (−)—Con.			
Net book value of assets sold (−)	−$3,447	−$5,000	−$5,000
Net nonoperating income or loss (−)			
Net income for the year	1,747,556	2,098,223	2,534,502
Analysis of retained earnings:			
Retained earnings, beginning of year	4,667,752	6,489,654	8,587,877
Adjustment of prior year transactions, net:			
Affecting selected working capital	5,956		
Not affecting working capital	68,390		
Retained earnings, end of year	6,489,654	8,587,877	11,122,379

Financial Condition

Assets:			
Cash with Treasury and in banks	$7,693,305	$8,700,996	$9,886,187
Advances	1,115	500	500
Accounts receivable, net	841,072	516,500	565,500
Helium for sale (inventory)	71,419	80,982	87,271
Supplies, deferred charges, and conserved helium	633,531	670,094	620,094
Land, structures, and equipment	18,411,039	31,200,067	32,550,449
Total assets	27,651,481	41,169,139	43,710,001
Liabilities:			
Current	1,067,648	933,640	940,000
Government investment:			
Non-interest-bearing capital:			
Start of year	15,309,192	20,094,179	31,647,622
Donated supplies during year	49,744		
Donated fixed assets during year	4,740,000	11,553,443	
Fixed assets transferred out during year (−)	−4,757		
End of year	20,094,179	31,647,622	31,647,622
Retained earnings	6,489,654	8,587,877	11,122,379
Total Government investment	26,583,833	40,235,499	42,770,001

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash	$6,313,147	$7,693,305	$8,700,996	$9,886,187
Obligated balance, net:				
Current liabilities	1,612,832	1,067,648	933,640	940,000
Unpaid undelivered orders	1,055,147	2,460,372	185,000	300,000
Accounts receivable, net (−)	−429,518	−841,072	−516,500	−565,500
Total obligated balance	2,238,461	2,686,948	602,140	674,500
Unobligated balance	4,074,686	5,006,357	8,098,856	9,211,687

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Total number of permanent positions	429	557	591
	Average number of all employees	409	545	565
	Number of employees at end of year	428	552	574
	Average GS grade and salary	8.0 $6,582	8.0 $6,594	8.0 $6,617
	Average salary of ungraded positions	$5,228	$5,322	$5,346
01	Personal services:			
	Permanent positions	$2,209,283	$2,995,000	$3,229,000
	Other personal services	66,382	75,000	72,000
	Total personal services	2,275,665	3,070,000	3,301,000
02	Travel	25,404	25,500	25,500
03	Transportation of things	26,228	27,000	27,000
04	Communication services	25,077	26,000	26,000
05	Rents and utility services	65,370	163,000	174,000
06	Printing and reproduction	10,894	10,000	10,000
07	Other contractual services	415,430	80,000	279,000
08	Supplies and materials	1,498,469	1,924,294	1,699,887
09	Equipment	63,491	2,963,000	3,175,000
11	Grants, subsidies, and contributions	139,225	195,000	214,000
13	Refunds, awards, and indemnities	1,540	2,000	2,000
15	Taxes and assessments	566	1,000	1,000
	Total accrued expenditures	4,547,359	8,486,794	8,934,387
	Increase or decrease (−) in unpaid undelivered orders and advances	1,405,097	−2,276,487	114,500
	Total obligations	5,952,456	6,210,307	9,048,887

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Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Bituminous coal	$1,077,510	$1,173,000	$1,173,000
2. Anthracite coal	3,775		
3. Petroleum, natural gas, and oil shale	370,586	445,000	434,000
4. Ferrous metals	67,609	38,000	37,000
5. Nonferrous metals	1,083,383	611,000	536,000
6. Nonmetallic minerals	158,988	123,000	123,000
7. Foreign mineral activities	84,726	88,000	88,000
8. Inspections, investigations, and rescue work	46,937	21,000	21,000
9. General administrative expenses	472		
Total obligations	2,893,986	2,499,000	2,412,000
Financing:			
Unobligated balance brought forward	174,282	197,171	202,171
Advances and reimbursements from other accounts	3,099,851	2,504,000	2,395,000
Unobligated balance carried forward	−197,171	−202,171	−185,171
Unobligated balance no longer available	−182,976		
Total financing	2,893,986	2,499,000	2,412,000

Object Classification

Total number of permanent positions		362		287		287
Full-time equivalent of all other positions		14		10		10
Average number of all employees		348		281		288
Number of employees at end of year		348		327		330
Average GS grade and salary	8.0	$6,582	8.0	$6,594	8.0	$6,617
Average salary of ungraded positions		$5,228		$5,322		$5,346
01 Personal services:						
Permanent positions		$2,160,041		$1,820,000		$1,839,000
Positions other than permanent		73,232		54,000		58,000
Other personal services		21,842		26,000		16,000
Total personal services		2,255,115		1,900,000		1,913,000
02 Travel		47,307		50,000		35,000
03 Transportation of things		26,363		24,000		23,000
04 Communication services		9,679		14,000		14,000
05 Rents and utility services		10,502		11,000		7,000
06 Printing and reproduction		4,041		3,000		3,000
07 Other contractual services		70,228		64,000		50,000
08 Supplies and materials		264,363		253,000		188,000
09 Equipment		72,604		66,000		64,000
10 Lands and structures		1,846				
11 Grants, subsidies, and contributions		128,457		111,000		112,000
13 Refunds, awards, and indemnities		948		1,000		1,000
15 Taxes and assessments		2,533		2,000		2,000
Total obligations		2,893,986		2,499,000		2,412,000

NATIONAL PARK SERVICE

The Service administers national parks and other areas of unusual historic, scenic, scientific, or recreational character in the interest of their preservation as well as their public use and makes studies of the recreation resources of the United States in cooperation with Federal, State, and local agencies.

1961 will be the fifth year of the 10-year program, mission 66, to provide personnel and facilities needed to serve the ever-increasing number of visitors to park areas, and at the same time preserve park values. Visitation to parks is expected to increase from 62 million in 1959 to over 80 million in 1966.

Current authorizations:

MANAGEMENT AND PROTECTION

For expenses necessary for the management and protection of the areas and facilities administered by the National Park Service, including protection of lands in process of condemnation; and for plans, investigations, and studies of the recreational resources (exclusive of preparation of detail plans and working drawings) and archeological values in river basins of the United States (except the Missouri River Basin); [$16,647,000] *$18,976,000. (5 U.S.C. 124–132; 16 U.S.C. 1, 17k–n, 431–433, 459r, 460, 460a–2, 461–467, 590a, 590f; Act of May 29, 1930 (46 Stat. 482–483); Act of June 10, 1948 (62 Stat. 350); Act of June 30, 1949 (63 Stat. 612); Department of the Interior and Related Agencies Appropriation Act, 1960.)*

Appropriated 1960, **$16,647,000** Estimate 1961, **$18,976,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Management of park and other areas	$12,425,322	$13,022,494	$15,151,500
2. Forestry and fire control	1,189,548	953,705	1,013,000
3. Soil and moisture conservation	104,142	102,800	103,000
4. Park and recreation programs	2,090,392	2,223,131	2,320,600
5. Concessions management	299,789	344,870	387,900
Total program costs	16,109,193	16,647,000	18,976,000
6. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−168,685		
Total program (obligations)	15,940,508	16,647,000	18,976,000
Financing:			
1959 appropriation available in 1958	81,916		
Unobligated balance no longer available	33,776		
New obligational authority	16,056,200	16,647,000	18,976,000
New obligational authority:			
Appropriation	$16,011,200	$16,647,000	$18,976,000
Reappropriation	45,000		

1. *Management of park and other areas.*—The estimate contemplates the administration of 191 park and other areas comprising about 24 million acres located in 42 States, the District of Columbia, Puerto Rico, and the Virgin Islands. The increase proposed is to provide for (*a*) administration of 5 new areas for which funds are not now provided and supplemental funds for 6 new areas partially provided for in the 1960 appropriation; (*b*) leasing commercial communication facilities; (*c*) operation of newly constructed facilities; (*d*) operating costs brought on by increased visitor use and extension of visitor seasons; (*e*) more adequate coordination of protection functions; and (*f*) strengthening the U.S. Park Police force. Actual and estimated visitors and revenue receipts follow:

	Calendar year visitors	*Fiscal year receipts*
1958 actual	58,676,953	$5,744,920
1959 actual		5,688,138
1959 estimate	62,000,000	
1960 estimate	66,000,000	5,795,000
1961 estimate	71,000,000	6,020,000

2. *Forestry and fire control.*—Forests, brushland, and grassland on over 11 million acres are protected from fire, destructive insects, diseases, and other preventable damage. The increase proposed is to provide for (*a*) leasing commercial communication facilities; (*b*) operation of newly constructed facilities; and (*c*) strengthening existing organizations and facilities. A supplemental appropriation for 1960 is anticipated under Proposed for later transmission.

3. *Soil and moisture conservation.*—The 1961 program will permit corrective measures on 30 of the most critical problem areas.

4. *Park and recreation programs.*—Studies are made of the park, parkway, and recreation potentialities of the United States and its Territories, frequently in cooperation with Federal, State, and local agencies; technical and scientific services and guidance essential to management, protection, and public use of the park areas are provided in the fields of biology, geology, history, and archeology. Surveys are made of historic American buildings and sites for the purpose of acquiring and preserving data relative thereto. Investigations are made

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NATIONAL PARK SERVICE—Continued

Current authorizations—Continued

MANAGEMENT AND PROTECTION—Continued

to determine whether State and local agencies receiving surplus Federal real property for recreational use are utilizing those properties in conformity with terms of the transfer agreements. Studies and investigations are carried out leading to establishment and acquisition of rights to sources of water supply. The increase is required to bring the water resource investigations and studies work up to a level commensurate with the expanded construction programs.

5. *Concessions management.*—There are approximately 160 major concessioners operating in the parks and other areas. Contracts are negotiated or permits issued; rates are established; services to be rendered are determined; and records are audited. The increase will provide for management supervision in the region 2 office, and more adequate travel funds for the audit staff operating servicewide.

6. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

Selected resources at end of year: Inventories and items on order: Unpaid undelivered orders (appropriation balances obligated for goods and services ou order not yet received)	*1958 actual*	*1959 actual*	*1960 estimate*	*1961 estimate*
	$857,307	$658,355	$658,355	$658,355
Selected resources at start of year (−)	−857,307	−658,355	−658,355	−658,355
Adjustment of selected resources reported at start of year		30,267		
Costs financed from obligations of other years, net (−)	−168,685			

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	1,852	1,918	2,117
Full-time equivalent of all other positions	457	455	503
Average number of all employees	2,177	2,254	2,509
Number of employees at end of year	3,062	3,220	3,520
Average GS grade and salary	7.8 $6,197	7.8 $6,216	7.8 $6,231
Average salary of ungraded positions	$4,503	$4,635	$4,678
01 Personal services:			
Permanent positions	$9,993,512	$10,588,204	$11,828,600
Positions other than permanent	1,758,592	1,702,785	1,905,128
Other personal services	493,376	505,540	541,920
Total personal services	12,245,480	12,796,529	14,275,648
02 Travel	524,107	525,000	590,000
03 Transportation of things	114,444	104,600	125,000
04 Communication services	326,351	390,000	497,600
05 Rents and utility services	178,710	210,400	240,000
06 Printing and reproduction	176,232	186,000	205,000
07 Other contractual services	608,197	620,000	859,006
Services performed by other agencies	25,000	24,000	24,000
08 Supplies and materials	530,929	534,500	670,000
09 Equipment	508,314	424,300	563,400
11 Grants, subsidies, and contributions	729,792	771,300	860,000
13 Refunds, awards, and indemnities	20,393	19,000	21,000
15 Taxes and assessments	34,475	41,371	45,346
1959 program obligated in 1958	−81,916		
Total obligations	15,940,508	16,647,000	18,976,000

MAINTENANCE AND REHABILITATION OF PHYSICAL FACILITIES

For expenses necessary for the operation, maintenance, and rehabilitation of roads (including furnishing special road maintenance service to trucking permittees on a reimbursable basis), trails, buildings, utilities, and other physical facilities essential to the operation of areas administered pursuant to law by the National Park Service, [$14,000,000] *$15,250,000. (5 U.S.C. 124–132; 16 U.S.C. 1, 8b, 8d, 431–433, 459r, 460, 460a-2, 461–467; Act of May 29, 1930 (46 Stat. 482–483); Act of Aug. 17, 1949 (63 Stat. 612); Department of the Interior and Related Agencies Appropriation Act, 1960.)*

Appropriated 1960, **$14,000,000** Estimate 1961, **$15,250,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Roads and trails	$5,337,983	$6,044,000	$6,458,600
2. Buildings, utilities, and other facilities	7,209,148	7,956,000	8,791,400
Total program costs	12,547,131	14,000,000	15,250,000
3. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−391,658		
Total program (obligations)	12,155,473	14,000,000	15,250,000
Financing:			
1959 appropriation available in 1958	298,653		
Unobligated balance no longer available	22,974		
Appropriation (new obligational authority)	12,477,100	14,000,000	15,250,000

The objectives are to maintain and operate physical facilities while safeguarding the natural, historic, and scenic values of the parks. A supplemental appropriation for 1960 is anticipated under Proposed for later transmission.

1. *Roads and trails.*—The increase proposed is to finance (*a*) maintenance of three additional areas; (*b*) leasing of commercial communication facilities; (*c*) wage-board pay increases; (*d*) maintenance and operation of newly constructed facilities; and (*e*) operating costs brought about by increased visitor use and extension of the visitor season. The facilities maintained are as follows:

Facility:	*Unit*	*1959*	*1960*	*1961*
Roads	Miles	7,298	7,409	7,434
Trails	Miles	8,355	8,501	8,589
Airport runways	Miles	13	13	13

2. *Buildings, utilities, and other facilities.*—The increases proposed are for the same purposes as indicated for roads and trails.

3. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

Selected resources at end of year: Inventories and items on order: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	*1958 actual*	*1959 actual*	*1960 estimate*	*1961 estimate*
	$790,470	$382,827	$382,827	$382,827
Selected resources at start of year (−)	−790,470	−382,827	−382,827	−382,827
Adjustment of selected resources reported at start of year		15,985		
Costs financed from obligations of other years, net (−)	−391,658			

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	1,439	1,567	1,605
Full-time equivalent of all other positions	580	540	590
Average number of all employees	1,789	1,850	1,975
Number of employees at end of year	2,924	3,200	3,325
Average GS grade and salary	7.8 $6,197	7.8 $6,216	7.8 $6,231
Average salary of ungraded positions	$4,503	$4,635	$4,678
01 Personal services:			
Permanent positions	$5,849,003	$6,827,804	$7,051,800
Positions other than permanent	2,237,908	2,119,660	2,330,600
Other personal services	175,895	188,367	197,200
Total personal services	8,262,806	9,135,831	9,579,600
02 Travel	119,243	154,000	190,000
03 Transportation of things	53,862	55,000	70,000
04 Communication services	123,089	165,000	200,000
05 Rents and utility services	301,547	373,000	420,000
06 Printing and reproduction	6,833	7,000	8,000
07 Other contractual services	510,379	723,000	908,483
Services performed by other agencies	24,500	30,000	37,000
08 Supplies and materials	1,656,180	1,971,464	2,330,267
09 Equipment	939,307	901,000	997,000
11 Grants, subsidies, and contributions	348,694	383,705	402,350
13 Refunds, awards, and indemnities	47,175	48,000	49,000
15 Taxes and assessments	60,511	53,000	58,300
1959 program obligated in 1958	−298,653		
Total obligations	12,155,473	14,000,000	15,250,000

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CONSTRUCTION

For construction and improvement, without regard to the Act of August 24, 1912, as amended (16 U.S.C. 451), of buildings, utilities, and other physical facilities; the repair or replacement of roads, trails, buildings, utilities, or other facilities or equipment damaged or destroyed by fire, flood, or storm, or the construction of projects deferred by reason of the use of funds for such purposes; the acquisition of water rights; and not to exceed [$1,700,000] *$2,690,000* for the acquisition of lands, interests therein, [and] improvements[; $13,600,000], *and related personal property; $16,600,000,* to remain available until expended[: *Provided,* That the second proviso under the heading "National Park Service, Construction", in the Department of the Interior and Related Agencies Appropriation Act, 1956 (69 Stat. 147), is amended to add at the end thereof the following: "and shall not be subject to any Federal tax liability on the part of the contractor"]. (*5 U.S.C. 124–132; 16 U.S.C. 1, 431–433, 459r, 461–467; Act of Aug. 31, 1954 (68 Stat. 1037); Act of Aug. 9, 1955 (69 Stat. 575, 576); Department of the Interior and Related Agencies Appropriation Act, 1960.*)

Appropriated 1960, **$13,600,000** Estimate 1961, **$16,600,000**

Program and Financing

	Costs to this appropriation					Analysis of 1961 financing			
	Total estimate	To June 30, 1958	1959 actual	1960 estimate	1961 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources, end of year	Appropriation required for 1961	Appropriation required to complete
Program by activities:									
1. Buildings, utilities, and other facilities	$344,192,868	$24,768,732	$17,544,158	$14,270,826	$13,080,000	$11,092,752	$11,692,752	$13,680,000	$262,836,400
2. Acquisition of—									
(*a*) Lands	40,121,133	2,636,421	1,186,380	2,237,818	2,721,831	270,514	238,683	2,690,000	31,100,000
(*b*) Water rights	2,053,530	76,146	93,422	337,680	230,000	12,574	12,574	230,000	1,303,708
3. Parkways	191,385	151,858	11,600	27,927					
4. Roads and trails	440,094	334,272	2,310	103,512					
5. Undistributed costs	1,666,730	187,316	−1,842	−185,474		1,666,730	1,666,730		
Total program costs	388,665,740	28,154,745	18,836,028	16,792,289	16,031,831	13,042,570	13,610,739	16,600,000	295,240,108
6. Relation of costs to obligations:									
Costs financed from obligations of other years, net (−)			−686,677						
Obligations incurred for costs of other years, net				1,746,006	600,000				
Total program (obligations)			18,149,351	18,538,295	16,631,831				
Financing:									
Unobligated balance brought forward			−3,119,477	−4,970,126	−31,831				
Unobligated balance carried forward			4,970,126	31,831					
Appropriation (new obligational authority)			20,000,000	13,600,000	16,600,000				

1. *Buildings, utilities, and other facilities.*—The 1961 program is the fifth year of a 10-year program to provide essential facilities to meet all visitor requirements by 1966. A summary of the program by major type of construction follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Camping and picnicking facilities	$2,645,200	$4,292,200	$2,039,200
Public service and administrative units	7,600,400	3,201,900	4,158,900
Utilities	3,186,100	1,878,000	2,259,800
Employee housing	3,046,100	838,200	1,986,700
Miscellaneous	1,929,000	1,459,700	3,235,400
Total	18,406,800	11,670,000	13,680,000

2. *Acquisition of lands and water rights.*—Approximately 520,000 acres of privately owned lands are located within the areas administered and should be acquired to facilitate public use of these areas. Status of land acquisition present and projected is as follows:

[Acres]

	1959	*1960*	*1961*
Private lands, beginning of year	620,000	540,000	520,000
Acquired during year	80,000	20,000	25,000
Private lands, end of year	540,000	520,000	495,000

Rights to water must be obtained, frequently by purchase, in many of the areas for use of visitors and employees, and for fire protection.

3 and 4. *Parkways* and *roads and trails.*—The obligations for these programs are against carryover balance of prior appropriations for programs authorized by the Federal-Aid Highway Act of 1952. Programs authorized by the Federal-Aid Highway Acts of 1956 and 1958 are obligated against the contract authority provided by those acts and are shown under the appropriation Construction (liquidation of contract authorization), National Park Service.

5. *Undistributed costs.*—These costs represent end-of-year variations in clearing accounts involving operations such as automotive shops, corrals, and facilitating services. The costs are distributed to the various activities served based on predetermined rates. Such rates are studied and adjusted at least once annually to provide for adequate operations.

6. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects)	$665,825	$710,739	$710,739	$710,739
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	11,285,585	10,553,994	12,300,000	12,900,000
Total selected resources at end of year	11,951,410	11,264,733	13,010,739	13,610,739
Selected resources at start of year (−)	−11,951,410	−11,264,733	−13,010,739	−13,610,739
Costs financed from obligations of other years, net (−)	−686,677			
Obligations incurred for costs of other years, net		1,746,006	600,000	

A supplemental appropriation for 1960 is anticipated under Proposed for later transmission.

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NATIONAL PARK SERVICE—Continued

Current authorizations—Continued

CONSTRUCTION—Continued

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	374	320	306
Full-time equivalent of all other positions	246	230	231
Average number of all employees	627	573	531
Number of employees at end of year	493	550	550
Average GS grade and salary	7.8 $6,197	7.8 $6,216	7.8 $6,231
Average salary of ungraded positions	$4,503	$4,635	$4,678
01 Personal services:			
Permanent positions	$1,993,849	$1,744,941	$1,802,807
Positions other than permanent	1,000,931	940,750	950,750
Other personal services	89,406	73,527	56,961
Total personal services	3,084,186	2,759,218	2,810,518
02 Travel	235,065	230,000	230,000
03 Transportation of things	55,603	55,000	55,000
04 Communication services	38,580	40,000	40,000
05 Rents and utility services	46,629	50,000	50,000
06 Printing and reproduction	14,310	15,000	15,000
07 Other contractual services	2,664,327	2,700,000	2,500,000
08 Supplies and materials	470,702	500,000	400,000
09 Equipment	307,726	300,000	300,000
10 Lands and structures	11,062,855	11,748,127	10,084,863
11 Grants, subsidies, and contributions	147,553	114,300	117,650
13 Refunds, awards, and indemnities	$3,155	$5,000	$5,000
15 Taxes and assessments	18,660	21,650	23,800
Total obligations	18,149,351	18,538,295	16,631,831

CONSTRUCTION (LIQUIDATION OF CONTRACT AUTHORIZATION)

For liquidation of obligations incurred pursuant to authority contained in section 106 of the Federal-Aid Highway Act of 1956 (70 Stat. 376) and section 6 of the Federal-Aid Highway Act of 1958 (72 Stat. 93), [$30,000,000] *$34,000,000*, to remain available until expended: *Provided*, That none of the funds herein provided shall be expended for construction on the following: Fort Washington and Greenbelt Park, Maryland, except minor roads and trails; Daingerfield Island Marina, Virginia; and extension of the George Washington Memorial Parkway from vicinity of Brickyard Road to Great Falls, Maryland. *(5 U.S.C. 124–132; 16 U.S.C. 8, 8a, 8d, 192b–2–5, 403h–11, 431–433, 459r, 460a–2, 461–467; Act of May 29, 1930 (46 Stat. 482); Act of June 16, 1933 (48 Stat. 200, 201); Act of Aug. 17, 1949 (63 Stat. 612); Act of Aug. 9, 1955 (69 Stat. 555); Department of the Interior and Related Agencies Appropriation Act, 1960.)*

Appropriated 1960, **$30,000,000** Estimate 1961, **$34,000,000**

Program and Financing

	Costs to this appropriation			Deduct selected resources and unobligated balance, start of year	Add selected resources, end of year	Contract authorization available for 1961
	1959 actual	1960 estimate	1961 estimate			
Program by activities:						
1. Parkways	$18,140,824	$18,746,169	$20,715,127	$29,915,127	$9,200,000	
2. Roads and trails	17,243,555	16,836,457	20,500,000	28,352,500	7,852,500	
Total program costs	35,384,379	35,582,626	41,215,127	58,267,627	17,052,500	
3. Relation of costs to obligations:						
Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−16,317,872		−5,215,127			
Obligations incurred for costs of other years (unpaid undelivered orders), net		143,751				
Total program (obligations)	19,066,507	35,726,377	36,000,000			
Financing:						
Unobligated balance brought forward (contract authorization)	−20,792,884	−35,726,377	−36,000,000			
Unobligated balance carried forward (contract authorization)	35,726,377	36,000,000				
Contract authorization (new)	34,000,000	36,000,000				

Status of Unfunded Contract Authorization

	1959 actual	1960 estimate	1961 estimate
Unfunded balance at beginning of year	$41,052,500	$45,052,500	$51,052,500
Contract authorization (new)	34,000,000	36,000,000	
Unfunded balance at end of year	−45,052,500	−51,052,500	−17,052,500
Appropriation to liquidate contract authorization	30,000,000	30,000,000	34,000,000

It is anticipated that, beginning in 1962, this program will be financed by direct appropriations rather than by contract authorizations included in Federal-Aid Highway Acts.

1. *Parkways.*—Progress of construction of 10 authorized parkways is shown as follows:

	Estimated total cost	*Authorized through 1960*	*Program, 1961*	*Estimated cost to complete*
1. Baltimore-Washington	$18,971,000	$14,742,800	$276,800	$3,951,400
2. Blue Ridge	96,978,260	67,028,960	4,110,400	25,838,900
3. Chesapeake and Ohio Canal	7,229,857	299,857		6,930,000
4. Colonial	8,747,095	8,407,095	20,800	319,200
5. Foothills	25,297,546	5,231,046	3,201,600	16,864,900
6. George Washington Memorial [1]	61,449,730	14,758,030	3,582,400	43,109,300
7. Natchez Trace	105,210,449	47,049,149	[2] 4,632,000	53,529,300
8. Palisades	6,454,000	167,000	176,000	6,111,000
9. Rock Creek and Potomac	4,982,800	652,800		4,330,000
10. Suitland	3,545,587	1,079,587		2,466,000
Total	338,866,324	159,416,324	16,000,000	163,450,000

[1] Excludes $8,000,000 appropriated to Central Intelligence Agency for construction on parkway.

[2] Excludes $2,000,000 authorized in 1960 carried forward to 1961.

2. *Roads and trails.*—The 1961 program contemplates work on 147 miles of major roads, including reconstruction of 124 miles; final paving of 9 miles; construction of 14 miles of new roads; and work on numerous minor roads, trails, and parking areas.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $38,441,748; 1959, $22,123,876; 1960, $22,267,627; 1961, $17,052,500.

Object Classification

	1959 actual	1960 estimate	1961 estimate
NATIONAL PARK SERVICE			
Total number of permanent positions	277	331	335
Full-time equivalent of all other positions	181	183	183
Average number of all employees	460	505	513
Number of employees at end of year	500	600	600
Average GS grade and salary	7.8 $6,197	7.8 $6,216	7.8 $6,231
Average salary of ungraded positions	$4,503	$4,635	$4,678
01 Personal services:			
Permanent positions	$2,098,042	$2,169,383	$2,217,937
Positions other than permanent	729,269	750,000	750,000
Other personal services	52,183	66,817	58,563
Total personal services	2,879,494	2,986,200	3,026,500
02 Travel	193,324	200,000	200,000
03 Transportation of things	9,867	12,000	12,000
04 Communication services	28,136	35,000	35,000
05 Rents and utility services	32,681	50,000	50,000
06 Printing and reproduction	11,211	15,000	15,000
07 Other contractual services	1,553,281	2,000,000	2,000,000
08 Supplies and materials	516,508	600,000	600,000
09 Equipment	166,487	200,000	200,000

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Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
NATIONAL PARK SERVICE—continued			
10 Lands and structures	$11,557,925	$26,378,538	$26,266,220
11 Grants, subsidies, and contributions	124,406	142,100	144,700
13 Refunds, awards, and indemnities	4,466	5,000	5,000
15 Taxes and assessments	17,327	18,800	18,800
Total, National Park Service	17,095,113	32,642,638	32,573,220
ALLOCATION TO BUREAU OF PUBLIC ROADS, DEPARTMENT OF COMMERCE			
Total number of permanent positions	325	325	325
Full-time equivalent of all other positions	59	59	59
Average number of all employees	359	359	359
Number of employees at end of year	285	285	285
Average GS grade and salary	8.1 $6,598	8.2 $6,674	8.2 $6,771
01 Personal services:			
Permanent positions	1,444,118	1,465,000	1,483,000
Positions other than permanent	218,817	219,000	219,000
Other personal services	123,240	116,000	98,000
Total personal services	1,786,175	1,800,000	1,800,000
02 Travel	170,406	170,000	170,000
03 Transportation of things	8,467	9,000	9,000
04 Communication services	11,658	12,000	12,000
05 Rents and utility services	61,556	62,000	62,000
06 Printing and reproduction	11,019	11,000	11,000
07 Other contractual services	1,144,142	1,125,000	1,125,000
08 Supplies and materials	31,173	31,000	31,000
09 Equipment	2,978	3,000	3,000
10 Lands and structures			93,780
11 Grants, subsidies, and contributions	104,171	104,000	104,000
13 Refunds, awards, and indemnities	154		
15 Taxes and assessments	5,470	6,000	6,000
Subtotal	3,337,369	3,333,000	3,426,780
Deduct portion of foregoing obligations originally charged to object class 10	1,365,975	249,261	
Total, Bureau of Public Roads	1,971,394	3,083,739	3,426,780
Total obligations	19,066,507	35,726,377	36,000,000

General Administrative Expenses

For expenses necessary for general administration of the National Park Service, including such expenses in the regional offices, [$1,475,000] *$1,485,000.* (*16 U.S.C. 1; Department of the Interior and Related Agencies Appropriation Act, 1960.*)

Appropriated 1960, **$1,475,000** Estimate 1961, **$1,485,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Departmental expenses	$865,847	$938,450	$945,000
2. Regional office expenses	524,575	536,550	540,000
Total program costs	1,390,422	1,475,000	1,485,000
3. Relation of costs to obligations: Obligations incurred for costs of other years, net	35,369		
Total program (obligations)	1,425,791	1,475,000	1,485,000
Financing:			
1959 appropriation available in 1958	927		
Unobligated balance no longer available	2,582		
Appropriation (new obligational authority)	1,429,300	1,475,000	1,485,000

1 and 2. *Departmental* and *regional office expenses.*—General executive direction and certain administrative services for the entire Service are carried on at its headquarters in Washington, D.C., and in its five regional offices. Administrative costs at parks and monuments are charged to program funds.

3. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$18,825	$51,958	$51,958	$51,958
Selected resources at start of year (—)		−18,825	−51,958	−51,958
Adjustment of selected resources reported at start of year		2,236		
Obligations incurred for costs of other years, net		35,369		

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	145	152	152
Full-time equivalent of all other positions	1	2	2
Average number of all employees	146	151	152
Number of employees at end of year	146	150	150
Average GS grade and salary	7.8 $6,197	7.8 $6,216	7.8 $6,231
Average salary of ungraded positions	$4,503	$4,635	$4,678
01 Personal services:			
Permanent positions	$1,108,535	$1,149,559	$1,154,014
Positions other than permanent	3,963	5,649	5,649
Other personal services	6,131	11,289	6,834
Total personal services	1,118,629	1,166,497	1,166,497
02 Travel	82,663	98,600	98,600
03 Transportation of things	279	500	500
04 Communication services	28,296	29,300	29,300
05 Rents and utility services	1,470	1,900	1,900
06 Printing and reproduction	35,738	36,400	36,400
07 Other contractual services	35,455	35,000	45,000
08 Supplies and materials	15,470	14,733	14,733
09 Equipment	32,175	13,500	13,500
11 Grants, subsidies, and contributions	71,727	74,570	74,570
13 Refunds, awards, and indemnities	4,702	3,875	3,875
15 Taxes and assessments	114	125	125
1959 program obligated in 1958	−927		
Total obligations	1,425,791	1,475,000	1,485,000

Administrative Provisions

Appropriations for the National Park Service shall be available for the purchase of not to exceed [ninety] *eighty-one* passenger motor vehicles (of which [eighty-four] *seventy-one* are for replacement only), including not to exceed [fifty] *thirty-five* for police-type use which may exceed by $300 each the general purchase price limitation for the current fiscal year[,]; *replacement of one aircraft;* and the objects and purposes specified in the Acts of August 8, 1953 (16 U.S.C. 1b–1d) and July 1, 1955 (16 U.S.C. 18f). (*Department of the Interior and Related Agencies Appropriation Act, 1960.*)

Allocations Received From Other Accounts

NOTE.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations as follows:
"Capital outlay, public buildings construction," District of Columbia.
"Construction and rehabilitation," Bureau of Reclamation.
"Construction," Central Intelligence Agency.
"Operating expenses, National Capital Parks," District of Columbia.
"Payments to school districts," Office of Education.
"Salaries and expenses," Forest Service.

Permanent authorizations:

National Park Service Permanent Appropriations

(Indefinite special funds)

Appropriation (est.) 1960, **$87,400** Estimate 1961, **$151,585**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs:			
1. Educational expenses, children of employees, Yellowstone National Park	$26,958	$43,885	$46,510
2. Operation, management, maintenance, and demolition of federally acquired properties, Independence National Historical Park	79,524	40,344	12,000

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NATIONAL PARK SERVICE—Continued

Permanent authorizations—Continued

NATIONAL PARK SERVICE PERMANENT APPROPRIATIONS—Con.

(Indefinite special funds)—Continued

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
Operating costs—Continued			
3. Payment for tax losses on land acquired for Grand Teton National Park	$29,085	$30,064	$30,285
Total operating costs	135,567	114,293	88,795
Capital outlay:			
1. Educational expenses, children of employees, Yellowstone National Park			62,790
4. Purchase of Great Onyx and Crystal Cave Properties, Mammoth Cave National Park			80,402
Total capital outlay			143,192
Total program costs	135,567	114,293	231,987
5. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−1,931		
Total program (obligations)	133,636	114,293	231,987
Financing:			
Unobligated balance brought forward	−161,037	−137,580	−110,687
Unobligated balance carried forward	137,580	110,687	30,285
New obligational authority	110,179	87,400	151,585
New obligational authority:			
Educational expenses, children of employees, Yellowstone National Park	$26,958	$43,885	$109,300
Operation, management, maintenance, and demolition of federally acquired properties, Independence National Historical Park	53,157	13,230	12,000
Payment for tax losses on land acquired for Grand Teton National Park	30,064	30,285	30,285
Appropriation	110,179	87,400	151,585

1. *Educational expenses, children of employees, Yellowstone National Park.*—Revenue received from park visitors is used to provide educational facilities to dependents of park personnel (16 U.S.C. 40c). Funds in excess of needs are returned to the Treasury as miscellaneous receipts. During 1961 it is estimated there will be 75 elementary and 23 high-school students. Cost per student is $407 for elementary and $694 for high school. The amount of $62,790 is programed in 1961 for the construction of a 3-apartment teacherage to house the teachers employed at park headquarters.

2. *Operation, management, maintenance, and demolition of federally acquired properties, Independence National Historical Park.*—Some of the buildings on lands acquired for establishment of the Independence National Historical Park, Philadelphia, Pa., are rented pending their conversion to park purposes or demolition. Some of the cleared sites are being used temporarily as parking lots from which income is also realized. Income from these operations is used for management and maintenance of the rental properties and for demolition of buildings (65 Stat. 644).

3. *Payment for tax losses on land acquired for Grand Teton National Park.*—Park fees are used to compensate the State of Wyoming for tax losses on Grand Teton National Park lands (64 Stat. 849).

4. *Purchase of Great Onyx and Crystal Cave properties, Mammoth Cave National Park.*—Receipts from fees at Mammoth Cave National Park, Ky., in excess of the annual appropriation for operation of the park, are available for acquisition of the privately owned Great Onyx and Crystal Cave properties located within the park boundaries (68 Stat. 36).

5. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $12,618; 1959, $10,687; 1960, $10,687; 1961, $10,687.

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Total number of permanent positions	11	2	1
	Full-time equivalent of all other positions	7	2	1
	Average number of all employees	12	4	2
	Number of employees at end of year	6	0	0
	Average GS grade and salary	7.8 $6,143	7.8 $6,220	7.8 $6,249
	Average salary of ungraded positions	$4,503	$4,635	$4,678
01	Personal services:			
	Permanent positions	$29,992	$17,784	$9,547
	Positions other than permanent	26,758	7,530	3,738
	Other personal services	385		
	Total personal services	57,135	25,314	13,285
02	Travel	15	11	12
03	Transportation of things	52	10	10
04	Communication services	1,569	533	201
05	Rents and utility services	7,540	4,000	150
06	Printing and reproduction	18		
07	Other contractual services	31,830	43,650	41,805
08	Supplies and materials	3,478	6,420	2,219
09	Equipment	509	3,300	
10	Lands and structures			143,192
11	Grants, subsidies, and contributions	30,855	30,939	31,010
13	Refunds, awards, and indemnities	2		
15	Taxes and assessments	633	116	103
	Total obligations	133,636	114,293	231,987

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Sale of quarters and subsistence to employees (non-Federal)	$633,036	$775,000	$775,000
2. Sale of utilities to concessionaire and other (non-Federal)	509,018	500,000	500,000
3. Miscellaneous other (non-Federal)	658,580	442,362	442,362
4. Miscellaneous services to other accounts	494,233	404,638	402,638
Total obligations	2,294,867	2,122,000	2,120,000
Financing:			
Unobligated balance brought forward	1,599	5,907	
Advances and reimbursements from—			
Other accounts	494,233	411,417	415,324
Non-Federal sources	1,804,942	1,704,676	1,704,676
Unobligated balance carried forward	−5,907		
Total financing	2,294,867	2,122,000	2,120,000

NOTE.—Reimbursements from non-Federal sources above are from the proceeds of sale of personal property (40 U.S.C. 481(c)); for providing financial assistance for local educational agencies in areas affected by Federal activities (20 U.S.C. 236–244); for furnishing all types of utility services to concessionaires, contractors, permittees, or other users of such services (67 Stat. 495); for furnishing meals and quarters to employees of the Government in the field and to cooperating agencies (16 U.S.C. 14b, 456a); for furnishing special road maintenance to trucking permittees (Department of the Interior and Related Agencies Appropriation Act, 1960); for services furnished to the State of Louisiana (16 U.S.C. 464); for the State of North Carolina's portion of the costs of lands being acquired by the Federal Government for purposes of Cape Hatteras National Seashore Recreational Area (16 U.S.C. 459–459a); for furnishing supplies and the rental of equipment to persons and agencies that cooperate, render services or perform functions that facilitate or supplement the administration of the national park system and miscellaneous areas (67 Stat. 496 and 16 U.S.C. 17c); for purchase of personal equipment and supplies for employees (16 U.S.C. 17); and for transportation to and from work of employees of Carlsbad Caverns National Park (67 Stat. 495).

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Total number of permanent positions	3	3	2
	Average number of all employees	211	204	204
	Number of employees at end of year	3	3	2
	Average GS grade and salary	7.8 $6,197	7.8 $6,216	7.8 $6,231
	Average salary of ungraded positions	$4,503	$4,635	$4,678

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Object Classification—Continued

		1959 actual	1960 estimate	1961 estimate
01	Personal services:			
	Permanent positions	$777,539	$750,000	$750,000
	Other personal services	58	116	38
	Total personal services	777,597	750,116	750,038
02	Travel	30,648	34,305	34,329
03	Transportation of things	26,827	13,700	13,700
04	Communication services	10,867	12,525	12,525
05	Rents and utility services	259,676	202,350	202,350
06	Printing and reproduction	5,420	6,350	6,350
07	Other contractual services	160,164	192,234	190,583
08	Supplies and materials	440,123	550,000	549,800
09	Equipment	281,289	320,000	320,000
10	Lands and structures	267,683		
11	Grants, subsidies, and contributions	28,686	32,345	32,250
13	Refunds, awards, and indemnities	46		
15	Taxes and assessments	5,841	8,075	8,075
	Total obligations	2,294,867	2,122,000	2,120,000

Proposed for later transmission:

MANAGEMENT AND PROTECTION

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Forestry and fire control: Fire suppression (total costs—obligations)		$150,000	
Financing:			
Proposed supplemental appropriation		150,000	

Under existing legislation, 1960.—A supplemental estimate, in the amount of $150,000 is anticipated for forest fire suppression.

MAINTENANCE AND REHABILITATION OF PHYSICAL FACILITIES

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Roads and trails		$208,650	
2. Buildings, utilities, and other facilities		245,350	
Total program (costs—obligations)		454,000	
Financing:			
Proposed supplemental appropriation		454,000	

Under existing legislation, 1960.—A supplemental estimate, in the amount of $454,000 is anticipated for wage-board pay increases placed in effect since submission of the 1960 estimates.

CONSTRUCTION

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Buildings, utilities, and other facilities		$338,000	$2,100,000
2. Roads and trails		689,000	50,000
Total program costs		1,027,000	2,150,000
3. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)			−2,150,000
Obligations incurred for costs of other years (unpaid undelivered orders), net		2,150,000	
Total program (obligations)		3,177,000	
Financing:			
Proposed supplemental appropriation		3,177,000	

Under existing legislation, 1960.—A supplemental estimate, in the amount of $3,177,000 is anticipated as a result of the earthquake at Yellowstone National Park in August 1959. Year-end balance of unpaid undelivered orders for 1960 is $2,150,000.

FISH AND WILDLIFE SERVICE

The Service, consisting of two bureaus under the direction of the Commissioner of Fish and Wildlife, conducts research, management, and demonstration programs to conserve and restore the fish and wildlife resources for both recreational and commercial use. These activities are financed in part from annual appropriations and in part from appropriations of revenue which has been permanently earmarked for these purposes. The following table shows the Service's total obligational program by activity and sources of the funds used to finance these activities.

PROGRAM

	1959 actual	*1960 estimate*	*1961 estimate*
Office of the Commissioner of Fish and Wildlife: Salaries and expenses (total direct obligations)	$339,462	$340,000	$382,000
Bureau of Sport Fisheries and Wildlife:			
Management and investigations of resources:			
1. Management of fishery resources	4,318,145	4,737,000	5,026,000
2. Extension and training	169,028	169,700	170,700
3. Fishery research	619,824	637,500	642,150
4. Administration of wildlife resources:			
(*a*) Operation and maintenance of refuges	6,060,490	6,277,475	6,651,460
(*b*) Management and enforcement	2,003,783	2,347,950	2,216,190
(*c*) Administration of Alaska game laws	523,758	86,400	
5. Control of predatory animals and injurious rodents	2,045,655	2,055,000	2,063,400
6. Wildlife research	1,583,578	1,985,375	1,667,540
7. Soil and moisture conservation	203,509	206,900	207,000
8. River basin studies	1,031,822	1,054,900	1,009,700
9. 1959 program obligated in 1958	−261,745		
Total	18,297,847	19,558,200	19,654,140
Construction:			
1. Sportfish facilities	1,828,290	2,783,501	1,208,000
2. Wildlife facilities:			
(*a*) Devils Kitchen Dam	1,222,129	133,622	
(*b*) Other construction	1,778,179	2,161,687	2,202,000
(*c*) Land acquisition	1,486,431	2,856,900	5,461,450
Total	6,315,029	7,935,710	8,871,450
General administrative expenses:			
1. Departmental expense	358,888	332,000	335,060
2. Regional office expense	869,520	893,100	899,870
Total	1,228,408	1,225,100	1,234,930
Grants to States and local governments under permanent authorizations	24,933,743	24,137,182	21,416,955
Total direct obligations, Bureau of Sport Fisheries and Wildlife	50,775,027	52,856,192	51,177,475
Bureau of Commercial Fisheries:			
Management and investigations of resources:			
1. Management	140,762	320,000	355,700
2. Marketing and technology	3,767,019	3,911,690	3,957,400
3. Research	5,595,588	6,129,085	6,147,700
4. Research on fish migration over dams	291,392	291,200	293,700
5. Administration of Alaska fisheries	1,603,293	749,900	
6. Fishing vessel mortgage insurance		50,000	50,300
7. 1959 program obligated in 1958	−57,214		
Total	11,340,840	11,451,875	10,804,800
Construction: Fishery facilities	1,071,561	636,729	2,400,000
General administrative expenses:			
1. Departmental expense	299,232	299,170	300,270
2. Regional office expense	341,420	351,730	352,730
Total	640,652	650,900	653,000
Administration of Pribilof Islands	1,721,906	1,940,000	2,070,000
Payment to Alaska, Pribilof Islands receipts		813,919	310,859
Advisory committee expense	27,616	30,800	30,800
Fisheries loan fund	1,318,304	2,505,738	2,505,000
Total direct obligations, Bureau of Commercial Fisheries	16,120,879	18,029,961	18,774,459
Total direct obligations, Fish and Wildlife Service	67,235,368	71,226,153	70,333,934

FINANCING

1959 appropriations available in 1958	318,959		
Unobligated balance brought forward	−21,398,714	−14,351,317	−10,617,579
Recovery of prior year obligations	−1,547		
Unobligated balance carried forward	14,351,317	10,617,579	7,505,504

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FISH AND WILDLIFE SERVICE—Continued

FINANCING—continued

	1959 actual	1960 estimate	1961 estimate
Unobligated balance no longer available	$126,923	$198,147	
Receipts provided by operations:			
Federal ship mortgage insurance for fishing vessels		−10,000	−$72,000
Fisheries loan fund	−883,620	−1,048,500	−1,095,000
New obligational authority:			
Office of the Commissioner of Fish and Wildlife: Salaries and expenses	332,100	340,000	382,000
Bureau of Sport Fisheries and Wildlife:			
Management and investigations of resources:			
Definite	12,491,500	13,520,000	18,050,000
Indefinite	454,621	268,000	
Construction	3,929,350	3,410,000	3,410,000
General administrative expenses	771,600	631,200	950,000
Expenses for sale of refuge products	73,234	76,000	84,000
Federal aid in fish restoration	4,994,822	5,589,379	4,900,000
Federal aid in wildlife restoration	17,310,854	16,602,193	14,600,000
Management of national wildlife refuges	1,519,389	1,518,547	1,491,000
Migratory bird conservation account	4,330,257	6,000,000	5,500,000
Payment to Alaska, Alaska game law	95,279	10,000	
Payments to counties from receipts under Migratory Bird Act	506,463	506,182	497,000
Total, Bureau of Sport Fisheries and Wildlife	46,477,369	48,131,501	49,482,000
Bureau of Commercial Fisheries:			
Management and investigations of resources:			
Definite	6,270,500	6,345,000	6,249,000
Indefinite	454,621	398,000	
Construction	500,000	345,000	2,400,000
General administrative expenses	188,500	325,000	361,000
Administration of Pribilof Islands	739,181	1,940,000	2,070,000
Payment to Alaska from Pribilof Islands receipts		813,919	310,859
Promote and develop fishery products and research pertaining to American fisheries	4,786,415	4,993,642	4,800,000
Fisheries loan fund		3,000,000	
Total, Bureau of Commercial Fisheries	12,939,217	18,160,561	16,190,859
Total new obligational authority, Fish and Wildlife Service	59,748,686	66,632,062	66,054,859

OFFICE OF THE COMMISSIONER OF FISH AND WILDLIFE

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Office of the Commissioner, [$340,000] *$382,000. (5 U.S.C. 133t; Act of Aug. 8, 1956, 70 Stat. 1119; Department of the Interior and Related Agencies Appropriation Act, 1960).*

Appropriated 1960, **$340,000** Estimate 1961, **$382,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Departmental expense (total obligations)	$339,462	$340,000	$382,000
Financing:			
Comparative transfers from (−) other accounts	−8,200		
Unobligated balance no longer available	838		
Appropriation (new obligational authority)	332,100	340,000	382,000

This expense is for direction and coordination at headquarters in Washington, D.C.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	34	35	39
Average number of all employees	32	33	37
Number of employees at end of year	33	36	40
Average GS grade and salary	9.8 $8,250	9.7 $8,179	9.7 $8,185
01 Personal services:			
Permanent positions	$259,110	$270,300	$302,650
Positions other than permanent	2,666	1,000	1,000
Other personal services	2,313	2,200	1,200
Total personal services	264,089	273,500	304,850
02 Travel	11,514	9,100	12,100
03 Transportation of things	655	100	350
04 Communication services	5,636	6,900	7,050
05 Rents and utility services	3,763		
06 Printing and reproduction	16,210	15,600	17,100
07 Other contractual services	12,367	4,900	7,200
Services performed by other agencies		8,200	8,200
08 Supplies and materials	3,953	2,900	3,150
09 Equipment	4,273	900	2,100
11 Grants, subsidies, and contributions	16,473	17,900	19,900
13 Refunds, awards, and indemnities	350		
15 Taxes and assessments	179		
Total obligations	339,462	340,000	382,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Miscellaneous services to other accounts (total obligations)	$13,418	$13,500	$12,300
Financing:			
Advances and reimbursements from other accounts	13,418	13,500	12,300

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	1	1	1
Average number of all employees	1	1	1
Number of employees at end of year	1	1	1
Average GS grade and salary	9.8 $8,250	9.7 $8,179	9.7 $8,185
01 Personal services:			
Permanent positions	$12,512	$12,540	$11,357
Other personal services	48	100	43
Total personal services	12,560	12,640	11,400
07 Other contractual services	42	40	120
11 Grants, subsidies, and contributions	816	820	780
Total obligations	13,418	13,500	12,300

BUREAU OF SPORT FISHERIES AND WILDLIFE

Current authorizations:

MANAGEMENT AND INVESTIGATIONS OF RESOURCES

For expenses necessary for scientific and economic studies, conservation, management, investigation, protection, and utilization of sport fishery and wildlife resources, except whales, seals, and sea lions, and for the performance of other authorized functions related to such resources; operation of the industrial properties within the Crab Orchard National Wildlife Refuge (61 Stat. 770); maintenance of the herd of long-horned cattle on the Wichita Mountains Wildlife Refuge; purchase or rent of land, and functions related to wildlife management in California (16 U.S.C. 695–695c); and leasing and management of lands for the protection of the Florida Key deer; [$13,520,000; and, in addition, there are appropriated not to exceed $268,000 of the proceeds covered into the Treasury from the sale of sealskins and other products, for management and investigations of the sport fishery and wildlife resources of Alaska, including construction] *$18,050,000. (7 U.S.C. 426; 16 U.S.C. 581, 590a–590f, 661–669i, 671–696b, 701–711, 715–715s, 718–718h, 721–731, 741–742j, 744–757, 760–760–8, 760a–760c, 777–778c, 811, 851–856, 921, 1008; 18 U.S.C. 41–44; 19 U.S.C. 1001, par. 1518; 43 U.S.C. 422h, 620g; 48 U.S.C. 248–248b; 72 Stat. 35; Department of the Interior and Related Agencies Appropriation Act, 1960.)*

Appropriated 1960: Estimate 1961, **$18,050,000**
Definite, **$13,520,000**
Indefinite, **$268,000**

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Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Management of fishery resources	$4,318,145	$4,737,000	$5,026,000
2. Extension and training	169,028	169,700	170,700
3. Fishery research	514,847	532,500	536,300
4. Administration of wildlife resources	3,716,211	4,071,475	7,419,600
5. Control of predatory animals and injurious rodents	2,045,655	2,055,000	2,063,400
6. Wildlife research	1,052,374	1,178,425	1,617,300
7. Soil and moisture conservation	203,509	206,900	207,000
8. River basin studies	836,642	837,000	1,009,700
9. 1959 program obligated in 1958	−261,745		
Total obligations	12,594,666	13,788,000	18,050,000
Financing:			
Comparative transfers to other accounts	36,423		
1959 appropriation available in 1958	261,745		
Unobligated balance no longer available	53,287		
New obligational authority	12,946,121	13,788,000	18,050,000
New obligational authority:			
Apropriation:			
Definite	$12,491,500	$13,520,000	$18,050,000
Indefinite:			
General	153,996		
Special		268,000	
Transferred from "Administration of Pribilof Islands," Bureau of Commercial Fisheries (indefinite) (72 Stat. 785)	300,625		
Appropriation (adjusted):			
Definite	12,491,500	13,520,000	18,050,000
Indefinite	454,621	268,000	

1. *Management of fishery resources.*—A total of 92 fish-cultural stations are operated for the propagation of food and game fishes. This activity also covers administration of the Black Bass Act encompassing shipments of all fishes across State boundaries.

2. *Extension and training.*—This activity covers (*a*) technical assistance to Federal, State, and other public or private entities in the management of sport fishing and fish propagation; and (*b*) cooperative development, with the States, of fish-stocking programs for major public streams and lakes.

3. *Fishery research.*—This activity covers studies of nutrition and diseases of salmon, trout, and warm water fish; improved methods of fish husbandry; scientific management of public water areas for fishing; and effects of environment and pesticides on fish. Direct appropriations for this activity are supplemented by funds of the permanent account Federal aid in fish restoration and management. In 1959, these supplementary funds totaled $104,977. The 1960 estimate is $105,000 and the 1961 estimate is $105,850.

4. *Administration of wildlife resources.*—This activity covers: (*a*) The operation and maintenance of 274 wildlife refuges, consisting of more than 17 million acres, for the conservation of migratory waterfowl and the preservation and propagation of rare birds and mammals. Of the total, 3.5 million acres are primarily for waterfowl. Direct appropriations for this subactivity are supplemented by funds of the permanent accounts Management of national wildlife refuges and Migratory bird conservation account (the latter through 1960). In 1959, these supplementary funds totaled $3,244,205. The 1960 estimate is $3,232,500 and the 1961 estimate is $1,002,860. (*b*) Enforcement of the Migratory Bird Treaty and Lacey Acts for the protection of migratory birds and regulation of interstate and foreign shipments of game; and migratory game bird surveys. Direct appropriations for the enforcement function are supplemented by funds of the permanent accounts Management of national wildlife refuges and Migratory bird conservation account (the latter through 1960). In 1959, these supplementary funds totaled $1,163,088. The 1960 estimate is $1,107,300 and the 1961 estimate is $361,190. Direct appropriations for migratory game bird surveys are supplemented by funds of the permanent accounts Migratory bird conservation account (through 1960) and Federal aid in wildlife restoration. In 1959, these funds totaled $409,695. The 1960 estimate is $224,550. No supplementary financing is proposed in 1961. (*c*) Administration of Alaska game law which will be eliminated in 1961 because of transfer of certain functions to the State of Alaska, effective January 1, 1960, and a shift of financing of continuing Federal functions to other Bureau activities.

5. *Control of predatory animals and injurious rodents.*—Predatory animals and injurious rodents are controlled on public lands. Technical information and supervision of cooperative programs are provided to protect livestock, game, poultry, forage crops, forests, structures, foods, and feeds from destruction by harmful animals.

6. *Wildlife research.*—Research is conducted on migratory birds and in wildlife management and conservation practices. Wildlife research units are also maintained in cooperation with Wildlife Management Institute and land-grant colleges at 16 locations to give technical training in wildlife management, conduct research, and demonstrate improved management practices. Direct appropriations for this activity are supplemented by funds of the permanent accounts Federal aid in wildlife restoration and Migratory bird conservation account (the latter through 1960). In 1959, these supplementary funds totaled $531,204. The 1960 estimate is $806,950 and the 1961 estimate is $50,240.

7. *Soil and moisture conservation.*—This activity covers long-range work on 63 national wildlife refuges in combating erosion and depletion of nearly 5.5 million acres of soil.

8. *River basin studies.*—This activity covers studies of the effects on fish and wildlife resources of power, navigation, irrigation, drainage and other water-use projects of Federal agencies and licensees under the Federal Power Act. Recommendations are made for measures to protect and improve these resources. Direct appropriations for this activity are supplemented by funds of the Migratory bird conservation account (through 1960). In 1959, these supplementary funds totaled $195,180. The 1960 estimate is $217,900.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	1,464	1,493	1,912
Full-time equivalent of all other positions	196	210	242
Average number of all employees	1,579	1,661	2,107
Number of employees at end of year	1,935	2,116	2,720
Average GS grade and salary	7.7 $5,935	7.9 $6,065	7.9 $6,088
Average salary of ungraded positions	$4,149	$4,202	$4,209
01 Personal services:			
Permanent positions	$7,554,699	$8,238,600	$10,787,300
Positions other than permanent	738,933	808,000	1,060,000
Other personal services	150,312	179,000	154,300
Total personal services	8,443,944	9,225,600	12,001,600
02 Travel	577,101	681,500	905,000
03 Transportation of things	101,006	104,000	133,200
04 Communication services	114,065	123,400	165,400
05 Rents and utility services	129,777	147,400	179,500
06 Printing and reproduction	26,330	35,200	52,200
07 Other contractual services	700,325	770,900	1,071,550
08 Supplies and materials	1,616,357	1,766,100	2,297,650
09 Equipment	599,781	379,100	540,500
10 Lands and structures	186,962	128,300	130,500
11 Grants, subsidies, and contributions	441,272	555,200	720,400
13 Refunds, awards, and indemnities	15,811	4,000	5,500
15 Taxes and assessments	58,881	23,100	25,100
1959 program obligated in 1958	−261,745		
Subtotal	12,749,867	13,943,800	18,228,100
Deduct quarters and subsistence charges	155,201	155,800	178,100
Total obligations	12,594,666	13,788,000	18,050,000

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FISH AND WILDLIFE SERVICE—Continued

BUREAU OF SPORT FISHERIES AND WILDLIFE—Continued

Current authorizations—Continued

CONSTRUCTION

For construction and acquisition of buildings and other facilities required in the conservation, management, investigation, protection, and utilization of sport fishery and wildlife resources, and the acquisition of lands and interests therein, $3,410,000, to remain available until expended. *(16 U.S.C. 666, 696–696b, 715k, 760–760–8, 921; 70 Stat. 668; 72 Stat. 561–562; Department of the Interior and Related Agencies Appropriation Act, 1960).*

Appropriated 1960, **$3,410,000** Estimate 1961, **$3,410,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Sportfish facilities	$1,828,290	$2,783,501	$1,208,000
2. Wildlife facilities	3,000,308	2,295,309	2,202,000
Total obligations	4,828,598	5,078,810	3,410,000
Financing:			
Unobligated balance brought forward	−2,568,058	−1,668,810	
Unobligated balance carried forward	1,668,810		
Appropriation (new obligational authority)	3,929,350	3,410,000	3,410,000

1. *Sport fish facilities.*—Projects proposed for 1961 consist of completion of construction of eight fish hatcheries and completion of construction of a fishery research laboratory. A supplemental appropriation for 1960 is anticipated under Proposed for later transmission.

2. *Wildlife facilities.*—Projects proposed for 1961 consist of construction, development, and improvement at 19 national wildlife refuges; advance engineering planning for refuges; and construction of a wildlife research laboratory at Patuxent research refuge, Maryland.

Object Classification

	1959 actual	1960 estimate	1961 estimate
BUREAU OF SPORT FISHERIES AND WILDLIFE			
Total number of permanent positions	46	44	43
Full-time equivalent of all other positions	29	122	32
Average number of all employees	73	166	75
Number of employees at end of year	75	200	100
Average GS grade and salary	7.7 $5,935	7.9 $6,065	7.9 $6,088
01 Personal services:			
Permanent positions	$260,725	$258,100	$312,000
Positions other than permanent	159,923	554,300	159,600
Other personal services	2,436	3,600	2,400
Total personal services	423,084	816,000	474,000
02 Travel	16,034	17,000	20,000
03 Transportation of things	6,786	7,000	3,500
04 Communication services	921	1,000	500
05 Rents and utility services	37,480	45,000	2,000
06 Printing and reproduction	1,514	2,000	2,000
07 Other contractual services	643,799	827,000	167,000
08 Supplies and materials	159,285	236,000	135,000
09 Equipment	65,685	80,000	102,000
10 Lands and structures	2,240,091	2,889,188	2,475,000
11 Grants, subsidies, and contributions	7,330	17,000	24,000
15 Taxes and assessments	4,460	8,000	5,000
Total, Bureau of Sport Fisheries and Wildlife	3,606,469	4,945,188	3,410,000

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
ALLOCATION TO RIVERS AND HARBORS AND FLOOD CONTROL, ARMY—CIVIL			
Total number of permanent positions	23	10	
Average number of all employees	23	10	
Number of employees at end of year	19	7	
Average GS grade and salary	7.4 $6,135	7.4 $6,158	
01 Personal services:			
Permanent positions	$134,498	$56,000	
Other personal services	4,329	500	
Total personal services	138,827	56,500	
02 Travel	3,224	500	
03 Transportation of things	248		
04 Communication services	662	100	
05 Rents and utility services	141		
06 Printing and reproduction	15		
07 Other contractual services	615	300	
Services performed by other agencies	1,245		
Services performed by "Revolving fund, Corps of Engineers"	11,363	222	
08 Supplies and materials	1,522		
09 Equipment	10		
10 Lands and structures	1,055,382	72,400	
11 Grants, subsidies, and contributions	8,875	3,600	
Total, rivers and harbors and flood control	1,222,129	133,622	
Total obligations	4,828,598	5,078,810	$3,410,000

GENERAL ADMINISTRATIVE EXPENSES

For expenses necessary for general administration of the Bureau of Sport Fisheries and Wildlife, including such expenses in the regional offices, [$631,200] *$950,000. (16 U.S.C. 742j; Department of the Interior and Related Agencies Appropriation Act, 1960.)*

Appropriated 1960, **$631,200** Estimate 1961, **$950,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Departmental expense	$172,054	$176,700	$225,700
2. Regional office expense	453,519	454,500	724,300
Total obligations	625,573	631,200	950,000
Financing:			
Comparative transfers to other accounts	140,400		
Unobligated balance no longer available	5,627		
Appropriation (new obligational authority)	771,600	631,200	950,000

1. *Departmental expense.*—This expense is for general administration at headquarters in Washington, D.C.

2. *Regional office expense.*—This is for administrative expenses in the regional offices. Such expense incidental to programs financed by permanent and indefinite appropriations is paid from those appropriations.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	84	84	118
Full-time equivalent of all other positions	3		
Average number of all employees	79	84	118
Number of employees at end of year	81	84	118
Average GS grade and salary	7.7 $5,935	7.9 $6,065	7.9 $6,088

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Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
01 Personal services:			
Personal positions	$521,923	$508,590	$723,000
Positions other than permanent	13,528		
Other personal services	15,727	16,010	21,505
Total personal services	551,178	524,600	744,505
02 Travel	9,148	35,400	39,400
03 Transportation of things	353	1,100	1,000
04 Communication services	6,456	13,000	13,800
05 Rents and utility services	2,569	10,000	11,000
06 Printing and reproduction	1,527	600	1,500
07 Other contractual services	12,521	8,500	83,250
08 Supplies and materials	6,402	4,100	7,395
09 Equipment	4,119		
11 Grants, subsidies, and contributions	29,514	33,900	48,150
13 Refunds, awards, and indemnities	415		
15 Taxes and assessments	1,371		
Total obligations	625,573	631,200	950,000

UPPER MISSISSIPPI RIVER WILDLIFE REFUGE

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Financing:			
Unobligated balance brought forward	−$1,453		
Recovery of prior year obligations	−1,547		
Unobligated balance no longer available	3,000		
Appropriation (new obligational authority)			

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations as follows:
"General investigations," Bureau of Reclamation.
"Construction and rehabilitation," Bureau of Reclamation.
"General investigations," rivers and harbors and flood control, Army—Civil.
"Construction, general," rivers and harbors and flood control, Army—Civil.
"Flood control, Mississippi River and tributaries," rivers and harbors and flood control, Army—Civil.

Permanent authorizations:

EXPENSES FOR SALES, ETC., IN REFUGES, MIGRATORY BIRD CONSERVATION ACT

(Indefinite special fund)

Appropriated (est.) 1960, **$76,000** Estimate 1961, **$84,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Expense for sales (total obligations)	$54,832	$76,000	$84,000
Financing:			
Unobligated balance brought forward	−20,946		
Unobligated balance no longer available	39,348		
Appropriation (new obligational authority)	73,234	76,000	84,000

Proceeds from sales of refuge products are used to pay expense arising from such sales (16 U.S.C. 715s).

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	6	6	6
Full-time equivalent of all other positions	3	6	7
Average number of all employees	9	12	13
Number of employees at end of year	6	10	10
Average GS grade and salary	7.7 $5,935	7.9 $6,065	7.9 $6,088

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
01 Personal services:			
Permanent positions	$30,635	$30,200	$32,500
Positions other than permanent	12,832	28,000	32,500
Other personal services	308	400	300
Total personal services	43,775	58,600	65,300
03 Transportation of things	449	600	700
04 Communication services	210	200	300
05 Rents and utility services	67	100	150
06 Printing and reproduction	15	25	50
07 Other contractual services	2,455	2,700	3,000
08 Supplies and materials	3,854	10,375	10,950
09 Equipment	2,672	1,100	1,000
10 Lands and structures	145		
11 Grants, subsidies, and contributions	1,797	2,000	2,100
15 Taxes and assessments	290	500	650
Subtotal	55,729	76,200	84,200
Deduct quarters and subsistence charges	897	200	200
Total obligations	54,832	76,000	84,000

FEDERAL AID IN FISH RESTORATION AND MANAGEMENT

(Receipt limitation)

Appropriated (est.) 1960, **$5,589,379** Estimate 1961, **$4,900,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Payments to States	$4,725,861	$5,000,000	$5,000,000
2. Administration	306,795	353,700	425,395
3. Research	111,548	111,600	112,530
Total obligations	5,144,204	5,465,300	5,537,925
Financing:			
Unobligated balance brought forward	−1,792,012	−1,642,630	−1,766,709
Unobligated balance carried forward	1,642,630	1,766,709	1,128,784
Appropriation (new obligational authority)	4,994,822	5,589,379	4,900,000

Assistance is given the States, Puerto Rico, Guam, and the Virgin Islands by appropriation of funds equal to the revenue of the 10% excise tax on fishing rods, creels, reels, and artificial lures, baits, and flies (16 U.S.C. 777a–k).

1. *Payments to States.*—These payments cover fish restoration and management projects, as well as research into fish culture; formulation of restocking plans; and acquisition and improvement of areas adaptable as hatching, feeding, resting, or breeding places.

2. *Administration.*—State plans are examined and inspections of projects and audits of State expenditures are made.

3. *Research.*—Funds apportioned but not expended by the States within 2 years are used to supplement moneys appropriated to the Bureau of Sport Fisheries and Wildlife under the appropriation for Management and investigations of resources, for research on fish of material value for sport and recreation and incidental administrative expense.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	54	55	55
Full-time equivalent of all other positions	3	8	8
Average number of all employees	43	54	54
Number of employees at end of year	56	65	65
Average GS grade and salary	7.7 $5,935	7.9 $6,065	7.9 $6,088
01 Personal services:			
Permanent positions	$243,646	$299,400	$306,700
Positions other than permanent	12,327	22,000	22,500
Other personal services	1,768	3,900	2,600
Total personal services	257,741	325,300	331,800
02 Travel	39,773	48,900	53,900

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FISH AND WILDLIFE SERVICE—Continued

BUREAU OF SPORT FISHERIES AND WILDLIFE—Continued

Permanent authorizations—Continued

FEDERAL AID IN FISH RESTORATION AND MANAGEMENT—con.

(Receipt limitation)—Continued

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
03 Transportation of things	$3,770	$4,200	$5,900
04 Communication services	6,325	5,100	6,400
05 Rents and utility services	2,184	5,900	6,500
06 Printing and reproduction	6,695	8,700	10,300
07 Other contractual services	23,580	24,000	71,825
08 Supplies and materials	34,803	13,000	16,000
09 Equipment	22,289	9,200	11,400
10 Lands and structures	6,030		
11 Grants, subsidies, and contributions	4,739,891	5,021,400	5,024,300
13 Refunds, awards, and indemnities	550		
15 Taxes and assessments	573	100	100
Subtotal	5,144,204	5,465,800	5,538,425
Deduct quarters and subsistence charges		500	500
Total obligations	5,144,204	5,465,300	5,537,925

FEDERAL AID IN WILDLIFE RESTORATION

(Indefinite special fund)

Appropriated (est.) 1960, **$16,602,193** Estimate 1961, **$14,600,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Payments to States	$18,735,871	$17,500,000	$14,600,000
2. Administration	711,820	916,100	1,044,560
3. Carrying out Migratory Bird Conservation Act	248,253	157,100	50,240
Total obligations	19,695,944	18,573,200	15,694,800
Financing:			
Unobligated balance brought forward	−6,674,508	−4,289,418	−2,318,411
Unobligated balance carried forward	4,289,418	2,318,411	1,223,611
Appropriation (new obligational authority)	17,310,854	16,602,193	14,600,000

Assistance is given the States, Puerto Rico, Guam, and the Virgin Islands by appropriation of funds equal to the tax revenue from firearm, shell, and cartridge manufacture (16 U.S.C. 669–669j).

1. *Payments to States.*—These payments cover wildlife restoration projects, construction necessary to make land or water areas available for such projects, and for wildlife management research necessary for efficient administration.

2. *Administration.*—State plans are examined and inspections of projects and audits of State expenditures are made.

3. *Carrying out Migratory Bird Conservation Act.*—Funds apportioned but not expended by the States within 2 years are available to carry out the provisions of the Migratory Bird Conservation Act and supplement moneys appropriated to the Bureau of Sport Fisheries and Wildlife for this purpose under the appropriation for Management and investigations of resources.

Object Classification

	1959 actual		1960 estimate		1961 estimate	
Total number of permanent positions	100		110		101	
Full-time equivalent of all other positions	2		1		1	
Average number of all employees	101		105		95	
Number of employees at end of year	92		106		97	
Average GS grade and salary	7.7	$5,935	7.9	$6,065	7.9	$6,088
01 Personal services:						
Permanent positions	$646,379		$742,700		$692,700	
Positions other than permanent	9,949		6,300		6,700	
Other personal services	7,194		12,000		8,800	
Total personal services	663,522		761,000		708,200	
02 Travel	114,240		114,200		100,700	
03 Transportation of things	12,930		10,600		9,700	
04 Communication services	14,038		14,000		12,300	
05 Rents and utility services	7,376		7,500		7,500	
06 Printing and reproduction	8,178		22,900		16,700	
07 Other contractual services	65,522		47,100		158,800	
08 Supplies and materials	23,557		26,500		18,000	
09 Equipment	9,395		21,500		15,000	
11 Grants, subsidies, and contributions	18,774,314		17,544,400		14,641,800	
13 Refunds, awards, and indemnities	988		400		600	
15 Taxes and assessments	1,884		3,900		5,500	
Subtotal	19,695,944		18,574,000		15,694,800	
Deduct quarters and subsistence charges			800			
Total obligations	19,695,944		18,573,200		15,694,800	

MANAGEMENT OF NATIONAL WILDLIFE REFUGES

(Indefinite special fund)

Appropriated (est.) 1960, **$1,518,547** Estimate 1961, **$1,491,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Development and maintenance of wildlife refuges	$1,382,995	$1,041,000	$1,085,660
2. Enforcement activities	355,374	359,000	361,190
Total obligations	1,738,369	1,400,000	1,446,850
Financing:			
Unobligated balance brought forward	−235,919	−16,939	−135,486
Unobligated balance carried forward	16,939	135,486	179,636
Appropriation (new obligational authority)	1,519,389	1,518,547	1,491,000

Of the net proceeds from the sale of wildlife refuge products 75% is appropriated for management of national wildlife refuges, the remainder being paid to the counties in which the refuges are located (64 Stat. 693–694; 16 U.S.C. 715s).

1. *Development and maintenance of wildlife refuges.*—These funds are used to supplement moneys appropriated to the Bureau of Sport Fisheries and Wildlife for wildlife refuges under the appropriation for Management and investigations of resources.

2. *Enforcement activities.*—These funds are used to supplement moneys appropriated to the Bureau of Sport Fisheries and Wildlife for enforcing the Migratory Bird Treaty and Lacey Acts under the appropriation for Management and investigations of resources.

Object Classification

	1959 actual		1960 estimate		1961 estimate	
Total number of permanent positions	96		80		68	
Full-time equivalent of all other positions	59		28		46	
Average number of all employees	146		100		113	
Number of employees at end of year	158		124		122	
Average GS grade and salary	7.7	$5,935	7.9	$6,065	7.9	$6,088
Average salary of ungraded positions		$4,149		$4,202		$4,209
01 Personal services:						
Permanent positions		$503,669		$458,900		$412,400
Positions other than permanent		212,931		112,000		288,400
Other personal services		13,357		5,400		3,500
Total personal services		729,957		576,300		704,300
02 Travel		95,647		93,000		75,000
03 Transportation of things		17,831		15,400		8,700
04 Communication services		29,573		25,000		14,300
05 Rents and utility services		78,969		76,300		39,500
06 Printing and reproduction		5,381		4,000		4,600
07 Other contractual services		156,563		163,500		171,250
08 Supplies and materials		395,601		285,500		336,500

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Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
09 Equipment	$148,914	$128,000	$58,900
10 Lands and structures	44,810		
11 Grants, subsidies, and contributions	29,215	30,000	26,300
13 Refunds, awards, and indemnities	2,613	200	
15 Taxes and assessments	4,886	3,500	8,100
Subtotal	1,739,960	1,400,700	1,447,450
Deduct quarters and subsistence charges	1,591	700	600
Total obligations	1,738,369	1,400,000	1,446,850

MIGRATORY BIRD CONSERVATION ACCOUNT

(Receipt limitation)

Appropriated (est.) 1960, **$6,000,000** Estimate 1961, **$5,500,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Enforcement of Migratory Waterfowl Hunting Stamp and Migratory Bird Treaty Acts	$849,283	$789,800	
2. Acquisition, development, and maintenance of migratory bird refuges	4,641,816	6,537,700	
3. Printing and sale of hunting stamps			$108,000
4. Acquisition of refuges and other areas			5,398,900
Total obligations	5,491,099	7,327,500	5,506,900
Financing:			
Unobligated balance brought forward	−3,001,837	−1,840,995	−513,495
Unobligated balance carried forward	1,840,995	513,495	506,595
Appropriation (new obligational authority)	4,330,257	6,000,000	5,500,000

Receipts from the sale of Federal hunting stamps are set aside in the migratory bird conservation fund (16 U.S.C. 718).

1. *Enforcement of Migratory Waterfowl Hunting Stamp and Migratory Bird Treaty Acts.*—Of the fund 15% is available for enforcing these acts and to pay the Post Office for supplying and accounting for the stamps through 1960. Funds used for enforcement supplement moneys appropriated to Bureau of Sport Fisheries and Wildlife for the same purpose under the appropriation for Management and investigations of resources. This activity will be replaced by activity 3 in 1961 as a result of the act of August 1, 1958 (16 U.S.C. 718), which makes receipts from the sale of Federal hunting stamps available exclusively for payment of Post Office expenses and the location and acquisition of refuges and other areas.

2. *Acquisition, development, and maintenance of migratory bird refuges.*—Of the fund 85% is used for acquisition, construction, and management of migratory waterfowl refuges and investigations of migratory birds. These funds supplement moneys appropriated to the Bureau of Sport Fisheries and Wildlife for these purposes. This activity will be replaced by activity 4 in 1961 as a result of the act of August 1, 1958 (16 U.S.C. 718).

3. *Printing and sale of hunting stamps.*—The Post Office Department is paid the cost of printing, sale, and accounting for migratory bird hunting stamps.

4. *Acquisition of refuges and other areas.*—Receipts in excess of Post Office Department expenses are available for costs of location and acquisition of migratory bird refuges and waterfowl production areas.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	510	520	122
Full-time equivalent of all other positions	38	41	8
Average number of all employees	506	542	112
Number of employees at end of year	646	672	122
Average GS grade and salary	7.7 $5,935	7.9 $6,065	7.9 $6,088
Average salary of ungraded positions	$4,149	$4,202	$4.209
01 Personal services:			
Permanent positions	$2,685,315	$2,977,500	$666,600
Positions other than permanent	142,969	210,500	45,000
Other personal services	26,451	38,700	2,900
Total personal services	2,854,735	3,226,700	714,500
02 Travel	244,971	358,200	136,300
03 Transportation of things	37,507	38,400	4,000
04 Communication services	65,862	46,500	4,200
05 Rents and utility services	43,031	31,800	4,400
06 Printing and reproduction	16,279	23,500	8,300
07 Other contractual services	343,876	706,800	154,200
08 Supplies and materials	443,457	465,100	7,800
09 Equipment	171,612	125,300	11,700
10 Lands and structures	1,046,928	2,074,300	4,387,000
11 Grants, subsidies, and contributions	191,191	215,300	50,200
13 Refunds, awards, and indemnities	48,999	31,200	23,000
15 Taxes and assessments	6,139	7,700	1,300
Subtotal	5,514,587	7,350,800	5,506,900
Deduct quarters and subsistence charges	23,488	23,300	
Total obligations	5,491,099	7,327,500	5,506,900

PAYMENT TO ALASKA, ALASKA GAME LAW

(Indefinite special fund)

Appropriated (est.) 1960, **$10,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Payment to Alaska (object class 11)	$95,279	$10,000	
Financing:			
Appropriation (new obligational authority)	95,279	10,000	

Of the revenue from licenses, permits, forfeitures, etc., under the Alaska game law, 50% is remitted to Alaska for covering into the Territorial school fund (48 U.S.C. 199k). This activity will be discontinued in 1961 as the result of Alaska assuming responsibility for fish and game functions effective January 1, 1960, under the Alaska Statehood Act.

PAYMENTS TO COUNTIES FROM RECEIPTS UNDER MIGRATORY BIRD CONSERVATION ACT

(Indefinite special fund)

Appropriated (est.) 1960, **$506,182** Estimate 1961, **$497,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Payments to counties (object class 11)	$506,463	$506,182	$497,000
Financing:			
Appropriation (new obligational authority)	506,463	506,182	497,000

Of the net proceeds from sales of refuge products 25% is paid to counties in which the refuges are located for the benefit of public schools and roads (16 U.S.C. 715s).

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FISH AND WILDLIFE SERVICE—Continued

BUREAU OF SPORT FISHERIES AND WILDLIFE—Continued

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Replacement of personal property sold	$191,218	$60,000	$60,000
2. Miscellaneous services to other accounts	1,178,666	1,301,488	1,263,700
Total obligations	1,369,884	1,361,488	1,323,700
Financing:			
Unobligated balance brought forward	20,089	21,988	
Advances and reimbursements from—			
Other accounts	797,784	694,500	668,700
Non-Federal sources	573,999	645,000	655,000
Unobligated balance carried forward	−21,988		
Total financing	1,369,884	1,361,488	1,323,700

NOTE.—Reimbursements from non-Federal sources above are from the proceeds of sale of personal property (40 U.S.C. 481(c)); to provide assistance to, and cooperate with, Federal, State, and public or private agencies and organizations in controlling losses of wildlife, in minimizing damages from overabundant species, including acceptance of funds in furtherance of the purposes of the Act of August 12, 1958 (72 Stat. 563–564).

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	172	205	203
Full-time equivalent of all other positions	8	12	12
Average number of all employees	170	185	180
Number of employees at end of year	74	91	87
Average GS grade and salary	7.7 $5,935	7.9 $6,065	7.9 $6,088
Average salary of ungraded positions	$4,149	$4,202	$4,209
01 Personal services:			
Permanent positions	$796,067	$778,500	$760,900
Positions other than permanent	35,985	51,300	52,100
Other personal services	4,011	14,000	13,600
Total personal services	836,063	843,800	826,600
02 Travel	175,298	169,500	158,000
03 Transportation of things	617	4,000	4,000
04 Communication services	2,699	20,500	19,700
05 Rents and utility services	2,615	10,000	10,000
06 Printing and reproduction	519	1,500	1,500
07 Other contractual services	62,558	43,400	47,000
08 Supplies and materials	32,014	157,788	151,500
09 Equipment	198,060	67,000	62,000
10 Lands and structures	49,526		
11 Grants, subsidies, and contributions	9,594	55,000	54,300
13 Refunds, awards, and indemnities	314		
15 Taxes and assessments	7	1,100	1,200
Subtotal	1,369,884	1,373,588	1,335,800
Deduct quarters and subsistence charges		12,100	12,100
Total obligations	1,369,884	1,361,488	1,323,700

Proposed for later transmission:

CONSTRUCTION

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Sportfish facilities		$65,000	
Financing:			
Proposed supplemental appropriation		65,000	

Under existing legislation, 1960.—A supplemental appropriation for 1960 in the amount of $65,000 is anticipated as a result of an earthquake in Montana, on August 17, 1959, which damaged two fish cultural stations.

BUREAU OF COMMERCIAL FISHERIES

Current authorizations:

MANAGEMENT AND INVESTIGATIONS OF RESOURCES

For expenses necessary for scientific and economic studies, conservation, management, investigation, protection, and utilization of commercial fishery resources, including whales, sea lions, and related aquatic plants and products; collection, compilation, and publication of information concerning such resources; promotion of education and training of fishery personnel; and the performance of other functions related thereto, as authorized by law; [$6,345,000; and, in addition, there are appropriated not to exceed $398,000 of the proceeds covered into the Treasury from the sale of sealskins and other products, for management and investigations, of the commercial fishery resources of Alaska, including construction] *$6,249,000. (5 U.S.C. 133i; 15 U.S.C. 521–522; 16 U.S.C. 631i, 659, 661–666c, 667–668d, 721–731, 744–751, 755–759, 760a–760b, 772–772i, 776–776f, 781–785, 916–916l, 921, 951–961, 981–991; 48 U.S.C. 220–247; Act of May 21, 1930, 46 Stat. 371; Act of May 19, 1949, 63 Stat. 70; Act of Aug. 19, 1950, 64 Stat. 467; Act of July 1, 1954, 68 Stat. 376; Act of Aug. 12, 1954, 68 Stat. 698; Act of Aug. 8, 1956, 70 Stat. 1119; Act of Aug. 8, 1956, 70 Stat. 1126; Act of July 11, 1957, 71 Stat. 293; Act of July 24, 1957, 71 Stat. 310; Act of Sept. 4, 1957, 71 Stat. 617; Act of Aug. 1, 1958, 72 Stat. 479; Act of Aug. 12, 1958, 72 Stat. 563; Act of Sept. 2, 1958, 72 Stat. 1685; Act of Sept. 2, 1958, 72 Stat. 1710; Act of Sept. 16, 1959, 73 Stat. 563; Department of the Interior and Related Agencies Appropriation Act, 1960.*)

Appropriated 1960: Estimate 1961, [a] **$6,249,000**
Definite, **$6,345,000**
Indefinite, **$398,000**

[a] Excludes $33,900 for activities transferred in the estimates to "General administrative expenses," Bureau of Commercial Fisheries. The amounts obligated in 1959 and 1960 are shown in the schedules as comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Management	$140,762	$320,000	$355,700
2. Marketing and technology	1,497,186	1,922,400	2,046,400
3. Research	3,171,156	3,375,600	3,502,900
4. Research on fish migration over dams	291,392	291,200	293,700
5. Administration of Alaska fisheries	1,603,293	749,900	
6. Fishing vessel mortgage insurance		50,000	50,300
7. 1959 program obligated in 1958	−57,214		
Total obligations	6,646,575	6,709,100	6,249,000
Financing:			
Comparative transfers from (−) or to other accounts	−2,523	33,900	
1959 appropriation available in 1958	57,214		
Unobligated balance no longer available	23,855		
New obligational authority	6,725,121	6,743,000	6,249,000
New obligational authority:			
Appropriation:			
Definite	$6,270,500	$6,345,000	$6,249,000
Indefinite:			
General	153,996		
Special		398,000	
Transferred from "Administration of Pribilof Islands," Bureau of Commercial Fisheries (indefinite) (72 Stat. 785)	300,625		
Appropriation (adjusted):			
Definite	6,270,500	6,345,000	6,249,000
Indefinite	454,621	398,000	

1. *Management.*—This activity covers enforcement of international agreements pertaining to fish and whales.

2. *Marketing and technology.*—This includes (*a*) collecting and disseminating economic data on the fishing industry, including business trends and foreign trade; (*b*) exploring for fish and improving fishing gear and methods; (*c*) operation of market news offices; (*d*) compiling and publishing commercial fishery statistics; and (*e*) developing and demonstrating more efficient means of handling, processing, storing, and marketing, including inspection

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and grading, of fishery products. Funds for this activity are supplemented by moneys appropriated under the permanent account Promote and develop fishery products and research pertaining to American fisheries. In 1959, these supplementary funds totaled $2,269,833. It is estimated they will amount to $1,989,290 in 1960 and $1,911,000 in 1961.

3. *Research.*—Research is conducted (*a*) to learn more about variations in abundance of important commercial food fishes and other aquatic animals; (*b*) to discover declining species and better measures for conserving, developing, and managing fishery resources; (*c*) to improve cultivation of aquatic animals, including shellfish; and (*d*) in the design of fish protective devices. Funds for this activity are supplemented by moneys appropriated under the permanent account Promote and develop fishery products and research pertaining to American fisheries. In 1959, these supplementary funds totaled $2,424,432. It is estimated they will amount to $2,753,485 in 1960 and $2,644,800 in 1961.

4. *Research on fish migration over dams.*—Investigations are conducted to determine factors influencing direction and rate of movement of anadromous fish over dams, so that these factors may be considered in designing future dams.

5. *Administration of Alaska fisheries.*—This activity covering administration of Alaska commercial fisheries including review of, and enforcement of national and international regulations, will be eliminated in 1961 because of transfer of certain functions to the State of Alaska, effective January 1, 1960, and the shift of the financing of continuing Federal functions to other activities.

6. *Fishing vessel mortgage insurance.*—This activity provides for administration of the fishing vessel mortgage insurance program, designed to aid the fishing industry to finance the construction of fishing vessels.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	624	690	622
Full-time equivalent of all other positions	104	78	56
Average number of all employees	724	701	672
Number of employees at end of year	866	860	815
Average GS grade and salary	7.6 $5,854	7.8 $5,959	7.8 $5,983
Average salary of ungraded positions	$4,131	$4,143	$4,031
01 Personal services:			
Permanent positions	$3,704,295	$3,891,100	$3,715,900
Positions other than permanent	582,326	451,700	229,300
Other personal services	204,634	185,500	148,800
Total personal services	4,491,255	4,528,300	4,094,000
02 Travel	273,371	293,200	246,700
03 Transportation of things	43,588	61,075	31,400
04 Communication services	125,216	161,500	179,800
05 Rents and utility services	101,753	116,600	103,600
06 Printing and reproduction	68,695	95,800	120,900
07 Other contractual services	611,371	707,800	760,800
08 Supplies and materials	615,360	361,800	333,800
09 Equipment	133,188	120,500	133,900
10 Lands and structures	647		
11 Grants, subsidies, and contributions	222,854	259,000	241,475
13 Refunds, awards, and indemnities	2,780	2,100	1,700
15 Taxes and assessments	18,560	4,700	4,200
1959 program obligated in 1958	−57,214		
Subtotal	6,651,424	6,712,375	6,252,275
Deduct quarters and subsistence charges	4,849	3,275	3,275
Total obligations	6,646,575	6,709,100	6,249,000

CONSTRUCTION

For construction and acquisition of buildings and other facilities required for the conservation, management, investigation, protection, and utilization of commercial fishery resources and the acquisition of lands and interests therein, [$345,000] *$2,400,000*, to remain available until expended. (*5 U.S.C. 133t; 16 U.S.C. 661–666c, 755–757, 921; Act of May 21, 1930, 46 Stat. 371; Act of July 1, 1954, 68 Stat. 376; Act of Aug. 8, 1956, 70 Stat. 1119; Department of the Interior and Related Agencies Appropriation Act, 1960.*)

Appropriated 1960, **$345,000** Estimate 1961, **$2,400,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Fishery facilities (total obligations)	$1,071,561	$636,729	$2,400,000
Financing:			
Unobligated balance brought forward	−863,290	−291,729	
Unobligated balance carried forward	291,729		
Appropriation (new obligational authority)	500,000	345,000	2,400,000

Projects proposed for 1961 are for construction of an offshore research vessel to replace the *Albatross III*; construction of a vessel for the Great Lakes exploratory fishing and gear research program; design of a biological laboratory at Seattle, Wash.; quarters construction at Brooks Lake, Alaska; and rehabilitation of, repairs to, or improvements to facilities at Woods Hole, Mass.; Little Port Walter, Alaska; Galveston, Tex.; Boothbay Harbor, Maine; and Beaufort, N.C.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	7		
Full-time equivalent of all other positions	3	1	
Average number of all employees	6	1	
Number of employees at end of year	0	0	
Average GS grade and salary	7.6 $5,854	7.8 $5,959	
01 Personal services:			
Permanent positions	$22,620	$5,000	
Positions other than permanent	22,388	4,677	
Other personal services	436		
Total personal services	45,444	9,677	
02 Travel	2,249	327	$4,000
03 Transportation of things	7,248	100	15,000
04 Communication services	287	100	200
05 Rents and utility services	4		
06 Printing and reproduction	247		
07 Other contractual services	447,276	204,000	63,800
08 Supplies and materials	48,865	2,000	25,000
09 Equipment	72,332	80,225	2,087,000
10 Lands and structures	445,789	340,000	205,000
11 Grants, subsidies, and contributions	1,239	300	
15 Taxes and assessments	581		
Total obligations	1,071,561	636,729	2,400,000

GENERAL ADMINISTRATIVE EXPENSES

For expenses necessary for general administration of the Bureau of Commercial Fisheries, including such expenses in the regional offices, [$325,000] *$361,000*. (*5 U.S.C. 133t; Act of Aug. 8, 1956, 70 Stat. 1119; Department of the Interior and Related Agencies Appropriation Act, 1960.*)

Appropriated 1960, **$325,000** Estimate 1961, [a] **$361,000**

[a] Includes $33,900 for activities previously carried under "Management and investigations of resources," Bureau of Commercial Fisheries. The amounts obligated in 1959 and 1960 are shown in the schedules as comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Departmental expense	$183,305	$188,000	$189,100
2. Regional office expense	170,327	170,900	171,900
Total obligations	353,632	358,900	361,000
Financing:			
Comparative transfers from (−) other accounts	−166,100	−33,900	
Unobligated balance no longer available	968		
Appropriation (new obligational authority)	188,500	325,000	361,000

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FISH AND WILDLIFE SERVICE—Continued

BUREAU OF COMMERCIAL FISHERIES—Continued

Current authorizations—Continued

GENERAL ADMINISTRATIVE EXPENSES—continued

1. *Departmental expense.*—This expense is for general administration at the Bureau headquarters, Washington, D.C.

2. *Regional office expense.*—This is for administrative expense in the regional offices. Such expense incidental to programs financed by permanent and indefinite appropriations is paid from those appropriations.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	37	38	38
Average number of all employees	34	37	37
Number of employees at end of year	43	38	38
Average GS grade and salary	7.6 $5,854	7.8 $5,959	7.8 $5,983
01 Personal services:			
Permanent positions	$233,647	$282,700	$285,000
Positions other than permanent	5,574		
Other personal services	18,644	14,900	14,000
Total personal services	257,865	297,600	299,000
02 Travel	20,920	20,600	20,400
03 Transportation of things	2,122	100	100
04 Communication services	10,911	6,700	6,300
05 Rents and utility services	3,559	1,500	1,300
06 Printing and reproduction	5,213	2,200	2,000
07 Other contractual services	6,140	8,500	10,400
08 Supplies and materials	11,740	3,000	2,800
09 Equipment	16,952		
11 Grants, subsidies, and contributions	15,813	18,700	18,700
13 Refunds, awards, and indemnities	300		
15 Taxes and assessments	2,097		
Total obligations	353,632	358,900	361,000

ADMINISTRATION OF PRIBILOF ISLANDS

(Receipt limitation, indefinite)

For carrying out the provisions of the Act of February 26, 1944, as amended (16 U.S.C. 631a–631q), there are appropriated amounts not to exceed [$1,940,000] *$2,070,000*, to be derived from Pribilof Islands fund. *(5 U.S.C. 133t; Act of Aug. 8, 1956, 70 Stat. 1119; Act of July 7, 1958, 72 Stat. 339; Act of June 25, 1959, 73 Stat. 141; Department of the Interior and Related Agencies Appropriation Act, 1960.)*

Appropriated 1960, **$1,940,000** Estimate 1961, **$2,070,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Administration of Pribilof Islands (total obligations)	$1,721,906	$1,940,000	$2,070,000
Financing:			
Unobligated balance brought forward	−1,180,872	−198,147	
Unobligated balance carried forward	198,147		
Unobligated balance no longer available		198,147	
Appropriation (new obligational authority)	739,181	1,940,000	2,070,000
New obligational authority:			
Appropriation	$1,340,431	$1,940,000	$2,070,000
Tranferred (72 Stat. 785) to—			
"Management and investigations of resources," Bureau of Sport Fisheries and Wildlife	−300,625		
"Management and investigations of resources," Bureau of Commercial Fisheries	−300,625		
Appropriation (adjusted)	739,181	1,940,000	2,070,000

Administration of Pribilof Islands.—Part of the proceeds from sales of fur sealskins and other wildlife products of the Pribilof Islands is used for (*a*) management of the Alaska fur-seal herd; (*b*) furnishing schooling, medical attention, and other community services to some 600 natives of the islands; (*c*) operation of a byproducts plant for utilizing fur-seal carcasses; (*d*) maintenance of buildings and roads; and (*e*) maintenance and operation of a supply vessel.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	226	227	229
Full-time equivalent of all other positions	38	38	37
Average number of all employees	254	253	254
Number of employees at end of year	352	350	350
Average GS grade and salary	7.6 $5,854	7.8 $5,959	7.8 $5,983
Average salary of ungraded positions	$4,131	$4,143	$4,031
01 Personal services:			
Permanent positions	$694,692	$683,700	$717,900
Positions other than permanent	181,112	188,800	187,000
Other personal services	100,187	120,800	120,000
Total personal services	975,991	993,300	1,024,900
02 Travel	22,113	33,500	33,500
03 Transportation of things	27,893	33,200	33,700
04 Communication services	2,887	2,100	2,200
05 Rents and utility services	7,256	5,300	5,300
06 Printing and reproduction	349	4,000	3,800
07 Other contractual services	236,720	323,900	275,100
08 Supplies and materials	507,605	473,400	507,600
09 Equipment	11,534	9,000	12,400
10 Lands and structures	8,902	193,000	304,500
11 Grants, subsidies, and contributions	33,901	51,200	53,900
13 Refunds, awards, and indemnities	54,197		
15 Taxes and assessments	3,613	4,300	4,300
Subtotal	1,892,961	2,126,200	2,261,200
Deduct quarters and subsistenee charges	171,055	186,200	191,200
Total obligations	1,721,906	1,940,000	2,070,000

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriations as follows:
"Construction, general," rivers and harbors and flood control, Army—Civil.
"Operation and maintenance, general," rivers and harbors and flood control, Army—Civil.
"Passamaquoddy tidal power survey," Department of State.

Permanent authorizations:

PROMOTE AND DEVELOP FISHERY PRODUCTS AND RESEARCH PERTAINING TO AMERICAN FISHERIES

(Indefinite)

Appropriated 1960, **$0** Estimate 1961, **$0**
Appropriated (adj.) 1960, **$4,993,642**
Estimate (adj.) 1961, **$4,800,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Marketing and technology	$2,269,833	$1,989,290	$1,911,000
2. Research	2,424,432	2,753,485	2,644,800
3. General administrative services	314,636	322,800	322,800
Total obligations	5,008,901	5,065,575	4,878,600
Financing:			
Unobligated balance brought forward	−373,067	−150,581	−78,648
Unobligated balance carried forward	150,581	78,648	48
New obligational authority	4,786,415	4,993,642	4,800,000
New obligational authority:			
Appropriation	$0	$0	$0
Transferred from "Removal of surplus agricultural commodities," Agricultural Marketing Service, Department of Agriculture (15 U.S.C. 713c-3, as amended)	4,786,415	4,993,642	4,800,000
Appropriation (adjusted)	4,786,415	4,993,642	4,800,000

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An amount equal to 30% of the gross receipts from customs duties on fishery products is appropriated for—

1. *Marketing and technology.*—These funds supplement moneys appropriated to Bureau of Commercial Fisheries for the same purpose under the appropriation for Management and investigations of resources.

2. *Research.*—These funds supplement moneys appropriated for the same purpose under the appropriation for Management and investigations of resources.

3. *General administrative services.*—These funds also cover the expense of the American Fisheries Advisory Committee (68 Stat. 376).

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	500	454	451
Full-time equivalent of all other employees	51	38	38
Average number of all employees	509	477	480
Number of employees at end of year	553	535	550
Average GS grade and salary	7.6 $5,854	7.8 $5,959	7.8 $5,983
Average salary of ungraded positions	$4,131	$4,143	$4,031
01 Personal services:			
Permanent positions	$2,585,134	$2,551,600	$2,633,800
Positions other than permanent	237,037	215,900	220,000
Other personal services	83,951	88,900	83,700
Total personal services	2,906,122	2,856,400	2,937,500
02 Travel	275,725	249,000	252,500
03 Transportation of things	45,599	40,900	38,700
04 Communication services	97,050	56,000	56,600
05 Rents and utility services	63,166	68,200	70,000
06 Printing and reproduction	94,382	100,800	93,400
07 Other contractual services	712,416	1,045,089	824,814
08 Supplies and materials	460,829	345,700	335,000
09 Equipment	144,219	131,700	94,600
10 Lands and structures	43,905		
11 Grants, subsidies, and contributions	153,369	169,700	173,600
13 Refunds, awards, and indemnities	3,460	1,700	1,600
15 Taxes and assessments	8,659	1,400	1,300
Subtotal	5,008,901	5,066,589	4,879,614
Deduct quarters and subsistence charges		1,014	1,014
Total obligations	5,008,901	5,065,575	4,878,600

PRIBILOF ISLANDS FUND

(Indefinite special fund)

Amounts Available for Appropriation

	1959 actual	1960 estimate	1961 estimate
Unappropriated balance brought forward		$3,384,354	$2,348,520
Receipts	[a] $3,384,354	2,384,085	2,384,085
Total available for appropriation	3,384,354	5,768,439	4,732,605
Deduct appropriation for—			
"Administration of Pribilof Islands"		1,940,000	2,070,000
"Payment to Alaska from Pribilof Islands receipts"		813,919	310,859
"Management and investigation of resources," Bureau of Sport Fisheries and Wildlife		268,000	
"Management and investigation of resources," Bureau of Commercial Fisheries		398,000	
Unappropriated balance carried forward	3,384,354	2,348,520	2,351,746

[a] Includes $499,706 of June 7, 1958, sales deposited in 1959 and not available for payment to the State of Alaska.

This fund is derived from the receipts of the sales of fur sealskins and other wildlife products of the Pribilof Islands, and is available for appropriation for Administration of the Pribilof Islands, and Payment to Alaska from Pribilof Islands receipts. In 1960, these funds were also appropriated to supplement the Management and investigation of resources appropriations for both the Bureau of Sport Fisheries and Wildlife and the Bureau of Commercial Fisheries but the 1961 program is based on their use entirely for the Administration of the Pribilof Islands and Payment to Alaska as required by law (72 Stat. 339).

PAYMENT TO ALASKA FROM PRIBILOF ISLANDS RECEIPTS

(Indefinite special fund)

Appropriated (est.) 1960, **$813,919** Estimate 1961, **$310,859**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Payment to Alaska (object class 11)		$813,919	$310,859
Financing:			
Appropriation (new obligational authority)		813,919	310,859

This appropriation provides for payment to the State of Alaska of 70% of the net proceeds from sales of fur sealskins and other wildlife products of the Pribilof Islands pursuant to the Alaska Statehood Act (72 Stat. 339).

Public enterprise funds:

FEDERAL SHIP MORTGAGE INSURANCE FOR FISHING VESSELS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Financing:			
Amounts becoming available: Premiums and inspection fees		$10,000	$72,000
Unobligated balance brought forward			10,000
Total amounts available		10,000	82,000
Unobligated balance carried forward		−10,000	−82,000
Financing applied to program			

This fund provides for the deposit of premiums and fees collected under the fishing vessel mortgage insurance program for use in cases of default (46 U.S.C. 1271–1279; act of Aug. 8, 1956, 70 Stat. 1119; determination of the Bureau of the Budget, dated Mar. 22, 1958, 23 F.R. 2304).

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Receipts from operations (funds provided):			
Premium and inspection fees		$10,000	$72,000
Budget expenditures		−10,000	−72,000

Revenue, Expense, and Retained Earnings

Revenue (net operating income)		$10,000	$72,000
Retained earnings, beginning of year			10,000
Retained earnings, end of year		10,000	82,000

Financial Condition

Assets:			
Cash with Treasury and in banks		$10,000	$82,000
Government investment:			
Retained earnings		10,000	82,000

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash			$10,000	$82,000
Unobligated balance			10,000	82,000

NOTE.—Contingent liability for insurance in force: June 30, 1960, $0; 1961, $4,000,000.

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FISH AND WILDLIFE SERVICE—Continued

BUREAU OF COMMERCIAL FISHERIES—Continued

Public enterprise funds—Continued

[FISHERIES LOAN FUND]

[For additional capital for the fisheries loan fund, $3,000,000.] *(Act of Aug. 8, 1956, 70 Stat. 1119; Act of Sept. 2, 1958, 72 Stat. 1710; Department of the Interior and Related Agencies Appropriation Act, 1960.)*

Appropriated 1960, **$3,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Fisheries loan commitments	$1,098,880	$2,255,738	$2,255,000
2. Administrative expenses	219,424	250,000	250,000
Total program (obligations)	1,318,304	2,505,738	2,505,000
Financing:			
Amounts becoming available:			
Appropriation		3,000,000	
Collection of loans	664,381	700,000	750,000
Interest on loans	219,239	290,000	300,000
Payments on judgments receivable		45,000	45,000
Sale of vessel acquired in foreclosure		13,500	
Total amounts becoming available	883,620	4,048,500	1,095,000
Unobligated balance brought forward	4,686,752	4,252,068	5,794,830
Total amounts available	5,570,372	8,300,568	6,889,830
Unobligated balance carried forward	−4,252,068	−5,794,830	−4,384,830
Financing applied to program	1,318,304	2,505,738	2,505,000

This fund is used for making loans to segments of the fishing industry unable to obtain commercial loans on reasonable terms for financing and refinancing operations, maintenance, replacement, repair, and equipment of fishing gear and vessels, and for research into basic problems of fisheries. Loans bear interest of 5% annually and will mature in not more than 10 years. Loan commitments are made on approval of the Secretary of the Interior, and referred to the Small Business Administration for closing in the field and rendering loan servicing functions required, including actual obligation of the funds (70 Stat. 1119).

Budget program—Loan commitments.—It is estimated that this program can be carried through 1961 without additional financing. As of August 31, 1959, a total of 615 applications amounting to $19.9 million had been received. Of these 331 loans totaling $7.9 million had been approved and 155 applications amounting to $4.4 million had been declined.

Administrative expenses.—These expenses include processing of loan applications, closing of loans, and collection of repayment and interest.

Financing.—An appropriation of $10 million was made in 1957 to provide initial capital for the fund. An additional $3 million was appropriated for 1960. Additional financing is provided from repayments and interest on outstanding loans.

Operating results.—The existing deficit is expected to be eliminated by future interest earnings.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Loans made	$1,308,604	$2,663,000	$2,300,000
Administrative expenses	219,424	250,000	250,000
Increase in selected working capital	39,924	3,686	5,000
Total gross expenditures	1,567,952	2,916,686	2,555,000

Sources and Application of Funds (Operations)—Continued

	1959 actual	1960 estimate	1961 estimate
Receipts from operations (funds provided):			
Loan repayments	$664,381	$700,000	$750,000
Interest on loans	219,239	290,000	300,000
Payments on judgments receivable		45,000	45,000
Sale of vessel acquired in foreclosure		13,500	
Total receipts from operations	883,620	1,048,500	1,095,000
Budget expenditures	684,332	1,868,186	1,460,000

Revenue, Expense, and Retained Earnings

Revenue	$219,239	$290,000	$300,000
Expense	239,526	289,944	280,000
Net operating income or loss (−) for the year	−20,287	56	20,000
Deficit (−), beginning of year	−214,145	−234,432	−234,376
Deficit (−), end of year	−234,432	−234,376	−214,376

Financial Condition

Assets:			
Cash with Treasury and in banks	$5,145,816	$6,277,630	$4,817,630
Accounts receivable, net	69,918	74,200	84,200
Advances	800	800	800
Loans receivable	4,445,067	6,368,123	7,888,123
Judgments receivable	109,871	64,871	19,871
Vessel acquired in foreclosure	13,500		
Total assets	9,784,972	12,785,624	12,810,624
Liabilities:			
Current	19,404	20,000	25,000
Government investment:			
Non-interest-bearing capital:			
Start of year	10,000,000	10,000,000	13,000,000
Appropriation during year		3,000,000	
End of year	10,000.000	13,000,000	13,000,000
Deficit (−)	−234,432	−234,376	−214,376
Total Government investment	9,765,568	12,765,624	12,785,624

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash	$5,830,148	$5,145,816	$6,277,630	$4,817,630
Obligated balance, net:				
Current liabilities	23,111	19,404	20,000	25,000
Undisbursed loan obligations	1,153,836	944,262	537,000	492,000
Accounts receivable, net (−)	−33,551	−69,918	−74,200	−84,200
Total obligated balance	1,143,396	893,748	482,800	432,800
Unobligated balance	4,686,752	4,252,068	5,794,830	4,384,830

NOTE.—Undisbursed loan commitments for which final agreements have not been executed nor obligations recorded are as follows: June 30, 1958, $709,592; 1959, $425,885; 1960, $500,000; and 1961, $500,000.

LIMITATION ON ADMINISTRATIVE EXPENSES, FISHERIES LOAN FUND

During the current fiscal year not to exceed **[**$313,000**]** *$250,000* of the Fisheries loan fund shall be available for administrative expenses. *(Act of Sept. 2, 1958, 72 Stat. 1710; Department of the Interior and Related Agencies Appropriation Act, 1960.)*

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Administrative expenses (total obligations)	$219,680	$250,000	$250,000
Financing:			
Unobligated balance no longer available	93,320	63,000	
Limitation	313,000	313,000	250,000

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Object Classification

	1959 actual		1960 estimate		1961 estimate	
BUREAU OF COMMERCIAL FISHERIES						
Total number of permanent positions		12		12		12
Average number of all employees		12		12		12
Number of employees at end of year		12		12		12
Average GS grade and salary	7.6	$5,854	7.8	$5,959	7.8	$5,983
01 Personal services:						
Permanent positions		$81,618		$84,450		$86,960
Positions other than permanent		690				
Other personal services		904		1,850		1,540
Total personal services		83,212		86,300		88,500
02 Travel		13,913		16,800		16,400
03 Transportation of things		98		2,100		1,100
04 Communication services		5,392		6,400		8,900
05 Rents and utility services		1,304		2,100		2,100
06 Printing and reproduction		936		6,000		7,900
07 Other contractual services		4,577		7,500		9,800
08 Supplies and materials		676		9,700		3,100
09 Equipment		5,576		7,600		6,600
11 Grants, subsidies, and contributions		5,451		5,500		5,600
15 Taxes and assessments		90				
Total, Bureau of Commercial Fisheries		121,225		150,000		150,000
ALLOCATION TO SMALL BUSINESS ADMINISTRATION						
Total number of permanent positions		15		12		12
Average number of all employees		14		12		12
Number of employees at end of year		15		12		12
Average GS grade and salary	7.5	$6,176	7.7	$6,368	7.7	$6,369
01 Personal services:						
Permanent positions		$87,787		$74,900		$74,900
Other personal services		424		700		400
Total personal services		88,211		75,600		75,300
02 Travel		1,547		8,500		8,800
04 Communication services		344		2,100		2,100
07 Other contractual services		2,588		6,000		6,000
08 Supplies and materials		50		2,900		2,900
11 Grants, subsidies, and contributions		5,715		4,900		4,900
Total, Small Business Administration		98,455		100,000		100,000
Total obligations		219,680		250,000		250,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Replacement of personal property sold	$8,452	$10,000	$10,000
2. Miscellaneous services to other accounts	299,359	564,000	515,000
Total obligations	307,811	574,000	525,000
Financing:			
Unobligated balance brought forward	3,508		
Advances and reimbursements from—			
Other accounts	258,661	564,000	515,000
Non-Federal sources (40 U.S.C. 481 (c); 58 Stat. 104)	45,642	10,000	10,000
Total financing	307,811	574,000	525,000

Object Classification

Total number of permanent positions		23		56		50
Full-time equivalent of all other positions		1		5		5
Average number of all employees		18		56		53
Number of employees at end of year		23		42		42
Average GS grade and salary	7.6	$5,854	7.8	$5,959	7.8	$5,983
Average salary of ungraded positions		$4,131		$4,143		$4,031
01 Personal services:						
Permanent positions		$107,308		$297,500		$290,000
Positions other than permanent		3,100		27,800		27,800
Other personal services		358		15,100		14,500
Total personal services		110,766		340,400		332,300
02 Travel		5,138		52,100		47,000
03 Transportation of things		73		4,500		4,500
04 Communication services		312		5,700		3,700
05 Rents and utility services		3,820		11,100		11,100

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
06 Printing and reproduction	$421	$1,400	$1,500
07 Other contractual services	156,327	91,500	76,000
08 Supplies and material	11,168	32,600	18,800
09 Equipment	10,510	17,600	13,100
11 Grants, subsidies, and contributions	5,446	17,200	17,100
13 Refunds, awards, and indemnities	3,658		
15 Taxes and assessments	172	200	200
Subtotal	307,811	574,300	525,300
Deduct quarters and subsistence charges		300	300
Total obligations	307,811	574,000	525,000

ADMINISTRATIVE PROVISIONS

Appropriations and funds available to the Fish and Wildlife Service shall be available for purchase of not to exceed one hundred and [eight] *one* passenger motor vehicles of which [one hundred and two] *eighty-nine* shall be for replacement only; purchase of not to exceed [two] *three* aircraft for replacement only, not to exceed $30,000 for payment, in the discretion of the Secretary, for information or evidence concerning violations of laws administered by the Fish and Wildlife Service; publication and distribution of bulletins as authorized by law (7 U.S.C. 417); rations or commutation of rations for officers and crews of vessels at rates not to exceed $3 per man per day; repair of damage to public roads within and adjacent to reservation areas caused by operations of the Fish and Wildlife Service; options for the purchase of land at not to exceed $1 for each option; facilities incident to such public recreational uses on conservation areas as are not inconsistent with their primary purposes; and the maintenance and improvement of aquaria, buildings, and other facilities under the jurisdiction of the Fish and Wildlife Service and to which the United States has title, and which are utilized pursuant to law in connection with management and investigation of fish and wildlife resources. (*Department of the Interior and Related Agencies Appropriation Act, 1960.*)

OFFICE OF TERRITORIES

The Office promotes economic and political development in territorial trusteeship areas under U.S. jurisdiction. It originates and implements Federal policy, guides and coordinates certain operating programs, provides information and advice, and participates in foreign policy matters concerning the territories. In addition, the Office represents the governors in Washington; supervises the Alaska Railroad, and public works in Alaska and the Virgin Islands; and assists the Virgin Islands Corporation.

Current authorizations:

ADMINISTRATION OF TERRITORIES

For expenses necessary for the administration of Territories and for the departmental administration of the Trust Territory of the Pacific Islands, under the jurisdiction of the Department of the Interior, including expenses of the offices of the Governors of [Hawaii,] Guam[,] and American Samoa, as authorized by law (48 U.S.C., secs. [531,] 1422, 1431a(c))[, and for the purchase of one passenger motor vehicle (at not to exceed $4,000)]; salaries of the Governor of the Virgin Islands, the Government Secretary, the Government Comptroller, and the members of their immediate staffs as authorized by law (48 U.S.C. 1591, 72 Stat. 1095); compensation and mileage of members of the legislatures in [Hawaii,] Guam, American Samoa, and the Virgin Islands as authorized by law (48 U.S.C., secs. [599,] 1421d(e), 1431a(c), and 1572e); compensation and expenses of the judiciary in American Samoa as authorized by law (48 U.S.C. 1431a(c)); grants to American Samoa, in addition to current local revenues, for support of governmental functions; and personal services, household equipment and furnishings, and utilities necessary in the operation of the houses of the Governors of [Hawaii,] Guam[,] and American Samoa; [$2,606,000] *$2,560,000*: *Provided*, That the Territorial and local governments herein provided for are authorized to make purchases through the General Services Administration: *Provided further*, That appropriations available for the administration of Territories

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OFFICE OF TERRITORIES—Continued

Current authorizations—Continued

ADMINISTRATION OF TERRITORIES—Continued

may be expended for the purchase, charter, maintenance, and operation of aircraft and surface vessels for official purposes and for commercial transportation purposes found by the Secretary to be necessary. *(Executive Orders 6726, 10077, 10137; 48 U.S.C. 1391, 1421–1426b; Department of the Interior and Related Agencies Appropriation Act, 1960.)*

Appropriated 1960, **$2,606,000** Estimate 1961, **$2,560,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Territory of Alaska:			
(a) Governor's office	$52,000		
2. Territory of Hawaii:			
(a) Governor's office	56,508	$15,100	
(b) Legislative expense	77,649		
3. Virgin Islands:			
(a) Governor's office	71,514	81,725	$71,510
(b) Legislative expense	8,784	12,600	12,600
(c) Comptroller's office		180,000	176,425
4. Guam:			
(a) Governor's office	92,035	97,500	97,900
(b) Legislative expense	20,880	23,300	23,300
5. American Samoa:			
(a) Governor's office	65,325	70,325	84,800
(b) Legislative expense	24,942	28,000	28,000
(c) Chief justice and high court	29,469	42,525	42,525
(d) Grants	1,219,400	1,708,700	1,771,800
6. Canton Island administration	9,485	14,225	14,340
7. General administration	312,460	294,000	236,800
Total obligations	2,040,451	2,568,000	2,560,000
Financing:			
Unobligated balance no longer available	59,549	38,000	
Appropriation (new obligational authority)	2,100,000	2,606,000	2,560,000

Provision is made for the expense of the Office of Territories, and for support of the governments of the Virgin Islands, Guam, and American Samoa.

The budget no longer provides for expenses of the Office of the Governor of Hawaii due to statehood.

The grant to American Samoa is made to supplement local revenue for the operation of the government, the costs of which are distributed as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Function:			
1. Health, education, and welfare	$858,148	$928,330	$984,800
2. Economic and industrial development	87,262	76,500	92,650
3. Operation and maintenance	490,561	550,160	574,950
4. General administration	314,557	318,710	377,600
5. Construction	109,936	560,000	591,800
Total cost of government	1,860,464	2,433,700	2,621,800
Deduct local revenue applied	641,064	725,000	850,000
Total grants	1,219,400	1,708,700	1,771,800

Object Classification

	1959 actual		1960 estimate		1961 estimate	
Total number of permanent positions	78		89		79	
Full-time equivalent of all other positions	6		6		6	
Average number of all employees	68		87		79	
Number of employees at end of year	52		82		79	
Average GS grade and salary	9.1	$7,552	8.0	$6,787	7.9	$6,659
Average grade and salary established by—						
Act of July 31, 1956 (70 Stat. 740)		$19,000		$19,000		$19,000
Act of Aug. 28, 1958 (72 Stat. 1095)				$12,500		$12,500
Average salary of ungraded positions		$4,402		$3,120		$3,120
01 Personal services:						
Permanent positions		$489,943		$555,775		$500,562
Positions other than permanent		6,740		9,610		9,188
Other personal services		160,485		118,606		111,125
Total personal services		657,168		683,991		620,875
02 Travel		45,034		67,320		68,276
03 Transportation of things		3,816		5,200		9,700
04 Communication services		23,527		10,888		9,785
05 Rents and utility services		3,841		5,920		5,920
06 Printing and reproduction		13,745		8,567		6,400
07 Other contractual services		14,182		19,969		19,789
08 Supplies and materials		$18,193		$13,601		$12,400
09 Equipment		11,236		9,696		4,200
11 Grants, subsidies, and contributions		1,249,500		1,742,348		1,802,255
15 Taxes and assessments		209		500		400
Total obligations		2,040,451		2,568,000		2,560,000

TRUST TERRITORY OF THE PACIFIC ISLANDS

For expenses necessary for the Department of the Interior in administration of the Trust Territory of the Pacific Islands pursuant to the Trusteeship Agreement approved by joint resolution of July 18, 1947 (61 Stat. 397), and the Act of June 30, 1954 (68 Stat. 330), including the expenses of the High Commissioner of the Trust Territory of the Pacific Islands; compensation and expenses of the Judiciary of the Trust Territory of the Pacific Islands; grants to the Trust Territory of the Pacific Islands in addition to local revenues, for support of governmental functions; $5,225,000: *Provided*, That the revolving fund for loans to locally owned private trading enterprises shall continue to be available during the fiscal year [1960] *1961*: *Provided further*, That all financial transactions of the Trust Territory, including such transactions of all agencies or instrumentalities established or utilized by such Trust Territory, shall be audited by the General Accounting Office in accordance with the provisions of the Budget and Accounting Act, 1921 (42 Stat. 23), as amended, and the Accounting and Auditing Act of 1950 (64 Stat. 834): *Provided further*, That the government of the Trust Territory of the Pacific Islands is authorized to make purchases through the General Services Administration: *Provided further*, That appropriations available for the Administration of the Trust Territory of the Pacific Islands may be expended for the purchase, charter, maintenance, and operation of aircraft and surface vessels for official purposes and for commercial transportation purposes found by the Secretary to be necessary in carrying out the provisions of article 6(2) of the Trusteeship Agreement approved by Congress: *Provided further*, That notwithstanding the provisions of any law, the Trust Territory of the Pacific Islands is authorized to receive, during the current fiscal year, from the Department of Agriculture for distribution on the same basis as domestic distribution in any State, Territory, or possession of the United States, without exchange of funds, such surplus food commodities as may be available pursuant to section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c) and section 416 of the Agricultural Act of 1949, as amended (7 U.S.C. 1431). *(Executive Orders 10265, 10408; Department of the Interior and Related Agencies Appropriation Act, 1960.)*

Appropriated 1960, **$5,225,000** Estimate 1961, **$5,225,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. High commissioner's office	$58,317	$67,200	$67,200
2. Judiciary	57,009	67,800	67,800
3. Grants	4,742,500	5,090,000	5,090,000
Total obligations	4,857,826	5,225,000	5,225,000
Financing:			
Unobligated balance no longer available	4,274		
Appropriation (new obligational authority)	4,862,100	5,225,000	5,225,000

Under the terms of the Trusteeship Agreement with the Security Council of the United Nations, the United States exercises full jurisdiction over the territory and has undertaken to promote the political, economic, and educational advancement of the inhabitants.

The territory encompasses some 3 million square miles of ocean over which are scattered 2,141 islands with a land area of 687 square miles. The population exclusive of Saipan and Tinian is approximately 60,000. The Department of the Interior is responsible for administration of all the territory except the islands of Saipan and the Tinian group which are under Navy jurisdiction as critical defense areas.

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2. *Judiciary.*—Provision is made for the high court of the Trust Territory, the court of appeals, and the lesser courts of the territory.

3. *Grants.*—Grants are required in addition to local revenue for health, education, and other services as well as for maintaining and providing the necessary facilities of the government of the territory. The costs of government are distributed as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
(*a*) Health, education, and other services	$1,742,854	$1,821,000	$1,960,000
(*b*) Operation and maintenance	1,337,625	1,489,000	1,414,000
(*c*) Transportation services	1,483,502	1,382,000	1,277,000
(*d*) General administration	968,632	1,048,000	1,064,000
(*e*) Construction	929,733	850,000	775,000
Total	6,462,346	6,590,000	6,490,000
Deduct revenue and carryover applied	1,719,846	1,500,000	1,400,000
Total grants	4,742,500	5,090,000	5,090,000

(*a*) *Health, education, and other services.*—The government of the territory operates 6 hospitals and 3 leprosaria. There are 157 public elementary and 6 intermediate schools as well as a small central high school at Ponape. Total public school enrollment for 1959 was approximately 8,800.

(*b*) *Operation and maintenance.*—The physical plant of the government requires abnormally costly maintenance due to the tropical climate.

(*c*) *Transportation services.*—A fleet of vessels is operated under contract by private concerns to provide for the transportation of supplies, copra, trade goods, and passengers throughout the trust territory. It is anticipated that by the end of 1961 the fleet will consist of one 4,000-ton vessel for service between districts and seven smaller vessels for use within the districts. An air service between Guam and district centers is provided by three Government-owned amphibious aircraft which are operated under contract by a private concern.

(*e*) *Construction.*—An extended program was started in 1955 for construction of facilities to replace the temporary, advanced-base type plant installed by the Navy during and immediately following World War II.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	284	282	281
Full-time equivalent of all other positions	6	8	7
Average number of all employees	229	280	277
Number of employees at end of year	252	270	260
Average GS grade and salary	8.3 $6,302	8.3 $6,327	8.3 $6,352
Average salary of ungraded positions	$5,596	$5,738	$6,106
01 Personal services:			
Permanent positions	$1,365,368	$1,679,254	$1,700,323
Positions other than permanent	12,510	15,000	15,000
Other personal services	279,705	392,127	404,677
Total personal services	1,657,583	2,086,381	2,120,000
Deduct amount for Federal employees paid from grant to trust territory	1,563,356	1,974,800	2,004,500
Net personal services	94,227	111,581	115,500
02 Travel	14,744	10,794	9,725
03 Transportation of things	137	100	100
04 Communication services	28	250	250
05 Rents and utility services	165	550	350
06 Printing and reproduction		100	100
07 Other contractual services	95	1,350	350
08 Supplies and materials	2,027	3,075	1,200
09 Equipment	174	2,150	1,175
11 Grants, subsidies, and contributions	4,746,000	5,095,000	5,096,200
15 Taxes and assessments	229	50	50
Total obligations	4,857,826	5,225,000	5,225,000

Alaska Public Works

Not to exceed [$350,000] *$300,000* of appropriations heretofore granted under this head shall [remain] *be* available [until June 30, 1960,] *during the current fiscal year* for administrative expenses necessary for liquidation of the public works program carried out under the Act of August 24, 1949, as amended (48 U.S.C. 486–486j). (*Department of the Interior and Related Agencies Appropriation Act, 1960.*)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Construction	$5,904,255		
2. Administration	526,171	$350,000	$300,000
Total obligations	6,430,426	350,000	300,000
Financing:			
Unobligated balance brought forward	−1,810,701		
Recovery of prior year obligations	−369,751		
Unobligated balance no longer available	1,050,026		
New obligational authority	5,300,000	350,000	300,000
New obligational authority:			
Appropriation	$5,300,000		
Reappropriation		$350,000	$300,000

Congress authorized $70 million for a 9-year program of public works for the development of Alaska of which not less than half is to be recovered from the government of Alaska and other public bodies which request the projects. The authorization expired June 30, 1959, and activity is now confined to completion of projects underway at that time.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	58	44	19
Average number of all employees	50	31	19
Number of employees at end of year	44	19	10
Average GS grade and salary	8.8 $7,137	9.0 $7,453	9.6 $8,008
Average salary of ungraded positions	$6,559		
01 Personal services:			
Permanent positions	$354,228	$227,560	$152,153
Positions other than permanent	527		15,000
Other personal services	69,324	47,000	64,547
Total personal services	424,079	274,560	231,700
02 Travel	29,066	14,000	18,000
03 Transportation of things	5,353	11,300	15,000
04 Communication services	11,670	3,000	5,400
05 Rents and utility services	20,712	4,700	7,500
06 Printing and reproduction	1,612	1,200	1,050
07 Other contractual services	7,227	15,750	7,000
08 Supplies and materials	3,630	700	2,600
09 Equipment	930		500
10 Lands and structures	5,904,255	10,000	
11 Grants, subsidies, and contributions	21,427	14,500	11,000
15 Taxes and assessments	465	290	250
Total obligations	6,430,426	350,000	300,000

Virgin Islands Public Works

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Construction (object class 10)	$63,443		
Financing:			
Unobligated balance brought forward	−356,951	−$293,508	−$293,508
Unobligated balance carried forward	293,508	293,508	293,508
Appropriation (new obligational authority)			

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OFFICE OF TERRITORIES—Continued

Current authorizations—Continued

VIRGIN ISLANDS PUBLIC WORKS—Continued

This program is in the process of liquidation. Public works projects in the Virgin Islands are now carried out by the Virgin Islands Government under the provisions of the Revised Organic Act (48 U.S.C. 1541, 1952 ed. supp. IV).

Permanent authorizations:

INTERNAL REVENUE COLLECTIONS FOR VIRGIN ISLANDS

(Indefinite special fund)

Appropriated (est.) 1960, **$3,872,865** Estimate 1961, **$3,800,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Payment to the Virgin Islands (object class 11)	$3,872,865	$3,872,865	$3,800,000
Financing:			
Appropriation (new obligational authority)	3,872,865	3,872,865	3,800,000

The local revenue collected annually by the government of the Virgin Islands is matched by a payment out of the annual internal revenue taxes collected by the United States on Virgin Islands products transported to the United States (48 U.S.C. 1541, 1952 ed. supp. IV).

Public enterprise funds:

ALASKA RAILROAD REVOLVING FUND

The Alaska Railroad Revolving Fund shall continue available until expended for the work authorized by law, including operation and maintenance of oceangoing or coastwise vessels by ownership, charter, or arrangement with other branches of the Government service, for the purpose of providing additional facilities for transportation of freight, passengers, or mail, when deemed necessary for the benefit and development of industries or travel in the area served; and payment of compensation and expenses as authorized by section 42 of the Act of September 7, 1916 (5 U.S.C. 793), to be reimbursed as therein provided: *Provided*, That no employee shall be paid an annual salary out of said fund in excess of the [minimum] *salaries* prescribed by the Classification Act of 1949, as amended, for grade GS–15, except the general manager of said railroad, one assistant general manager at not to exceed the [minimum] *salaries* prescribed by said Act for GS–17, and five officers at not to exceed the [minimum] *salaries* prescribed by said Act for grade GS–16. (*48 U.S.C. 301–308; Department of the Interior and Related Agencies Appropriation Act, 1960.*)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs:			
1. Rail line program:			
(*a*) Engineering branch	$2,713,078	$3,075,000	$3,075,000
(*b*) Motive power and equipment branch	3,251,102	3,800,000	3,800,000
(*c*) Division of traffic	146,329	126,000	126,000
(*d*) Division of operations	5,134,156	5,631,000	5,631,000
(*e*) Communications branch	224,787	295,000	295,000
(*f*) Incidental	456,349	436,000	436,000
(*g*) Administrative expense	964,688	944,000	944,000
2. Other programs:			
(*a*) River boats and related facilities leased	73,897	75,000	75,000
(*b*) Other nonoperating property	104,110	104,000	104,000
(*c*) Cost of material and supplies sold	42,712	33,000	33,000
(*d*) Other nonoperating expense	27,537	34,000	34,000

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
Operating costs—Continued			
3. Nonoperating costs:			
Prior year adjustment of expense	$324,639	$700,000	$600,000
Writeoff of excess inventories	395,105		
Adjustment of deferred assets	34,662		
Total operating costs	13,893,151	15,253,000	15,153,000
4. Unfunded adjustments to total operating costs (−):			
Depreciation included above	−1,363,397	−1,585,000	−1,585,000
Provision for improvements	−14,863	−15,000	−15,000
Total operating costs, funded	12,514,891	13,653,000	13,553,000
Capital outlay:			
5. Rail line program:			
Acquisition of roadbed, track, and structures	1,769,877	3,099,588	2,389,890
Acquisition of equipment	2,427,658	1,033,196	357,110
Total capital outlay	4,197,535	4,132,784	2,747,000
Total program costs, funded	16,712,426	17,785,784	16,300,000
6. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−1,171,592	−800,000
Obligations incurred for costs of other years, net	404,917		
Total program (obligations)	17,117,343	16,614,192	15,500,000
Financing:			
Amounts becoming available: Revenue and receipts:			
Freight revenue	10,743,175	12,072,000	12,072,000
Other rail line revenue	2,453,933	2,614,000	2,614,000
Other program revenue	285,438	314,000	314,000
Nonoperating credits and prior year adjustments	754,674		
Total amounts becoming available	14,237,220	15,000,000	15,000,000
Unobligated balance brought forward	8,281,202	5,401,079	3,786,887
Total amounts available	22,518,422	20,401,079	18,786,887
Unobligated balance carried forward	−5,401,079	−3,786,887	−3,286,887
Financing applied to program	17,117,343	16,614,192	15,500,000

This fund is derived from the earnings of the Railroad and used for operating and maintenance expenses as well as improvements and additions (48 U.S.C. 301–308).

Budget program—1. *Rail line operation.*—The railroad main line extends 470.3 miles from Seward to Fairbanks and 12.4 from Whittier to Portage Junction. Branch lines, passing tracks, spurs, and yards total 194.8 miles. Operating expense is estimated to increase from $12.9 million in 1959 to $14.3 million in 1960 and 1961, respectively. The increase represents additional operating costs of producing projected revenue. Revenue is expected to increase from $13.2 million in 1959 to $14.7 million in 1960 and 1961, respectively, by reason of increases in tonnage due to new military construction projects and economic growth of Alaska.

Capital outlay totaled $4.2 million in 1959 and is estimated at $4.1 million in 1960 and $2.7 million in 1961, principally for track maintenance and repairs and for purchase of rolling stock equipment.

2. *Other programs.*—These consist of costs of sale for excess property and rental of properties.

Operating results and financial conditions.—A decrease in the volume of traffic in 1959 was due to a drop in local military tonnage, although freight handled by Railroad from other than local sources showed a gradual increase. The Alaska Railroad received for performing these freight and passenger services and other nonoperating programs an income totaling $13.5 million, an increase of 1.5% over the sum realized in 1958.

Retained earnings at 1961 year-end are estimated to be $2,335,361 which is substantially lower than earlier forecasts and is principally attributable to adjustments

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made in connection with restatement of investment accounts and other transactions extraneous to normal operations. Earnings are retained to meet future needs.

6. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Advances	$406,784	$457,558	$405,000	$405,000
Supplies, deferred charges, etc	4,688,666	4,219,034	3,800,000	3,000,000
Unpaid undelivered orders	306,388	1,156,072	456,072	456,072
Total selected resources at end of year	5,401,838	5,832,664	4,661,072	3,861,072
Selected resources at start of year (−)		−5,401,838	−5,832,664	−4,661,072
Adjustment of selected resources reported at start of year		−25,909		
Costs financed from obligations of other years, net (−)			−1,171,592	−800,000
Obligations incurred for costs of other years, net		404,917		

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Rail line operation program:			
Acquisition of assets	$4,197,535	$4,132,784	$2,747,000
Expense	11,656,556	12,851,000	12,851,000
Other operations: Expense	100,304	97,000	97,000
Adjustment of prior year expense	754,406	700,000	600,000
Increase in selected working capital	465,484		
Total gross expenditures	17,174,285	17,780,784	16,295,000
Receipts from operations (funds provided):			
Rail line operation program: Revenue	13,197,108	14,686,000	14,686,000
Other operations: Revenue	285,438	314,000	314,000
Nonoperating credits and prior year adjustments	754,674		
Decrease in selected working capital		575,784	795,000
Total receipts from operations	14,237,220	15,575,784	15,795,000
Budget expenditures	2,937,065	2,205,000	500,000

Revenue, Expense, and Retained Earnings

Rail line operation program:			
Revenue	$13,197,108	$14,686,000	$14,686,000
Expense	12,890,489	14,307,000	14,307,000
Net operating income, rail line operation program	306,619	379,000	379,000
Other operations:			
Revenue	285,438	314,000	314,000
Expense	248,256	246,000	246,000
Net nonoperating income	37,182	68,000	68,000
Net income for the year	343,801	447,000	447,000
Analysis of retained earnings:			
Retained earnings, beginning of year	4,920,105	2,741,361	2,488,361
Prior year adjustments of revenue	−668,745	−700,000	−600,000
Nonfund transfers to capital	−1,853,800		
Retained earnings, end of year	2,741,361	2,488,361	2,335,361

Financial Condition

Assets:			
Cash with Treasury and in banks	$6,447,959	$4,242,959	$3,742,959
Cash on hand	5,275		
Accounts receivable, net	2,076,060	2,000,000	2,000,000
Advances	457,558	405,000	405,000
Supplies, deferred charges, etc	4,219,034	3,800,000	3,000,000
Land, structures, and equipment, net	119,712,600	121,345,384	121,992,384
Total assets	132,918,486	131,793,343	131,140,343
Liabilities:			
Current	1,972,143	2,000,000	2,000,000
Government investment:			
Non-interest-bearing capital:			
Start of year	127,171,413	128,204,982	127,304,982
Nonfund transfer from retained earnings	1,853,800		
Retirements of nondepreciable properties	−1,287,762	−900,000	−500,000
Donated assets	467,531		
End of year	128,204,982	127,304,982	126,804,982
Retained earnings	2,741,361	2,488,361	2,335,361
Total Government investment	130,946,343	129,793,343	129,140,343

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash with Treasury	$9,385,023	$6,447,959	$4,242,959	$3,742,959
Obligated balance, net:				
Current liabilities	2,692,286	1,972,143	2,000,000	2,000,000
Unpaid undelivered orders	306,388	1,156,072	456,072	456,072
Accounts receivable, net, and cash on hand (−)	−1,894,853	−2,081,335	−2,000,000	−2,000,000
Total obligated balance	1,103,821	1,046,880	456,072	456,072
Unobligated balance	8,281,202	5,401,079	3,786,887	3,286,887

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Total number of permanent positions	1,264	1,270	1,270
	Average number of all employees	1,135	1,145	1,145
	Number of employees at end of year	1,264	1,260	1,260
	Average salary of ungraded positions	$7,532	$7,653	$7,694
01	Personal services:			
	Permanent positions	$8,504,273	$8,716,000	$8,762,000
	Positions other than permanent	85,589	90,000	90,000
	Other personal services	277,866	325,000	289,000
	Total personal services	8,867,728	9,131,000	9,141,000
02	Travel	79,111	80,000	70,000
03	Transportation of things	202,728	250,000	180,000
04	Communication services	31,011	35,000	25,000
05	Rents and utility services	660,273	650,000	600,000
06	Printing and reproduction	8,520	8,000	7,000
07	Other contractual services	1,296,258	1,355,000	1,305,000
08	Supplies and materials	2,122,754	2,500,000	2,400,000
09	Equipment	1,911,479	1,500,000	922,000
10	Lands and structures	771,988	1,506,784	900,000
11	Grants, subsidies, and contributions	661,256	670,000	650,000
13	Refunds, awards, and indemnities	99,320	100,000	100,000
	Total costs	16,712,426	17,785,784	16,300,000
	Costs financed from obligations of other years, net (−)		−1,171,592	−800,000
	Obligations incurred for costs of other years, net	404,917		
	Total obligations	17,117,343	16,614,192	15,500,000

Loans to Private Trading Enterprises, Trust Territory of the Pacific Islands

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Loan program (object class 16)	$96,475	$100,000	$100,000
Financing:			
Amounts becoming available: Revenue and receipts:			
Collection on loans	142,012	120,000	120,000
Interest on loans	10,137	10,000	10,000
Total amounts becoming available	152,149	130,000	130,000
Unobligated balance brought forward	239,902	95,576	125,576
Total amounts available	392,051	225,576	255,576
Capital transfer (repayment of investment to Treasury) (−)	−200,000		
Unobligated balance carried forward	−95,576	−125,576	−155,576
Financing applied to program	96,475	100,000	100,000

Loans are made to local trading companies for purchase of Micronesian products for resale in the world market, purchase of trade goods for resale in Micronesia, and purchase of vessels (55 Stat. 151).

The 1956 appropriation language for the Trust Territory of the Pacific Islands made available for 1 year $500,000 of the proceeds from liquidation of the Island Trading Company of Micronesia for establishment of this fund. This amount was later reduced to $300,000 and $200,000 no longer required was returned to Treasury.

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OFFICE OF TERRITORIES—Continued

Public enterprise funds—Continued

LOANS TO PRIVATE TRADING ENTERPRISES, TRUST TERRITORY OF THE PACIFIC ISLANDS—Continued

The availability has been continued since 1956 and it is proposed to extend it again for 1961.

Interest charged on loans is 4% per annum on the unpaid balance.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Loans to private trading enterprises	$96,475	$100,000	$100,000
Receipts from operations (funds provided):			
Loan program:			
Collection of loans	142,012	120,000	120,000
Revenue	10,137	10,000	10,000
Total receipts from operations	152,149	130,000	130,000
Budget expenditures	−55,674	−30,000	−30,000

Revenue, Expense, and Retained Earnings

Revenue earned (net income for the year)	$10,137	$10,000	$10,000
Retained earnings, beginning of year	26,823	36,960	46,960
Retained earnings, end of year	36,960	46,960	56,960

Financial Condition

Assets:			
Cash	$95,576	$125,576	$155,576
Loans receivable, net	241,384	221,384	201,384
Total assets	336,960	346,960	356,960
Government investment:			
Non-interest-bearing capital:			
Start of year	500,000	300,000	300,000
Repayment of investment to Treasury (−)	−200,000		
End of year	300,000	300,000	300,000
Retained earnings	36,960	46,960	56,960
Total Government investment	336,960	346,960	356,960

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash with Treasury	$239,902	$95,576	$125,576	$155,576
Unobligated balance	239,902	95,576	125,576	155,576

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Miscellaneous services to other accounts (total obligations)	$10,314	$4,200	$1,200
Financing:			
Advances and reimbursements from other accounts	10,314	4,200	1,200

Object Classification

Total number of permanent positions	1		1			
Number of employees at end of year	1		0			
Average GS grade and salary	16.0	$14,430	16.0	$14,430		

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
01 Personal services: Permanent positions	$5,018	$2,720	
02 Travel	1,264		
04 Communication services	1,460	1,480	$1,200
07 Other contractual services	2,572		
Total obligations	10,314	4,200	1,200

VIRGIN ISLANDS CORPORATION

Public enterprise funds:

CONTRIBUTIONS

For payment to the Virgin Islands Corporation in the form of grants, as authorized by law, [$130,000] *$691,000. (48 U.S.C. 1407g; Department of the Interior and Related Agencies Appropriation Act, 1960.)*

Appropriated 1960, **$130,000** Estimate 1961, **$691,000**

REVOLVING FUND

For an additional amount for the revolving fund established under this head in the Supplemental Appropriation Act, 1950, for advances to the Virgin Islands Corporation, as authorized by law (63 Stat. 350; 72 Stat. 1760), $2,538,000.

Estimate 1961, **$2,538,000**

LOANS TO OPERATING FUND

The Virgin Islands Corporation may borrow not to exceed $1,235,000 from the Treasury of the United States for the construction of salt water distillation facilities in Saint Thomas, Virgin Islands, as authorized by section 3 of the Act of September 2, 1958 (72 Stat. 1760).

Estimate 1961, **$1,235,000**

OPERATING FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs:			
1. Loan program: Administration	$757	$800	$700
2. Sugar program:			
Production of sugar	1,614,100	1,669,300	1,755,600
Administration	97,283	92,900	93,200
3. Power program:			
Production and distribution of power	926,448	859,200	903,800
Administration	43,827	47,000	47,000
4. Miscellaneous revenue-producing activities:			
Expense	341,666	357,000	362,800
Administration	28,866	31,300	31,100
5. Non-revenue-producing activities	126,351	154,335	130,000
6. Interest on borrowings	177,393	222,800	254,700
Total operating costs	3,356,691	3,434,635	3,578,900
7. Unfunded adjustments to total operating costs: Depreciation included above (−)	−334,324	−344,200	−369,800
Total operating costs, funded	3,022,367	3,090,435	3,209,100
Capital outlay:			
1. Loan program: Loans acquired	6,879	8,000	4,000
2. Sugar program:			
Land and structures	32,847	15,000	15,000
Equipment	421,813	362,300	85,000
3. Power program:			
Plant and office equipment	512,851	49,000	1,500,000
Distribution lines	184,463	142,000	300,000
8. Water distillation program: Structures and equipment		113,300	1,011,700
Total capital outlay	1,158,853	689,600	2,915,700
Total program costs, funded	4,181,220	3,780,035	6,124,800
9. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−586,575	
Obligations incurred for costs of other years, net	669,873		443,000
Total program (obligations)	4,851,093	3,193,460	6,567,800

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Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Financing:			
Amounts becoming available:			
Appropriation:			
Contributions	$130,000	$130,000	$691,000
Revolving fund			2,538,000
Authorization to expend from public debt receipts	125,000		1,235,000
Revenue and receipts:			
Collection of loans	21,287	22,951	23,000
Interest on loans	8,323	7,800	7,100
Sale of commodities	1,694,348	1,764,200	1,849,500
Sale of power	919,427	1,040,900	1,148,200
Other receipts	369,864	364,100	368,400
Repayment of long term accounts receivable	21,564	21,564	21,564
Total amounts becoming available	3,289,813	3,351,515	7,881,764
Unobligated balance brought forward:			
Cash (operating fund)	384,443	−138,837	−94,082
Appropriation	913,000		
Authorization to expend from public debt receipts		−125,000	−11,700
Total amounts available	4,587,256	3,087,678	7,775,982
Unobligated balance carried forward:			
Cash (operating fund)	138,837	94,082	−733,182
Appropriation			−240,000
Authorization to expend from public debt receipts	125,000	11,700	−235,000
Financing applied to program	4,851,093	3,193,460	6,567,800

Operating fund.—The Virgin Islands Corporation promotes the economic development of the U.S. Virgin Islands. Appropriations not to exceed $11 million are authorized to be made to a revolving fund based on annual budgets submitted by the Corporation. An appropriation of additional funds as grants to finance non-revenue-producing activities and to reimburse the Corporation for operating losses is also authorized (48 U.S.C. 1407).

Budget program—1. *Loan program.*—Loans are made to aid farmers in agricultural diversification and to improve livestock production; provided such loans are not available from other Federal or private sources.

2. *Sugar program.*—The principal business of the Corporation is the growing of sugarcane, and the production and sale of raw sugar. Statistics and costs are as follows (costs include depreciation and interest):

	1959 actual	*1960 estimate*	*1961 estimate*
Sugarcane production:			
Acres harvested	2,188.5	2,122	2,200
Tons per acre	31.42	31	30
Sugar manufacture: Tons of cane ground:			
Corporation cane	68,754	65,000	66,000
Purchased cane	47,694	55,000	60,000
Total	116,448	120,000	126,000
Sugar yield per ton of cane (percent)	10.62	11	11
Tons of sugar produced	12,119	13,200	13,860
Total costs per ton	$150.59	$144.37	$144.26
Income per ton of sugar	139.81	133.65	133.44
Loss (−) per ton	−10.78	−10.72	−10.82

3. *Power program.*—Electric generating plants are operated by the Corporation to supply each of the islands of St. Croix, St. Thomas, and St. John with electric power. Program statistics are as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Generating capacity (kilowatts)	7,230	10,695	13,195
Miles of distribution lines	488.28	513	538
Number of consumers	8,848	9,200	9,600
Kilowatt hours sold	21,660,996	26,200,000	29,200,000
Average income per kilowatt hour (cents)	4.24	3.97	3.96
Average cost per kilowatt hour (cents)	4.74	3.72	3.61
Profit or loss (−) per kilowatt hour (cents)	−.50	.25	.35

4. *Miscellaneous revenue-producing activities.*—These consist of (*a*) certain Navy properties transferred to the Department of the Interior under a revocable permit and managed by the Corporation; (*b*) leases and rentals of property; and (*c*) miscellaneous sales of supplies and materials.

5. *Non-revenue-producing activities.*—These include water and soil conservation programs, particularly the construction of dams and land clearance, and forest development program.

Capital outlay totaled $1.2 million in 1959 and is estimated at $0.7 million in 1960 and $2.9 million in 1961, principally for power and water distillation facilities.

Financing.—In addition to the receipts from operations, appropriations are made for the Corporation as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Grants for non-revenue-producing activities	$130,000	$130,000	$130,000
Grants to restore impairment of capital			561,000
Total appropriation	130,000	130,000	691,000

The sum of $11 million has been authorized to a revolving fund for the Corporation, of which $6,513,000 has been appropriated. Through 1959, a total of $6,513,000 was withdrawn from these appropriations. There was also made available $125,000 for the water distillation project. The budget program for 1961 calls for authorizations as follows: Sugar program, $298,000; power program, $2,240,000; and water distillation, $1,235,000.

Operating results.—The net loss for 1959 amounted to $238,347. This amount is made up of a loss on sugarcane and sugar operations of $130,683; on power, $106,832; and $832 on other activities. The loss in the sugar operations is attributed in part to a disastrous mill engine explosion which reduced the efficiency of sugar extraction and also increased the cost of operation. The loss experienced in the power operations was due primarily to a series of breakdowns of available generating equipment, and the lack of firm power with resultant outages. The maintenance difficulties were magnified by the tight operation schedule which had to be maintained. The loss of fuel oil through a broken pipe which emptied into the sea accounted for about one-third the total power losses.

The 1957 profit of $215,544 was retained for application against 1958 loss of $538,681. An appropriation of $561,000 is requested to cover the remaining balance and the 1959 loss.

9. *Relation of costs to cover obligations.*—The relationship is derived from year-end balances of selected resources as reflected in the following table:

Selected resources at end of year:	*1958 actual*	*1959 actual*	*1960 estimate*	*1961 estimate*
Commodities for sale (sugarcane in fields)	$79,311	$159,922	$155,000	$160,000
Vegetables	440	508		
Supplies, deferred charges, etc	784,159	881,902	820,000	783,000
Undisbursed loan obligations		1,500		
Unpaid undelivered orders	227,792	717,743	200,000	675,000
Total selected resources	1,091,702	1,761,575	1,175,000	1,618,000
Selected resources at start of year (−)	−1,091,702	−1,761,575	−1,175,000	−1,175,000
Costs financed from obligations of other years, net (−)			−586,575	
Obligations incurred for costs of other years, net		669,873		443,000

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Loan program:			
Acquisition of loans	$6,879	$8,000	$4,000
Expense	4,918	5,300	4,800
Sugar program:			
Acquisition of fixed assets	454,660	377,300	100,000
Expense:			
Purchase of commodities for manufacture or sale	476,966	385,078	401,000
Other expense	1,228,392	1,324,100	1,398,900
Power program:			
Acquisition of fixed assets	697,314	191,000	1,800,000
Expense	920,113	851,600	908,700
Water distillation program: Acquisition of fixed assets		113,300	1,011,700

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VIRGIN ISLANDS CORPORATION—Continued

Public enterprise funds—Continued

OPERATING FUND—Continued

Sources and Application of Funds (Operations)—Continued

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied)—Con.			
Miscellaneous revenue-producing activities: Expense	$345,831	$365,100	$370,700
Non-revenue-producing activities:			
Water and soil conservation	86,485	123,345	100,000
Reforestation	39,830	30,990	30,000
Adjustment of donated working capital	36		
Increase in selected working capital			1,132,400
Total gross expenditures	4,261,424	3,775,113	7,262,200
Receipts from operations (funds provided):			
Loan program:			
Loans repaid	21,287	22,951	23,000
Revenue	8,323	7,800	7,100
Sugar program:			
Repayment of long-term accounts receivable	21,564	21,564	21,564
Revenue	1,694,348	1,764,200	1,849,500
Power program: Revenue	919,427	1,040,900	1,148,200
Miscellaneous revenue	369,864	364,100	368,400
Decrease in selected working capital	160,529	276,143	
Total receipts from operations	3,195,342	3,497,658	3,417,764
Budget expenditures	1,066,082	277,455	3,844,436

Revenue, Expense, and Retained Earnings

Loan program:			
Revenue	$8,323	$7,800	$7,100
Expense	4,918	5,300	4,800
Net operating income, loan program	3,405	2,500	2,300
Sugar program:			
Revenue	1,694,348	1,764,200	1,849,500
Expense	1,825,031	1,905,700	1,999,400
Net operating loss (−), sugar program	−130,683	−141,500	−149,900
Power program:			
Revenue	919,427	1,040,900	1,148,200
Expense	1,026,259	975,800	1,045,500
Net operating income or loss (−), power program	−106,832	65,100	102,700
Miscellaneous revenue-producing activities:			
Revenue	369,864	364,100	368,400
Expense	374,132	393,500	399,200
Net operating loss (−), revenue-producing activities	−4,268	−29,400	−30,800
Nonoperating income: Adjustment to prior year depreciation	31		
Net loss (−) for the year	−238,347	−103,300	−75,700
Analysis of deficit (−):			
Deficit (−), beginning of year	−195,709	−434,056	−537,356
Grants for operating loss			561,000
Deficit (−), end of year	−434,056	−537,356	−52,056

NOTE.—Excludes expense for activities budgeted as predominantly non-revenue-producing, financed by appropriations as follows: June 30, 1959, $130,000; 1960, $130,000; 1961, $130,000.

Financial Condition

	1959 actual	1960 estimate	1961 estimate
Assets:			
Cash:			
With Treasury and in banks	$78,698	$44,543	$200,807
On hand and in transit	580	580	580
Accounts receivable, net:			
Undelivered portion of sugar and molasses sold under contract (unbilled)	978,668	854,100	1,736,300
Accounts receivable (billed)	[1] 348,663	298,195	323,195
Commodities for sale (sugarcane in fields)	159,922	155,000	160,000
Vegetables	508		
Supplies, deferred charges, etc.	881,902	820,000	783,000
Loans receivable, net	156,951	142,000	123,000
Land, structures, and equipment, net	6,012,217	6,349,617	8,891,517

Financial Condition—Continued

	1959 actual	1960 estimate	1961 estimate
Assets—Continued			
Long term accounts receivable	$272,913	$251,349	$229,785
Total assets	8,891,022	8,915,384	12,448,184
Liabilities:			
Current	1,076,203	1,114,900	852,700
Government investment:			
Interest-bearing capital:			
Start of year	6,538,629	7,451,629	7,564,929
Loans from appropriation during the year	913,000		2,298,000
Borrowings from Treasury during year, net		113,300	1,011,700
End of year	7,451,629	7,564,929	10,874,629
Non-interest-bearing capital:			
Start of year	772,947	797,246	750,000
Adjustment of donated assets during the year	−36		22,911
Unexpended and expended (−) grants for non-revenue-producing activities	24,335	−24,335	
End of year	797,246	772,911	772,911
Deficit (−)	−434,056	−537,356	−52,056
Total Government investment	7,814,819	7,800,484	11,595,484

[1] Excludes $600,000 for commodities sold but not yet delivered.

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash with Treasury	$101,780	$78,698	$44,543	$200,807
Budget authorizations:				
Appropriation	913,000			240,000
Authorization to expend from public debt receipts		125,000	11,700	235,000
Total unexpended balance	1,014,780	203,698	56,243	675,807
Obligated balance, net:				
Current liabilities	541,587	1,076,203	1,114,900	852,700
Undisbursed loan obligations		1,500		
Unpaid undelivered orders	227,792	717,743	200,000	675,000
Accounts receivable, net and cash on hand and in transit (−)	−1,052,042	−1,327,911	−1,152,875	−2,060,075
Total obligated balance	−282,663	467,535	162,025	−532,375
Unobligated balance	1,297,443	−263,837	−105,782	1,208,182

LIMITATION ON ADMINISTRATIVE EXPENSES, VIRGIN ISLAND CORPORATION

During the current fiscal year the Virgin Islands Corporation is hereby authorized to make such expenditures, within the limits of funds available to it and in accord with law, and to make such contracts and commitments without regard to fiscal-year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out its programs as set forth in the budget for the fiscal year [1960] *1961: Provided,* That not to exceed $172,000 shall be available for administrative expenses (to be computed on an accrual basis) of the Corporation, covering the categories set forth in the [1960] *1961* budget estimates for such expenses. (*Department of the Interior and Related Agencies Appropriation Act, 1960.*)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Sugar program (total accrued administrative expenses)	$170,733	$172,000	$172,000
Financing:			
Unobligated balance no longer available	67		
Limitation	170,800	172,000	172,000

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Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	651	595	602
Full-time equivalent of all other positions	185	186	188
Average number of all employees	819	781	790
Number of employees at end of year	739	650	660
Average salary of ungraded positions	$1,902	$1,926	$1,935
01 Personal services:			
Permanent positions	$1,170,028	$1,125,500	$1,141,900
Positions other than permanent	185,840	186,000	188,000
Other personal services	32,672	33,000	33,000
Excess of annual leave earned over annual leave taken	8,876	8,500	8,500
Total personal services	1,397,416	1,353,000	1,371,400
Deduct portion not chargeable to limitation	1,275,222	1,226,000	1,242,400
Net personal services	122,194	127,000	129,000
02 Travel	16,835	15,500	14,700
04 Communication services	3,431	3,500	3,300
06 Printing and reproduction	583	800	700
07 Other contractual services	21,991	20,000	20,000
08 Supplies and materials	4,671	4,000	3,300
11 Grants, subsidies, and contributions	1,028	1,200	1,000
Total accrued administrative expenses	170,733	172,000	172,000

OFFICE OF THE SECRETARY

Salaries and Expenses

For necessary expenses of the Office of the Secretary of the Interior (referred to herein as the Secretary), including teletype rentals and service[, $2,706,600] *and the purchase of one passenger motor vehicle for replacement only, $2,723,000. (5 U.S.C. 481–502; Department of the Interior and Related Agencies Appropriation Act, 1960.)*

Appropriated 1960, **$2,706,600** Estimate 1961, **$2,723,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Departmental direction	$403,311	$390,721	$391,300
2. Program direction and coordination	877,050	881,430	884,300
3. Administrative management services	1,300,385	1,338,242	1,332,300
4. General services	94,244	100,912	115,100
Total program costs	2,674,990	2,711,305	2,723,000
5. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)		−4,705	
Obligations incurred for costs of other years (unpaid undelivered orders), net	4,575		
Total program (obligations)	2,679,565	2,706,600	2,723,000
Financing:			
1959 appropriation available in 1958	5,500		
Unobligated balance no longer available	15,875		
Appropriation (new obligational authority)	2,700,940	2,706,600	2,723,000

1. *Departmental direction.*—The Office of the Secretary, Under Secretary, and the division of information provide top departmental direction and contact with the public.

2. *Program direction and coordination.*—The Secretary is aided by four assistant secretaries and the technical review staff. Staff assistance is provided on matters of policy for promoting the domestic welfare and the conservation and development of the country's natural resources.

3. *Administrative management services.*—Under the direction of the administrative assistant secretary, budget and finance, management improvement, property management, personnel, administrative services, inspection, and security operations are carried on.

4. *General services.*—Provision is made for services such as printing and binding, telephone, health, and library.

5. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $15,130; 1959, $19,705; 1960, $15,000; 1961, $15,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	298	294	294
Full-time equivalent of all other positions	1	2	2
Average number of all employees	274	281	282
Number of employees at end of year	275	293	293
Average GS grade and salary	9.2 $7,760	9.3 $7,821	9.3 $7,841
01 Personal services:			
Permanent positions	$2,187,582	$2,254,240	$2,262,720
Positions other than permanent	11,870	15,000	15,000
Other personal services	32,128	22,060	13,580
Total personal services	2,231,580	2,291,300	2,291,300
02 Travel	99,545	101,500	101,500
03 Transportation of things	881	300	300
04 Communication services	38,936	36,300	36,300
06 Printing and reproduction	38,584	38,400	38,400
07 Other contractual services	8,154	9,000	25,400
Services performed by other agencies	63,119	53,700	53,700
08 Supplies and materials	26,075	20,100	20,100
09 Equipment	30,294	7,700	7,700
11 Grants, subsidies, and contributions	142,220	146,300	146,300
13 Refunds, awards, and indemnities	5,271	1,700	1,700
15 Taxes and assessments	406	300	300
1959 program obligated in 1958	−5,500		
Total obligations	2,679,565	2,706,600	2,723,000

Allocations Received From Other Accounts

Note—Obligations incurred under allocations from other accounts are carried in the schedules of the parent appropriations as follows:
"Mutual security," funds appropriated to the President.
"Forest protection and utilization," Forest Service, Department of Agriculture.
"Watershed protection," Soil Conservation Service, Department of Agriculture.

Intragovernmental funds:

Working Capital Fund

This fund finances central reproduction, communications, supply, central library, health services, and such other services as may be performed more advantageously on a reimbursable basis (5 U.S.C. 502). The capital consists of $300,000 appropriated, donated assets of $177,266, retained earnings of $31,566.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Acquisition of equipment	$13,412	$16,300	$16,300
Expense:			
Purchase of commodities for manufacture or sale	409,429	400,000	400,000
Other expense	1,372,268	1,420,900	1,425,200
Increase in selected working capital		9,096	
Total gross expenditures	1,795,109	1,846,296	1,841,500
Receipts from operations (funds provided):			
Revenue	1,792,691	1,836,900	1,841,200
Proceeds from sale of equipment	70	500	500
Decrease in selected working capital	37,870		
Total receipts from operations	1,830,631	1,837,400	1,841,700
Budget expenditures	−35,522	8,896	−200

Revenue, Expense, and Retained Earnings

Revenue	$1,792,691	$1,836,900	$1,841,200
Expense	1,786,672	1,836,900	1,841,200
Net operating income	6,019		
Nonoperating income or loss (−):			
Proceeds from sale of equipment	70	500	500
Net book value of assets sold (−)	−196	500	500
Net loss (−) from sale of equipment	−126		

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OFFICE OF THE SECRETARY—Continued

Intragovernmental funds—Continued

WORKING CAPITAL FUND—Continued

Revenue, Expense, and Retained Earnings—Continued

	1959 actual	1960 estimate	1961 estimate
Nonoperating income or loss (−)—Con.			
Chargeoffs of inventory or fixed assets (−)	−$1,518		
Net nonoperating loss (−)	−1,644		
Net income for the year	4,375		
Retained earnings, beginning of year	27,191	$31,566	$31,566
Retained earnings, end of year	31,566	31,566	31,566

Financial Condition

Assets:			
Cash with Treasury	$188,004	$179,108	$179,308
Accounts receivable, net	243,725	250,000	250,000
Commodities for sale	99,626	99,626	99,626
Materials and supplies	14,499	14,499	14,499
Machinery and equipment, net	125,799	125,599	125,399
Total assets	671,653	668,832	668,832
Liabilities:			
Current	162,821	160,000	160,000
Government investment:			
Non-interest-bearing capital:			
Start of year	476,329	477,266	477,266
Donated equipment	937		
End of year	477,266	477,266	477,266
Retained earnings	31,566	31,566	31,566
Total Government investment	508,832	508,832	508,832

NOTE.—Year-end balances of unpaid undelivered orders are as follows: 1958, $84,040; 1959, $74,892; 1960, $75,000; 1961, $75,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	154	157	157
Full-time equivalent of all other positions	5	4	4
Average number of all employees	150	156	156
Number of employees at end of year	156	156	156
Average GS grade and salary	4.9 $5,060	5.4 $5,163	5.4 $5,224
Ungraded positions	$4,611	$4,581	$4,620
01 Personal services:			
Permanent positions	$708,815	$753,148	$760,133
Positions other than permanent	18,184	12,600	12,600
Other personal services	64,386	60,202	57,337
Excess of annual leave earned over leave taken	5,300		
Total personal services	796,685	825,950	830,070
02 Travel	11,313	17,350	17,350
03 Transportation of things	184	870	870
04 Communication services	338,270	341,750	341,750
05 Rents and utility services	657	700	700
06 Printing and reproduction	67,362	80,950	81,010
07 Other contractual services	54,427	34,550	34,550
08 Supplies and materials	448,601	439,480	439,480
09 Equipment:			
Capitalized	13,412	16,300	16,300
Expensed	16,798	29,000	29,000
11 Grants, subsidies, and contributions	46,775	49,990	50,110
15 Taxes and assessments	625	310	310
Total accrued expenditures	1,795,109	1,837,200	1,841,500
Increase or decrease (−) in unpaid undelivered orders	−9,148	108	
Total obligations	1,785,961	1,837,308	1,841,500

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Standardization of geographic names: Security classified projects	$478,845	$491,500	$491,500
2. Miscellaneous services to other accounts	$25,528	$25,000	$25,000
Total obligations	504,373	516,500	516,500
Financing:			
Unobligated balance brought forward	6,664	17,375	
Advances and reimbursements from other accounts	515,114	499,125	516,500
Unobligated balance carried forward	−17,375		
Unobligated balance no longer available	−30		
Total financing	504,373	516,500	516,500

Object Classification

Total number of permanent positions		84		82		82
Average number of all employees		76		77		77
Number of employees at end of year		74		80		80
Average GS grade and salary	7.3	$5,814	7.4	$5,833	7.3	$5,922
01 Personal services:						
Permanent positions		$434,018		$460,900		$460,300
Other personal services		16,961		3,400		1,700
Total personal services		450,979		464,300		462,000
02 Travel		1,809		500		1,000
04 Communication services		11,975		8,900		9,300
06 Printing and reproduction		2,282		1,800		2,000
07 Other contractual services		2,945		3,000		3,000
08 Supplies and materials		3,884		6,300		6,800
09 Equipment		4,036		2,000		2,600
11 Grants, subsidies, and contributions		26,023		29,200		29,200
13 Refunds, awards, and indemnities		22				
15 Taxes and assessments		418		500		600
Total obligations		504,373		516,500		516,500

GENERAL PROVISIONS, DEPARTMENT OF THE INTERIOR

SEC. 101. Appropriations made in this title shall be available for expenditure or transfer (within each bureau or office), with the approval of the Secretary, for the emergency reconstruction, replacement, or repair of buildings, utilities, or other facilities or equipment damaged or destroyed by fire, flood, storm, or other unavoidable causes: *Provided*, That no funds shall be made available under this authority until funds specifically made available to the Department of the Interior for emergencies shall have been exhausted.

SEC. 102. The Secretary may authorize the expenditure or transfer (within each bureau or office) of any appropriation in this title, in addition to the amounts included in the budget programs of the several agencies, for the suppression or emergency prevention of forest or range fires on or threatening lands under jurisdiction of the Department of the Interior: *Provided*, That appropriations made in this title for fire suppression purposes shall be available for the payment of obligations incurred during the preceding fiscal year.

SEC. 103. Appropriations made in this title shall be available for operation of warehouses, garages, shops, and similar facilities, wherever consolidation of activities will contribute to efficiency or economy, and said appropriations shall be reimbursed for services rendered to any other activity in the same manner as authorized by the Act of June 30, 1932 (31 U.S.C. 686): *Provided*, That reimbursements for cost of supplies, materials and equipment, and for services rendered may be credited to the appropriation current at the time such reimbursements are received.

SEC. 104. Appropriations made to the Department of the Interior in this title or in the Public Works Appropriation Act, [1960] *1961* shall be available for services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), when authorized by the Secretary, at rates not to exceed $75 per diem for individuals, and in total amount not to exceed $175,000; maintenance and operation of aircraft; hire of passenger motor vehicles; purchase of reprints; payment for telephone service in private residences in the field, when authorized under regulations approved by the Secretary; and the payment of dues, when authorized by the Secretary, for library membership in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members.

SEC. 105. Appropriations available to the Department of the Interior for salaries and expenses shall be available for uniforms or allowances therefor, as authorized by law (5 U.S.C. 2131 and D.C. Code 4–204). (*Department of the Interior and Related Agencies Appropriation Act, 1960.*)

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1961

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
DEPARTMENTAL OFFICES								
Office of Oil and Gas: Salaries and expenses.							$400	For use of the director, assistant director, and other division officials in Washington.
Office of the Solicitor: Salaries and expenses.							5,000	For use of hearing examiners in the field.
Office of Minerals Exploration: Salaries and expenses.							4,000	For use in making onsite examinations relative to applications and contracts.
Total, departmental offices							9,400	
BONNEVILLE POWER ADMINISTRATION								
Construction, operation, and maintenance.							90,000	Administrative and supervisory officials, construction and operation engineers, accountants and other employees located in Oregon, Washington, Idaho, and Montana, to carry out their assigned duties.
SOUTHEASTERN POWER ADMINISTRATION								
Operation and maintenance	1	$1,350	1	$100	$1,250	1		Administrator, engineers, and other employees engaged in operation and maintenance activities.
SOUTHWESTERN POWER ADMINISTRATION								
Operation and maintenance	3	4,500	1	300	4,200	5		Administrative personnel for transportation in connection with property audits and official meetings.
Station wagon	3	5,850	3	1,800	4,050	6		Power marketing staff in connection with rates and customer service activities. Engineers and operating crews performing operation and maintenance work.
Total, Southwestern Power Administration.	6	10,350	4	2,100	8,250	11		
BUREAU OF LAND MANAGEMENT								
Management of lands and resources	27	40,500	27	4,500	36,000	94		For use by supervisory officials; area and district personnel in the administration of public grazing lands, forest management, fire suppression and fire presuppression in widely scattered areas; surveys, investigations and examinations by field examiners and surveyors.
Station wagon	1	1,950	1	200	1,750	12		Do.
Bus						3		Do.
Coupe pickup						14		Do.
Total, Bureau of Land Management.	28	42,450	28	4,700	37,750	123		
BUREAU OF INDIAN AFFAIRS								
Education and welfare services	67	108,000	67	10,050	97,950	175	80,000	For use in transporting pupils to school. For education work, relocation services, law and order services for various reservations and schools.
Station wagon	12	23,400	12	1,800	21,600	71	25,000	Do.
Bus	60	180,000	60	12,000	168,000	265		Do.
Coupe pickup						4		Do.
Ambulance						1		Do.
Resources management	65	97,500	65	9,750	87,750	144	50,000	For use by field supervisory staff in the management of Indian forest and range resources, agriculture and extension, soil conservation, road maintenance, Indian trust property, maintenance of irrigation projects and maintenance and repair of buildings and utilities.
Station wagon	11	21,450	11	1,650	19,800	65	10,000	Do.
Coupe pickup						32		Do.
Construction	18	27,000	18	2,700	24,300	36	18,000	For use by supervisory staff and engineers in the construction of buildings and utilities and irrigation projects.
Station wagon	2	3,900	2	300	3,600	17	10,000	Do.
Coupe pickup						3		Do.
Road construction (liquidation of contract authorization).	15	22,500	15	2,250	20,250	28	3,000	For use by supervisory staff and engineers in the construction of roads.
Station wagon	2	3,900	2	300	3,600	19	2,000	Do.
General administrative expenses	17	25,500	17	2,550	22,950	89	5,000	For use by administrative and supervisory staff in the administration of field activities of the Bureau of Indian Affairs.
Station wagon	1	1,950	1	150	1,800	8	2,000	Do.
Coupe pickup						3		Do.
Operation and maintenance, etc., power systems, Indian irrigation projects.	3	4,500	3	450	4,050	6		For use by designated staff and foremen on irrigation projects.
Station wagon						5		Do.
Coupe pickup						3		Do.
Indian tribal funds and Indian moneys, proceeds of labor.						51		For use by tribal officers and regular administrative personnel for tribal and general administration.
Station wagon						4		Do.
Bus						3		Do.
Coupe pickup						5		Do.
Operation and maintenance collections, Indian irrigation projects.	15	22,500	15	2,250	20,250	18		For use by designated staff and foremen on irrigation projects.
Station wagon	2	3,900	2	300	3,600	24		Do.
Coupe pickup						8		Do.
Total, Bureau of Indian Affairs	290	546,000	290	46,500	499,500	1,087	205,000	

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1961—Continued

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
BUREAU OF RECLAMATION								
General investigations	3	$4,500	3	$600	$3,900	28	[1] $22,150	To provide essential transportation to Bureau technical and supervisory personnel for official use for survey parties, field investigations and planning of irrigation projects.
Construction and rehabilitation	54	81,000	64	16,650	64,350	206	[1] 74,875	To provide essential transportation for engineers, survey parties, inspectors and supervisory personnel while on official duty in connection with the construction of irrigation structures and related works in the 17 Western States and the State of Alaska.
Station wagon	6	11,700	5	1,250	10,450	13	[1] 1,100	Do.
Operation and maintenance	24	36,000	22	5,800	30,200	153	[1] 17,725	For use of ditch riders, water masters, engineers, and other employees while engaged on their official duties in the operation and maintenance of irrigation and power projects and field supervision of such work. Ambulances for emergency use of Bureau personnel.
Station wagon						17	[1] 1,750	Do.
Bus						3		Do.
Ambulance						2		Do.
General administrative expenses						3	[1] 13,400	For use of Bureau of Reclamation employees while on official business in connection with supervision and staff work.
Station wagon							[1] 1,000	Do.
Upper Colorado River Basin fund	11	16,500	4	700	15,800	45	3,400	For use of Bureau of Reclamation personnel in investigation work, planning, construction, and administration.
Station wagon						5	1,500	Do.
Bus						2		Do.
Total, Bureau of Reclamation	98	149,700	98	25,000	124,700	477	[1] 136,900	
GEOLOGICAL SURVEY								
Surveys, investigations, and research	32	48,900	37	12,550	36,350	239	[2] 100,000	For use by engineers, geologists, and other employees in the field in the conduct of topographic and geologic surveys and mapping, water resources investigations, land classification, and mine and oil and gas inspection work.
Station wagon	16	33,500	11	5,300	28,200	84		Do.
Total, Geological Survey	48	82,400	48	17,850	64,550	323	100,000	
BUREAU OF MINES								
Conservation and development of mineral resources.	6	9,000	6	1,040	7,960	79	57,900	For use of mining engineers, metallurgists, other technical personnel and other employees in connection with the conservation and development of minerals program.
Station wagon						16		Do.
Health and safety	85	127,500	60	9,000	118,500	233	25,000	For use by safety engineers, coal mine inspectors, and other personnel in carrying out the duties pertaining to health and safety.
Station wagon						9	6,900	Do.
General administrative expenses						1	100	For use of officials and other personnel of the administrative staff.
Station wagon						1		Do.
Development and operation of helium properties.	1	1,500	2	300	1,350	16		For use of technical personnel, engineers, and administrative personnel in connection with the acquisition, construction, development, and operation of helium plants, helium-bearing natural gas fields and pipelines; and the business work required in the production and sale of helium.
Station wagon	1	1,950			1,800	6		Do.
Bus	1	9,200	1	300	8,900	2		Transportation of dependent schoolchildren of helium plant employees to and from public schools in Moore County, Tex.
Total, Bureau of Mines	94	149,150	69	10,640	138,510	363	89,900	
NATIONAL PARK SERVICE								
Management and protection	70	115,200	60	22,580	92,620	246	[3] 11,000	For use of the director, regional directors, superintendents, U.S. Park Police, and other employees engaged in the administration, protection, maintenance, operation, and development of areas administered by the National Park Service; in making studies and investigations of recreational potentialities of river basin areas; soil and moisture conservation operation; and carrying out duties incidental to those activities.
Station wagon	5	10,050	5	1,600	8,450	46	1,300	
Bus						3		
Ambulance						2		
Maintenance and rehabilitation of physical facilities.	5	7,500	5	1,700	5,800	20	6,900	
Station wagon	1	1,950	1	300	1,650	4		
Construction							[4] 12,200	
Construction (liquidation of contract authorization).							[5] 6,200	
General administrative expenses							[6] 3,250	
Total, National Park Service	81	134,700	71	26,180	108,520	321	40,850	
FISH AND WILDLIFE SERVICE								
OFFICE OF THE COMMISSIONER OF FISH AND WILDLIFE								
Salaries and expenses: Station wagon						1		Used by information specialists compiling fish and wildlife data for public use.

[1] Funds for reimbursement to General Services Administration for rented vehicles from pools.
[2] Includes $4,000 for rentals from commercial sources and excludes $35,000 chargeable to reimbursements from other accounts.
[3] Includes $1,800 for rental from commercial sources.
[4] Includes $4,800 for rental from commercial sources.
[5] Includes $1,500 for rental from commercial sources.
[6] Includes $850 for rental from commercial sources.

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1961—Continued

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
FISH AND WILDLIFE SERVICE—Continued								
BUREAU OF SPORT FISHERIES AND WILDLIFE								
Management and investigations of resources.	36	$54,000	35	$8,700	$45,300	189	$61,500	U.S. game management agents in enforcing wildlife protection laws, by field men in supervising fish hatchery, refuge and predator and rodent control activities; by fishery and wildlife biologists in conducting field investigations in river basin studies and waterfowl surveys.
Station wagon	19	35,950	17	4,300	31,650	48		Do.
Coupe pickup						4		Do.
Construction						7		Used by engineers in designing, inspecting and supervising construction of hatchery and refuge buildings, research laboratories and other structures.
Station wagon						1		Do.
General administrative expenses							3,500	Used by director and regional directors in making field inspections.
Federal aid in wildlife restoration						12	6,500	Used by biologists in inspecting wildlife restoration projects and by appraisers in appraising lands to be acquired by States.
Station wagon						2		Do.
Federal aid in fish restoration and management.						1	3,500	Used by biologists in inspecting fish restoration projects.
Station wagon	1	1,600	1	200	1,400			Do.
Migratory bird conservation account							5,000	Used by biologists, engineers and appraisers in location, ascertainment and acquisition of wildlife areas.
Management of national wildlife refuges.	12	18,000	12	2,500	15,500	10	5,000	Used by U.S. game management agents in enforcing wildlife protection laws and by field men in supervising refuge operations and maintenance.
Station wagon	1	1,900	1	250	1,650	11		Do.
Total, Bureau of Sport Fisheries and Wildlife.	69	111,450	66	15,950	95,500	285	85,000	
BUREAU OF COMMERCIAL FISHERIES								
Management and investigations of resources.	8	12,000	5	1,100	10,900	38	13,330	Used by agents in enforcing fish protective laws; by fishery biologists in conducting fishery investigations and field agents collecting fishery statistics.
Station wagon	9	17,550	5	700	16,850	28	3,240	Do.
Administration of Pribilof Islands						2	950	Used by agents and personnel in sealing activities and administration of Pribilof Islands.
Promote and develop fishery products and research pertaining to American fisheries.	9	13,500	8	2,400	11,100	4	6,780	Used by marketing specialists in collecting fishery statistics and conducting marketing programs at various field stations; by biologists in conducting fishery investigations.
Station wagon	4	7,800	3	900	6,900	2	6,204	Do.
Contributed funds							1,380	Used by biologists conducting field research in connection with the Great Lakes Fisheries Commission program.
Station wagon	2	3,900	2	700	3,200	1	300	Do.
Fishery loan fund							1,880	Used by loan fund personnel engaged in investigative and supervisory work.
Total, Bureau of Commercial Fisheries.	32	54,750	23	5,800	48,950	75	34,064	
Total, Fish and Wildlife Service	101	166,200	89	21,750	144,450	361	119,064	
OFFICE OF TERRITORIES								
Administration of Territories						54		For official business of the Governors of Virgin Islands, Guam, American Samoa; and the Government Secretary, Administrator for St. Croix, and Department of Finance, St. Thomas in the Virgin Islands.
Station wagon						1		For official business of the Governor of the Virgin Islands.
Ambulance						4		For use of the Governors of the Virgin Islands, Guam, and American Samoa.
Bus						6		For transportation of employees and school children in American Samoa and the Virgin Islands.
Trust Territory of the Pacific Islands						8		For official business of the High Commissioner of the Trust Territory.
Ambulance						6		Do.
Alaska public works						7		For use in supervising construction work and other official business.
Station wagon						1		Do.
Alaska Railroad revolving fund						12		For official business at Anchorage, Seward, Whittier, Fairbanks, and Seattle.
Station wagon						6		Do.
Total, Office of Territories						105		
VIRGIN ISLANDS CORPORATION								
Operating fund						5		President and department managers: Transportation while performing their duties in conducting the business of the Corporation.
Station wagon	1	2,275	1	400	1,875			Messenger: Receipt and delivery of mail and other activities connected with the business of the Corporation.
OFFICE OF THE SECRETARY								
Office of the Secretary	1	$1,500	1		$1,500	2	2,500	For use of the Secretary, under secretary, heads of offices and field representatives in making field investigations.
Total, Department of the Interior	749	1,286,075	700	155,220	1,130,855	3,179	793,614	

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Statement of proposed obligations for purchase, maintenance, and operation of aircraft for the fiscal year 1961

Appropriation	Aircraft to be purchased		Aircraft to be exchanged		Net cost of aircraft to be purchased	Old aircraft still to be used	Cost of maintenance and operation of aircraft	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
BONNEVILLE POWER ADMINISTRATION								
Construction, operation, and maintenance.	1	$56,000	1	$15,000	$41,000	2	$37,000	Helicopters used by maintenance personnel for routine and emergency line patrol and for emergency line maintenance at high altitude locations during the winter months, and by survey personnel for reconnaissance in connection with the preliminary location of new lines. Also used for routine and emergency microwave communication maintenance, especially during the winter months, at high altitude locations.
BUREAU OF LAND MANAGEMENT								
Management of lands and resources	2	44,000	1	7,000	37,000	7	82,860	Used in Alaska only for fire patrol and transporting firefighting crews and equipment. Also for transporting forest management personnel.
BUREAU OF RECLAMATION								
Construction and rehabilitation	1	38,000	1	5,500	32,500	2	37,100	For official use of supervisory employees of the Bureau in the construction and rebabilitation program, at regional and project levels, and for official use of employees of the Commissioner's office in Denver and Washington, when traveling from Denver, Colo., to regional offices and to the work sites.
Operation and maintenance						1	13,560	For the official use of Bureau employees, power and operation and maintenance personnel, in patrolling transmission lines and other field work.
General administrative expense						1	16,850	For the Official use of Bureau employees of region 7, the assistant commissioner and chief engineer's office personnel, personnel of the commissioner's office and the secretary's office for region and Bureauwide supervision.
Total, Bureau of Reclamation	1	38,000	1	5,500	32,500	4	67,510	
GEOLOGICAL SURVEY								
Surveys, investigations, and research						2	[1] 25,000	For use by geologists and geophysicists in geophysical exploration.
NATIONAL PARK SERVICE								
Management and protection	1	6,300	1	2,500	3,800		1,893	For use by employees of Everglades National Park, Fla., in connection with management and protection activities including patrol to detect and prevent poaching and illegal hunting and fishing in the park; for protection of visitors (search and rescue work); and for fire detection.
FISH AND WILDLIFE SERVICE								
BUREAU OF SPORT FISHERIES AND WILDLIFE								
Management and investigations of resources.	3	40,000	3	11,000	29,000	22	128,000	Used by U.S. game management agents for enforcing fish and game protection laws, by biologists in refuge operations, management activities, waterfowl surveys and by hunters in predatory animal control.
Federal aid in wildlife restoration						1	6,000	Used by biologists in making field inspections of State projects.
Federal aid in fish restoration and management.						1	6,000	Used by biologists in making field inspections of projects.
Management of national wildlife refuges.						9	45,000	Used by U.S. game management agents in enforcing game protection laws; by field personnel in refuge operations and management activities.
Total, Bureau of Sport Fisheries and Wildlife.	3	40,000	3	11,000	29,000	33	185,000	
BUREAU OF COMMERCIAL FISHERIES								
Management and investigations of sources.						4	50,000	Used by agents for enforcing fish protective laws and research biologists.
Promote and develop fishery products and research pertaining to American fisheries.						1	8,000	Used by biologists in menhaden investigations.
Total, Bureau of Commercial Fisheries.						5	58,000	
Total, Fish and Wildlife Service.	3	40,000	3	11,000	29,000	38	243,000	
Total, Department of the Interior.	8	184,300	7	41,000	143,300	53	457,263	

[1] An additional $105,000 is chargeable to reimbursements from the Atomic Energy Commission.

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DEPARTMENT OF JUSTICE

New obligational authority requested for the Department of Justice for 1961 totals $281 million. The increase of $14.5 million over 1960 is accounted for by increased workloads in all bureaus and the construction of a new prison. The same factors are reflected in the estimated rise of $12 million in total expenditures of the Department to $271 million for 1961.

New obligational authority and expenditures by function are shown below:

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
Labor and welfare:						
216 Correctional and penal institutions	$43,044	$51,075	$56,520	$38,959	$45,857	$47,733
Commerce and housing:						
519 Regulation of commerce and finance	4,138	4,500	4,760	4,227	4,182	4,628
General government:						
608 Protective services and alien control	206,148	210,835	219,620	206,880	208,657	218,639
Total, Department of Justice	253,330	266,410	280,900	250,066	258,696	271,000

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
							1961 estimate		
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	Total	From new obligational authority	From prior authority
LEGAL ACTIVITIES AND GENERAL ADMINISTRATION									
Current authorizations:									
Salaries and expenses, general administration	608	$3,554	$3,675	$4,010	$3,633	$3,622	$3,983	$3,693	$290
Salaries and expenses, general legal activities	608	12,373	12,600	13,550	12,709	12,533	13,448	12,331	1,117
Salaries and expenses, Antitrust Division	519	4,138	4,500	4,760	4,227	4,182	4,628	4,303	325
Salaries and expenses, United States attorneys and marshals	608	22,382	22,500	23,800	22,882	22,341	23,440	22,817	623
Fees and expenses of witnesses	608	1,750	1,650	1,800	1,720	1,650	1,752	1,661	91
Salaries and expenses, claims of persons of Japanese ancestry	608	210			212	17			
Special temporary attorneys and assistants	608				16				
Proposed for later transmission:									
Under existing legislation:									
Salaries and expenses, general legal activities	608		200			100	100		100
Fees and expenses of witnesses	608		125			74	49		49
Total, legal activities and general administration		44,407	45,250	47,920	45,400	44,519	47,400	44,805	2,595
FEDERAL BUREAU OF INVESTIGATION									
Current authorizations:									
Salaries and expenses	608	112,111	114,600	118,000	110,591	113,693	117,513	111,021	6,492
IMMIGRATION AND NATURALIZATION SERVICE									
Current authorizations:									
Salaries and expenses	608	53,708	55,435	58,460	55,056	54,577	58,354	54,280	4,074
Permanent authorizations:									
Refund of bond forfeitures by refugees (indefinite)	608	60	50		60	50			
Total, Immigration and Naturalization Service		53,768	55,485	58,460	55,116	54,627	58,354	54,280	4,074
FEDERAL PRISON SYSTEM									
Current authorizations:									
Salaries and expenses, Bureau of Prisons	216	38,444	42,350	43,545	38,737	41,600	42,745	41,345	1,400
Buildings and facilities	216	1,500	5,625	9,875	1,729	4,600	5,800	3,800	2,000
Support of United States prisoners	216	3,100	3,100	3,100	2,967	3,000	3,000	2,900	100
Intragovernmental funds:									
Federal Prison Industries, Incorporated:									
Prison industries fund	216				−4,474	−3,343	−3,812		−3,812
Limitation on administrative and vocational training expenses		(1,149)	(1,268)	(1,415)					
Total, Federal Prison System		43,044	51,075	56,520	38,960	45,857	47,733	48,045	−312
OFFICE OF ALIEN PROPERTY									
Current authorizations:									
Limitation on salaries and expenses (trust fund)		(2,700)	(1,500)	(650)					
Total new obligational authority and budget expenditures		253,330	266,410	280,900	250,066	258,696	271,000	258,151	12,849
RECAPITULATION									
Enacted or recommended in this document:									
Current authorizations:									
Appropriations		$253,270	$266,035	$280,900	$250,066	$258,522	$270,851	$258,151	$12,700
Permanent authorizations:									
Appropriations		60	50						
Proposed for later transmission:									
Appropriations			325			174	149		149
Total new obligational authority and budget expenditures		253,330	266,410	280,900	250,066	258,696	271,000	258,151	12,849

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ANALYSIS OF UNEXPENDED BALANCES

[In thousands]

Description	Balance, start of 1959		Balance, start of 1960		Balance, start of 1961		Balance, start of 1962	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document:								
Appropriations:								
Salaries and expenses, Federal Bureau of Investigation		$5,942		$5,586		$6,493		$6,980
Salaries and expenses, Immigration and Naturalization Service		5,101		3,560		4,418		4,524
Buildings and facilities, Federal Prison System	$576	1,239	$146	1,009	$1,136	2,034	$3,005	6,109
Other		7,965		5,424		6,854		8,423
Total, appropriations	576	20,247	146	15,579	1,136	19,799	3,005	26,036
Revolving and management funds	17,858	4,818	11,075	5,292	10,216	4,635	9,918	4,447
Proposed for later transmission:								
Appropriations						151		**2**
Total, Department of Justice	18,435	25,065	11,221	20,871	11,352	24,585	12,923	**30,485**

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

Description	1959 actual	1960 estimate	1961 estimate
Balances brought forward at start of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	$20,247	$15,579	$19,799
Revolving and management funds	4,818	5,292	4,635
Proposed for later transmission: Appropriations			151
Total balances brought forward	25,065	20,871	24,585
New obligational authority:			
Enacted or recommended in this document:			
Current authorizations: Appropriations	253,270	266,035	280,900
Permanent authorizations: Appropriations	60	50	
Total new obligational authority enacted or recommended	253,330	266,085	280,900
Proposed for later transmission: Appropriations		325	
Total new obligational authority	253,330	266,410	280,900
Other amounts available:			
Appropriations available in prior year	−3,108		
Adjustment of balances upward in expired accounts, net	75		
Total other amounts available	−3,033		
Total budget authorizations available	275,362	287,281	305,485
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	250,066	258,522	258,151
Out of balances of prior obligational authority			12,700
Total expenditures from obligational authority enacted or recommended	250,066	258,522	270,851
From obligational authority proposed for later transmission:			
Out of new obligational authority		174	
Out of balances of prior obligational authority			149
Total budget expenditures	250,066	258,696	271,000
Amounts no longer available:			
Unobligated balances expiring and lapsing	424		
Capital transfers from revolving funds to receipt accounts	4,000	4,000	4,000
Total amounts no longer available	4,424	4,000	4,000
Balances carried forward at the close of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	15,579	19,799	26,036
Revolving and management funds	5,292	4,635	4,447
Proposed for later transmission: Appropriations		151	2
Total balances carried forward at close of year	20,871	24,585	30,485
Obligations incurred, net	$253,012	$262,279	$275,329

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LEGAL ACTIVITIES AND GENERAL ADMINISTRATION

Current authorizations:

SALARIES AND EXPENSES, GENERAL ADMINISTRATION

For expenses necessary for the administration of the Department of Justice and for examination of judicial offices, including purchase ([one] *two* for replacement only) and hire of passenger motor vehicles; and miscellaneous and emergency expenses authorized or approved by the Attorney General or his Administrative Assistant; [$3,675,000] *$4,010,000. (5 U.S.C.A. 291, note, 294, 310, 341; 8 U.S.C. 1103; 18 U.S.C. 4201–9; 13 Stat. 516; Department of Justice Appropriation Act, 1960.)*

Appropriated 1960, **$3,675,000** Estimate 1961, **$4,010,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct costs:			
1. Executive direction	$677,014	$672,000	$736,200
2. Administrative review and appeals	691,609	691,000	750,700
3. Administrative services	2,200,224	2,312,000	2,523,100
Total direct costs	3,568,847	3,675,000	4,010,000
Reimbursable costs:			
3. Administrative services	110,650	50,000	
Total program costs	3,679,497	3,725,000	4,010,000
4. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−25,341		
Total program (obligations)	3,654,156	3,725,000	4,010,000
Financing:			
1959 appropriation available in 1958	4,475		
Advances and reimbursements from other accounts	−110,650	−50,000	
Unobligated balance no longer available	6,019		
Appropriation (new obligational authority)	3,554,000	3,675,000	4,010,000

2. *Administrative review and appeals.*—In addition to review of requests for pardon, these include the work of the Board of Parole and of the Board of Immigration Appeals. The following tables show the actual workloads of these boards:

BOARD OF PAROLE

Parole decisions:	*1957*	*1958*	*1959*
Hearings	12,665	12,684	11,673
Reviews	------	3,361	2,636
Paroles denied	6,831	6,594	5,598
Paroles granted	4,426	4,094	4,385
Juvenile and youth offender considerations	1,408	1,996	1,652
Determinations of eligibility for parole	------	------	38

BOARD OF IMMIGRATION APPEALS

Cases pending, beginning of year	638	286	289
Cases received	2,746	2,273	1,930
Cases closed	3,098	2,270	2,067
Cases pending, end of year	286	289	152

3. *Administrative services.*—The administrative division serves as the focal point for departmentwide management and administration. This division also furnishes administrative services to the smaller offices and divisions, and for the larger divisions and bureaus when such functions can be more effectively and economically performed centrally. In 1959 this division reorganized its staff so as to set up a new management office.

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $31,496; 1959, $6,155; 1960, $6,155; 1961, $6,155.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	571	567	572
Full-time equivalent of all other positions	9	2	2
Average number of all employees	521	531	558
Number of employees at end of year	525	535	558
Average GS grade and salary	6.2 $5,500	6.3 $5,631	6.3 $5,722
Average salary of ungraded positions	$4,425	$4,679	$4,693
Personal service costs:			
Permanent positions	$2,944,758	$3,063,705	$3,267,380
Positions other than permanent	51,628	10,000	10,000
Other personal services	21,145	25,165	13,790
Total personal service costs	3,017,531	3,098,870	3,291,170
Direct costs:			
01 Personal services	2,907,531	3,049,170	3,291,170
02 Travel	68,799	74,850	86,850
03 Transportation of things	1,228	500	500
04 Communication services	63,794	42,780	48,480
05 Rents and utility services	32,665	34,100	35,100
06 Printing and reproduction	45,635	45,150	47,350
07 Other contractual services	59,584	61,250	100,000
08 Supplies and materials	64,772	48,440	56,590
09 Equipment	132,850	122,150	134,400
11 Grants, subsidies, and contributions	187,728	195,260	208,210
13 Refunds, awards, and indemnities	2,250	------	------
15 Taxes and assessments	2,011	1,350	1,350
Total direct costs	3,568,847	3,675,000	4,010,000
Reimbursable costs:			
01 Personal services	110,000	49,700	------
11 Grants, subsidies, and contributions	650	300	------
Total reimbursable costs	110,650	50,000	------
Total costs	3,679,497	3,725,000	4,010,000
Costs financed from obligations of other years, net (−)	−25,341	------	------
Total obligations	3,654,156	3,725,000	4,010,000

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

For expenses necessary for the legal activities of the Department of Justice, not otherwise provided for, including miscellaneous and emergency expenses authorized or approved by the Attorney General or his Administrative Assistant; and advances of public moneys pursuant to law (31 U.S.C. 529); [$12,600,000] *$13,550,000: Provided, That costs and expenses, paid from appropriations to the Department of Justice, recovered during the current fiscal year in connection with litigation in foreign countries shall be credited to this appropriation. (5 U.S.C. 22, 291, 293, 295, 310, 315, 341; Department of Justice Appropriation Act, 1960.)*

Appropriated 1960, **$12,600,000** Estimate 1961, [a] **$13,550,000**

[a] Excludes $125,000 for activities transferred in the estimates to "Salaries and expenses, United States attorneys and marshals." The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct costs:			
1. Conduct of Supreme Court proceedings and coordination of appellate matters	$356,708	$391,000	$412,700
2. General tax matters	2,268,821	2,350,000	2,670,300
3. Criminal matters	1,475,854	1,493,000	1,604,000
4. Claims, customs, and general civil matters	3,193,037	3,158,000	3,382,600
5. Land matters	3,017,977	3,032,000	3,347,400
6. Legal opinions	406,198	437,000	460,000
7. Internal security matters	1,134,132	1,097,000	1,105,000
8. Civil rights matters	483,221	517,000	568,000
Total direct costs	12,335,948	12,475,000	13,550,000
Reimbursable costs:			
4. Claims, customs, and general civil matters	------	------	50,000
Total program costs	12,335,948	12,475,000	13,600,000
9. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−61,667	------	------
Total program (obligations)	12,274,281	12,475,000	13,600,000
Financing:			
Comparative transfers to other accounts	94,501	125,000	------
1959 appropriation available in 1958	402	------	------
Advances and reimbursements from non-Federal sources	------	------	−50,000
Unobligated balance no longer available	3,816	------	------
Appropriation (new obligational authority)	12,373,000	12,600,000	13,550,000

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LEGAL ACTIVITIES AND GENERAL ADMINISTRATION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES—Con.

The following legal activities of the Department are financed from this appropriation:

1. *Conduct of Supreme Court proceedings and coordination of appellate matters.*—All appellate matters are supervised and controlled, and the Government is represented before the Supreme Court by personnel in this activity.

2. *General tax matters.*—Cases arising under the internal revenue laws and other tax statutes are prosecuted or defended under this activity.

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Caseload:				
Pending, beginning of year	4,685	4,386	4,261	4,131
Received	5,811	6,227	6,540	6,867
Terminated	6,110	6,352	6,670	7,003
Pending, end of year	4,386	4,261	4,131	3,995

3. *Criminal matters.*—These embrace all actions in criminal law except tax, internal security, antitrust, and civil rights matters.

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Caseload:				
Pending, beginning of year	187	146	165	157
Received	3,720	3,472	3,418	3,493
Terminated	3,761	3,453	3,426	3,499
Pending, end of year	146	165	157	151

4. *Claims, customs, and general civil matters.*—The prosecution or defense of civil suits and claims of the Government, except tax, land, civil rights, and alien property matters are handled by this activity.

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Caseload:				
Pending, beginning of year	14,024	14,307	14,303	15,301
Received	[1] 8,462	8,746	9,505	9,725
Terminated	[1] 8,179	8,750	8,507	8,955
Pending, end of year	14,307	14,303	15,301	16,071

[1] Adjusted to reflect changes in statistics previously reported.

5. *Land matters.*—The Lands Division represents the Government in all civil suits and legal matters relating to acquisition, title, possession, and use of Federal land and natural resources. Its work also includes civil litigation involving Indians and Indian affairs in which the United States is directly concerned. A supplemental estimate for 1960 is anticipated under Proposed for later transmission.

6. *Legal opinions.*—Opinions are prepared for the President and executive agencies; proposed Executive orders and proclamations are reviewed as to form and legality.

7. *Internal security matters.*—All litigation and related matters concerning the internal security of the United States are handled in this activity.

8. *Civil rights matters.*—Cases and matters involving the civil rights of persons within the jurisdiction of the United States are covered in this activity.

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Caseload:				
Pending, beginning of year	143	409	401	400
Received	887	2,089	1,998	2,000
Terminated	621	2,097	1,999	2,000
Pending, end of year	409	401	400	400

9. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $309,602; 1959, $247,935; 1960, $247,935; 1961, $247,935.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	1,290	1,323	1,377
Full-time equivalent of all other positions	45	15	15
Average number of all employees	1,241	1,259	1,331
Number of employees at end of year	1,257	1,276	1,350
Average GS grade and salary	9.0 $7,553	8.9 $7,573	8.9 $7,595
Average salary of ungraded positions	$12,875	$13,300	$13,300
Direct costs:			
01 Personal services:			
Permanent positions	$9,135,480	$9,546,630	$10,145,540
Positions other than permanent	316,824	111,200	111,200
Other personal services	50,020	75,170	39,860
Total personal services	9,502,324	9,733,000	10,296,600
02 Travel	380,951	364,200	406,200
03 Transportation of things	3,750	2,600	2,600
04 Communication services	159,669	145,250	153,050
05 Rents and utility services	4,955		
06 Printing and reproduction	334,284	377,000	413,000
07 Other contractual services	1,159,388	1,142,850	1,511,150
08 Supplies and materials	92,167	54,500	59,600
09 Equipment	100,437	46,300	63,900
11 Grants, subsidies, and contributions	582,431	603,200	637,800
13 Refunds, awards, and indemnities	7,750		
15 Taxes and assessments	7,842	6,100	6,100
Total direct costs	12,335,948	12,475,000	13,550,000
Reimbursable costs:			
07 Other contractual services			50,000
Total costs	12,335,948	12,475,000	13,600,000
Costs financed from obligations of other years, net (−)	−61,667		
Total obligations	12,274,281	12,475,000	13,600,000

SALARIES AND EXPENSES, ANTITRUST DIVISION

For expenses necessary for the enforcement of antitrust and kindred laws, [$4,500,000] *$4,760,000*: *Provided*, That none of this appropriation shall be expended for the establishment and maintenance of permanent regional offices of the Antitrust Division. *(5 U.S.C. 295, 310, 315, 341; 15 U.S.C. 1–34; Department of Justice Appropriation Act, 1960.)*

Appropriated 1960, **$4,500,000** Estimate 1961, **$4,760,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Enforcement of antitrust and kindred laws (total program costs)	$4,142,786	$4,500,000	$4,760,000
2. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−11,460		
Total program (obligations)	4,131,326	4,500,000	4,760,000
Financing:			
Unobligated balance no longer available	6,674		
Appropriation (new obligational authority)	4,138,000	4,500,000	4,760,000

1. *Enforcement of antitrust and kindred laws.*—This division administers and enforces the antitrust laws and related statutes. Actual and estimated caseloads are indicated in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Caseload:				
Pending, beginning of year	[1] 111	[1] 109	104	111
Filed	[1] 63	70	79	79
Terminated	[1] 65	75	72	79
Pending, end of year	[1] 109	104	111	111

[1] Adjusted to reflect changes in statistics previously reported.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $21,106; 1959, $9,646; 1960, $9,646; 1961, $9,646.

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Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	479	518	539
Full-time equivalent of all other positions	7	7	7
Average number of all employees	449	492	513
Number of employees at end of year	447	483	504
Average GS grade and salary	9.2 $7,680	9.1 $7,577	9.1 $7,630
01 Personal services:			
Permanent positions	$3,407,644	$3,686,500	$3,873,100
Positions other than permanent	51,602	51,500	51,500
Other personal services	24,863	40,600	27,000
Total personal services	3,484,109	3,778,600	3,951,600
02 Travel	142,996	154,000	169,000
03 Transportation of things	4,011	4,000	4,000
04 Communication services	58,523	60,000	66,200
05 Rents and utility services	918	1,000	1,000
06 Printing and reproduction	63,328	68,000	88,000
07 Other contractual services	137,625	149,000	184,000
08 Supplies and materials	28,226	30,000	30,000
09 Equipment	12,964	14,000	14,000
11 Grants, subsidies, and contributions	199,358	234,200	245,000
13 Refunds, awards, and indemnities	4,025		
15 Taxes and assessments	6,703	7,200	7,200
Total costs	4,142,786	4,500,000	4,760,000
Costs financed from obligations of other years, net (−)	−11,460		
Total obligations	4,131,326	4,500,000	4,760,000

Salaries and Expenses, United States Attorneys and Marshals

For necessary expenses of the offices of United States attorneys and marshals and United States district attorneys in Alaska; services in Alaska in collecting evidence for the United States when specifically directed by the Attorney General, including not to exceed $5,000 for emergencies to be accounted for solely on the certificate of the Attorney General; and firearms and ammunition; [$22,500,000] *$23,800,000*, of which not to exceed $50,000 shall be available for the employment of temporary deputy marshals in lieu of bailiffs at a rate not to exceed $12 per day: *Provided*, That of the amount herein appropriated $15,000 may be used for the emergency replacement of one prisoner-carrying bus upon certificate of the Attorney General. (*5 U.S.C. 320, 341; 18 U.S.C. 4008; 28 U.S.C. 501, 510, 541, 553; 48 U.S.C. 109, 110; Department of Justice Appropriation Act, 1960.*)

Appropriated 1960, **$22,500,000** Estimate 1961, [a] **$23,800,000**

[a] Includes $125,000 for activities previously carried under "Salaries and expenses, general legal activities." The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. U.S. attorneys	$12,755,905	$13,082,000	$13,838,000
2. U.S. marshals	9,668,464	9,543,000	9,962,000
Total program costs	22,424,369	22,625,000	23,800,000
3. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−23,876		
Total program (obligations)	22,400,493	22,625,000	23,800,000
Financing:			
Comparative transfers from (−) other accounts	−94,501	−125,000	
1959 appropriation available in 1958	75,081		
Unobligated balance no longer available	927		
Appropriation (new obligational authority)	22,382,000	22,500,000	23,800,000

The Government is represented in each of the 94 judicial districts by a U.S. attorney and a U.S. marshal.

1. *U.S. attorneys.*—The U.S. attorney is responsible for the Government's legal interests in his district.

2. *U.S. marshals.*—The marshal has custody of all Federal offenders until they are released by the courts or confined in prison. He also acts as agent of the court in the service of process.

The following table shows actual and estimated workloads:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
U.S. attorneys:				
Caseload:				
Pending, beginning of year	[1] 23,861	26,171	26,099	25,099
Filed during year	55,058	55,364	58,500	61,500
Terminated during year	52,748	55,436	59,500	62,500
Pending, end of year	[1] 26,171	26,099	25,099	24,099
U.S. marshals:				
Process served	652,780	652,402	665,000	675,000
Process endeavors (unsuccessful)	[2]	170,034	175,000	180,000
Defendants arrested	[2]	19,773	22,500	25,000
Prisoners handled	180,853	184,157	190,000	195,000

[1] Adjusted to reflect changes in statistics previously reported.
[2] Data not available.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $88,007; 1959, $64,131; 1960, $64,131; 1961, $64,131.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	2,706	2,706	2,762
Full-time equivalent of all other positions	34	8	8
Average number of all employees	2,661	2,662	2,708
Number of employees at end of year	2,646	2,646	2,700
Average GS grade and salary	6.1 $5,257	6.1 $5,338	6.1 $5,387
Average salary of ungraded positions	$8,814	$8,903	$8,818
01 Personal services:			
Permanent positions	$16,321,908	$16,719,800	$17,065,300
Positions other than permanent	243,948	101,200	101,200
Other personal services	638,443	672,600	606,700
Total personal services	17,204,299	17,493,600	17,773,200
02 Travel	2,225,511	2,039,000	2,295,000
03 Transportation of things	15,588	26,300	26,300
04 Communication services	483,264	512,700	552,000
05 Rents and utility services	6,749	10,400	10,400
06 Printing and reproduction	263,430	261,300	331,300
07 Other contractual services	1,017,663	888,200	1,325,000
08 Supplies and materials	117,793	129,900	132,700
09 Equipment	209,722	335,000	390,000
11 Grants, subsidies, and contributions	814,702	851,500	882,000
13 Refunds, awards, and indemnities	1,961		
15 Taxes and assessments	65,089	73,500	78,500
Unvouchered		5,000	5,000
Subtotal	22,425,771	22,626,400	23,801,400
Deduct quarters and subsistence charges	1,402	1,400	1,400
Total costs	22,424,369	22,625,000	23,800,000
Costs financed from obligations of other years, net (−)	−23,876		
Total obligations	22,400,493	22,625,000	23,800,000

Fees and Expenses of Witnesses

For expenses, mileage, and per diems of witnesses and for per diems in lieu of subsistence, as authorized by law, and not to exceed [$275,000] *$300,000* for such compensation and expenses of witnesses (including expert witnesses) or informants pursuant to section 1 of the Act of July 28, 1950 (5 U.S.C. 34[1]) and sections 4244–48 of title 18, United States Code; [$1,650,000] *$1,800,000*: *Provided*, That no part of the sum herein appropriated shall be used to pay any witness more than one attendance fee for any one calendar day. (*28 U.S.C. 1821–1825, 2072; Department of Justice Appropriation Act, 1960.*)

Appropriated 1960, **$1,650,000** Estimate 1961, **$1,800,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Fact witnesses	$1,481,944	$1,375,000	$1,500,000
2. Expert witnesses	245,739	275,000	300,000
Total program (costs—obligations)	1,727,683	1,650,000	1,800,000
Financing:			
Unobligated balance no longer available	22,317		
Appropriation (new obligational authority)	1,750,000	1,650,000	1,800,000

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LEGAL ACTIVITIES AND GENERAL ADMINISTRATION—Continued

Current authorizations—Continued

FEES AND EXPENSES OF WITNESSES—Continued

Fees and expenses are paid to witnesses who appear on behalf of the Government in all cases to which the United States is a party.

1. *Fact witnesses.*—These witnesses testify as to events or facts about which they have personal knowledge. The fees of physicians and psychiatrists for examining accused persons preparatory to testifying in court are also paid from this fund. A supplemental estimate for 1960 is anticipated under Proposed for later transmission.

2. *Expert witnesses.*—The testimony of these witnesses entails the use of special training or information.

Object Classification

	1959 actual	1960 estimate	1961 estimate
07 Other contractual services:			
Per diem of witnesses	$335,002	$318,000	$335,000
Per diem in lieu of subsistence	224,514	225,000	225,000
Mileage	803,041	745,000	810,000
Expenses (Government employees)	38,941	40,000	40,000
Mental examinations	80,446	47,000	90,000
Expert witnesses	245,739	275,000	300,000
Total obligations	1,727,683	1,650,000	1,800,000

SALARIES AND EXPENSES, CLAIMS OF PERSONS OF JAPANESE ANCESTRY

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Adjudication expenses (total costs—obligations)	$209,623		
Financing:			
Unobligated balance no longer available	377		
Appropriation (new obligational authority)	210,000		

Object Classification

Total number of permanent positions	24		
Full-time equivalent of all other positions	1		
Average number of all employees	24		
Number of employees at end of year	18		
Average GS grade and salary	8.9 $7,587		
01 Personal services:			
Permanent positions	$172,550		
Positions other than permanent	6,073		
Other personal services	687		
Total personal services	179,310		
02 Travel	3,357		
03 Transportation of things	1,971		
04 Communication services	3,495		
07 Other contractual services	1,824		
08 Supplies and materials	140		
09 Equipment	8,194		
11 Grants, subsidies, and contributions	10,567		
13 Refunds, awards, and indemnities	500		
15 Taxes and assessments	265		
Total obligations	209,623		

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Salaries and expenses, general legal activities	$149,797	$65,839	$65,839
2. Salaries and expenses, Antitrust Division	89		
3. Salaries and expenses, United States attorneys and marshals	42,144	45,000	45,000
Total obligations	192,030	110,839	110,839
Financing:			
Advances and reimbursements from other accounts	192,030	110,839	110,839

Object Classification

Total number of permanent positions	6	6	6
Full-time equivalent of all other positions	6	6	6
Average number of all employees	12	12	12
Number of employees at end of year	6	6	6
Average GS grade and salary	9.5 $7,436	9.5 $7,486	9.5 $7,486
Average salary of ungraded positions	$7,450	$7,950	$7,950
01 Personal services:			
Permanent positions	$44,440	$46,672	$46,672
Positions other than permanent	42,346	50,000	50,000
Other personal services	100	125	125
Total personal services	86,886	96,797	96,797
02 Travel	338		
07 Other contractual services	103,867	11,000	11,000
11 Grants, subsidies, and contributions	939	3,042	3,042
Total obligations	192,030	110,839	110,839

Proposed for later transmission:

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Land matters (total costs—obligations)		$200,000	
Financing:			
Proposed supplemental appropriation		200,000	

Under existing legislation, 1960.—It is anticipated that a supplemental appropriation will be needed to meet estimated costs in excess of currently available funds for appraisals in condemnation cases and for research and appraisals relative to Indian claims cases.

FEES AND EXPENSES OF WITNESSES

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Fact witnesses (total costs—obligations)		$125,000	
Financing:			
Proposed supplemental appropriation		125,000	

Under existing legislation, 1960.—It is anticipated that a supplemental appropriation will be needed to meet estimated costs for witnesses beyond currently available funds.

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FEDERAL BUREAU OF INVESTIGATION

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for the detection and prosecution of crimes against the United States; protection of the person of the President of the United States; acquisition, collection, classification and preservation of identification and other records and their exchange with, and for the official use of, the duly authorized officials of the Federal Government, of States, cities, and other institutions, such exchange to be subject to cancellation if dissemination is made outside the receiving departments or related agencies; and such other investigations regarding official matters under the control of the Department of Justice and the Department of State as may be directed by the Attorney General, including purchase for police-type use without regard to the general purchase price limitation for the current fiscal year (not to exceed five hundred and one, including one armored vehicle, for replacement only) and hire of passenger motor vehicles; firearms and ammunition; not to exceed $10,000 for taxicab hire to be used exclusively for the purposes set forth in this paragraph; payment of rewards; *construction of a storage building at the Federal Bureau of Investigation Training Center, Quantico, Virginia;* and not to exceed $70,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General, and to be accounted for solely on his certificate; [$114,600,000] *$118,000,000: Provided,* That the compensation of the Director of the Bureau shall be $22,000 per annum so long as the position is held by the present incumbent.

None of the funds appropriated for the Federal Bureau of Investigation shall be used to pay the compensation of any civil-service employee. (*5 U.S.C. 300, 340, 341, 341c, 341e; Department of Justice Appropriation Act, 1960.*)

Appropriated 1960, **$114,600,000** Estimate 1961, **$118,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Security and criminal investigations:			
(a) Coordination	$4,592,189	$4,475,509	$4,528,684
(b) Maintenance of investigative records and communications system	5,701,277	6,038,864	6,134,858
(c) Field investigations	85,429,093	87,313,115	89,694,739
2. Identification by fingerprints	8,763,694	9,163,682	9,863,145
3. Criminal and scientific laboratory	2,004,841	2,111,286	2,172,145
4. Training schools and inspectional services	646,105	730,308	752,021
5. General administration	4,649,986	4,770,822	4,854,408
Total program costs [1]	111,787,185	114,603,586	118,000,000
6. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−1,536,039	−3,586	
Total program (obligations)	110,251,146	114,600,000	118,000,000
Financing:			
1959 appropriation available in 1958	1,655,196		
Unobligated balance no longer available	204,658		
Appropriation (new obligational authority)	112,111,000	114,600,000	118,000,000

[1] Includes capital outlay as follows: 1959, $2,157,100; 1960, $2,014,100; 1961, $2,825,267.

The Federal Bureau of Investigation is the investigative branch of the Department of Justice and obtains evidence for use in civil litigation and prosecution of criminal violations of Federal law. It has primary responsibility for the internal security of the Nation. It assists all law enforcement agencies in identification and technical matters.

The appropriation request for 1961 totals $118 million. This will provide for an additional 137 employees (all clerks) when compared with the number allowed under the approved appropriation for the current year. These 137 additional employees are to be utilized exclusively in connection with essential projects designed to improve and increase substantially the efficiency and productivity of the Federal Bureau of Investigation identification division fingerprint operations.

There continues to be an urgent and critical need for a sufficiently adequate field staff to discharge investigative commitments related to major security and to handle intelligence operations as well as vastly increased activities in the criminal field. The Bureau will endeavor to absorb this growing volume of work with its present staff.

Normal workload volumes concerned with fingerprints, name checks, and the technical services of the Bureau laboratory are also expected to increase, but the Bureau will again endeavor to absorb this additional work with its present staff.

1. *Security and criminal investigations.*—This activity includes the Bureau's investigative responsibilities, the coordination and maintenance of the data gathered, and the maintenance of the Bureau's communications system. Data is disseminated to other Government agencies having an official interest in it. During 1959 the Bureau received 1,542,309 names for search through its files. An increase in name searches is anticipated.

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Caseload:				
Investigative matters received	478,220	513,855	519,000	530,000

2. *Identification by fingerprints.*—The identification division is the national repository of identification data based on fingerprint records. Fingerprints are acquired, classified, preserved, and exchanged with other duly authorized law enforcement agencies and 4,987,362 sets of fingerprints were received for handling during 1959. The volume of fingerprint work is expected to increase. Sets of fingerprints on file on July 1, 1959, totaled 152,594,022.

3. *Criminal and scientific laboratory.*—The laboratory provides technical and scientific assistance to the Federal Bureau of Investigation and all duly constituted law enforcement agencies and other Federal agencies which desire to avail themselves of the service. During 1959, scientific examinations totaled 184,993, a new alltime high. This is an increase of 12% over the record volume of the prior year, and the upward trend is expected to continue.

4. *Training schools and inspectional services.*—A bureau-wide inspectional service and a personnel training program are provided. The Bureau assists upon request in providing various types of training to local law enforcement agencies.

6. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$422,928	$200,804	$200,000	$200,000
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	1,396,697	82,782	80,000	80,000
Total selected resources at end of year	1,819,625	283,586	280,000	280,000
Selected resources at start of year (−)		−1,819,625	−283,586	−280,000
Costs financed from obligations of other years, net (−)		−1,536,039	−3,586	

Object Classification

	1959 actual		1960 estimate		1961 estimate	
Total number of permanent positions	13,742		13,875		14,012	
Full-time equivalent of all other positions	5		4		4	
Average number of all employees	13,319		13,435		13,572	
Number of employees at end of year	13,037		13,588		13,572	
Average GS grade and salary	8.0	$6,565	8.1	$6,656	8.1	$6,730

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FEDERAL BUREAU OF INVESTIGATION—Con.

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
01 Personal services:			
Permanent positions	$87,615,964	$89,751,462	$91,571,966
Positions other than permanent	31,298	18,150	18,150
Other personal services	6,511,640	6,522,755	6,162,090
Total personal services	94,158,902	96,292,367	97,752,206
02 Travel	3,884,897	4,012,184	4,012,184
03 Transportation of things	458,289	609,437	610,396
04 Communication services	1,887,903	1,964,560	1,964,560
05 Rents and utility services	507,832	577,580	577,580
06 Printing and reproduction	131,977	170,350	171,720
07 Other contractual services	1,777,934	1,809,830	2,835,228
08 Supplies and materials	1,511,166	1,588,916	1,560,780
09 Equipment	2,264,769	2,113,311	2,964,623
11 Grants, subsidies, and contributions	4,792,400	5,048,076	5,099,230
13 Refunds, awards, and indemnities	71,051	71,000	71,000
15 Taxes and assessments	340,065	345,975	380,493
Total costs	111,787,185	114,603,586	118,000,000
Costs financed from obligations of other years, net (−)	−1,536,039	−3,586	
Total obligations	110,251,146	114,600,000	118,000,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Security and criminal investigations:			
(a) Coordination:			
Atomic Energy Commission	$24,064	$14,336	$14,560
Civil Service Commission	1,672	1,713	1,723
Other agencies	61,803	55,108	
(b) Maintenance of investigative records and communications system: Civil Service Commission	1,177	1,179	1,179
(c) Field investigations:			
Atomic Energy Commission	1,312,428	781,872	787,248
Civil Service Commission	28,627	29,425	29,625
Other agencies	235,446	144,892	
Non-Federal sources	171,200	75,000	75,000
2. General administration:			
Atomic Energy Commission	3,008	1,792	1,792
Civil Service Commission	655	683	688
Other agencies	620		
Total obligations	1,840,700	1,106,000	911,815
Financing:			
Advances and reimbursements from—			
Other accounts	1,669,500	1,031,000	836,815
Non-Federal sources (40 U.S.C. 481(c))	171,200	75,000	75,000
Total financing	1,840,700	1,106,000	911,815

Object Classification

	1959 actual		1960 estimate		1961 estimate	
Total number of permanent positions	174		105		91	
Average number of all employees	168		102		89	
Number of employees at end of year	164		102		89	
Average GS grade and salary	9.8	$7,763	9.9	$7,845	9.4	$7,428
01 Personal services:						
Permanent positions	$1,306,455		$801,973		$658,584	
Other personal services	104,794		67,796		52,406	
Total personal services	1,411,249		869,769		710,990	
02 Travel	105,974		69,997		38,287	
03 Transportation of things	7,757		4,478		4,478	
04 Communication services	17,055		9,836		9,836	
06 Printing and reproduction	1,005		582		582	
07 Other contractual services	26,623		15,405		21,220	
08 Supplies and materials	17,591		10,184		10,184	
09 Equipment	176,083		77,821		77,821	
11 Grants, subsidies, and contributions	74,292		46,157		36,646	
15 Taxes and assessments	3,071		1,771		1,771	
Total obligations	1,840,700		1,106,000		911,815	

IMMIGRATION AND NATURALIZATION SERVICE

Current authorizations:

SALARIES AND EXPENSES

For expenses, not otherwise provided for, necessary for the administration and enforcement of the laws relating to immigration, naturalization, and alien registration, including advance of cash to aliens for meals and lodging while en route; payment of allowances (at a rate not in excess of $1 per day) to aliens, while held in custody under the immigration laws, for work performed; payment of rewards; not to exceed [$35,000] *$50,000* to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General and accounted for solely on his certificate; purchase for police-type use, without regard to the general purchase price limitation for the current fiscal year (not to exceed two hundred and [forty] *fifty* for replacement only) and hire of passenger motor vehicles; purchase (not to exceed [nine, of which four shall be] *five* for replacement only) and maintenance and operation of aircraft; firearms and ammunition, attendance at firearms matches; refunds of head tax, maintenance bills, immigration fines, and other items properly returnable, except deposits of aliens who become public charges and deposits to secure payment of fines and passage money; operation, maintenance, remodeling, and repair of buildings and the purchase of equipment incident thereto; reimbursement of the General Services Administration for security guard services for protection of confidential files; and maintenance, care, detention, surveillance, parole, and transportation of alien enemies and their wives and dependent children, including return of such persons to place of bona fide residence or to such other place as may be authorized by the Attorney General; [$55,500,000] *$58,460,000*: *Provided*, That of the amount herein appropriated, not to exceed $50,000 may be used for the emergency replacement of aircraft upon certificate of the Attorney General. (*5 U.S.C. 341, 341d, 341e; act of June 27, 1952, Public Law 82–414, sec. 103a; Department of Justice Appropriation Act, 1960.*)

Appropriated 1960, **$55,500,000** Estimate 1961, **$58,460,000**
Appropriated (adjusted) 1960, **$55,435,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Inspection for admission into the United States	$13,569,605	$14,029,022	$15,212,000
2. Detention and deportation	5,333,357	5,693,667	5,964,900
3. Naturalization	2,942,479	3,057,122	3,220,000
4. Border patrol	14,996,236	15,274,082	15,712,000
5. Investigating aliens' status	9,657,749	9,854,108	10,153,100
6. Immigration and naturalization records	4,045,256	4,029,555	4,994,000
7. General administration	3,063,898	3,309,810	3,354,000
Total program costs [1]	53,608,580	55,247,366	58,610,000
8. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)	−27,964		−150,000
Obligations incurred for costs of other years, net		187,634	
Total program (obligations)	53,580,616	55,435,000	58,460,000
Financing:			
1959 appropriation available in 1958	59,977		
Unobligated balance no longer available	67,407		
New obligational authority	53,708,000	55,435,000	58,460,000
New obligational authority:			
Appropriation	$53,708,000	$55,500,000	$58,460,000
Transferred to "Operating expenses, Public Buildings Service," General Services Administration		−65,000	
Appropriation (adjusted)	53,708,000	55,435,000	58,460,000

[1] Includes capital outlay as follows: 1959, $1,568,239; 1960, $1,863,981; 1961, $1,656,500.

The Service administers and enforces the laws relating to immigration and naturalization. Recent amendments to the Immigration and Nationality Act and rising volumes of international traffic will increase workloads and require additional staff.

1. *Inspection for admission into the United States.*—Control is maintained at border points, seaports, and air-

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ports over the entry of persons into the United States. Provision is made for the construction of 15 border stations under the joint Immigration and Naturalization Service—Bureau of Customs construction program.

WORKLOAD

	1958 actual	1959 actual	1960 estimate	1961 estimate
Aliens admitted	1,101,029	1,285,631	1,300,000	1,350,000
Stowaways found on arrival	296	316	320	320
Citizens arrived	1,469,262	1,804,435	2,000,000	2,100,000
Alien crewmen examined on arrival	1,673,475	1,692,893	1,750,000	1,800,000
Entries over land boundaries	144,298,007	149,632,404	154,637,000	160,137,000
Aliens denied entry on primary inspection	157,720	146,043	147,000	147,000

2. *Detention and deportation.*—Aliens alleged to be in the United States unlawfully are served with orders to show cause and accorded hearings. Warrants of deportation are issued, served, and executed. Detention facilities are operated and maintained.

WORKLOAD

	1958 actual	1959 actual	1960 estimate	1961 estimate
Orders to show cause	12,938	11,587	14,400	15,800
Hearings	14,652	12,446	13,700	15,100
Aliens expelled	67,742	63,888	64,900	65,200
Average number of aliens held in detention	1,228	968	1,000	1,100

3. *Naturalization.*—Examinations are conducted to determine the qualifications of aliens for naturalization, including applicants for derivative citizenship. Facts and recommendations are presented to naturalization courts, and derivative citizenship is adjudicated by the Service.

WORKLOAD

	1958 actual	1959 actual	1960 estimate	1961 estimate
Applications, petition for naturalization	144,976	134,870	158,700	166,400
Applications, derivative citizenship	33,594	33,801	37,400	38,900
Applications for new papers	9,471	8,894	11,000	11,200
Recommendations to courts	126,600	108,350	148,100	155,900

4. *Border patrol.*—The patrol guards the international boundaries to combat smuggling and apprehends aliens illegally in the United States. Improved enforcement is reflected in lower numbers of violators apprehended.

WORKLOAD

	1958 actual	1959 actual	1960 estimate	1961 estimate
Persons apprehended	41,956	34,218	32,000	31,000
Deportable aliens	40,399	32,996	31,000	30,000
Smugglers of aliens	402	321	325	325
Other law violators	1,155	1,348	1,300	1,300

5. *Investigating aliens' status.*—These investigations deal with admission, naturalization, deportation, and arrests for violation of the immigration and nationality laws. Objective is to achieve current status so all cases may be assigned immediately upon receipt.

WORKLOAD

	1958 actual	1959 actual	1960 estimate	1961 estimate
Pending, beginning of year	15,029	10,960	10,654	6,715
Received	59,935	56,313	69,061	71,829
Terminated	64,004	56,619	73,000	73,000
Pending, end of year	10,960	10,654	6,715	5,544

6. *Immigration and naturalization records.*—Documents of entry, address, departure, and naturalization of aliens are received, recorded, and filed, including annual report of current addresses from all aliens.

WORKLOAD

	1958 actual	1959 actual	1960 estimate	1961 estimate
New files prepared	500,808	447,209	463,000	482,000
Index searches	3,274,136	3,316,809	3,245,000	3,266,000
Alien address reports	2,899,691	2,948,694	3,000,000	3,050,000

8. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year: Inventories and items on order: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$537,639	$512,366	$700,000	$550,000
Selected resources at start of year (−)		−537,639	−512,366	−700,000
Adjustment of selected resources reported at start of year		−2,691		
Costs financed from obligations of other years, net (−)		−27,964		−150,000
Obligations incurred for costs of other years, net			187,634	

Object Classification

		1959 actual		1960 estimate		1961 estimate
	Total number of permanent positions	6,803		6,895		6,954
	Full-time equivalent of all other positions	84		114		237
	Average number of all employees	6,521		6,584		6,734
	Number of employees at end of year	6,510		6,580		6,610
	Average GS grade and salary	7.3	$5,861	7.3	$5,923	7.4 $6,025
01	Personal services:					
	Permanent positions	$37,684,047		$38,189,800		$39,067,500
	Positions other than permanent	327,920		518,400		963,600
	Other personal services	4,226,361		4,502,300		4,567,600
	Total personal services	42,238,328		43,210,500		44,598,700
02	Travel	2,031,785		2,142,500		2,339,900
03	Transportation of things	391,709		469,100		473,900
04	Communication services	820,570		867,200		873,700
05	Rents and utility services	188,159		195,200		195,200
06	Printing and reproduction	287,537		328,559		328,300
07	Other contractual services	1,402,653		1,413,033		1,919,600
	Services performed by other agencies	384,963		368,300		368,300
08	Supplies and materials	1,748,982		1,796,493		1,860,300
09	Equipment	1,425,550		1,714,902		2,373,300
10	Land and structures	142,689		149,079		633,200
11	Grants, subsidies, and contributions	2,408,455		2,451,300		2,493,000
13	Refunds, awards, and indemnities	107,487		111,300		96,300
15	Taxes and assessments	20,348		21,900		33,300
	Unvouchered	35,000		35,000		50,000
	Subtotal	53,634,215		55,274,366		58,637,000
	Deduct quarters and subsistence charges	25,635		27,000		27,000
	Total costs	53,608,580		55,247,366		58,610,000
	Costs, financed from obligations of other years, net (−)	−27,964				−150,000
	Obligations incurred for costs of other years, net			187,634		
	Total obligations	53,580,616		55,435,000		58,460,000

Permanent authorizations:

REFUND OF BOND FORFEITURES BY REFUGEES

(Indefinite)

Appropriated (est.) 1960, **$50,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Refund of bond forfeitures by refugees (total costs—obligations) (object class 13)	$60,174	$50,000	
Financing:			
Appropriation (new obligational authority)	60,174	50,000	

Refunds are made under authority of Public Law 85–531, approved July 18, 1958, to certain persons who posted departure bonds with the Attorney General.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Inspection for admission into the United States	$1,225,471	$1,062,400	$1,062,700
2. Detention and deportation	198,335	180,500	180,400
3. Naturalization	37,978	40,500	40,400
4. Border patrol	70,864	41,800	34,200
5. Investigating aliens' status	24,052	11,600	15,000
6. Immigration and naturalization records	799	300	300

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IMMIGRATION AND NATURALIZATION SERVICE—Continued

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS—Continued

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
7. General administration	$983	$800	$800
Total obligations	1,558,482	1,337,900	1,333,800
Financing:			
Advances and reimbursements from—			
Other accounts	17,242	2,100	2,100
Non-Federal sources	1,541,240	1,335,800	1,331,700
Total financing	1,558,482	1,337,900	1,333,800

NOTE.—Reimbursements from non-Federal sources above are mainly from transportation lines for overtime services rendered (8 U.S.C. 109c) and expenses of detained aliens (8 U.S.C. 1356).

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	11		
Full-time equivalent of all other positions	1		
Average number of all employees	3		
Number of employees at end of year	0		
Average salary of ungraded positions	$5,015		
01 Personal services:			
Permanent positions	$10,198		
Positions other than permanent	3,484	$1,700	$1,700
Other personal services	1,210,693	1,050,300	1,050,300
Total personal services	1,224,375	1,052,000	1,052,000
02 Travel	169,751	173,300	173,300
03 Transportation of things	2,000	2,000	2,000
04 Communication services	2,220	1,600	1,600
05 Rents and utility services	683	900	900
06 Printing and reproduction	35,151	38,000	38,000
07 Other contractual services	5,698	4,800	4,800
Services performed by other agencies	8,244	800	800
08 Supplies and materials	6,848	6,500	6,500
09 Equipment	103,030	58,000	53,900
11 Grants, subsidies, and contributions	401		
15 Taxes and assessments	81		
Total obligations	1,558,482	1,337,900	1,333,800

FEDERAL PRISON SYSTEM

Current authorizations:

SALARIES AND EXPENSES, BUREAU OF PRISONS

For expenses necessary for the administration, operation, and maintenance of Federal penal and correctional institutions, including supervision of United States prisoners in non-Federal institutions and their support in Alaska; purchase of not to exceed [twenty-six] *twenty-nine* (of which twenty shall be for replacement only) and hire of passenger motor vehicles; compilation of statistics relating to prisoners in Federal and non-Federal penal and correctional institutions; payment pursuant to law of claims of employees for loss, damage, or destruction of personal property (31 U.S.C. 238); firearms and ammunition; medals and other awards; payment of rewards; purchase and exchange of farm products and livestock; construction of buildings at prison camps; and acquisition of land as authorized by section 7 of the Act of July 28, 1950 (5 U.S.C. 341f); [$41,600,000] *$43,545,000*: *Provided*, That there may be transferred to the Public Health Service such amounts as may be necessary, in the discretion of the Attorney General, for direct expenditure by that Service for medical relief for inmates of Federal penal and correctional institutions.

[There may be transferred from the appropriation to the Department of Defense for "Operation and maintenance, Army," fiscal year 1960, an amount, to be determined by the Bureau of the Budget, but not to exceed $750,000, to the appropriation for the current fiscal year for "Salaries and expenses, Bureau of Prisons".] *(5 U.S.C. 341e, 341g; 18 U.S.C. 4005, 4007, 4008, 4042, 4082, 4281; Department of Justice Appropriation Act, 1960; Supplemental Appropriation Act, 1960.)*

Appropriated 1960, **$41,600,000** Estimate 1961, **$43,545,000**
Appropriated (adjusted) 1960, **$42,350,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs:			
1. Custody, care, and treatment of prisoners in Federal institutions:			
(a) Custody	$14,929,385	$16,278,000	$16,846,000
(b) Subsistence (including farming operations)	5,619,696	5,782,000	6,011,000
(c) Education and welfare	2,573,107	2,844,000	2,920,000
(d) Clothing, allowances, medical expenses, releases, and transfers	2,469,474	2,703,000	2,854,000
2. Maintenance and operation of institutions	10,953,573	12,333,000	12,516,000
3. Medical services	1,919,784	2,071,000	2,282,000
4. General administration	1,007,111	1,087,000	1,104,000
Total operating costs	39,472,130	43,098,000	44,533,000
5. Unfunded adjustments to total operating costs:			
Depreciation included above (−)	−798,334	−800,000	−800,000
Property or services transferred in (−) without charge, net	−1,021,724	−1,000,000	−1,000,000
Total operating costs, funded	37,652,072	41,298,000	42,733,000
Capital outlay:			
2. Maintenance and operation of institutions [1]	591,912	852,000	812,000
Total program costs, funded	38,243,984	42,150,000	43,545,000
7. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)	−1,121,133		
Obligations incurred for costs of other years, net		200,000	
Total program (obligations)	37,122,851	42,350,000	43,545,000
Financing:			
1959 appropriation available in 1958	1,312,896		
Unobligated balance no longer available	8,253		
New obligational authority	38,444,000	42,350,000	43,545,000
New obligational authority:			
Appropriation	$38,444,000	$41,600,000	$43,545,000
Transferred from "Operation and maintenance, Army" (73 Stat. 437)		750,000	
Appropriation (adjusted)	38,444,000	42,350,000	43,545,000

[1] Excludes property transferred in without charge, net, as follows: 1959, $757,922; 1960, $750,000; 1961, $750,000.

This appropriation will provide for the custody and care of an average of 23,100 prisoners and the maintenance and operation of 2 jails and 1 camp in Alaska and 31 institutions in the other States. It is expected that the Alaskan institutions will continue to be operated by the Bureau of Prisons until the State is prepared to operate its own jail system. An average of 4,910 persons will be employed with the funds in this appropriation. Full medical services are provided by the U.S. Public Health Service.

1. *Custody, care, and treatment of prisoners in Federal institutions.*—This covers the cost of the direct care of prisoners in the penal institutions of the Federal Prison System. It includes the cost of all food, clothing, education, custodial requirements, welfare services, transportation expenses upon release, and related personal services. The funds required, exclusive of salary costs, are in direct relation to the estimated average number of prisoners expected to be maintained in 1961 which is 23,100 at an estimated cost per day of $0.79. The average daily population for 1959 was 21,891 as compared to 20,877 in 1958.

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2. *Maintenance and operation of institutions.*—This activity reflects administrative expenses, the cost of providing all utility services, operation of motor vehicles, the repair and maintenance of all buildings and facilities, and equipment replacements. The cost of personal services involved in these operations is also included.

3. *Medical services.*—Funds are allocated to Public Health Service to cover the cost of medical, psychiatric, and technical services.

7. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects)	$3,081,926	$2,571,965	$2,571,965	$2,571,965
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	1,711,252	382,460	582,460	582,460
Total selected resources at end of year	4,793,178	2,954,425	3,154,425	3,154,425
Selected resources at start of year (−)		−4,793,178	−2,954,425	−3,154,425
Adjustment of selected resources reported at start of year		717,620		
Costs financed from obligations of other years, net (−)		−1,121,133		
Obligations incurred for costs of other years, net			200,000	

Object Classification

	1959 actual	1960 estimate	1961 estimate
BUREAU OF PRISONS			
Total number of permanent positions	4,355	4,720	4,690
Full-time equivalent of all other positions	47	52	52
Average number of all employees	4,308	4,507	4,650
Number of employees at end of year	4,504	4,723	4,693
Average GS grade and salary	7.1 $5,269	7.1 $5,496	7.1 $5,546
Average grade and salary, grades established by Attorney General	16.0 $14,921	16.0 $14,350	16.0 $14,510
Average salary of ungraded positions	$6,426	$6,706	$6,799
01 Personal services:			
Permanent positions	$23,378,465	$25,517,467	$26,526,000
Positions other than permanent	263,151	279,000	279,000
Other personal services	1,258,505	1,415,000	1,315,000
Total personal services	24,900,121	27,211,467	28,120,000
02 Travel	437,081	500,000	500,000
03 Transportation of things	277,530	326,000	300,000
04 Communication services	158,636	177,800	177,000
05 Rents and utility services	823,799	850,000	850,000
06 Printing and reproduction	43,348	48,000	48,000
07 Other contractual services	302,100	390,000	718,000
08 Supplies and materials	7,347,026	8,245,733	8,215,000
09 Equipment	624,590	800,000	750,000
10 Lands and structures	22,349		
11 Grants, subsidies, and contributions	1,640,214	1,820,000	1,875,000
13 Refunds, awards, and indemnities	36,549		
15 Taxes and assessments	9,010	10,000	10,000
Subtotal	36,622,353	40,379,000	41,563,000

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
BUREAU OF PRISONS—continued			
Deduct quarters and subsistence charges	$298,153	$300,000	$300,000
Total, Bureau of Prisons	36,324,200	40,079,000	41,263,000
ALLOCATION TO PUBLIC HEALTH SERVICE, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE			
Total number of permanent positions	244	265	265
Average number of all employees	222	238	260
Number of employees at end of year	224	245	261
Average GS grade and salary	7.4 $5,842	8.3 $6,097	8.5 $6,372
01 Personal services:			
Permanent positions	$1,746,503	$1,884,900	$2,057,700
Positions other than permanent	1,172	1,300	1,300
Other personal services	34,410	36,300	38,500
Total personal services	1,782,085	1,922,500	2,097,500
02 Travel	16,037	16,000	18,000
03 Transportation of things	31,429	33,000	36,000
07 Other contractual services	2,921	3,500	21,000
11 Grants, subsidies, and contributions	76,255	85,000	98,000
13 Refunds, awards, and indemnities	325		
15 Taxes and assessments	10,732	11,000	11,500
Total, Public Health Service	1,919,784	2,071,000	2,282,000
Total costs	38,243,984	42,150,000	43,545,000
Costs financed from obligations of other years, net (−)	−1,121,133		
Obligations incurred for costs of other years, net		200,000	
Total obligations	37,122,851	42,350,000	43,545,000

Buildings and Facilities

[For construction of staff housing at Federal penal and correctional institutions, $225,000.]

For *completing* construction of a maximum security institution on publicly owned land in Marion, Illinois, [as selected by the Attorney General's Site Selection Committee, $1,000,000] *$8,875,000.*

For constructing, remodeling, and equipping necessary buildings and facilities at existing penal and correctional institutions, including all necessary expenses incident thereto, by contract or force account, [$4,400,000] *$1,000,000*: *Provided,* That labor of United States prisoners may be used for work performed under this appropriation: *Provided further,* That [$75,000] *not to exceed $150,000* of this appropriation shall be available for payment to the city of [Ashland, Kentucky] *Leavenworth, Kansas,* as the [Government's] *Department of Justice's* share of the cost of a new [water line] *sewage disposal plant* to serve the [Federal Correctional Institution, Ashland, Kentucky] *United States Penitentiary, Leavenworth, Kansas: Provided further, That annual accrued expenditures under this appropriation account, covering amounts becoming payable as a result of obligations incurred both in the current fiscal year and in prior fiscal years, shall not exceed $6,350,000.* (*Department of Justice Appropriation Act, 1960.*)

Appropriated 1960, **$5,625,000** Estimate 1961, **$9,875,000**

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FEDERAL PRISON SYSTEM—Continued

Current authorizations—Continued

BUILDINGS AND FACILITIES—Continued

Program and Financing

	Costs to this appropriation					Analysis of 1961 financing			
	Total estimate	To June 30, 1958	1959 actual	1960 estimate	1961 estimate	Deduct accrued resources, unpaid undelivered orders and unobligated balance, start of year	Add accrued resources, unpaid undelivered orders and unobligated balance, end of year	Appropriation required in 1961	Appropriation required to complete
Program by activities:									
1. Construction:									
(a) Maximum security institution	$10,000,000	$12,373	$54,331	$800,000	$3,300,000	$258,296	$5,833,296	$8,875,000	
(b) Western Youth Guidance Center	8,000,000	682	63,836			60,482	60,482		$7,875,000
(c) Powerplant, Lewisburg, Pa	1,850,000	61,686	277,084	1,011,230	500,000	500,000			
(d) Powerplant, Chillicothe, Ohio	1,200,000			50,000	850,000	1,150,000	300,000		
(e) Chapel, Chillicothe, Ohio	80,000			20,000	60,000	60,000			
(f) Waterline, Ashland, Ky	75,000			75,000					
(g) Staff housing, various institutions	225,000			96,000	129,000	129,000			
(h) Other	3,531,605	617,051	870,552	1,327,327	311,000	711,173	400,173		
2. Repairs and improvements	2,170,862		670,862	500,000	1,000,000			1,000,000	
Total program costs	27,132,467	691,792	1,936,665	3,879,557	6,150,000	2,868,951	6,593,951	9,875,000	7,875,000
3. Unfunded adjustments to total program costs: Property or services transferred in (−) without charge, net			−88,822						
Total program costs, funded			1,847,843	3,879,557	6,150,000	2,868,951	6,593,951	9,875,000	7,875,000
4. Relation of costs to accrued expenditures:									
Costs financed from accrued expenditures of other years (stores inventory), net (−)			−45,777	−2,570					
Expenditures accrued for costs of other years (stores inventory), net					200,000				
Total accrued expenditures			1,802,066	3,876,987	6,350,000				
Unpaid undelivered orders brought forward			−187,572	−675,264	−1,433,172				
Adjustment of unpaid undelivered orders brought forward			−359,031						
Unpaid undelivered orders carried forward			675,264	1,433,172	3,089,064				
Total program (obligations)			1,930,727	4,634,895	8,005,892				
Financing:									
Unobligated balance brought forward			−576,401	−145,674	−1,135,779				
Unobligated balance carried forward			145,674	1,135,779	3,004,887				
Appropriation (new obligational authority)			1,500,000	5,625,000	9,875,000				

1. *Construction.*—The appropriation requested will provide funds for completing the construction of a 600-man maximum security institution at Marion, Ill. Funds to begin construction were provided in 1960. Construction will require approximately 3 years.

2. *Repairs and improvements.*—A substantial portion of this work, as well as some construction, will be performed by inmate labor.

4. *Relation of costs to accrued expenditures.*—Year-end balances of stores inventories are as follows: 1958, $348,347; 1959, $302,570; 1960, $300,000; 1961, $500,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	36	35	22
Full-time equivalent of all other positions	1	2	2
Average number of all employees	20	32	22
Number of employees at end of year	27	35	22
Average GS grade and salary	8.7 $6,808	8.7 $6,849	8.7 $6,899
Average salary of ungraded positions	$6,426	$6,555	$6,772
01 Personal services:			
Permanent positions	$122,167	$198,000	$136,000
Positions other than permanent	7,500	12,000	12,000
Other personal services	2,492	4,000	3,300
Total personal services	132,159	214,000	151,300
10 Lands and structures	1,804,506	3,665,557	5,998,700
Total costs	1,936,665	3,879,557	6,150,000
Unfunded adjustments to total operating costs: Property or services transferred in (−) without charge, net	−88,822		
Total costs, funded	1,847,843	3,879,557	6,150,000

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
Relation of costs to accrued expenditures:			
Costs financed from accrued expenditures of other years, net (−)	−$45,777	−$2,570	
Expenditures accrued for costs of other years, net			$200,000
Total accrued expenditures	1,802,066	3,876,987	6,350,000
Increase in unpaid undelivered orders	128,661	757,908	1,655,892
Total obligations	1,930,727	4,634,895	8,005,892

SUPPORT OF UNITED STATES PRISONERS

For support of United States prisoners in non-Federal institutions, including necessary clothing and medical aid, and payment of rewards, $3,100,000. *(5 U.S.C. 341f; 18 U.S.C. 3059, 4001–4003, 4006–4009, 4042, 4082, 4085, 4086, 4125, 4244, 4281–4283, 5036; Department of Justice Appropriation Act, 1960.)*

Appropriated 1960, **$3,100,000** Estimate 1961, **$3,100,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Care of U.S. prisoners in non-Federal institutions (total costs—obligations)	$2,996,128	$3,100,000	$3,100,000
Financing:			
Unobligated balance no longer available	103,872		
Appropriation (new obligational authority)	3,100,000	3,100,000	3,100,000

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The Bureau of Prisons contracts with suitable State and local jails for boarding Federal prisoners for short periods of time. Such periods occur before and during trials, while prisoners are awaiting transfers to Federal institutions following convictions, and during commitments for short sentences. On the average, 3,132 prisoners were boarded at a cost of $2.62 per day in 1959.

Object Classification

		1959 actual	1960 estimate	1961 estimate
07	Other contractual services	$2,977,847	$3,080,500	$3,080,500
11	Grants, subsidies, and contributions	17,194	17,000	17,000
15	Taxes and assessments	1,087	2,500	2,500
	Total obligations	2,996,128	3,100,000	3,100,000

Intragovernmental funds:

FEDERAL PRISON INDUSTRIES, INCORPORATED

The following corporation is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to such corporation, and in accord with the law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the program set forth in the budget for the fiscal year [1960] *1961* for such corporation, except as hereinafter provided: (*Department of Justice Appropriation Act, 1960.*)

PRISON INDUSTRIES FUND

This is a wholly owned Government corporation under the Attorney General. A board of six directors appointed by the President controls its policies. Supervision is by the Director of the Bureau of Prisons who has jurisdiction over all industrial enterprises and vocational training programs in all Federal penal and correctional institutions. Earnings, in excess of operating requirements, are paid as dividends into the Treasury.

The corporation is authorized to establish and operate industries in Federal penal and correctional institutions and disciplinary barracks under jurisdiction of the Department of Defense (18 U.S.C. 4121–4128). Its purposes are to provide employment for physically fit inmates; provide maximum vocational training for qualified inmates in connection with regular institutional and industrial activities; and to operate a placement service to assist released inmates to secure jobs. Products manufactured by the inmates are sold only to other Government agencies and the penal institutions. Earnings from the sale of these products pay expenses of the corporation and have permitted payment of $40 million in dividends into the Treasury since January 1, 1935.

	1959 actual	*1960 estimate*	*1961 estimate*
Sales of commodities and services to Federal agencies	$31,020,667	$31,500,000	$32,500,000
Customers orders on hand June 30	$8,727,679	$8,727,679	$8,727,679
Net earnings	$4,556,471	$4,600,000	$4,800,000
Payment of dividends to Treasury	$4,000,000	$4,000,000	$4,000,000
Retained earnings	$18,496,870	$19,096,870	$19,896,870
Number of inmates employed full time	4,356	4,500	4,550
Number of inmates for whom vocational training is provided	11,489	12,000	12,300
Number of inmates receiving monetary awards	6,818	6,900	6,900
Amount of inmate awards granted	$295,215	$330,000	$330,000
Number of inmates assisted in job placements	1,878	2,500	2,600
Number of shops and factories	54	54	55
Number of locations at which the above shops and factories are located	23	23	24

Budget program.—During 1959 the corporation operated 54 shops and factories at 23 locations. During the year 6 shops were either discontinued or transferred. The closing of industrial operations at Mill Point, W. Va., eliminated a sawmill, logging and millwork operations. The laundry was closed at Alcatraz Island, Calif., as was the cannery at McNeil Island, Wash. A furniture refinishing activity was transferred from Texarkana, Tex., to Tallahassee, Fla. Offsetting the closures, new shops were started last year, or will be in operation this year: An electronics shop at McNeil Island; a rubber industry, chiefly tank treads, at Texarkana; a canvas specialty shop at Tallahassee; a metal furniture factory at Terminal Island, Calif.; and a mail-equipment repair shop at Terre Haute, Ind. It is expected that in 1961 a new industry will be started at Sandstone, Minn., which will give the corporation 55 shops and factories at 24 locations.

The vocational training expense limitation was approved for $793,000 in 1960 while $915,000 is estimated for 1961. This increase of $122,000 consists of $65,000 for a complete new training program at the former U.S. Army disciplinary barracks at Lompoc, Calif., and $57,000 to improve the training program at a number of locations.

The central office, located in the District of Columbia, is responsible for planning, production, procurement, inmate training, and personnel for all industrial activities. It is responsible for research work in industrial lines and product design in connection with the installation for new industries, and the operation and conversion of existing industries. The central office prepares and keeps up to date the Schedule of Products Manufactured and determines selling prices. It also contacts other Government agencies with reference to the use of its products and all orders from other Government agencies are received and controlled by the central office.

CAPITAL EXPENDITURES

	1959 actual	*1960 estimate*	*1961 estimate*	*Estimated balance to complete*
Buildings and improvements:				
California, Alcatraz Island	$4,029	$10,000	$10,000	----------
California, Lompoc	----------	----------	5,000	----------
California, Terminal Island	162,095	19,000	100,000	----------
Colorado, Englewood	13,219	156,000	25,000	----------
Connecticut, Danbury	100,959	14,000	10,000	----------
Florida, Tallahassee	81,590	25,000	----------	----------
Georgia, Atlanta	22,193	465,000	500,000	$1,500,000
Indiana, Terre Haute	142,984	27,000	----------	----------
Kansas, Leavenworth	----------	20,000	150,000	80,000
Kentucky, Ashland	----------	7,000	----------	----------
Michigan, Milan	3,841	----------	250,000	----------
Minnesota, Sandstone	----------	5,000	100,000	----------
Missouri, Springfield	166,941	219,000	25,000	----------
Ohio, Chillicothe	63,298	171,000	40,000	----------
Oklahoma, El Reno	----------	14,500	----------	----------
Pennsylvania, Lewisburg	64,402	----------	10,500	----------
Texas, La Tuna	----------	----------	2,250	----------
Texas, Seagoville	141,817	12,000	----------	----------
Texas, Texarkana	54,965	4,000	----------	----------
Virginia, Petersburg	----------	----------	150,000	----------
Washington, McNeil Island	158,068	548,000	40,000	----------
Washington, D.C., National Training School for Boys	7,578	3,500	----------	----------
West Virginia, Alderson	96,729	36,000	----------	----------
Miscellaneous	----------	----------	250	----------
Total buildings and improvements	1,284,708	1,756,000	1,418,000	1,580,000
Machinery and equipment:				
California, Alcatraz	25,720	22,847	17,310	----------
California, Lompoc	----------	8,405	830	----------
California, Terminal Island	8,518	201,060	51,510	----------
Connecticut, Danbury	5,398	7,500	2,400	----------
Florida, Tallahassee	226	11,800	5,000	----------
Georgia, Atlanta	60,785	100,600	100,600	----------
Indiana, Terre Haute	21,972	25,000	50,000	----------
Kansas, Leavenworth	94,645	42,988	23,840	----------
Kentucky, Ashland	1,262	7,000	5,000	----------
Michigan, Milan	18,317	27,019	75,000	----------
Minnesota, Sandstone	----------	20,000	25,000	----------
Missouri, Springfield	1,293	565	1,000	----------
Ohio, Chillicothe	14,890	15,000	2,200	----------
Oklahoma, El Reno	41,549	14,400	14,200	----------
Pennsylvania, Lewisburg	58,768	75,000	75,000	----------
Texas, La Tuna	21,038	2,050	500	----------
Texas, Seagoville	33,940	1,175	5,000	----------
Texas, Texarkana	49,359	8,800	11,600	----------
Virginia, Petersburg	14,285	1,550	5,000	----------
Washington, McNeil Island	13,226	10,718	23,600	----------
West Virginia, Alderson	7,340	8,290	5,000	----------
West Virginia, Mill Point	47	----------	----------	----------
Washington office	3,879	1,000	----------	----------
Miscellaneous	----------	233	410	----------
Total machinery and equipment	496,457	613,000	500,000	----------
Total capital expenditures	1,781,165	2,369,000	1,918,000	1,580,000

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FEDERAL PRISON SYSTEM—Continued

Intragovernmental funds—Continued

FEDERAL PRISON INDUSTRIES, INCORPORATED—Continued

PRISON INDUSTRIES FUND—continued

Financing.—Profit from 1961 operations is expected to result in a minus budgetary expenditure of $3.8 million as compared with $3.3 million for 1960 and $4.5 million for 1959. Dividends of $4 million were paid into the Treasury during 1959 and it is estimated that $4 million will also be paid during each of the years 1960 and 1961.

Operating results.—1961 sales are estimated at $32.5 million with resulting net income of $4.8 million which compares with estimated sales of $31.5 million and net profit of $4.6 million for 1960 and actual sales of $31 million and net profit of $4.6 million for 1959. Cost of sales excluding depreciation is estimated at $25.2 million for 1961, which is 77.5% of sales, as compared with 77.9% for 1960 and 78.6% for 1959.

Retained earnings.—As of June 30, 1959, the corporation's cumulative earnings amounted to $58.5 million of which $18.5 million has been reinvested in the form of working capital, plant and equipment, and $40 million had been paid to the Treasury as corporate dividends. It is expected that retained earnings will increase to $19.9 million by June 30, 1961.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Acquisition of buildings and improvements	$1,284,708	$1,756,000	$1,418,000
Acquisition of machinery and equipment	496,457	613,000	500,000
Purchase of commodities for manufacture and sale	18,132,708	18,262,111	18,930,000
Expense	7,689,645	7,948,000	8,170,000
Total gross expenditures	27,603,518	28,579,111	29,018,000
Receipts from operations (funds provided):			
Proceeds from sale of equipment	14,494	20,000	20,000
Revenue	31,046,648	31,700,000	32,700,000
Decrease in selected working capital	1,015,936	202,566	110,000
Total receipts from operations	32,077,078	31,922,566	32,830,000
Budget expenditures	−4,473,560	−3,343,455	−3,812,000

Revenue, Expense, and Retained Earnings

Revenue	$31,046,648	$31,700,000	$32,700,000
Expense	26,490,177	27,100,000	27,900,000
Net operating income	4,556,471	4,600,000	4,800,000
Nonoperating income or loss (−):			
Proceeds from sale of equipment	14,494	20,000	20,000
Net book value of assets sold (−)	15,570	20,000	20,000
Net gain or loss (−) from sale of equipment	−1,076		
Net income for the year	4,555,395	4,600,000	4,800,000
Analysis of retained earnings:			
Retained earnings, beginning of year	17,941,475	18,496,870	19,096,870
Payment of dividend to Treasury (−)	−4,000,000	−4,000,000	−4,000,000
Retained earnings, end of year	18,496,870	19,096,870	19,896,870

Financial Condition

Assets:			
Cash with Treasury	$5,291,604	$4,635,059	$4,447,059
Accounts receivable, net	2,540,847	2,458,623	2,458,623
Commodities for sale or manufacture	8,629,889	8,500,000	8,500,000
Supplies, deferred charges, etc	15,991	16,000	16,000
Buildings and equipment, net	9,265,552	11,004,552	12,252,552
Total assets	25,743,883	26,614,234	27,674,234
Liabilities:			
Current	1,974,649	2,095,000	2,205,000

Financial Condition—Continued

	1959 actual	1960 estimate	1961 estimate
Government investment:			
Non-interest-bearing capital:			
Start of year	$5,202,586	$5,272,364	$5,422,364
Property received during year without exchange of funds, net	69,778	150,000	150,000
End of year	5,272,364	5,422,364	5,572,364
Retained earnings	18,496,870	19,096,870	19,896,870
Total Government investment	23,769,234	24,519,234	25,469,234

LIMITATION ON ADMINISTRATIVE AND VOCATIONAL TRAINING EXPENSES, FEDERAL PRISON INDUSTRIES, INCORPORATED

Not to exceed [$475,000] *$500,000* of the funds of the corporation shall be available for its administrative expenses, and not to exceed [$793,000] *$915,000* for the expenses of vocational training of prisoners, both amounts to be available for services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), and to be computed on an accrual basis and to be determined in accordance with the corporation's prescribed accounting system in effect on July 1, 1946, and shall be exclusive of depreciation, payment of claims, expenditures which the said accounting system requires to be capitalized or charged to cost of commodities acquired or produced, including selling and shipping expenses, and expenses in connection with acquisition, construction, operation, maintenance, improvement, protection, or disposition of facilities and other property belonging to the corporation or in which it has an interest. (*18 U.S.C. 4121–4128; Reorganization Plan No. II, pt. 1, sec. 3a, approved Apr. 3, 1939; Departments of State and Justice, the Judiciary, and Related Agencies Appropriation Act, 1960.*)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. General administration (excludes depreciation)	$429,095	$475,000	$500,000
2. Vocational training (excludes depreciation)	656,705	793,000	915,000
Total program (costs—obligations)	1,085,800	1,268,000	1,415,000
Financing:			
Unobligated balance no longer available	63,200		
Limitation	1,149,000	1,268,000	1,415,000

Object Classification

		1959 actual	1960 estimate	1961 estimate
	GENERAL ADMINISTRATION			
	Total number of permanent positions	52	56	56
	Average number of employees	46	51	54
	Number of employees at end of year	49	52	55
	Average GS grade and salary	8.5 $6,823	8.6 $6,821	8.7 $6,946
01	Personal services:			
	Permanent positions	$320,961	$352,500	$369,576
	Positions other than permanent		1,000	1,000
	Other personal services	1,843	2,912	1,700
	Excess of annual leave earned over leave taken		588	724
	Deduct excess of annual leave taken over leave earned	602		
	Total personal services	321,902	357,000	373,000
02	Travel	24,455	26,223	29,000
03	Transportation of things	1,564	1,600	2,000
04	Communication services	4,812	5,000	5,000
05	Rents and utility services	19,151	21,477	24,000
06	Printing and reproduction	3,544	4,000	5,000
07	Other contractual services	2,000	5,000	5,000
	Audit by General Accounting Office	26,400	26,000	26,000
	Payment to Employees life insurance fund	1,046	1,100	1,200
08	Supplies and materials	4,576	4,600	5,700
11	Grants, subsidies, and contributions	19,586	22,900	24,000
15	Taxes and assessments	59	100	100
	Total, general administration	429,095	475,000	500,000
	VOCATIONAL TRAINING			
	Total number of permanent positions	93	109	117
	Full time equivalent of all other positions	7	7	7
	Average number of all employees	86	103	118
	Number of employees at end of year	104	112	127

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Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
VOCATIONAL TRAINING—continued			
Average GS grade and salary	7.6 $5,835	9.3 $6,213	9.2 $6,236
01 Personal services:			
Permanent positions	$469,632	$599,876	$692,691
Positions other than permanent	30,127	37,500	41,200
Other personal services	15,878	15,639	15,000
Deduct excess of annual leave earned over leave taken	2,350	1,000	3,604
Total personal services	517,987	654,015	752,495
02 Travel	10,386	15,000	19,500
03 Transportation of things	653	2,000	2,600
04 Communication services	545	1,100	2,250
05 Rents and utility services	5,325	6,000	7,000
06 Printing and reproduction: Cost of inmate training in connection with	29,956	28,000	30,300
07 Other contractual services	1,665	1,700	1,700
08 Supplies and materials	59,494	45,070	52,508
11 Grants, subsidies, and contributions	30,038	39,415	45,847
15 Taxes and assessments	656	700	800
Total, vocational training	656,705	793,000	915,000
Total obligations	1,085,800	1,268,000	1,415,000

PERSONAL SERVICES NOT CHARGEABLE TO LIMITATION ACCOUNTS

	1959 actual	*1960 estimate*	*1961 estimate*
Total number of permanent positions	393	412	407
Full-time equivalent of all other positions	2	2	2
Average number of all employees	391	424	411
Number of employees at end of year	389	423	421
Average GS grade and salary	9.0 $6,682	9.1 $6,896	9.1 $6,934
Average salary of ungraded positions	$6,423	$6,291	$6,213
01 Personal services:			
Permanent positions	$2,378,020	$2,621,547	$2,633,607
Positions other than permanent	14,600	13,448	15,325
Regular pay above 52-week base	8,555	22,656	12,828
Overtime and holiday pay	21,873	22,636	23,424
Nightwork differential	534	766	796
Excess of annual leave earned over leave taken	----------	8,885	6,477
Deduct excess of annual leave taken over leave earned	3,170	----------	----------
Other payments for personal services	2,126,229	2,293,680	2,266,009
Total personal services	4,546,641	4,983,618	4,958,466

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Custody, care, and treatment of Federal prisoners	$1,217,898	$1,346,000	$1,346,000
2. Maintenance and operation of institutions	570,928	654,000	654,000
Total program (costs—obligations)	1,788,826	2,000,000	2,000,000
Financing:			
Advances and reimbursements from—			
Federal Prison Industries, Inc	1,058,963	1,120,000	1,120,000
Other accounts	265,039	297,500	297,500
Non-Federal sources (64 Stat. 381)	464,824	582,500	582,500
Total financing	1,788,826	2,000,000	2,000,000

Object Classification

Total number of permanent positions	67	67	67
Full-time equivalent of all other positions	60	59	59
Average number of all employees	127	126	126
Number of employees at end of year	58	65	65
Average GS grade and salary	6.3 $4,959	6.3 $5,256	6.3 $5,256
Average salary for ungraded positions	$6,374	$6,563	$6,563
01 Personal services:			
Permanent positions	$341,073	$360,000	$360,000
Positions other than permanent	295,336	311,000	311,000
Other personal services	22,762	25,000	25,000
Total personal services	659,171	696,000	696,000
02 Travel	1,568	2,500	2,500
03 Transportation of things	1,156	2,000	2,000
04 Communication services	22,873	30,000	30,000
05 Rents and utility services	305,739	425,000	425,000

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
07 Other contractual services	$33,706	$39,000	$39,000
08 Supplies and materials	697,565	732,000	732,000
09 Equipment	45,206	50,000	50,000
11 Grants, subsidies, and contributions	19,114	20,000	20,000
13 Refunds, awards, and indemnities	550	500	500
15 Taxes and assessments	2,178	3,000	3,000
Total obligations	1,788,826	2,000,000	2,000,000

OFFICE OF ALIEN PROPERTY

LIMITATION ON SALARIES AND EXPENSES, OFFICE OF ALIEN PROPERTY

(Trust fund)

The Attorney General, or such officer as he may designate, is hereby authorized to pay out of any funds or other property or interest vested in him or transferred to him pursuant to or with respect to the Trading With the Enemy Act of October 6, 1917, as amended (50 U.S.C. App.) and the International Claims Settlement Act, as amended (22 U.S.C. 1631), necessary expenses incurred in carrying out the powers and duties conferred on the Attorney General pursuant to said Acts: *Provided,* That not to exceed [$1,500,000] *$650,000* shall be available in the current fiscal year for the general administrative expenses of the Office of Alien Property, including rent of private or Government-owned space in the District of Columbia: *Provided further,* That on or before November 1 of the current fiscal year, the Attorney General shall make a report to the Appropriations Committees of the Senate and the House of Representatives giving detailed information on all administrative and nonadministrative expenses incurred during the next preceding fiscal year in connection with the activities of the Office of Alien Property[: *Provided further,* That of the total amount herein authorized the amount of $50,000 is to be transferred to the appropriation for "Salaries and expenses, general administration", Justice]. (*5 U.S.C. 295, 310, 312, 315, 341, 341e; 50 U.S.C. App. 6; Executive Order 9788, Oct. 14, 1946, 11 F.R. 11981; Department of Justice Appropriation Act, 1960.*)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Management and liquidation	$660,656	$305,962	$165,500
2. Administrative adjudication of claims	828,078	422,229	484,500
3. Litigation	572,821	481,565	
4. Administration	481,967	275,397	----------
5. Vesting of certain enemy-owned property	21,287	14,847	----------
Total obligations	2,564,809	1,500,000	650,000
Financing:			
Unobligated balance no longer available	135,191	----------	----------
Limitation	2,700,000	1,500,000	650,000

This Office takes care of the Government's interests in wartime measures against alien property. It is expected that most of the Office's work will be completed by the end of 1960 and that the remainder will then be assigned to one of the Department's existing legal divisions.

1. *Management and liquidation.*—Alien enemy properties such as interests in business enterprises, real estate, securities, life insurance, and other tangible personal property are managed and liquidated in this activity.

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Caseload:				
Business enterprises:				
Pending, beginning of year	9	6	5	4
Terminated	3	1	1	3
Pending, end of year	6	5	4	1
Real and personal property:				
Pending, beginning of year	309	121	59	22
Received	21	58	5	13
Terminated	209	120	42	35
Pending, end of year	121	59	22	------
Patent management: Number managed	6,876	4,551	2,961	1,747

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OFFICE OF ALIEN PROPERTY—Continued

LIMITATION ON SALARIES AND EXPENSES, OFFICE OF ALIEN PROPERTY—Continued

(Trust fund)—Continued

2 and 3. *Claims and litigation.*—These activities have included in past years all matters relating to claims against vested property subject to administrative adjudication and defense of suits for the return of vested property. They will be consolidated into a single organizational unit by the beginning of 1961.

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Caseload:				
Claims:				
Pending, beginning of year	22,954	12,332	3,752	723
Received	85	48	369	------
Terminated	10,707	8,688	3,200	723
Adjustment [1]	------	60	−198	------
Pending, end of year	12,332	3,752	723	------
Cases:				
Pending, beginning of year	1,156	530	299	306
Received	144	84	182	80
Terminated	770	207	175	162
Adjustment [2]	------	−108	------	------
Pending, end of year	530	299	306	224

[1] Correction of error revealed by inventory.
[2] Determined upon reexamination not to be litigable.

4. *Administration.*—Upon consolidation, administrative services will be performed by the Division to which the function is assigned.

Object Classification

		1959 actual		1960 estimate		1961 estimate
Total number of positions		316		169		72
Full-time equivalent of all other positions		2		2		1
Average number of all employees		280		137		57
Number of employees at end of year		190		78		30
Average GS grade and salary		8.6	$7,384	9.6	$8,373	10.7	$9,278
Average salary of ungraded positions			$4,822		$5,085		
01	Personal services:						
	Permanent positions		$2,044,397		$1,150,263		$520,870
	Positions other than permanent		34,503		28,000		5,000
	Other personal services		14,100		7,037		2,050
	Total personal services		2,093,000		1,185,300		527,920
02	Travel		19,261		15,000		9,000
03	Transportation of things		542		3,000		2,000
04	Communication services		16,254		13,000		8,000
05	Rents and utility services		127,069		105,300		20,000
06	Printing and reproduction		15,305		12,000		10,000

Object Classification—Continued

		1959 actual	1960 estimate	1961 estimate
07	Other contractual services	$45,123	$39,800	$35,000
	Services performed by other agencies	110,650	50,000	------
08	Supplies and materials	7,186	4,500	3,500
09	Equipment	60	500	400
11	Grants, subsidies, and contributions	129,440	71,300	34,080
13	Refunds, awards, and indemnities	500	------	------
15	Taxes and assessments	419	300	100
	Total obligations	2,564,809	1,500,000	650,000

GENERAL PROVISIONS—DEPARTMENT OF JUSTICE

SEC. 202. None of the funds appropriated by this title may be used to pay the compensation of any person hereafter employed as an attorney (except foreign counsel employed in special cases) unless such person shall be duly licensed and authorized to practice as an attorney under the laws of a State, Territory, or the District of Columbia.

SEC. 203. Seventy-five per centum of the expenditures for the offices of the United States attorney and the United States marshal for the District of Columbia from all appropriations in this title shall be reimbursed to the United States from any funds in the Treasury of the United States to the credit of the District of Columbia.

SEC. 204. Appropriations and authorizations made in this title which are available for expenses of attendance at meetings shall be expended for such purposes in accordance with regulations prescribed by the Attorney General.

SEC. 205. Appropriations and authorizations made in this title for salaries and expenses shall be available for services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), at rates not to exceed $75 per diem for individuals.

SEC. 206. Appropriations for the current fiscal year for "Salaries and expenses, general administration", "Salaries and expenses, Federal Bureau of Investigation", "Salaries and expenses, Immigration and Naturalization Service", and "Salaries and expenses, Bureau of Prisons", shall be available for uniforms and allowances therefor as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131). (*Department of Justice Appropriation Act, 1960.*)

TITLE VI—GENERAL PROVISIONS

SEC. 601. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not authorized by the Congress.

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1961

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
LEGAL ACTIVITIES AND GENERAL ADMINISTRATION								
Salaries and expenses, general administration.	2	$3,000	2	$400	$2,600	5	[1] $1,000	2 leased and 5 Government-owned cars for use of the Attorney General and departmental officials.
Station wagon						1		Do.
Salaries and expenses, United States attorneys and marshals.						10		Used by U.S. marshals and their deputies for transporting Federal prisoners, and for law enforcement duties in Alaska.
Bus						[2] 4	1,751	Used by U.S. marshals and their deputies for transporting prisoners.
Total, legal activities and general administration.	2	3,000	2	400	2,600	20	2,751	
FEDERAL BUREAU OF INVESTIGATION								
Salaries and expenses	500	750,000	500	75,000	675,000	2,600		Used by special agents in field work.
Armored car	1	10,000	1		10,000	3		Used for experimental purposes and in connection with bank robbery and other investigative matters under jurisdiction of the Federal Bureau of Investigation.
Total, Federal Bureau of Investigation.	501	760,000	501	75,000	685,000	2,603		
IMMIGRATION AND NATURALIZATION SERVICE								
Salaries and expenses	245	367,500	245	36,700	330,800	726	500	[3]
Bus	5	70,000	5	1,000	69,000	13		[4]
Station wagon						3		[3]
Total, Immigration and Naturalization Service.	250	437,500	250	37,700	399,800	742	500	
FEDERAL PRISON SYSTEM								
Salaries and expenses, Bureau of Prisons.	26	39,520	17	1,625	37,895	72		Used by wardens and staff at institutions for administrative purposes, transfer and recapture of prisoners, and jail inspections.
Station wagon						4		Do.
Ambulance						1		Used for transporting ill and disabled inmates to and from institution hospitals.
Bus	3	105,000	3	3,000	102,000	13		Used for transferring prisoners between institutions, between activities at institutions, and to transportation terminals.
Total, Federal Prison System	29	144,520	20	4,625	139,895	90		
OFFICE OF ALIEN PROPERTY								
Limitation on salaries and expenses						1		Used in the transaction of official business for the Office of Alien Property by staff in Germany.
Total, Department of Justice	782	1,345,020	773	117,725	1,227,295	3,456	3,251	

[1] Yearly rental of cars used by departmental officials.
[2] Excludes 1 bus for emergency replacement only.
[3] 1 automobile and 2 station wagons used in Washington by Commissioner and staff officers (stationed at 119 D Street, NE.) for transportation to and from official meetings in Department of Justice, Bureau of the Budget, Capitol, and other Government agencies; also by messengers for delivery of special or classified mail in the Washington area. 7 used in the Washington area by immigrant inspectors and investigators of the Washington district office. Uses include transportation to and from the National Airport for inspection purposes, transportation of aliens to and from detention points, and trips to outlying points for investigative work. 964 used in the field by regional and district staff officers, investigators, patrol inspectors, immigrant inspectors, naturalization examiners, special inquiry officers, and detention officers. Purposes include patrol work, inspection of arrivals, investigative work, trips to naturalization courts, details for holding exclusion or expulsion hearings, and transportation of aliens.
[4] Used by patrol inspectors and detention officers for transportation of aliens (in the field) to and from detention centers, to border expulsion points, and for general deportation work.

Statement of proposed obligations for purchase, maintenance, and operation of aircraft for the fiscal year 1961

Appropriation	Aircraft to be purchased		Aircraft to be exchanged		Net cost of aircraft to be purchased	Old aircraft still to be used	Cost of maintenance and operation of aircraft	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
IMMIGRATION AND NATURALIZATION SERVICE								
Salaries and expenses	5	$134,800	5	$2,500	$132,300	26	$770,400	Used by border-patrol pilots and patrol inspectors for maintaining air-ground liaison for prevention of illegal entries, pursuit of suspected violators, transfers of small task groups of patrol inspectors to points of emergency, transfer of aliens to border points, and deportation of aliens.

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DEPARTMENT OF LABOR

This budget includes new obligational authority of $555 million for the Department of Labor for the fiscal year 1961, an increase of $5 million over the current year. Fifty-nine percent of the total is for grants to States for administration of the Federal-State employment security system. An additional 32% is for the cost of unemployment compensation and workmen's compensation benefits for Federal employees. The remaining 9% is for the regular operating budgets of the various units of the Department, such as the Wage and Hour Division, the Bureau of Labor Statistics, and the new Bureau of Labor-Management Reports.

Expenditures in the fiscal year 1961 are estimated to be $540 million, which is $5 million less than in 1960. The major reason for the decline is the termination on January 31, 1960, of the program of unemployment compensation for Korean conflict veterans. The decrease of $477 million in the estimated 1961 expenditures as compared with 1959 reflects primarily the expiration in 1959 of the temporary unemployment compensation program enacted during the 1958 recession which provided for additional periods of compensation.

New obligational authority and expenditures by function are shown below:

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES 1961

Function and subfunction	New obligational authority			Expenditures		
	1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
Veterans services and benefits:						
102 Other veterans readjustment benefits	$44,000	$8,000	----------	$44,000	$8,000	----------
106 Other veterans services and administration	586	592	$596	596	597	$589
Total veterans services and benefits	44,586	8,592	596	44,596	8,597	589
Labor and welfare:						
211 Labor and manpower	363,070	360,542	374,764	789,118	359,512	358,812
General government:						
606 Central personnel management and employment costs	189,108	181,280	180,127	182,737	176,253	180,112
Total, Department of Labor	596,764	550,414	555,487	1,016,451	544,362	539,513

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
							1961 estimate		
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	Total	From new obligational authority	From prior authority
OFFICE OF THE SECRETARY									
Current authorizations:									
Salaries and expenses	211	$1,597	$1,611	$1,794	$1,553	$1,628	$1,774	$1,668	$106
Intragovernmental funds:									
Working capital fund	211				−41	21	−2		−2
Advances and reimbursements	211				5	2			
Total, Office of the Secretary		1,597	1,611	1,794	1,517	1,651	1,772	1,668	104
LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACTIVITIES									
Current authorizations:									
Salaries and expenses	211		2,000	5,500		1,825	5,175	5,000	175
Proposed for later transmission:									
Under existing legislation: Salaries and expenses	211		1,000			875	125		125
Total, labor-management reporting and disclosure activities			3,000	5,500		2,700	5,300	5,000	300
OFFICE OF THE SOLICITOR									
Current authorizations:									
Salaries and expenses	211	2,632	2,695	2,715	2,704	2,686	2,681	2,531	150
BUREAU OF LABOR STANDARDS									
Current authorizations:									
Salaries and expenses	211	1,729	2,488	2,376	1,384	2,463	2,359	2,059	300
BUREAU OF VETERANS' REEMPLOYMENT RIGHTS									
Current authorizations:									
Salaries and expenses	106	586	592	596	596	597	589	548	41
BUREAU OF APPRENTICESHIP AND TRAINING									
Current authorizations:									
Salaries and expenses	211	4,009	4,047	4,061	4,136	4,036	4,034	3,801	233
BUREAU OF EMPLOYMENT SECURITY									
Current authorizations:									
Salaries and expenses	211	7,120	7,262	7,580	6,817	7,108	7,513	7,015	498
Grants to States for unemployment compensation and employment service administration	211	325,600	315,819	325,819	306,037	323,110	310,819	308,219	2,600
Unemployment compensation for Federal employees and ex-servicemen:									
Other veterans' readjustment benefits	102	44,000	8,000		44,000	8,000			
Central personnel management and employment costs	606	116,800	117,000	112,000	110,383	112,000	112,000	110,500	1,500
Salaries and expenses, Mexican farm labor program	211				1,761	1,359	1,349		1,349
Compliance activities, Mexican farm labor program	211	518	873	1,108	482	850	1,038	983	55
Temporary unemployment compensation	211				446,850	−7,250			
Public enterprise funds:									
Farm labor supply revolving fund	211				−2,899	−1,679	−1,757		−1,757
Total, Bureau of Employment Security		494,038	448,954	446,507	913,431	443,498	430,962	426,717	4,245
BUREAU OF EMPLOYEES' COMPENSATION									
Current authorizations:									
Salaries and expenses	606	3,054	3,080	3,108	3,100	3,053	3,093	2,885	208
Employees' compensation claims and expenses (indefinite)	606	69,254	61,200	65,019	69,254	61,200	65,019	65,019	
Total, Bureau of Employees' Compensation		72,308	64,280	68,127	72,354	64,253	68,112	67,904	208

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate		
							Total	From new obligational authority	From prior authority
BUREAU OF LABOR STATISTICS									
Current authorizations:									
Salaries and expenses	211	$7,990	$10,519	$10,519	$8,152	$10,260	$10,452	$9,772	$680
Revision of the Consumer Price Index	211		230	1,250		215	1,182	1,168	14
Intragovernmental funds:									
Advances and reimbursements	211				−60	57	48		48
Total, Bureau of Labor Statistics		7,990	10,749	11,769	8,092	10,532	11,682	10,940	742
WOMEN'S BUREAU									
Current authorizations:									
Salaries and expenses	211	504	509	513	519	505	506	469	37
WAGE AND HOUR DIVISION									
Current authorizations:									
Salaries and expenses	211	11,371	11,489	11,529	11,718	11,441	11,516	10,888	628
Total new obligational authority and budget expenditures		596,764	550,414	555,487	1,016,451	544,362	539,513	532,525	6,988
RECAPITULATION									
Enacted or recommended in this document:									
Current authorizations:									
Appropriations		$596,764	$549,414	$555,487	$1,016,451	$543,487	$539,388	$532,525	$6,863
Proposed for later transmission:									
Appropriations			1,000			875	125		125
Total new obligational authority and budget expenditures		596,764	550,414	555,487	1,016,451	544,362	539,513	532,525	6,988

EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

[In thousands]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1959	1960	1961	1959	1960	1961	1959	1960	1961
BUREAU OF EMPLOYMENT SECURITY										
Farm labor supply revolving fund	211	$3,813	$3,479	$3,405	$6,712	$5,158	$5,162	−$2,899	−$1,679	−$1,757

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ANALYSIS OF UNEXPENDED BALANCES

[In thousands]

Description	Balance, start of 1959		Balance, start of 1960		Balance, start of 1961		Balance, start of 1962	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document:								
Appropriations:								
Grants to States for unemployment compensation and employment service administration, Bureau of Employment Security		$3,412		$9,926		$2,635		$17,635
Unemployment compensation for Federal employees and ex-servicemen, Bureau of Employment Security		1,640		1,500		6,500		6,500
Temporary unemployment compensation, Bureau of Employment Security	$617,928	617,958	$170,715	171,108				
Other		3,033		2,577		3,284		3,935
Total, appropriations	617,928	626,043	170,715	185,111		12,419		28,070
Revolving and management funds	610	1,520	1,861	2,848	$1,627	3,109	$1,614	3,557
Proposed for later transmission:								
Appropriations						125		
Total, Department of Labor	618,538	627,563	172,576	187,959	1,627	15,653	1,614	31,627

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

Description	1959 actual	1960 estimate	1961 estimate
Balances brought forward at start of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	$626,043	$185,111	$12,419
Revolving and management funds	1,520	2,848	3,109
Proposed for later transmission: Appropriations			125
Total balances brought forward	627,563	187,959	15,653
New obligational authority:			
Enacted or recommended in this document: Current authorizations: Appropriations	596,764	549,414	555,487
Proposed for later transmission: Appropriations		1,000	
Total new obligational authority	596,764	550,414	555,487
Other amounts available:			
Appropriations available in prior year	−33,511	−26,325	−26,325
Appropriations available from subsequent year	26,325	26,325	26,325
Adjustment of balances upward in expired accounts, net	7,052		
Total other amounts available	−133		
Total budget authorizations available	1,224,194	738,373	571,140
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	1,016,451	543,487	532,525
Out of balance of prior obligational authority			6,863
Total expenditures from obligational authority enacted or recommended	1,016,451	543,487	539,388
From obligational authority proposed for later transmission:			
Out of new obligational authority		875	
Out of balance of prior obligational authority			125
Total budget expenditures	1,016,451	544,362	539,513
Amounts no longer available:			
Unobligated balances expiring and lapsing	19,783	170,640	
Adjustment of balances downward in expired account, net		7,718	
Total amount no longer available	19,783	178,358	
Balances carried forward at close of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	185,111	12,419	28,070
Revolving and management funds	2,848	3,109	3,557
Proposed for later transmission: Appropriations		125	
Total balances carried forward at close of year	187,959	15,653	31,627
Obligations incurred, net	$1,015,757	$550,723	$555,500

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OFFICE OF THE SECRETARY

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for the Office of the Secretary of Labor (hereafter in this title referred to as the Secretary), including payment in advance when authorized by the Secretary for dues or fees for library membership in organizations whose publications are available to members only or to members at a price lower than to the general public *and for publications available only upon that basis or available at reduced price on prepublication orders*; and purchase of uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131); [$1,611,000] *$1,794,000*, of which not more than [$232,485] *$384,860* shall be for international labor affairs and not to exceed $2,000 shall be for official entertainment expenses. (*5 U.S.C. 297, 611–622; Executive Order 6166; Department of Labor Appropriation Act, 1960.*)

Appropriated 1960, **$1,611,000** Estimate 1961, **$1,794,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Executive direction	$424,740	$424,976	$426,984
2. International labor affairs	230,532	232,485	384,860
3. Management and central services	941,394	953,539	982,156
4. 1959 program obligated in 1958	−3,194		
Total obligations	1,593,472	1,611,000	1,794,000
Financing:			
1959 appropriation available in 1958	3,194		
Unobligated balance no longer available	134		
Appropriation (new obligational authority)	1,596,800	1,611,000	1,794,000

This Office formulates governmental policy in matters affecting labor and directs all programs or functions assigned to the Department.

2. *International labor affairs.*—International labor affairs activities are integrated with other agencies and departmental guidance is provided for U.S. participation in the International Labor Organization.

3. *Management and central services.*—Program operations are evaluated and central services are furnished to all bureaus of the Department and to the Office of the Secretary.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	187	180	203
Average number of all employees	178	173	196
Number of employees at end of year	185	180	203
Average GS grade and salary	8.7 $7,182	9.0 $7,410	8.8 $7,265
Average salary of ungraded positions	$4,015	$4,424	$4,424
01 Personal services:			
Permanent positions	$1,334,280	$1,348,441	$1,489,393
Other personal services	11,697	16,364	11,712
Total personal services	1,345,977	1,364,805	1,501,105
02 Travel	36,908	31,640	41,640
03 Transportation of things	984	700	700
04 Communication services	39,610	36,315	37,815
06 Printing and reproduction	22,853	34,900	36,800
07 Other contractual services	21,929	19,880	35,080
08 Supplies and materials	34,088	31,840	33,640
09 Equipment	6,117	2,700	10,200
11 Grants, subsidies, and contributions	87,090	88,220	97,020
13 Refunds, awards, and indemnities	1,110		
1959 program obligated in 1958	−3,194		
Total obligations	1,593,472	1,611,000	1,794,000

Intragovernmental funds:

WORKING CAPITAL FUND

This fund was established within the Office of the Secretary to provide centralized services for the various bureaus in Washington and their field offices (5 U.S.C. 662a). Activities are described as follows:

Communication service consists of furnishing all communication, mail, and messenger services to the various bureaus.

Central supply consists of purchasing and distribution functions of equipment and supplies.

Duplicating service consists of offset printing and mimeographing and mailing of publications, bulletins, leaflets, and statistical data.

Visual exhibits consists of preparing displays for public information as well as internal use.

Financing.—The stocks of supplies and equipment on hand or on order June 30, 1957, were used to capitalize the fund. The fund is reimbursed in advance by the bureaus, offices, and agencies for which services are performed.

Operating results.—Services rendered are charged for at rates which return in full all expense of operation, including reserves for accrued leave and depreciation of equipment.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Communication service:			
Acquisition of equipment	$138		
Expense	319,858	$327,700	$327,700
Central supply: Expense	264,696	278,400	278,400
Duplicating service:			
Acquisition of equipment	22,980	25,000	11,000
Expense	314,301	318,100	317,100
Cost of goods sold	103,825	104,000	104,000
Visual exhibits:			
Acquisition of equipment	2,210	1,987	2,000
Expense	99,725	102,800	102,800
Increase of selected working capital		33,215	16,300
Total gross expenditures	1,127,733	1,191,202	1,159,300
Receipts from operations (funds provided):			
Revenue:			
Communication service	320,467	328,300	328,300
Central supply	268,543	282,000	282,000
Duplicating service	432,235	453,489	446,500
Visual exhibits	101,154	104,200	104,200
Undistributed receipts:			
Proceeds from sale of equipment	1,271	2,000	1,000
Donated working capital	13		
Decrease in selected working capital	45,109		
Total receipts from operations	1,168,792	1,169,989	1,162,000
Budget expenditures	−41,059	21,213	−2,700

Revenue, Expense, and Retained Earnings

Communication services:			
Revenue	$320,467	$328,300	$328,300
Expense	320,467	328,300	328,300
Net operating income or loss (−), communication services			
Central supply:			
Revenue	268,543	282,000	282,000
Expense	267,910	282,000	282,000
Net operating income, central supply	633		
Duplicating services:			
Revenue	432,235	453,489	446,500
Expense	435,970	446,500	445,500
Net operating income or loss (−), duplicating services	−3,735	6,989	1,000

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OFFICE OF THE SECRETARY—Continued

Intragovernmental funds—Continued

WORKING CAPITAL FUND—Continued

Revenue, Expense, and Retained Earnings—Continued

	1959 actual	1960 estimate	1961 estimate
Visual exhibits:			
Revenue	$101,154	$104,200	$104,200
Expense	101,154	104,200	104,200
Net operating income or loss (−), visual exhibits			
Nonoperating loss (−): Duplicating service:			
Proceeds from sale of equipment	1,271	2,000	1,000
Net book value of assets sold (−)	−3,158	−4,000	−2,000
Net loss (−) from sale of equipment	−1,887	−2,000	−1,000
Net income or loss (−) for the year	−4,989	4,989	
Deficit (−), beginning of year		−4,989	
Deficit (−), end of year	−4,989		

Financial Condition

Assets:			
Cash with Treasury	$111,302	$90,089	$92,789
Accounts receivable, net	38	100	100
Supplies	53,582	74,000	60,000
Equipment, net	75,537	86,537	67,537
Total assets	240,459	250,726	220,426
Liabilities:			
Current	160,348	117,626	87,326
Government investment:			
Non-interest-bearing capital:			
Start of year	81,126	85,100	133,100
Donated assets during year:			
Machinery and equipment	3,961	30,000	
Supplies	13	18,000	
End of year	85,100	133,100	133,100
Deficit (−)	−4,989		
Total Government investment	80,111	133,100	133,100

NOTE.—Unpaid undelivered orders are as follows: June 30, 1958, $36,205; 1959, $43,923; 1960, $15,000; 1961, $15,000. Accepted orders on hand are as follows: June 30, 1958, $17,060; 1959, $15,268; 1960, $14,000; 1961, $14,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	129	134	134
Average number of all employees	126	130	130
Number of employees at end of year	129	134	134
Average GS grade and salary	4.7 $4,845	4.7 $4,732	4.7 $4,732
Average salary of ungraded positions	$4,637	$4,891	$4,891
01 Personal services:			
Permanent positions	$593,264	$628,030	$630,465
Other personal services	16,164	22,270	19,835
Excess of annual leave earned over leave taken	12,934	7,000	5,000
Total personal services	622,362	657,300	655,300
02 Travel	6,000	7,000	7,000
03 Transportation of things	3,909	4,000	4,000
04 Communication services	160,861	161,000	161,000
05 Rents and utility services	12,562	12,500	12,500
07 Other contractual services	22,727	24,000	24,000
08 Supplies and material	240,027	226,000	226,000
09 Equipment	23,096	30,000	30,000
11 Grants, subsidies, and contributions	35,433	40,800	40,800
15 Taxes and assessments	411	400	400
Total costs	1,127,388	1,163,000	1,161,000
Costs financed from obligations of otber years, net (−)			−4,563
Obligations incurred for costs of other years, net	77,663	28,437	
Total obligations	1,205,051	1,191,437	1,156,437

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Ryukyuan labor leaders' program, Army	$2,928		
2. White House Conference on Aging	2,229	$18,400	$18,400
3. Special study to obtain compliance with terms of Government contracts:			
Atomic Energy Commission	54,132	61,000	61,000
Department of Defense	154,662	175,000	175,000
Department of Commerce	23,199	26,000	26,000
General Services Administration	54,132	61,000	61,000
4. Confidential project	86,835	93,000	93,000
5. Miscellaneous services to other accounts	91,132	74,000	74,000
Total obligations	469,249	508,400	508,400
Financing:			
Advances and reimbursements from other accounts	469,249	508,400	508,400

Object Classification

Total number of permanent positions		37		39		39
Full-time equivalent of all other positions		2				
Average number of all employees		38		39		39
Number of employees at end of year		39		39		39
Average GS grade and salary	8.3	$6,641	8.4	$6,697	8.4	$6,697
01 Personal services:						
Permanent positions		$241,771		$261,680		$261,680
Positions other than permanent		12,307				
Other personal services		5,604		2,000		1,000
Total personal services		259,682		263,680		262,680
02 Travel		27,451		35,000		35,000
03 Transportation of things		2,771		4,420		4,420
04 Communication services		8,023		12,500		13,500
06 Printing and reproduction		35,645		45,500		45,500
07 Other contractual services		103,575		110,000		110,000
08 Supplies and materials		9,534		12,500		12,500
09 Equipment		10,287		7,800		7,800
11 Grants, subsidies, and contributions		10,412		17,000		17,000
15 Taxes and assessments		1,869				
Total obligations		469,249		508,400		508,400

LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACTIVITIES

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for the performance of the functions vested in the Secretary by the Labor-Management Reporting and Disclosure Act of 1959, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), and rental of office space in the District of Columbia, [$2,000,000] *$5,500,000. (73 Stat. 519–546; Mutual Security Appropriation Act, 1960.)*

Appropriated 1960, **$2,000,000** Estimate 1961, **$5,500,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Technical assistance, research, and processing and analyzing reports		$600,000	$917,000
2. Information, correspondence, and public disclosure		70,000	138,700
3. Investigation aud enforcement		750,000	3,084,500
4. Establishment of rules and regulations		45,000	106,600
5. Administration and management services		225,000	418,300
6. Legal services		270,000	764,200
7. Departmental services		40,000	70,700
Total obligations		2,000,000	5,500,000
Financing:			
Appropriation (new obligational authority)		2,000,000	5,500,000

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This appropriation covers all activities necessary to carry out the Department's responsibilities under the Labor-Management Reporting and Disclosure Act of 1959. The administration of this law has been delegated to the newly established Bureau of Labor-Management Reports to which most of the funds are allotted.

1. *Technical assistance, research, and processing and analyzing reports.*—Union organizational and financial reports, employer, consultant, and union employee conflict-of-interest reports, and trusteeship reports are processed and analyzed. Research is conducted and special studies are made of reports data and operations, and technical advice is provided to those affected by the law. An estimated 55,000 labor organizations will file reports.

2. *Information, correspondence, and public disclosure.*—This activity conducts a public information program on the provisions of the law and its administration, handles inquiries and correspondence, and operates the public disclosure programs.

3. *Investigation and enforcement.*—The investigation and enforcement program is planned and directed, and administrative hearings are conducted. The work of investigation, enforcement, and information aspects of the program are carried on through field offices.

4. *Establishment of rules and regulations.*—This activity covers preparation of rules and regulations, interpretation thereof, and the maintenance of a continuous review of these regulations, interpretations, standards, and policy, covering both internal operations and public actions under the law.

6. *Legal services.*—This activity covers provisions of legal interpretations, advisory services, and enforcement procedures, and preparation and prosecution of violation cases.

7. *Departmental services.*—This covers central personnel, information, and administrative management functions provided by the Department.

Workload receipts for 1960 are expected to exceed levels which can be covered by funds available and a supplemental appropriation is anticipated under Proposed for later transmission.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions		620	620
Full-time equivalent of all other positions		11	1
Average number of all employees		171	608
Number of employees at end of year		608	608
Average GS grade and salary		8.9 $6,635	8.9 $6,635
01 Personal services:			
Permanent positions		$1,065,000	$4,031,057
Positions other than permanent		40,000	5,000
Other personal services		20,000	15,443
Total personal services		1,125,000	4,051,500
02 Travel		90,000	750,000
03 Transportation of things		30,000	20,000
04 Communication services		50,000	100,000
05 Rents and utility services		220,000	15,000
06 Printing and reproduction		90,000	60,800
07 Other contractual services		75,000	176,300
08 Supplies and materials		35,000	54,000
09 Equipment		225,000	23,500
11 Grants, subsidies, and contributions		57,000	237,000
15 Taxes and assessments		3,000	11,900
Total obligations		2,000,000	5,500,000

Proposed for later transmission:

SALARIES AND EXPENSES

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Technical assistance, research, and processing and analyzing reports		$160,000	
2. Information, correspondence, and public disclosure		20,000	
3. Investigation and enforcement		550,000	
4. Establishment of rules and regulations		15,000	
5. Administration and management services		85,000	
6. Legal services		155,000	
7. Departmental services		15,000	
Total obligations		1,000,000	
Financing:			
Proposed supplemental appropriation		1,000,000	

Under existing legislation, 1960.—A supplemental appropriation is anticipated to cover the cost of workload receipts which are expected at higher levels than can be processed with funds now available.

OFFICE OF THE SOLICITOR

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for the Office of the Solicitor, [$2,695,000] *$2,715,000.* (*50 U.S.C. 297, 611–622; Executive Order 6166; Reorganization Plan No. 2 of 1949; Reorganization Plan No. 14 of 1950; Reorganization Plan No. 19 of 1950; Department of Labor Appropriation Act, 1960.*)

Appropriated 1960, **$2,695,000** Estimate 1961, **$2,715,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Departmental program activities:			
(a) Litigation	$346,397	$354,655	$356,955
(b) Interpretations and legal advisory services	335,183	343,158	345,458
(c) Wage determinations	430,686	440,942	445,042
(d) Legislative advisory services	199,350	204,058	205,358
2. Field legal services	1,092,365	1,118,334	1,126,334
3. Administration and management services	228,413	233,853	235,853
4. 1959 program obligated in 1958	−13,464		
Total obligations	2,618,930	2,695,000	2,715,000
Financing:			
1959 appropriation available in 1958	13,464		
Unobligated balance no longer available	6		
Appropriation (new obligational authority)	2,632,400	2,695,000	2,715,000

1. *Departmental program activities—(a) Litigation.*—This includes control and supervision of enforcement and labor standards statutes through court action and administrative proceedings. The disposition of court cases during 1959, resulting in approximately 98% being disposed of favorable to the Government is as follows:

Criminal cases	126
Civil cases	1,070
Walsh-Healey administrative enforcement hearing cases	66
Total cases closed	1,262
Back wages collected by litigation	$1,551,847
Fines in criminal cases	$84,813

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OFFICE OF THE SOLICITOR—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

(*b*) *Interpretations and legal advisory services.*—The Office provides legal services to the departmental officials. During 1959 a total of 26,467 interpretations and opinions were rendered on the laws administered by the Department.

(*c*) *Wage determinations.*—Predeterminations of prevailing wages to be paid laborers and mechanics on public construction contracts are made and coordination of the administration and enforcement by Federal contracting agencies of labor-standards provisions in statutes relating to public construction is provided.

WORKLOAD

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Wage determinations issued	33,283	37,134	41,575	43,175

(*d*) *Legislative advisory services.*—This provides analyses and reports on legislation and drafts of proposed legislation for the Department.

2. *Field legal services.*—Service rendered at the regional level includes interpretations and legal advice to regional office officials and to the public on specific request; and enforcement of the Federal labor standards statutes through court and administrative proceedings.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	333	331	331
Average number of all employees	320	322	323
Number of employees at end of year	339	323	324
Average GS grade and salary	8.2 $6,756	8.8 $6,871	8.8 $6,871
01 Personal services:			
Permanent positions	$2,165,145	$2,201,639	$2,210,130
Other personal services	14,640	23,473	14,982
Total personal services	2,179,785	2,225,112	2,225,112
02 Travel	75,626	77,400	77,400
03 Transportation of things	1,046	2,200	2,200
04 Communication services	50,737	49,850	49,850
05 Rents and utility services	4,284	4,500	4,500
06 Printing and reproduction	23,427	41,000	41,000
07 Other contractual services	34,153	52,901	72,901
Services performed by other agencies	48,741	50,210	50,210
08 Supplies and materials	65,776	42,700	42,700
09 Equipment	11,783	10,000	10,000
11 Grants, subsidies, and contributions	134,649	136,778	136,778
13 Refunds, awards, and indemnities	105		
15 Taxes and assessments	2,282	2,349	2,349
1959 program obligated in 1958	−13,464		
Total obligations	2,618,930	2,695,000	2,715,000

BUREAU OF LABOR STANDARDS

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for the promotion of industrial safety, employment stabilization, and amicable industrial relations for labor and industry; performance of safetv functions of the Secretary under the Federal Employees' Compensation Act, as amended (5 U.S.C. 784(c)) and the Longshoremen's and Harbor Workers' Compensation Act, as amended (72 Stat. 835); performance of the functions vested in the Secretary [by title I of the Labor-Management Relations Act, 1947 (29 U.S.C. 159(f) and (g)) and] by sections 8(b) and (c) of the Welfare and Pension Plans Disclosure Act (72 Stat. 997); and not less than [$224,472] *$225,000* for the work of the President's Committee on [National Employ] *Employment of* the Physically Handicapped [Week], as authorized by the Act of July 11, 1949 (63 Stat. 409); [$2,488,000] *$2,376,000*: *Provided*, That no part of the appropriation for the President's Committee shall be subject to reduction or transfer to any other department or agency under the provisions of any existing law; including purchase of reports and of material for informational exhibits and expenses of attendance of cooperating officials and consultants at conferences concerned with the work of the Bureau of Labor Standards. (*5 U.S.C. 611, 784(b); 33 U.S.C. 941; Reorganization Plan No. 2 of 1946; Reorganization Plan No. 6 of 1950; Reorganization Plan No. 19 of 1950; Department of Labor Appropriation Act, 1960.*)

Appropriated 1960, **$2,488,000** Estimate 1961, **$2,376,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Improving State labor legislation	$164,371	$217,600	$218,300
2. Improving conditions of migratory workers	72,226	64,400	64,600
3. Reducing industrial accidents	528,511	937,700	1,033,500
4. Protecting young workers and advancing their employment opportunities	103,534	116,200	116,650
5. Promoting employment of the physically handicapped	213,265	224,500	225,000
6. Registration of labor union data	36,811	12,700	
7. Registration and disclosure of welfare and pension plan data	291,120	570,500	523,900
8. Administration and management services	150,001	214,400	194,050
9. 1959 program obligated in 1958	−6,148		
Total obligations	1,553,691	2,358,000	2,376,000
Financing:			
1959 appropriation available in 1958	6,148		
Unobligated balance no longer available	168,961	130,000	
Appropriation (new obligational authority)	1,728,800	2,488,000	2,376,000

1. *Improving State labor legislation.*—This is accomplished by assisting and advising States on labor law administration and the enactment of appropriate labor legislation and by negotiating Federal-State agreements to eliminate duplicating in inspection. Assistance was provided to 49 States and the District of Columbia in 1959 in response to 938 requests.

2. *Improving conditions of migratory workers.*—Cooperation is maintained with Federal and State agencies and voluntary organizations to improve the working and living conditions of migratory workers; a secretariat is provided for the President's Committee on Migratory Labor. Services were given to 39 States on migratory labor matters and assistance given 20 State committees in 1959.

3. *Reducing industrial accidents.*—This involves providing engineering consultation, technical advice, educational and promotional assistance in all phases of occupational accident prevention to States, labor unions, maritime, and special industries, and Federal agencies. During 1959 146 training courses were conducted for 4,077 trainees. The request for 1960 includes funds for a comparison of State safety codes with standards recommended by the American Standards Association.

4. *Protecting young workers and advancing their employment opportunities.*—Includes research activities, serving as a center of information and advisory service in this field; promoting annual back-to-school campaign; and developing standards for child-labor regulations under the Fair Labor Standards Act.

5. *Promoting employment of the physically handicapped.*—A continuing program of public information and education is conducted through the President's committee to advance the employment of handicapped citizens; cooperation is maintained with all national groups interested in the field, including the governors' committees in the States and 1,500 local committees. The magnitude of the problem was indicated in September 1959 when the Public Health Service reported that 17 million non-institutionalized Americans have disabilities which limit their normal activities.

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6. *Registration of labor union data.*—Financial and organizational data were required to be filed as a condition of union use of National Labor Relations Board facilities. Approximately 44,000 unions have made filings under this requirement, which was repealed by the Labor-Management Reporting and Disclosure Act of 1959, effective September 14, 1959.

7. *Registration and disclosure of welfare and pension plan data.*—Administrators of welfare and pension benefit plans, with some exceptions, are required to file plan descriptions and annual reports with the Secretary of Labor. Approximately 130,000 plan descriptions were filed in the last 6 months of 1959.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	271	283	277
Full-time equivalent of all other positions	5	5	5
Average number of all employees	147	261	273
Number of employees at end of year	195	264	270
Average GS grade and salary	7.9 $6,382	7.9 $6,406	8.0 $6,486
01 Personal services:			
Permanent positions	$972,180	$1,630,900	$1,726,700
Positions other than permanent	12,630	23,800	23,800
Other personal services	4,101	13,200	6,800
Total personal services	988,911	1,667,900	1,757,300
02 Travel	66,889	121,100	111,100
03 Transportation of things	7,781	18,000	9,000
04 Communication services	26,968	51,800	51,700
05 Rents and utility services		14,000	
06 Printing and reproduction	150,739	152,100	140,100
07 Other contractual services	44,750	9,400	25,200
Services performed by other agencies	46,270	159,200	115,300
08 Supplies and materials	39,483	34,100	34,400
09 Equipment	126,699	22,400	17,600
11 Grants, subsidies, and contributions	57,429	108,000	114,300
13 Refunds, awards, and indemnities	1,918		
15 Taxes and assessments	2,002		
1959 program obligated in 1958	−6,148		
Total obligations	1,553,691	2,358,000	2,376,000

BUREAU OF VETERANS' REEMPLOYMENT RIGHTS

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary to render assistance in connection with the exercise of reemployment rights under section 8 of the Selective Training and Service Act of 1940, as amended (50 U.S.C. App. 308), the Service Extension Act of 1941, as amended (50 U.S.C. App. 351), the Army Reserve and Retired Personnel Service Law of 1940, as amended (50 U.S.C. App. 401), and section 9 of the Universal Military Training and Service Act (50 U.S.C. App. 459), and the Reserve Forces Act of 1955 (69 Stat. 598), [$592,000] *$596,000.* (*50 U.S.C. App. 325; Department of Labor Appropriation Act, 1960.*)

Appropriated 1960, **$592,000** Estimate 1961, **$596,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Program of compliance and assistance to veterans	$450,774	$462,756	$465,935
2. Administration and management services	132,881	129,244	130,065
3. 1959 program obligated in 1958	−2,462		
Total obligations	581,193	592,000	596,000
Financing:			
1959 appropriation available in 1958	2,462		
Unobligated balance no longer available	2,045		
Appropriation (new obligational authority)	585,700	592,000	596,000

Assistance is provided veterans and reservists on training duty to get reinstated with their preservice employers and other employment advantages to which they may be entitled, based on seniority accrued while in military service. Compliance is advanced by informing employers and labor organizations of their reemployment responsibilities.

WORKLOAD

Cases:	*1958 actual*	*1959 actual*	*1960 estimate*	*1961 estimate*
On hand, beginning of year	2,745	2,796	1,840	1,640
Received	9,144	9,229	9,000	9,000
Closed	9,093	10,185	9,200	9,200
On hand, end of year	2,796	1,840	1,640	1,440

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	64	64	64
Full-time equivalent of all other positions	7	4	4
Average number of all employees	71	68	68
Number of employees at end of year	77	68	68
Average GS grade and salary	8.3 $6,881	8.3 $6,979	8.3 $6,979
01 Personal services:			
Permanent positions	$432,201	$440,783	$442,633
Positions other than permanent	24,311	15,735	15,735
Other personal services	1,534	3,432	1,732
Total personal services	458,046	459,950	460,100
02 Travel	40,818	50,000	50,000
03 Transportation of things	1,053	2,000	2,000
04 Communication services	22,347	18,350	18,350
05 Rents and utility services	155		
06 Printing and reproduction	11,890	15,600	15,600
07 Other contractual services	4,257	5,670	9,520
08 Supplies and materials	11,093	10,300	10,300
09 Equipment	5,711	1,000	1,000
11 Grants, subsidies, and contributions	27,391	28,830	28,830
13 Refunds, awards, and indemnities	225		
15 Taxes and assessments	669	300	300
1959 program obligated in 1958	−2,462		
Total obligations	581,193	592,000	596,000

BUREAU OF APPRENTICESHIP AND TRAINING

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary to enable the Secretary to conduct a program of encouraging apprentice training, as authorized by the Acts of March 4, 1913 (5 U.S.C. 611), and August 16, 1937 (29 U.S.C. 50), [$4,047,000] *$4,061,000.* (*Department of Labor Appropriation Act, 1960.*)

Appropriated 1960, **$4,047,000** Estimate 1961, **$4,061,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Training promotion and service to industry	$3,415,265	$3,450,100	$3,461,975
2. Training research and technical services	288,611	287,500	288,525
3. Administration and management services	303,825	309,400	310,500
4. 1959 program obligated in 1958	−13,959		
Total obligations	3,993,642	4,047,000	4,061,000
Financing:			
1959 appropriation available in 1958	13,959		
Unobligated balance no longer available	1,099		
Appropriation (new obligational authority)	4,008,700	4,047,000	4,061,000

1. *Training promotion and service to industry.*—Industry and labor are encouraged and assisted to develop skills in the work force through the organization and improvement of programs of apprenticeship and training. About 147,000 business establishments, 12,000 union locals, and 2,400 local chapters of employer associations participate, providing training for more than 200,000 apprentices and supplemental skill development for thousands of other workers.

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BUREAU OF APPRENTICESHIP AND TRAINING—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

2. *Training research and technical services.*—Research and development activities provide information on skill requirements, training technology and apprenticeship labor standards. Training aids and other techniques to increase the effectiveness of apprenticeship and training are made available. About 8 pamphlets, 5 articles, and 5 reprints are published each year to call attention to skill needs of labor force conditions in various industries, and to provide information about superior programs. Approximately 1,000 written recommendations for improving training practices are made each year to management and labor.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	500	493	493
Average number of all employees	481	479	479
Number of employees at end of year	486	484	484
Average GS grade and salary	8.3 $6,735	8.4 $6,795	8.4 $6,795
01 Personal services:			
Permanent positions	$3,240,149	$3,253,000	$3,253,000
Other personal services	18,690	31,700	18,800
Total personal services	3,258,839	3,284,700	3,271,800
02 Travel	300,227	317,000	317,000
03 Transportation of things	13,345	10,300	10,300
04 Communication services	84,028	92,600	92,600
05 Rents and utility services	2,300	2,300	2,300
06 Printing and reproduction	26,374	27,500	27,500
07 Other contractual services	22,589	22,100	49,000
Services performed by other agencies	35,652	29,500	29,500
08 Supplies and materials	41,678	39,800	39,800
09 Equipment	17,453	10,000	10,000
11 Grants, subsidies, and contributions	197,159	210,000	210,500
13 Refunds, awards, and indemnities	3,925		
15 Taxes and assessments	4,032	1,200	700
1959 program obligated in 1958	−13,959		
Total obligations	3,993,642	4,047,000	4,061,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Technical assistance (International Cooperation Administration) (total obligations)	$3,148		
Financing:			
Advances and reimbursements from other accounts	3,148		

Object Classification

Average number of all employees	1		
Number of employees at end of year	0		
01 Personal services: Positions other than permanent	$2,962		
07 Other contractual services	9		
11 Grants, subsidies, and contributions	177		
Total obligations	3,148		

BUREAU OF EMPLOYMENT SECURITY

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for the general administration of the employment service and unemployment compensation programs, including temporary employment of persons, without regard to the civil-service laws, for the farm placement migratory labor program; [$7,262,000] *$7,580,500*, of which [$1,252,000] *$1,260,000* shall be for carrying into effect the provisions of title IV (except section 602) of the Servicemen's Readjustment Act of 1944. (*42 U.S.C. 903; 29 U.S.C. 49–49n; 38 U.S.C. 695–695f; Reorganization Plan No. 3 of 1946, sec. 901, 5 U.S.C. 133y–133y–16; Reorganization Plan No. 2 of 1949, 5 U.S.C. 133z–133z–15; 38 U.S.C. 991–999; 42 U.S.C. 1361–1370; 5 U.S.C. 1, 623b; 72 Stat. 1087; Department of Labor Appropriation Act, 1960.*)

Appropriated 1960, **$7,262,000** Estimate 1961, **$7,580,500**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Veterans' placement service	$1,239,066	$1,252,000	$1,260,000
2. Farm placement service	266,812	307,500	343,800
3. Collection and interpretation of labor market information	859,157	817,900	822,300
4. Assistance in maintaining public employment services	958,209	917,600	947,200
5. Unemployment insurance service	877,425	1,015,500	1,032,400
6. Field guidance, financing, and auditing of State operations	2,270,265	2,329,900	2,549,200
7. Administration and management services	642,661	621,600	625,600
Total obligations	7,113,595	7,262,000	7,580,500
Financing:			
Unobligated balance no longer available	7,105		
Appropriation (new obligational authority)	7,120,700	7,262,000	7,580,500

The Bureau of Employment Security supervises the administration of the Federal-State system of employment security consisting of 53 State agencies and about 1,800 local offices providing unemployment compensation to individuals and assisting them in securing employment. An increase of $318,500 is requested primarily for better utilization and protection of U.S. farm labor and improved supervision and management of the national and regional offices.

1. *Veterans' placement service.*—This service helps State local employment offices in giving suitable counseling and placement services to veterans and promotes the interest of employers in employing veterans.

2. *Farm placement service.*—In cooperation with the State farm placement offices, this service develops and uses special recruitment and placement programs to meet agriculture's need for year-round and seasonal workers.

3. *Collection and interpretation of labor market information.*—Information is analyzed on the administrative operations of the unemployment insurance and employment service programs and on the supply, demand, and utilization of labor by areas, industries, and occupations.

4. *Assistance in maintaining public employment services.*—States are assisted in (*a*) recruitment and placement of workers in all occupations; (*b*) interstate recruitment of workers in shortage occupations; and (*c*) counseling and testing of youth, veterans, handicapped, and older workers. In 1961 emphasis will be placed on placement, and occupational information services in a growing tech-

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nological economy characterized by more occupational shortages and surpluses.

5. *Unemployment insurance service.*—State laws and interpretations are reviewed to assure conformity with the Federal law requirements. Surveys are made to assist States in improving administrative procedures. The Bureau directs State and Federal agencies in the administration of Federal benefits to unemployed Federal employees and ex-servicemen. In 1961, emphasis will be placed on (*a*) developing working tools and training materials for State use in improving the accounting and collection aspects of their tax functions and the benefit determination and payment aspects of their benefit functions, and (*b*) research on the adequacy of unemployment insurance for workers now covered by the program and the problems of extending coverage to excluded groups.

6. *Field guidance, financing, and auditing of State operations.*—The 53 State employment security agencies are assisted in improving their programs, organization, and management. Agencies are audited annually.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	841	829	862
Average number of all employees	786	804	837
Number of employees at end of year	809	829	862
Average GS grade and salary	8.9 $7,329	9.0 $7,358	9.0 $7,352
01 Personal services:			
Permanent positions	$5,696,552	$5,912,400	$6,150,900
Positions other than permanent	2,005	4,000	4,000
Other personal services	55,923	64,100	43,100
Total personal services	5,754,480	5,980,500	6,198,000
02 Travel	394,360	433,100	454,100
03 Transportation of things	13,857	11,700	11,700
04 Communication services	145,428	132,500	134,200
05 Rents and utility services	2,101	900	900
06 Printing and reproduction	170,291	144,200	148,300
07 Other contractual services	78,829	48,300	96,200
Services performed by other agencies	56,897	61,700	61,700
08 Supplies and materials	62,406	47,600	49,300
09 Equipment	60,734	17,000	26,900
11 Grants, subsidies, and contributions	360,205	370,300	385,000
13 Refunds, awards, and indemnities	10,930	12,400	12,400
15 Taxes and assessments	3,077	1,800	1,800
Total obligations	7,113,595	7,262,000	7,580,500

Grants to States for Unemployment Compensation and Employment Service Administration

For grants in accordance with the provisions of the Act of June 6, 1933, as amended (29 U.S.C. 49–49n), for carrying into effect section 602 of the Servicemen's Readjustment Act of 1944, for grants to the States as authorized in title III of the Social Security Act, as amended (42 U.S.C. 501–503), including, upon the request of any State, the purchase of equipment, and the payment of rental for space made available to such State in lieu of grants for such purpose, for necessary expenses including purchasing and installing of air-conditioning equipment in connection with the operation of employment office facilities and services in the District of Columbia, and for the acquisition of a building through such arrangements as may be required to provide quarters for such offices and facilities in the District of Columbia and for the District of Columbia Unemployment Compensation Board, subject to the same conditions with respect to the use of these funds for such purposes as are applicable to the procurement of buildings for other State employment security agencies, and for expenses not otherwise provided for, necessary for carrying out [title IV of the Veterans' Readjustment Assistance Act of 1952 (66 Stat. 684) and] title XV of the Social Security Act, as amended (68 Stat. 1130), [$315,819,000] *$325,819,000*, of which $15,000,000 shall be available only to the extent necessary to meet increased costs of administration resulting from changes in a State law or increases in the numbers of claims filed and claims paid or increased salary costs resulting from changes in State salary compensation plans embracing employees of the State generally over those upon which the State's basic grant (or the allocation for the District of Columbia) was based, which increased costs of administration cannot be provided for by normal budgetary adjustments: *Provided*, That notwithstanding any provision to the contrary in section 302(a) of the Social Security Act, as amended, the Secretary of Labor shall from time to time certify to the Secretary of the Treasury for payment to each State found to be in compliance with the requirements of the Act of June 6, 1933, and, except in the case of Puerto Rico, Guam, and the Virgin Islands, with the provisions of section 303 of the Social Security Act, as amended, such amounts as he determines to be necessary for the proper and efficient administration of its unemployment compensation law and of its public employment offices: *Provided further*, That such amounts as may be agreed upon by the Department of Labor and the Post Office Department shall be used for the payment, in such manner as said parties may jointly determine, of postage for the transmission of official mail matter in connection with the administration of unemployment compensation systems and employment services by States receiving grants herefrom.

In carrying out the provisions of said Act of June 6, 1933, the provisions of section 303(a)(1) of the Social Security Act, as amended, relating to the establishment and maintenance of personnel standards on the merit basis, shall apply.

None of the funds appropriated by this title to the Bureau of Employment Security for grants-in-aid of State agencies to cover, in whole or in part, the cost of operation of said agencies, including the salaries and expenses of officers and employees of said agencies, shall be withheld from the said agencies of any States which have established by legislative enactment and have in operation a merit system and classification and compensation plan covering the selection, tenure in office, and compensation of their employees, because of any disapproval of their personnel or the manner of their selection by the agencies of the said States, or the rates of pay of said officers or employees.

Grants to States, next succeeding fiscal year: For making, after May 31 of the current fiscal year, payments to States under title III of the Social Security Act, as amended, and under the Act of June 6, 1933, as amended, for the first quarter of the next succeeding fiscal year, such sums as may be necessary, the obligations incurred and the expenditures made thereunder for payments under such title and under such Act of June 6, 1933, to be charged to the appropriation therefor for that fiscal year. (*38 U.S.C. 695b; 29 U.S.C. 49–49n; 42 U.S.C. 1361–1370; 72 Stat. 1087; Department of Labor Appropriation Act, 1960.*)

Appropriated 1960, **$315,819,000** Estimate 1961, **$325,819,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. State unemployment insurance service	$176,928,832	$160,028,000	$166,549,000
2. Federal unemployment insurance service	8,945,915	7,655,000	7,333,000
3. Employment service	94,941,960	100,432,000	103,258,000
4. State administration and management services	30,573,453	32,704,000	33,679,000
5. Contingency fund		15,000,000	15,000,000
6. Obligations incurred for above programs in prior years	−5,918,600		
Total obligations	305,471,560	315,819,000	325,819,000
Financing:			
Appropriation available from subsequent year	−18,255,800	−18,255,800	−18,255,800
Appropriation available in prior year	24,174,400	18,255,800	18,255,800
Unobligated balance no longer available	14,209,840		
Appropriation (new obligational authority)	325,600,000	315,819,000	325,819,000

Grants are made to the States for administration of the unemployment compensation and employment service programs. Legislation has been proposed to provide trust fund financing for this program.

An increase of $10,000,000 is requested primarily for increased tax and auditing workloads and increases in the average annual salary rate. The average annual salary rate of State employees is expected to be $4,641 in 1960 and $4,775 in 1961. Average State employment was 54,038 in 1959 and is estimated at 48,484 in 1960 and 48,713 in 1961.

1. *State unemployment insurance service.*—State funds are used to make unemployment compensation payments to unemployed workers eligible under State laws. Federal grants in 1959 provided State administrative costs of collecting $1.7 billion in taxes, paying $2.8 billion in

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BUREAU OF EMPLOYMENT SECURITY—Continued

Current authorizations—Continued

GRANTS TO STATES FOR UNEMPLOYMENT COMPENSATION AND EMPLOYMENT SERVICE ADMINISTRATION—Continued

benefits and pending appeals. Claims filing is expected to decrease in 1960 and remain at this level in 1961.

STATE UNEMPLOYMENT INSURANCE WORKLOADS

Basic workload	*1959 actual*	*Percent change from 1958*	*1960 estimate*	*1961 estimate*
Employer tax returns processed	8,793,000	+2	8,928,000	9,500,000
Employer wage items recorded	119,361,000	−3	126,160,000	130,000,000
Initial claims taken	15,556,000	−16	12,764,000	12,764,000
Continued claims taken	96,245,000	−8	68,358,000	68,358,000
Claims processed	8,324,000	−20	7,095,000	7,095,000
Benefit payments made	85,263,000	−7	59,383,000	59,383,000
Appeals	309,000	+17	242,000	242,000

2. *Federal unemployment insurance service.*—Claims filed under the Federal unemployment compensation programs require processing activities similar to those under State laws. The benefit payments are provided under the appropriation Unemployment compensation for Federal employees and ex-servicemen.

3. *Employment service.*—Federal grants finance an employment service to find employment for persons seeking jobs and to provide workers for employers who need them. This is accomplished by selecting and referring workers to jobs, providing services to employers in the analysis of jobs and staffing problems and by counseling and testing services.

EMPLOYMENT SERVICE WORKLOADS

Basic workload	*1959 actual*	*Percent change from 1958*	*1960 estimate*	*1961 estimate*
Applications for work taken	9,369,000	−10	8,834,000	8,834,000
Counseling interviews	1,734,000	+12	1,755,000	1,755,000
Individuals tested	1,608,000	+19	1,531,000	1,531,000
Placements, nonagricultural	5,896,000	+9	6,124,000	6,124,000

4. *State administration and management services.*—State headquarters provide leadership and planning for the unemployment compensation and employment service activities in the central and local offices as well as legal, fiscal, personnel, training, and research activities.

5. *Contingency fund.*—This fund is used to meet unforeseen increases in the number of claims filed, in State salary rates due to changes in State compensation plans embracing employees of the State generally and changes in State unemployment compensation laws.

6. *Obligations incurred for above programs in prior years.*—Because of State legal requirements funds for July operations must be made available to the States before the year begins. In 1959 obligations were decreased by $5,918,600 because $24,174,400 had been advanced to 1959 from 1958 while $18,255,800 was advanced from 1960 to 1959.

Object Classification

		1959 actual		1960 estimate		1961 estimate
BUREAU OF EMPLOYMENT SECURITY						
Total number of permanent positions		146		170		170
Average number of all employees		135		164		163
Number of employees at end of year		137		170		170
Average GS grade and salary		6.4	$5,420	6.6	$5,490	6.6	$5,490
01	Personal services:					
	Permanent positions	$735,508		$899,500		$894,100
	Other personal services	5,145		8,700		5,100
	Total personal services	740,653		908,200		899,200
02	Travel	3,852		3,300		3,300
03	Transportation of things	428				
04	Communication services	18,358		20,000		20,000
05	Rents and utility services	153,307		155,900		155,900
06	Printing and reproduction	$37,786		$3,000		$3,000
07	Other contractual services	143,032		16,000		25,000
08	Supplies and materials	11,917		11,100		11,100
09	Equipment	26,308		1,400		1,400
11	Grants, subsidies, and contributions	304,176,636		314,664,800		324,699,800
15	Taxes and assessments	333		300		300
	Total, Bureau of Employment Security	305,312,610		315,784,000		325,819,000
	ALLOCATION TO GENERAL SERVICES ADMINISTRATION					
07	Other contractual services	158,950		35,000		
	Total obligations	305,471,560		315,819,000		325,819,000

UNEMPLOYMENT COMPENSATION FOR [VETERANS AND] FEDERAL EMPLOYEES *AND EX-SERVICEMEN*

For payments to unemployed [veterans and] Federal employees *and ex-servicemen*, either directly or through payments to States, as authorized by title XV of the Social Security Act, as amended, [and title IV of the Veterans' Readjustment Assistance Act of 1952, $125,000,000] *$112,000,000.*

Unemployment compensation for [veterans and] Federal employees *and ex-servicemen*, next succeeding fiscal year: For making, after May 31 of the current fiscal year, payments to States, as authorized by title XV of the Social Security Act, as amended, [and title IV of the Veterans' Readjustment Assistance Act of 1952,] such amounts as may be required for payment to unemployed [veterans and] Federal employees *and ex-servicemen* for the first quarter of the next succeeding fiscal year, and the obligations and expenditures thereunder shall be charged to the appropriation therefor for that fiscal year. *(38 U.S.C. 991–999; 42 U.S.C. 1361–1370; 72 Stat. 1087; Department of Labor Appropriation Act, 1960.)*

Appropriated 1960, **$125,000,000** Estimate 1961, **$112,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Payments to Federal employees	$57,745,346	$46,000,000	$46,000,000
2. Payments to ex-servicemen	55,512,101	66,000,000	66,000,000
3. Payments to Korean Veterans	46,260,084	8,000,000	
4. Obligations incurred for above programs in prior years (−)	−1,177,932		
Total obligations (object class 11)	158,339,599	120,000,000	112,000,000
Financing:			
Appropriation available from subsequent year	−8,069,000	−8,069,000	−8,069,000
Appropriation available in prior year	9,246,932	8,069,000	8,069,000
Recovery of prior year obligations	−4,097,214		
Unobligated balance no longer available	5,379,683	5,000,000	
Appropriation (new obligational authority)	160,800,000	125,000,000	112,000,000

1. *Payments to Federal employees* are made in accordance with the State unemployment compensation laws. In 1961 it is estimated that benefit payments will continue at the 1960 level.

WORKLOAD

	1959 actual	*1960 estimate*	*1961 estimate*
Initial claims taken	155,748	161,000	161,000
Weeks compensated	1,700,000	1,391,000	1,391,000
Weekly average insured unemployment	33,733	28,000	28,000
Average weekly benefits	$31.49	$31.75	$31.75

2. *Payments to ex-servicemen* are made in accordance with the State unemployment compensation laws. It is expected that servicemen will be discharged at the same rate in 1961 as in 1960 and that benefits will remain at $66 million. This program became effective October 28, 1958, and workload shown below for 1959 reflects 8 months' experience.

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WORKLOAD

	1959 actual	1960 estimate	1961 estimate
Initial claims taken	249,231	317,000	317,000
Weeks compensated	1,734,066	2,108,000	2,108,000
Weekly average insured unemployment	54,061	43,000	43,000
Average weekly benefits	$29.35	$30.00	$30.00

3. *Payments to Korean veterans* are made if service in the Armed Forces was between June 27, 1950, and January 31, 1955. This special unemployment compensation program terminates on January 31, 1960.

WORKLOAD

	1959 actual	1960 estimate
Initial claims taken	148,443	34,000
Weeks compensated	1,864,467	329,000
Weekly average insured unemployment	33,293	9,900
Average weekly benefits	$23.71	$24.00

Salaries and Expenses, Mexican Farm Labor Program

For expenses, not otherwise provided for, necessary to carry out the functions of the Department of Labor under the Act of July 12, 1951 (65 Stat. 119), as amended, including temporary employment of persons without regard to the civil-service laws, [$1,336,700] *$1,347,300*, which shall be derived by transfer from the Farm labor supply revolving fund: *Provided*, That reimbursement to the United States under agreements hereafter entered into pursuant to section 502 of the Act of October 31, 1949, as amended (7 U.S.C. 1462), shall include all expenses of program operations except those compliance activities of the type separately provided for herein. *(7 U.S.C. 1461–1468; International Executive Agreement, August 11, 1951, as amended; Department of Labor Appropriation Act, 1960.)*

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Determining Mexican labor requirements	$68,305	$64,400	$64,900
2. Supplying Mexican labor	1,501,448	1,198,100	1,207,400
3. Administration and management services	97,290	74,200	75,000
Total obligations	1,667,043	1,336,700	1,347,300
Financing:			
Unobligated balance transferred from "Farm labor supply revolving fund"	−1,667,043	−1,336,700	−1,347,300
Appropriation (new obligational authority)			

Mexican agricultural labor is imported for use in areas having a shortage of domestic agricultural workers. All costs, except compliance activities, are paid from the Farm labor supply revolving fund and in 1959 these costs averaged $11.16 per worker. The estimated average cost in 1960 and 1961 is $11.26.

1. *Determining Mexican labor requirements.*—The agricultural areas needing Mexican workers and the number of workers required are determined. A total of 410 requests from 110 areas will be considered for approval in 1960. Farm labor reports are developed, controlled, and analyzed to evaluate the Mexican labor program. Technical assistance is provided the States in the preparation of these reports.

2. *Supplying Mexican labor.*—Workers are recruited in Mexico and transported to centers in the United States where employers contract for their use. In 1959, a total of 447,759 workers were contracted. An estimated 440,000 workers will be contracted in 1960 and 425,000 in 1961.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	256	211	211
Full-time equivalent of all other positions	58	39	39
Average number of all employees	285	237	237
Number of employees at end of year	314	273	273
Average GS grade and salary	6.3 $5,249	5.8 $5,114	5.8 $5,114
01 Personal services:			
Permanent positions	$1,160,417	$984,500	$987,700
Positions other than permanent	134,263	96,600	96,600
Other personal services	49,214	46,200	42,600
Total personal services	1,343,894	1,127,300	1,126,900
02 Travel	152,916	75,300	75,300
03 Transportation of things	8,917	6,800	6,800
04 Communication services	65,251	58,000	58,000
05 Rents and utility services	340	500	500
06 Printing and reproduction	3,993	4,300	4,300
07 Other contractual services	9,105	6,200	17,200
08 Supplies and materials	8,793	7,700	7,700
09 Equipment	3,834	1,300	1,300
11 Grants, subsidies, and contributions	62,692	46,900	46,900
13 Refunds, awards, and indemnities	100	100	100
15 Taxes and assessments	7,208	2,300	2,300
Total obligations	1,667,043	1,336,700	1,347,300

Compliance Activities, Mexican Farm Labor Program

For expenses necessary to enable the Department to determine compliance with the provisions of contracts entered into pursuant to the Act of July 12, 1951, as amended, [$873,000] *$1,108,000. (7 U.S.C. 1461–1468; International Executive Agreement, Aug. 11, 1951, as amended; Department of Labor Appropriation Act, 1960.)*

Appropriated 1960, **$873,000** Estimate 1961, **$1,108,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Compliance and employer services (total obligations)	$517,310	$873,000	$1,108,000
Financing:			
Unobligated balance no longer available	390		
Appropriation (new obligational authority)	517,700	873,000	1,108,000

Complaints of violations of contracts of Mexican farm laborers are investigated and resolved as well as transportation, housing, and other facilities required by the contract.

	1959 actual	1960 estimate	1961 estimate
Complaints	4,752	5,000	5,250
Housing and facilities inspections	7,600	7,600	8,800

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	61	104	132
Full-time equivalent of all other positions	5	11	11
Average number of all employees	63	109	136
Number of employees at end of year	67	114	142
Average GS grade and salary	8.4 $6,229	8.4 $6,185	8.3 $6,008
01 Personal services:			
Permanent positions	$361,605	$608,051	$753,134
Positions other than permanent	16,564	32,685	32,685
Other personal services	1,323	5,064	3,281
Total personal services	379,492	645,800	789,100
02 Travel	84,937	153,000	199,000
03 Transportation of things	1,426	3,000	4,000
04 Communication services	10,311	14,500	18,500
05 Rents and utility services	3,083	3,800	5,000
06 Printing and reproduction	1,108	1,700	2,200
07 Other contractual services	6,837	4,200	24,200
08 Supplies and materials	868	3,100	4,500
09 Equipment	5,283	3,000	11,400
11 Grants, subsidies, and contributions	23,280	39,800	49,000
13 Refunds, awards, and indemnities	225	300	300
15 Taxes and assessments	460	800	800
Total obligations	517,310	873,000	1,108,000

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BUREAU OF EMPLOYMENT SECURITY—Continued

Current authorizations—Continued

TEMPORARY UNEMPLOYMENT COMPENSATION

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Temporary unemployment compensation payments	$435,101,292		
2. State administration	11,745,729		
3. Federal administration	366,453	$75,000	
Total obligations	447,213,474	75,000	
Financing:			
Unobligated balance brought forward	−617,928,315	−170,714,841	
Unobligated balance carried forward	170,714,841		
Unobligated balance no longer available		170,639,841	
Appropriation (new obligational authority)			

1. *Temporary unemployment compensation payments.*—Individuals who exhausted all rights to unemployment compensation under State unemployment compensation laws, the unemployment compensation for Federal employees program, and the unemployment compensation for veterans and ex-servicemen's programs, received benefits for an additional period under this temporary Federal program. Before the program expired on June 30, 1959, a total of approximately 2.1 million initial claims for benefits were filed.

2. *State administration.*—The State employment security agencies administered this program as agents of the Federal Government through 1,800 local employment security offices. These agencies were reimbursed for the costs they incurred by the Federal Government.

3. *Federal administration.*—The Bureau of Employment Security provided national supervision and control of the program and made its resources available to the States for assistance in administering it. While the program expired on June 30, 1959, provision for Federal supervision continued until September 30, 1959, so that the program could be terminated in an orderly manner and assistance would be available to the States for handling appeals which were still in the process of adjudication when the program terminated.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	21		
Full-time equivalent of all other positions	20	12	
Average number of employees	40	12	
Number of employees at end of year	14	0	
Average GS grade and salary	5.2 $5,178		
01 Personal services:			
Permanent positions	$100,567		
Positions other than permanent	122,528	$68,400	
Other personal services	1,099		
Total personal services	224,194	68,400	
02 Travel	41,304	2,400	
03 Transportation of things	1,062		
04 Communication services	8,253	150	
05 Rents and utility services	30		
06 Printing and reproduction	8,600		
07 Other contractual services	19,986	200	
Services performed by other agencies	43,275		
08 Supplies and materials	4,728		
09 Equipment	1,818		
11 Grants, subsidies, and contributions	446,859,442	3,700	
13 Refunds, awards, and indemnities	25		
15 Taxes and assessments	757	150	
Total obligations	447,213,474	75,000	

Public enterprise funds:

FARM LABOR SUPPLY REVOLVING FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs:			
1. Transportation of workers	$1,662,143	$1,701,200	$1,643,300
2. Rent and maintenance of premises	154,928	203,100	193,200
3. Meals furnished workers	737,775	686,900	664,100
4. Medical care	668,913	769,700	798,100
5. Other	93,581	96,100	87,600
6. Undistributed: Adjustment of prior year expense	413,189		
Total operating costs	3,730,529	3,457,000	3,386,300
7. Depreciation included above (−)	−29,688	−33,100	−36,400
Total operating costs, funded	3,700,841	3,423,900	3,349,900
Capital outlay:			
8. Purchase of equipment	40,403	55,000	55,000
Total program costs, funded	3,741,244	3,478,900	3,404,900
9. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−5,644	
Obligations incurred for costs of other years, net	99,985		
Total program (obligations)	3,841,229	3,473,256	3,404,900
Financing:			
Amounts becoming available:			
Revenue	6,605,699	4,586,800	4,706,000
Working capital absorbed	106,592		
Total amounts becoming available	6,712,291	4,586,800	4,706,000
Unobligated balance brought forward	674,938	1,878,957	1,655,801
Total amounts available	7,387,229	6,465,757	6,361,801
Unobligated balance transferred to "Salaries and expenses, Mexican farm labor program" (72 Stat. 460)	−1,667,043	−1,336,700	−1,347,300
Unobligated balance carried forward	−1,878,957	−1,655,801	−1,609,601
Financing applied to program	3,841,229	3,473,256	3,404,900

This fund covers transportation and other costs directly involved in importing Mexican farmworkers (7 U.S.C. 1461–1468). Public Law 85–779, approved August 27, 1958, extends the authority until June 30, 1961.

Budget program.—The program involves the recruitment, selection, and importation of Mexican workers for agricultural work on farms in the continental United States. Mexican workers recruited and selected by the Mexican Government are sent to three migratory stations in Mexico where they are examined for ability to do farmwork, screened for subversive activities, vaccinated, and transported to five reception centers in the United States where they are X-rayed, examined and treated for disease, and contracted to employers. This requires the establishment and operation of reception centers to provide housing, subsistence, and medical care. An estimated 440,000 Mexican farmworkers will be imported in 1960 and 425,000 in 1961 as compared to 447,759 in 1959.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Unpaid undelivered orders	$146,821	$40,824	$32,000	$32,000
Deferred charges	30,838	130,228	130,000	130,000
Supplies		106,592	110,000	110,000
Total selected resources at end of year	177,659	277,644	272,000	272,000
Selected resources at start of year (−)		−177,659	−277,644	−272,000
Costs financed from obligations of other years, net (−)			−5,644	
Obligations incurred for costs of other years, net		99,985		

Financing.—The costs of operating this program are met by fees charged the employer for each worker contracted. On January 15, 1959, the fee for initially contracting a worker was established at $12 per worker,

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reduced from $15. The fee for recontracting a worker was set at $6, a reduction of $1.50. In January 1960, it is anticipated that the rates will be reduced to $10 for contracting workers and $5 for recontracting workers. Revenue is estimated to decrease from $6,605,699 in 1959 to $4,586,800 in 1960 due to the lowering of fees explained above and the conversion to an accrual basis for reporting revenue. Resulting revenue will provide for the cost of importing workers; for the serological testing administered by the Public Health Service; and some direct costs previously financed from the Mexican farm labor appropriation.

Operating results and financial condition.—During 1959, the accounting operations were converted from an obligation to an accrual basis, necessitating adjustments to fixed assets and retained earnings. Revenue from operations is estimated to exceed expenses in both 1960 and 1961. After allowing for transfers of $1,336,700 in 1960 and $1,347,300 in 1961 to the Salaries and expenses, Mexican farm labor program, retained earnings as of June 30, 1961, are estimated to be $1,826,225. Earnings are retained to meet future requirements.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Acquisition of equipment	$40,403	$55,000	$55,000
Operating expense	3,287,652	3,423,900	3,349,900
Adjustment of prior year expense	413,189		
Increase in selected working capital	72,232		
Total gross expenditures	3,813,476	3,478,900	3,404,900
Receipts from operations (funds provided):			
Revenue	6,605,699	4,586,800	4,706,000
Working capital absorbed	106,592		
Decrease in selected working capital		571,350	455,800
Total receipts from operations	6,712,291	5,158,150	5,161,800
Budget expenditures	−2,898,815	−1,679,250	−1,756,900

Revenue, Expense, and Retained Earnings

Revenue	$6,605,699	$4,586,800	$4,706,000
Expense	3,317,340	3,457,000	3,386,300
Net operating income for the year	3,288,359	1,129,800	1,319,700
Analysis of retained earnings:			
Retained earnings, beginning of year	852,598	2,060,725	1,853,825
Transferred to "Salaries and expenses, Mexican farm labor program"	−1,667,043	−1,336,700	−1,347,300
Adjustment of prior year expense	−413,189		
Retained earnings, end of year	2,060,725	1,853,825	1,826,225

Financial Condition

Assets:			
Cash with Treasury	$2,629,251	$2,971,801	$3,381,401
Cash in transit	33,901	15,000	15,000
Accounts receivable, net	13,828	13,000	200
Supplies	106,592	110,000	110,000
Deferred charges	130,228	130,000	130,000
Land, structures, and equipment, net	342,452	364,352	382,952
Total assets	3,256,252	3,604,153	4,019,553
Liabilities:			
Current	757,199	1,312,000	1,755,000
Government investment:			
Non-interest bearing capital:			
Start of year	216,260	438,328	438,328
Capitalization of fixed assets during year	115,476		
Capitalization of working capital during year	106,592		
End of year	438,328	438,328	438,328
Retained earnings	2,060,725	1,853,825	1,826,225
Total Government investment	2,499,053	2,292,153	2,264,553

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash with Treasury	$1,397,479	$2,629,251	$2,971,801	$3,381,401
Obligated balance, net:				
Current liabilities	575,866	757,199	1,312,000	1,755,000
Unpaid undelivered orders	146,821	40,824	32,000	32,000
Accounts receivable, net, and cash in transit (−)	−146	−47,729	−28,000	−15,200
Total obligated balance	722,541	750,294	1,316,000	1,771,800
Unobligated balance	674,938	1,878,957	1,655,801	1,609,601

Object Classification

	1959 actual	1960 estimate	1961 estimate
BUREAU OF EMPLOYMENT SECURITY			
02 Travel	$1,662,143	$1,701,200	$1,643,300
03 Transportation of things	2,520	2,600	2,600
05 Rents and utility services	147,516	169,300	169,300
06 Printing and reproduction	13,123	14,000	14,000
07 Other contractual services	122,535	143,500	130,000
Meals	737,775	686,900	653,500
08 Supplies and materials	13,107	13,100	13,100
09 Equipment (expense and capitalized)	10,338	50,000	50,000
Adjustment of prior year expense	413,189		
Total, Bureau of Employment Security	3,122,246	2,780,600	2,675,800
ALLOCATION TO PUBLIC HEALTH SERVICE, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE			
Total number of permanent positions	81	68	68
Full-time equivalent of all other positions	9	20	20
Average number of all employees	62	83	85
Number employees at end of year	63	83	83
Average GS grade and salary	4.4 $4,270	4.8 $4,374	4.8 $4,374
01 Personal services	$357,656	$439,400	$446,200
02 Travel	16,852	19,500	19,500
03 Transportation of things	11,345	13,400	13,400
04 Communication services	3,400	3,900	3,900
05 Rents and utility services	2,607	3,000	3,000
06 Printing and reproduction	135	300	300
07 Other contractual services	14,144	13,600	13,600
08 Supplies and materials	167,670	169,300	169,300
09 Equipment (expense and capitalized)	30,867	11,600	35,600
11 Grants, subsidies, and contributions	9,634	19,400	19,400
13 Refunds, awards, and indemnities	245		
15 Taxes and assessments	4,443	4,900	4,900
Total, Public Health Service	618,998	698,300	729,100
Total costs	3,741,244	3,478,900	3,404,900
Costs financed from obligations of other years, net (−)		−5,644	
Obligations incurred for costs of other years, net	99,985		
Total obligations	3,841,229	3,473,256	3,404,900

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. State administration and management services	$8,406	$8,000	$8,000
2. Miscellaneous services to other agencies	137,288		
Total obligations	145,694	8,000	8,000
Financing:			
Advances and reimbursements from other accounts	145,694	8,000	8,000

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BUREAU OF EMPLOYMENT SECURITY—Continued

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS—Continued

Object Classification

	1959 actual	1960 estimate	1961 estimate
Average number of all employees	20	1	1
Number of employees at end of year	16	1	1
01 Personal services: Positions other than permanent	$127,862	$8,000	$8,000
02 Travel	161		
06 Printing and reproduction	7,033		
07 Other contractual services	379		
09 Equipment	2,088		
11 Grants, subsidies, and contributions	8,171		
Total obligations	145,694	8,000	8,000

BUREAU OF EMPLOYEES' COMPENSATION

Current authorizations:

SALARIES AND EXPENSES

For necessary administrative expenses and not to exceed [$102,000] *$97,200* for the Employees' Compensation Appeals Board, [$3,080,000] *$3,108,000,* together with not to exceed $51,700 to be derived from the fund created by section 44 of the Longshoremen's and Harbor Workers' Compensation Act, as amended (33 U.S.C. 906). *(5 U.S.C. 751–800; 33 U.S.C. 901–950; 42 U.S.C. 1651–1659, 1701–1717; Reorganization Plan No. 2 of 1946, 60 Stat. 1095; Reorganization Plan No. 19 of 1950, 64 Stat. 1271; Department of Labor Appropriation Act, 1960.)*

Appropriated 1960, **$3,080,000** Estimate 1961, **$3,108,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Disposition of compensation claims:			
(a) Federal employees	$1,980,195	$2,006,000	$2,025,700
(b) Longshoremen and harbor workers	780,380	772,000	778,100
(c) Administration and management services	166,318	173,600	175,300
(d) Administration of War Claims Act	31,199	31,400	31,700
2. Appeals from determination of Federal employee claims	94,950	97,000	97,200
3. Administration of longshoremen's rehabilitation program	48,184	51,700	51,700
4. 1959 program obligated in 1958	−7,280		
Total obligations	3,093,946	3,131,700	3,159,700
Financing:			
1959 appropriation available in 1958	7,280		
Advances and reimbursements from non-Federal sources	−48,184	−51,700	−51,700
Unobligated balance no longer available	1,658		
Appropriation (new obligational authority)	3,054,700	3,080,000	3,108,000

NOTE.—Reimbursements from non-Federal sources are for payments from the fund created by sec. 44 of the Longshoremen's and Harbor Workers' Compensation Act, as amended (33 U.S.C. 906).

The Bureau administers the Federal Employees' Compensation Act, the Longshoremen's and Harbor Workers' Act, the Defense Bases Act, the War Risk Hazards Act, certain provisions of the War Claims Act, section 4(c) of the Outer Continental Shelf Lands Act, and the Nonappropriated Fund Instrumentalities Act.

1. *Disposition of compensation claims.*—Workloads are related to the volume of covered employment and the servicing of cases originating in prior years.

(a) *Federal employees.*—Federal employment is estimated at 2,340,000 for 1961; on June 30, 1959, cases from prior years requiring further action numbered 43,421; the backlog in investigations was 260 cases.

WORKLOAD

	1959 actual	1960 estimate	1961 estimate
New injuries reported	101,528	102,000	102,000
Reopened cases	17,076	17,000	17,000
Total	118,604	119,000	119,000
Investigations made	1,559	1,700	1,700
Open cases, end of year:			
Receiving payment	19,940	20,000	20,000
Needing further development	23,481	23,000	22,000

(b) *Longshoremen and harbor workers.*—In addition to adjudication of claims presented to employers or their insurance carriers, hearings and conferences are held for the purpose of determining the rights of interested parties.

WORKLOAD

	1959 actual	1960 estimate	1961 estimate
New injuries reported	61,422	66,000	66,000
Formal hearings completed	301	350	350
Informal conferences	33,942	35,000	35,000

(d) *Administration of War Claims Act.*—Claims are adjudicated and payments are made to certain wartime employees of Government contractors with the United States and to certain American citizens who were captured by the Japanese. In 1957, funds for the payment of all future benefits were transferred from the War claims fund to the general fund of the Treasury.

2. *Appeals from determination of Federal employee claims.*—The Employees' Compensation Appeals Board hears and decides appeals from decisions of the Director of the Bureau.

WORKLOAD

	1959 actual	1960 estimate	1961 estimate
Pending cases, start of year	140	135	135
Appeals docketed	275	300	300
Appeals closed	280	300	300
Pending cases, end of year	135	135	135
Hearings held	114	125	125
Opinions issued	237	250	250

3. *Administration of longshoremen's rehabilitation program.*—The Bureau provides vocational rehabilitation services to permanently injured employees where such services are not available otherwise, financed by payment from a trust fund.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	466	462	462
Average number of all employees	458	453	455
Number of employees at end of year	450	451	453
Average GS grade and salary	6.2 $5,399	6.3 $5,465	6.3 $5,465
Personal service obligations:			
Permanent positions	$2,473,378	$2,475,043	$2,484,742
Other personal services	151,644	146,990	137,291
Total personal service obligations	2,625,022	2,622,033	2,622,033
Direct obligations:			
01 Personal services	2,585,494	2,581,535	2,581,535
02 Travel	77,962	89,900	89,900
03 Transportation of things	3,038	3,500	3,500
04 Communication services	61,633	63,900	63,900
05 Rents and utility services	14,754	14,100	14,100
06 Printing and reproduction	44,382	48,000	48,000
07 Other contractual services	47,224	48,300	76,300
Services performed by other agencies	12,136	16,400	16,400
08 Supplies and materials	30,815	37,115	37,115
09 Equipment	15,849	19,000	19,000
11 Grants, subsidies, and contributions	156,393	156,450	156,450
13 Refunds, awards, and indemnities	1,345		
15 Taxes and assessments	2,017	1,800	1,800
1959 program obligated in 1958	−7,280		
Total direct obligations	3,045,762	3,080,000	3,108,000

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Object Classification—Continued

		1959 actual	1960 estimate	1961 estimate
	Reimbursable obligations:			
01	Personal services	$39,528	$40,498	$40,498
02	Travel	4,362	6,000	6,000
04	Communication services	675	800	800
06	Printing and reproduction	300	500	500
07	Other contractual services	157	300	300
	Services performed by other agencies	50	100	100
08	Supplies and materials	155	370	370
09	Equipment	517	500	500
11	Grants, subsidies, and contributions	2,366	2,632	2,632
15	Taxes and assessments	74		
	Total reimbursable obligations	48,184	51,700	51,700
	Total obligations	3,093,946	3,131,700	3,159,700

Employees' Compensation Claims and Expenses

(Indefinite)

For the payment of compensation and other benefits and expenses (except administrative expenses) authorized by law and accruing during the current or any prior fiscal year, including payments to other Federal agencies for medical and hospital services pursuant to agreement approved by the Bureau of Employees' Compensation; continuation of payment of benefits as provided for under the head "Civilian War Benefits" in the Federal Security Agency Appropriation Act, 1947; the advancement of costs for enforcement of recoveries in third-party cases; the furnishing of medical and hospital services and supplies, treatment, and funeral and burial expenses, including transportation and other expenses incidental to such services, treatment, and burial, for such enrollees of the Civilian Conservation Corps as were certified by the Director of such Corps as receiving hospital services and treatment at Government expense on June 30, 1943, and who are not otherwise entitled thereto as civilian employees of the United States, and the limitations and authority of the Act of September 7, 1916, as amended (5 U.S.C. 796), shall apply in providing such services, treatment, and expenses in such cases and for payments pursuant to sections 4(c) and 5(f) of the War Claims Act of 1948 (50 U.S.C. App. 2012); such amount as may be required during the current fiscal year: *Provided*, That, in the adjudication of claims under section 42 of the said Act of 1916, for benefits payable from this appropriation, authority under section 32 of the Act to make rules and regulations shall be construed to include the nature and extent of the proofs and evidence required to establish the right to such benefits without regard to the date of the injury or death for which claim is made. *(5 U.S.C. 785; 42 U.S.C. 1701; 50 U.S.C. 2001–3013; Public Law 86–233, 73 Stat. 469; Department of Labor Appropriation Act, 1960.)*

Appropriated (est.) 1960, **$61,200,000** Estimate 1961, **$65,019,000**

Program and Financing

		1959 actual	1960 estimate	1961 estimate
	Program by activities:			
1.	Federal civilian employees benefits	$40,954,748	$42,800,000	$47,119,000
2.	Armed Forces reservists benefits	26,724,052	16,700,000	16,250,000
3.	War Claims Act benefits	796,243	740,000	700,000
4.	Other benefits	778,863	960,000	950,000
	Total obligations (object class 12)	69,253,906	61,200,000	65,019,000
	Financing:			
	Appropriation (new obligational authority)	69,253,906	61,200,000	65,019,000

Benefits are paid to civil employees of the Government disabled in the performance of duty or to their dependents, to dependents of certain reservists in the Armed Forces who died while on active duty with the Armed Forces or while engaged in authorized training in time of peace, to members of the Civil Air Patrol as authorized by the act of August 3, 1956, and to others by various extensions of the Federal Employees' Compensation Act. In 1961, all funds for the care of beneficiaries are budgeted in this appropriation including $2,819,000 previously appropriated to Hospital and medical care, Public Health Service.

Benefits are also paid to employees of Government contractors and to American civilians who were captured by the Japanese. Funds for payment of all future benefits under this program were transferred from the War claims fund to the general fund of the Treasury in 1957.

WORKLOAD

	1959 actual	1960 estimate	1961 estimate
Long-term cases compensated	19,940	20,000	20,000
New injuries reported	101,528	102,000	102,000
Number of payments	[1] 413,732	412,446	422,142

[1] Includes 5,717 additional payments to dependents of reservists resulting from adjustments.

BUREAU OF LABOR STATISTICS

Current authorizations:

Salaries and Expenses

For expenses, not otherwise provided for, necessary for the work of the Bureau of Labor Statistics, including advances or reimbursement to State, Federal, and local agencies and their employees for services rendered, [$9,519,500] *$10,519,000. (29 U.S.C. 2, 7, 181; Department of Labor Appropriation Act, 1960.)*

Appropriated 1960, [a] **$10,519,500** Estimate 1961, **$10,519,000**

[a] Includes $1,000,000 appropriated in Supplemental Appropriation Act, 1960.

Program and Financing

		1959 actual	1960 estimate	1961 estimate
	Program by activities:			
1.	Manpower and employment	$2,621,090	$3,895,677	$3,814,465
2.	Prices and cost of living	1,567,483	1,863,137	1,871,348
3.	Wages and industrial relations	1,173,418	2,041,067	2,117,115
4.	Housing and public construction	394,801		
5.	Measurement of productivity	286,982	523,940	531,894
6.	Industrial hazards	240,832	281,229	282,699
7.	Foreign labor conditions	111,545	109,908	150,518
8.	Program staff services	649,261	692,865	695,298
9.	Administration and management services	944,352	1,111,677	1,055,663
10.	1959 program obligated in 1958	−19,952		
	Total obligations	7,969,812	10,519,500	10,519,000
	Financing:			
	1959 appropriation available in 1958	19,952		
	Unobligated balance no longer available	36		
	Appropriation (new obligational authority)	7,989,800	10,519,500	10,519,000

1. *Manpower and employment.*—The level and trend of nonagricultural employment, hours, earnings, and labor turnover are analyzed. Hawaii will be added to these programs in 1961. The Bureau also analyzes and publishes the Monthly Report on the Labor Force, and in 1961 Hawaii and Alaska will be added. Publications include the Occupational Outlook Handbook, estimates of manpower requirements and supply, and reviews of long-range employment and labor-force trends.

2. *Prices and cost of living.*—The Consumer Price Index is published, covering the urban wage earner and salaried clerical workers' families of the United States, for the Nation (based on 46 cities) and for 20 selected large cities. Trends of primary market prices are published for 2,000 industrial and agricultural products. The Consumer Price Index is incorporated in many labor-management contracts for wage-determining purposes, and indexes of primary market prices are used in escalating costs for commercial contracts. Attention will continue to be given to providing price information necessary for improving the national economic accounts.

3. *Wages and industrial relations.*—Information is provided on wages by occupation for 80 major industrial centers, and for about 20 selected major industries; monthly developments in industrial relations and wages; and provisions of labor-management contracts and work stoppages. Data on current wage developments and work stoppages will be added for Hawaii in 1961. Annual reports are issued on employer expenditures on fringe benefits.

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BUREAU OF LABOR STATISTICS—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

4. *Housing and public construction.*—This function was transferred to the Department of Commerce at the end of 1959.

5. *Measurement of productivity.*—Annual indexes of output per man-hour are prepared, together with an analysis of productivity trends, and studies of automation and other technological developments. Recent emphasis is on the development of productivity indexes in greater industrial detail. Studies are issued for labor requirements for selected types of construction.

6. *Industrial hazards.*—Quarterly and annual data are published on industrial injuries, together with analyses of the causes of injuries for selected industries. These constitute comprehensive and reliable basic data for industrial safety programs, both public and private. Special emphasis is placed on the development of a more extensive State-Federal program of injury statistics.

7. *Foreign labor conditions.*—Summary information on labor in foreign countries is made available, including data on employment, wages, labor law, living costs, and current labor developments generally. In 1961 the labor aspects of world markets will be studied.

8. *Program staff services.*—Bureau policies are established for the maintenance of statistical standards and improvement of statistical methodology. Special economic reports are prepared for the Commissioner, the Secretary, the Council of Economic Advisers, and other Government agencies. Research and reports are coordinated and publications are planned and edited.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	958	1,114	1,092
Full-time equivalent of all other positions	42	87	65
Average number of all employees	973	1,140	1,122
Number of employees at end of year	1,069	1,302	1,218
Average GS grade and salary	7.2 $6,038	7.3 $6,046	7.4 $6,083
01 Personal services:			
Permanent positions	$5,616,396	$6,405,572	$6,444,613
Positions other than permanent	154,787	347,733	252,588
Other personal services	57,727	79,400	57,828
Total personal services	5,828,910	6,832,705	6,755,029
02 Travel	253,068	455,200	480,290
03 Transportation of things	6,952	10,250	10,250
04 Communication services	239,835	301,735	300,510
05 Rents and utility services	152,157	212,200	166,625
06 Printing and reproduction	327,128	274,300	293,093
07 Other contractual services	652,458	741,065	860,294
Services performed by other agencies	49,066	1,031,335	1,056,335
08 Supplies and materials	57,285	121,755	119,918
09 Equipment	52,752	107,110	48,000
11 Grants, subsidies, and contributions	361,522	421,500	418,311
13 Refunds, awards, and indemnities	3,838	4,000	4,000
15 Taxes and assessments	4,793	6,345	6,345
1959 program obligated in 1958	−19,952		
Total obligations	7,969,812	10,519,500	10,519,000

REVISION OF THE CONSUMER PRICE INDEX

For expenses necessary to enable the Bureau of Labor Statistics to revise the Consumer Price Index, including temporary employees at rates to be fixed by the Secretary of Labor without regard to the civil service laws and Classification Act of 1949, as amended, [$230,000] *$1,250,000,* to remain available until June 30, 1964. (*Department of Labor Appropriation Act, 1960.*)

Appropriated 1960, **$230,000** Estimate 1961, **$1,250,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Preliminary planning and analysis		$230,000	
2. Consumer expenditure and price surveys			$1,250,000
Total obligations		230,000	1,250,000
Financing:			
Appropriation (new obligational authority)		230,000	1,250,000

The Consumer Price Index measures average changes in the retail prices of selected goods, rents, and services, weighted by quantities bought by moderate income families. A revision of the index based on current patterns of consumer expenditures is underway which will modernize the index to meet the demands for its use in present day domestic, economic, and industrial planning. The revision will extend over a 5-year period.

1. *Preliminary planning and analysis.*—The planning phase of the revision program began early in 1960 and will continue throughout the year. Questionnaires for use in the surveys of consumer expenditures are being prepared and a pilot survey will be conducted in Cincinnati, Ohio, during the last half of the year.

2. *Consumer expenditure and price surveys.*—Expenditure and price surveys will be conducted in a representative sample of cities in 1961 and will continue through 1962. Surveys of dwelling units will precede the expenditure surveys so that a sample of households can be established.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Average number of all employees		34	211
Number of employees at end of year		36	214
01 Personal services: Positions other than permanent		$196,994	$951,294
02 Travel		5,355	150,540
03 Transportation of things			3,666
04 Communication services		1,495	6,025
05 Rents and utility services			30,000
06 Printing and reproduction		3,000	15,000
07 Other contractual services		522	8,792
08 Supplies and materials		2,243	9,038
09 Equipment		8,150	25,000
11 Grants, subsidies, and contributions		11,828	41,055
15 Taxes and assessments		413	9,590
Total obligations		230,000	1,250,000

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriations, as follows:
"Mutual security—economic," Funds appropriated to the President.
"Salaries and expenses," Office of Civil and Defense Mobilization.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Special economic and statistical studies:			
Atomic Energy Commission	$11,000	$20,500	
Department of Agriculture	22,000	20,000	
Department of the Interior	25,000		
Department of Labor:			
Bureau of Labor Standards	1,400	55,000	
Wage and Hour Division	225,600	237,000	
Navy	5,900	5,900	
National Science Foundation	82,191	139,900	
Office of Public Works Planning, Executive Office of the President	7,800		
Veterans Administration	10,000	10,000	

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Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
2. Mechanical tabulating services:			
Department of Labor:			
Bureau of Apprenticeship and Training	$4,127		
Bureau of Labor Standards	10,000	$60,000	
Wage and Hour Division	23,250	23,250	
Federal Home Loan Bank Board		14,000	
Housing and Home Finance Agency	8,200	5,000	
3. Miscellaneous services	112,333	100,000	
Total obligations	548,801	690,550	
Financing:			
Unobligated balance brought forward		60,000	
Advances and reimbursements from—			
Other accounts	578,065	600,550	
Non-Federal sources	30,736	30,000	
Unobligated balance carried forward	−60,000		
Total financing	548,801	690,550	

NOTE.—Includes reimbursements for furnishing statistical data to States, municipalities, labor organizations, private industry, and individuals as authorized in 29 U.S.C. 9.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Average number of all employees	72	103	
Number of employees at end of year	69	95	
01 Personal services:			
Positions other than permanent	$400,029	$524,089	
Other personal services	2,524	250	
Total personal services	402,553	524,339	
02 Travel	26,534	23,663	
03 Transportation of things	67		
04 Communication services	2,992	5,745	
05 Rents and utility services	36,218	55,898	
06 Printing and reproduction	5,953	8,908	
07 Other contractual services	16,977	26,631	
08 Supplies and materials	4,793	7,131	
09 Equipment	27,661	5,000	
11 Grants, subsidies, and contributions	24,578	33,049	
13 Refunds, awards, and indemnities	4		
15 Taxes and assessments	471	186	
Total obligations	548,801	690,550	

WOMEN'S BUREAU

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for the work of the Women's Bureau, as authorized by the Act of June 5, 1920 (29 U.S.C. 11–16), including purchase of reports and material for informational exhibits, [$509,000] *$512,500.* (*Department of Labor Appropriation Act, 1960.*)

Appropriated 1960, **$509,000** Estimate 1961, **$512,500**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Advancement of women's employment opportunities and status	$387,394	$394,537	$397,200
2. Administration and management services	115,515	114,463	115,300
3. 1959 program obligated in 1958	−359		
Total obligations	502,550	509,000	512,500
Financing:			
1959 appropriation available in 1958	359		
Unobligated balance no longer available	891		
Appropriation (new obligational authority)	503,800	509,000	512,500

1. *Advancement of women's employment opportunities and status.*—In 1959, a total of 22.6 million women comprised one-third of the total labor force. In 1961, cooperating with other bureaus of the Department and outside organizations, the Bureau will prepare occupational statements on employment opportunities for women in 14 selected occupations; review and report on opportunities for women as science and engineering technicians; analyze the employment opportunities for women in the manufacture of electronics equipment; study the overtime provisions in law and union contracts affecting women; study equal pay practices in selected industries; extend its program of assistance to voluntary organizations on migratory labor activities in selected communities; provide technical advice and information to States and other interested parties on minimum-wage laws and orders, implementation of the equal pay principle and laws affecting women's civil and political status; revise the U.S. Summary of the Legal Status of Women; cooperate with other interested agencies and communities in programs designed to increase the employment opportunities of older women; and to alleviate specific shortages of nurses, teachers, and clerical workers.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	61	61	61
Full-time equivalent of all other positions	2		
Average number of all employees	60	61	61
Number of employees at end of year	61	61	61
Average GS grade and salary	8.3 $6,659	8.3 $6,777	8.3 $6,777
01 Personal services:			
Permanent positions	$386,201	$401,299	$402,884
Positions other than permanent	12,001		
Other personal services	1,516	3,101	1,516
Total personal services	399,718	404,400	404,400
02 Travel	19,650	21,140	21,140
03 Transportation of things	592	500	500
04 Communication services	12,525	15,050	15,050
06 Printing and reproduction	27,610	25,200	25,200
07 Other contractual services	3,953	3,700	7,200
Services performed by other agencies	4,880	3,850	3,850
08 Supplies and materials	7,028	7,000	7,000
09 Equipment	2,828	1,800	1,800
11 Grants, subsidies, and contributions	23,695	25,940	25,940
15 Taxes and assessments	430	420	420
1959 program obligated in 1958	−359		
Total obligations	502,550	509,000	512,500

WAGE AND HOUR DIVISION

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for performing the duties imposed by the Fair Labor Standards Act of 1938, as amended, and the Act to provide conditions for the purchase of supplies and the making of contracts by the United States, approved June 30, 1936, as amended (41 U.S.C. 35–45), including reimbursement to State, Federal, and local agencies and their employees for inspection services rendered, and not to exceed $3,000 for expenses of attendance of cooperating officials and consultants at conferences concerned with the work of the Division, [$11,489,000] *$11,529,000.* (*29 U.S.C. 201–219, 251–262; Department of Labor Appropriation Act, 1960.*)

Appropriated 1960, **$11,489,000** Estimate 1961, **$11,529,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Enforcement	$9,543,733	$9,759,500	$9,791,300
2. Wage determinations	701,659	621,900	624,400
3. Regulations and research	659,832	668,800	672,200
4. Administration and management services	454,876	438,800	441,100
5. 1959 program obligated in 1958	−22,434		
Total obligations	11,337,666	11,489,000	11,529,000
Financing:			
1959 appropriation available in 1958	22,434		
Unobligated balance no longer available	11,000		
Appropriation (new obligational authority)	11,371,100	11,489,000	11,529,000

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WAGE AND HOUR DIVISION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

The Division obtains compliance with minimum standards respecting wages, hours, and other employment conditions in industries engaged in interstate commerce and in establishments furnishing goods to the Government.

1. *Enforcement.*—Information media are used to inform employers and employees of their rights and responsibilities under the law. Investigations are made to correct violations and to assist employers in meeting legal requirements and workers in recovering wages due. During 1959, a total of 54,916 establishments were investigated and 177,908 employees were found to be due wages in the amount of $22,403,116 of which employers have agreed to pay $12,885,921. The investigation program will continue at about the same level in 1960 and 1961.

2. *Wage determinations.*—During 1960 and 1961 a total of five industry committees will be convened each year to recommend minimum wage rates under the Fair Labor Standards Act in Puerto Rico, the Virgin Islands, and American Samoa to review all minimum wage rates on these islands biennially. Regulations governing subminimum wages for learners, apprentices, messengers, and handicapped workers are being constantly reexamined. It is estimated that 1,800 applications for subminimum wage certificates will be received in 1960 and 1961, as compared to 2,100 in 1959. Wage determinations under the Walsh-Healey Act will be conducted at a level of six determinations in 1961.

3. *Regulations and research.*—Regulations and interpretations are prepared to give effect to the Fair Labor Standards Act. Emphasis will be directed to development and revision of issuances affected by amendments to the act and changes in industry practices. Economic research and analysis and development of statistical data, necessary in the consideration of administrative problems and legislative proposals, is provided. The report of studies of effects of the $1 minimum wage, required by law to evaluate the present minimum wage and to determine the ability of employers to absorb wage increases, was completed in 1959. Further studies will be conducted in 1960 and 1961 to provide current data for reports to the Congress.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	1,358	1,344	1,344
Full-time equivalent of all other positions	5	5	5
Average number of all employees	1,342	1,309	1,309
Number of employees at end of year	1,295	1,304	1,304
Average GS grade and salary	9.0 $6,601	9.2 $6,867	9.2 $6,867

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
01 Personal services:			
Permanent positions	$8,837,524	$8,965,300	$8,965,300
Positions other than permanent	39,043	29,300	29,300
Other personal services	96,134	122,500	87,000
Total personal services	8,972,701	9,117,100	9,081,600
02 Travel	788,323	816,200	816,200
03 Transportation of things	44,196	40,000	40,000
04 Communication services	170,233	190,500	190,500
05 Rents and utility services	23,226	22,000	22,000
06 Printing and reproduction	154,360	135,100	135,100
07 Other contractual services	170,695	170,600	246,100
Services performed by other agencies	327,829	310,000	310,000
08 Supplies and materials	87,955	78,200	78,200
09 Equipment	44,469	25,000	25,000
11 Grants, subsidies, and contributions	569,422	582,300	582,300
13 Refunds, awards, and indemnities	5,485		
15 Taxes and assessments	1,206	2,000	2,000
1959 program obligated in 1958	−22,434		
Total obligations	11,337,666	11,489,000	11,529,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Enforcement: Office of the Solicitor	$38,200	$38,200	$38,500
2. Bureau of Labor Standards	20,793		
3. Miscellaneous services	2,211		
Total obligations	61,204	38,200	38,500
Financing:			
Advances and reimbursements from other accounts	61,204	38,200	38,500

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	5	5	5
Full time equivalent of all other positions	5		
Average number of all employees	10	5	5
Number of employees at end of year	5	5	5
Average GS grade and salary	9.0 $6,435	9.0 $6,580	9.0 $6,580
01 Personal services:			
Permanent positions	$32,200	$32,900	$32,900
Positions other than permanent	21,633		
Total personal services	53,833	32,900	32,900
02 Travel	3,900	3,200	3,200
07 Other contractual services			300
11 Grants, subsidies, and contributions	3,471	2,100	2,100
Total obligations	61,204	38,200	38,500

GENERAL PROVISIONS

SEC. 901. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not authorized by the Congress.

SEC. 902. Appropriations contained in this Act, available for salaries and expenses, shall be available for services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a). (*Departments of Labor, and Health, Education, and Welfare Appropriation Act, 1960.*)

Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1961

Appropriation	Motor vehicles to be purchased: Number	Motor vehicles to be purchased: Gross cost	Old vehicles to be exchanged: Number	Old vehicles to be exchanged: Allowance (estimate)	Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
OFFICE OF THE SECRETARY								
Salaries and expenses						5	[1] $860	Secretary, Undersecretary, and assistant secretaries. Transportation to and from official meetings and conferences in Washington, D.C., with Members of Congress and other Government officials.
Station wagon							420	To provide transportation between buildings which house 50% of the District of Columbia employees of the Department.

[1] Includes the rental of the Secretary's car from the General Motors Corp. at a cost of $500 per year.

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POST OFFICE DEPARTMENT

In conformance with the Postal Policy Act of 1958 (title I, Public Law 85–426, approved May 27, 1958), this budget provides for financing out of postal revenue all obligations of the postal service in 1961, except those for public services. Legislative proposals to increase postal rates to the extent necessary to cover an estimated deficiency of $554 million will be submitted to the Congress during the present session. The 1961 estimates include the revenue anticipated to be received under these proposals.

The Postal Policy Act also provides that the postal fund be reimbursed from general funds of the Treasury for losses on public service activities. The appropriation into postal revenue of $49 million recommended for 1961 covers the estimate of such losses.

Mail volume.—It is estimated that mail volume will total 66.4 billion pieces in 1961. This is an increase of 5.2% over the 63.1 billion pieces which was the basis for the 1960 appropriations approved by the Congress. Trends in recent months suggest the possibility that actual volume in 1960 might exceed this figure.

The 1961 forecast includes 35.6 billion first class letters and cards, 1.3 billion airmail items, 7.2 billion magazines and newspapers, 1 billion parcels, 18.5 billion pieces of advertising and circular matter, and 2.8 billion pieces in all other categories of mail.

Postal obligations.—Obligations for 1961 are estimated to be $4,053 million, compared with $3,866 million for 1960 and $3,640 million for 1959. The estimate for 1961 includes $39 million for the Department's first year contribution to the employee health benefits program authorized in 1959 (Public Law 86–382). The remaining increase of $148 million arises mainly from the higher workload accompanying the Nation's economic growth. Obligations for capital and research activities, including $80 million specifically planned for the modernization program, have been held at the 1960 enacted appropriation level. The average operating cost per million pieces of mail, exclusive of capital and health insurance costs, is estimated to be $58,173 in 1961 compared with $58,863 in 1960, an overall reduction in unit cost of 1.2%.

Postal revenue.—Net postal revenue for 1961 is estimated at $4,053 million, compared to $3,247 million for 1960 and $3,035 million for 1959. The largest single factor in the estimated increase over 1960 consists of the $554 million to be raised by the proposed increases in postal rates. The remainder of the increase, totaling $252 million, arises primarily from (*a*) the higher mail volume anticipated, (*b*) certain additional increases in rates to be realized under Public Law 85–426, and (*c*) additional revenue expected from the increase in parcel post rates approved by the Interstate Commerce Commission, which is to become effective on February 1, 1960.

Postal deficit and budget expenditures.—The postal deficit is the difference between postal obligations and postal revenue. Commencing in 1960, postal revenue includes reimbursement from the Treasury for public service losses. Thus, a postal deficit would be the measure of the extent to which postal revenue fails to cover all other requirements of the postal service.

Net expenditures from the postal fund represent the difference between checks actually issued and cash received. To this is added Treasury payments to the postal fund for public services to arrive at the budget expenditures for the Post Office Department. The following table shows the principal elements in the postal deficit and budget expenditures for 1959 to 1961:

[In millions]

	1959 actual	*1960 estimate*	*1961 estimate*
Obligations subject to appropriation:			
Operating obligations	$3,582	$3,712	$3,899
Capital and research obligations	58	154	154
Net postal revenue:			
Existing legislation (including receipts for public services in 1960 and 1961)	3,035	3,247	3,499
Proposed rate increases	------	------	554
Postal deficit	[1] 605	619	------
Adjustment to prior year deficits	−8	------	------
Change in working capital	177	−52	------
Net expenditures from postal fund	[1] 774	567	------
Payment for public services	------	37	49
Budget expenditures for the postal service	774	604	49

[1] Excludes credit for public service losses.

Deposit funds.—Money order and postal savings funds entrusted to the postal service are accounted for separately as deposit funds and are excluded from the budget tables.

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
Commerce and housing:						
514 Postal service	$625,238	$656,410	$49,000	$773,887	$604,400	$49,000

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Estimated Volume of Mail and Special Services, and Postal Revenue

[Estimated as of Nov. 17, 1959]

Classification	1959 actual				1960 estimate				1961 estimate			
	Pieces or transactions	Revenue	Percent of increase or decrease (—) over 1958		Pieces or transactions	Revenue	Percent of increase or decrease (—) over 1959		Pieces or transactions	Revenue	Percent of increase or decrease (—) over 1960	
			Units	Revenue			Units	Revenue			Units	Revenue
Domestic mail:	*Thousands*	*Thousands*			*Thousands*	*Thousands*			*Thousands*	*Thousands*		
First class	32,274,007	$1,429,547	0.17	31.86	33,475,310	$1,502,108	3.72	5.08	35,639,044	$1,599,195	6.46	6.46
Airmail	1,368,318	152,394	−4.63	11.94	1,314,256	148,901	−3.95	−2.29	1,283,006	152,973	−2.38	2.73
Second class	7,098,990	69,081	−0.69	5.27	7,112,214	80,140	0.19	16.01	7,196,138	92,433	1.18	15.34
Controlled circulation publications	125,634	6,826	−13.08	−7.24	122,642	6,500	−2.38	−4.78	127,005	6,731	3.56	3.55
Third class	16,977,867	387,833	7.12	36.04	17,599,977	431,625	3.66	11.29	18,522,457	501,403	5.24	16.17
Fourth class	1,038,071	570,570	−11.29	−1.49	1,020,831	[1] 592,413	−1.66	3.83	1,007,599	[1] 630,240	−1.30	6.39
Domestic mail fees		13,611		9.43		14,517		6.66		14,700		1.26
Penalty and official mail	1,720,945	66,150	10.33	33.51	1,786,430	73,834	3.81	11.62	1,911,460	81,057	7.00	9.78
Franked mail	86,129	2,301	29.30	1.86	85,755	3,690	−0.43	60.37	88,281	3,800	2.95	2.98
Free for the blind mail	4,300		4.85		4,500		4.65		4,674		3.87	
Total domestic mail and revenue	60,694,261	2,698,313	1.84	21.45	62,521,915	2,853,728	3.01	5.76	65,779,664	3,082,532	5.21	8.02
International mail (originating):												
Surface mail	361,995	42,833	2.66	11.91	357,220	47,731	−1.32	11.44	368,823	49,333	3.25	3.36
Airmail	190,964	42,619	5.00	6.49	194,065	42,450	1.62	−0.40	204,513	44,735	5.38	5.38
Mail transit revenue		12,128		26.85		14,500		19.56		14,500		
Total international mail and revenue	552,959	97,580	3.46	11.06	551,285	104,681	−0.30	7.28	573,336	108,568	4.00	3.71
Total volume and revenue from mail	61,247,220	2,795,893	1.86	21.05	63,073,200	2,958,409	2.98	5.81	66,353,000	3,191,100	5.20	7.87
Special services:												
Mail connected special services	381,704	143,340	1.15	2.28	406,875	152,416	6.59	6.33	427,672	160,225	5.11	5.12
Money order revenue	288,225	67,089	−7.74	−5.53	300,887	69,998	4.39	4.34	306,045	71,198	1.71	1.71
Postal savings revenue	4,769	8,084	−21.37	−20.05	3,993	6,738	−16.27	−16.65	2,888	4,874	−27.67	−27.66
Box rent		27,877		4.66		27,967		0.32		28,526		2.00
Unassignable revenue		7,976		17.71		9,472		18.76		9,077		−4.17
Total revenue from mail and services		3,050,259		18.95		3,225,000		5.73		3,465,000		7.44
Deduct: Expenditures not subject to appropriations:												
Judgments		167		−16.50		175		4.79		185		5.71
Stamp-embossed envelope purchases		8,639		12.81		8,700		0.71		8,765		0.75
Indemnities, claims, etc		6,202		−0.40		6,125		−1.26		6,050		−1.22
Total expenditures not subject to appropriations		15,008		6.55		15,000		−0.06		15,000		
Net revenue from mail and services		3,035,251		19.02		3,210,000		5.76		3,450,000		7.48
Receipts for public services						37,400				49,000		31.02
Total net postal revenue		3,035,251		19.02		3,247,400		6.99		3,499,000		7.75

[1] Includes effect of rate increases approved by the Interstate Commerce Commission which will become effective on Feb. 1, 1960.

Reconciliation of Net Postal Revenue to Receipts From Operations

[In thousands]

	1959 actual	1960 estimate	1961 estimate
Total postal revenue (existing legislation)	$3,035,251	$3,247,400	$3,499,000
Reimbursable work for others	26,772	28,561	29,759
Expenditures not subject to appropriation	15,008	15,000	15,000
Decrease in selected working capital		52,010	
Adjustment to prior year receipts and obligations	7,665		
Postal rate increases to be proposed			554,000
Receipts from operations	3,084,696	3,342,971	4,097,759

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ACCOUNT TITLE

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate		
							Total	From new obligational authority	From prior authority
Current authorizations:									
Payment for public services	514		$37,400	$49,000		$37,400	$49,000	$49,000	
Public enterprise funds:									
Contribution to postal fund (current indefinite appropriation)	514	$625,238	619,010	554,000	$773,887	567,000	554,000	554,000	
Proposed for later transmission:									
Under proposed legislation: Postal rate increases	514			−554,000			−554,000	−554,000	
Total new obligational authority and budget expenditures		625,238	656,410	49,000	773,887	604,400	49,000	49,000	
RECAPITULATION									
Enacted or recommended in this document:									
Current authorizations:									
Appropriations		$625,238	$656,410	$603,000	$773,887	$604,400	$603,000	$603,000	
Proposed for later transmission:									
Appropriations				−554,000			−554,000	−554,000	
Total new obligational authority and budget expenditures		625,238	656,410	49,000	773,887	604,400	49,000	49,000	

EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

[In thousands]

Account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1959	1960	1961	1959	1960	1961	1959	1960	1961
Postal fund	514	$3,858,583	$3,909,971	$4,097,759	$3,084,696	$3,342,971	$3,543,759	$773,887	$567,000	$554,000
Proposed for later transmission (under proposed legislation): Postal rate increases	514						554,000			−554,000
Total, public enterprise funds		3,858,583	3,909,971	4,097,759	3,084,696	3,342,971	4,097,759	773,887	567,000	

ANALYSIS OF UNEXPENDED BALANCES

[In thousands]

Description	Balance, start of 1959		Balance, start of 1960		Balance, start of 1961		Balance, start of 1962	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document:								
Revolving and management funds	$26,622	$460,494	$34,354	$291,791	$23,012	$332,459	$11,883	$321,330

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

Description	1959 actual	1960 estimate	1961 estimate
Balances brought forward at start of year from authorizations enacted or recommended in this document: Revolving and management funds	$460,494	$291,791	$332,459
New obligational authority:			
Enacted or recommended in this document: Current authorizations: Appropriations	625,238	656,410	603,000
Proposed for later transmission: Appropriations			−554,000
Total new obligational authority	625,238	656,410	49,000
Other amounts available: Appropriations available in prior year	−15,238		
Total budget authorizations available	1,070,494	948,201	381,459
Expenditures:			
From obligational authority enacted or recommended: Out of new obligational authority	773,887	604,400	603,000
From obligational authority proposed for later transmission: Out of new obligational authority			−554,000
Total budget expenditures	773,887	604,400	49,000
Amounts no longer available: Unobligated balances expiring and lapsing	4,816	11,342	11,129
Balances carried forward at close of year from authorizations enacted or recommended in this document: Revolving and management funds	291,791	332,459	321,330
Obligations incurred, net	$597,452	$656,410	$49,000

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CURRENT AUTHORIZATIONS OUT OF GENERAL FUND

Current authorizations:

PAYMENT FOR PUBLIC SERVICES

For payment into the postal revenues for public services, in accordance with section 104 of the Postal Policy Act of 1958 [(72 Stat. 136, 137), $37,400,000] *(39 U.S.C. 270b), for the loss resulting from the transmission of matter in the mails free of postage or at reduced rates, and for the additional cost of transporting mail by foreign air carriers, $49,000,000. (Post Office Department Appropriation Act, 1960.)*

Appropriated 1960, **$37,400,000** Estimate 1961, **$49,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Loss on free and preferred rate mail		$36,400,000	$48,150,000
2. Excess rates paid to foreign air carriers		1,000,000	850,000
Total obligations (object class 11)		37,400,000	49,000,000
Financing:			
Appropriation (new obligational authority)		37,400,000	49,000,000

The Postal Policy Act of 1958 (title I of Public Law 85–426, approved May 27, 1958), identifies as "public services" certain types of services traditionally rendered by the Post Office Department and provides that the loss thereon may not hereafter be considered a charge against users of the mail. The Congress is requested to appropriate an amount to cover these losses to be paid into postal revenue out of the general fund of the Treasury. This appropriation does not augment the Department's obligating authority.

In developing estimates for public service loss for 1961 the Post Office Department has followed the interpretation of the law used by the Congress last year in making the 1960 appropriation for this purpose. Thus funds now being requested cover (*a*) the revenue loss from rate concessions on free and reduced-rate mail and (*b*) excess rates paid to foreign air carriers as a matter of public policy.

Public enterprise funds:

CONTRIBUTION TO THE POSTAL FUND

(Indefinite)

For administration and operation of the Post Office Department and the postal service, there is hereby appropriated the aggregate amount of postal revenues for the fiscal year ending June 30, [1960] *1961*, as authorized by law (39 U.S.C. 786, 794a), together with an amount equal to the difference between such revenues and the total of the appropriations hereinafter specified and the sum needed may be advanced to the Post Office Department upon requisition of the Postmaster General, for the following purposes, namely: *(Post Office Department Appropriation Act, 1960.)*

Appropriated (est.) 1960, **$619,010,000**

Estimate 1961, **$554,000,000**

POSTAL FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Administration, regional operation, and research:			
Operating	$63,248,085	$66,575,000	$68,200,000
Capital and research	4,868,779	5,500,000	5,500,000
Total, administration, regional operation, and research	68,116,864	72,075,000	73,700,000
2. Operations	2,900,881,462	2,994,000,000	3,135,300,000
3. Transportation	507,288,632	531,000,000	550,400,000

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
4. Facilities:			
Operating	$112,627,681	$121,085,000	$145,350,000
Capital	66,691,725	68,250,000	68,250,000
1959 program obligated in 1958	−15,238,311		
Total, facilities	164,081,095	189,335,000	213,600,000
5. Postal modernization (capital and research)		80,000,000	80,000,000
Total obligations subject to appropriation	3,640,368,053	3,866,410,000	4,053,000,000
Postal operations not subject to annual appropriation:			
1. Purchase of stamp-embossed envelopes	8,638,910	8,700,000	8,765,000
2. Indemnities, claims, etc	6,202,382	6,125,000	6,050,000
3. Judgments	167,235	175,000	185,000
Total obligations not subject to annual appropriations	15,008,527	15,000,000	15,000,000
Reimbursable work for others:			
1. Administration, regional operation, and research	9,729	6,000	6,000
2. Operations	1,576,724	1,883,000	1,912,000
3. Transportation	21,114,030	22,162,000	23,264,000
4. Facilities	4,071,261	4,510,000	4,577,000
Total reimbursable work for others	26,771,744	28,561,000	29,759,000
Total program (obligations)	3,682,148,324	3,909,971,000	4,097,759,000
Financing:			
Amounts becoming available:			
Revenue from mail and services:			
Sale of postage stamps and stamped paper	1,316,824,249	1,362,708,000	1,446,743,000
Postage paid under permit:			
Metered (after refunds of postage)	1,268,036,737	1,362,093,000	1,490,225,000
Nonmetered	264,919,222	285,000,000	305,000,000
Receipts from other Government agencies for mail and other postal services	77,221,805	86,524,000	94,857,000
Box rent	27,876,900	27,967,000	28,526,000
Money order fees and related revenue	67,089,236	69,998,000	71,198,000
Income from Postal Savings System	8,083,854	6,738,000	4,874,000
International mail transit service	12,127,995	14,500,000	14,500,000
Miscellaneous revenue	8,079,337	9,472,000	9,077,000
Total revenue from mail and services	3,050,259,335	3,225,000,000	3,465,000,000
Receipts from appropriation "Payment for public services"		37,400,000	49,000,000
Total revenue and receipts	3,050,259,335	3,262,400,000	3,514,000,000
Advances and reimbursements from—			
Federal departments and agencies	23,139,943	24,495,300	25,633,254
Non-Federal sources	3,631,801	4,065,700	4,125,746
Total advances and reimbursements	26,771,744	28,561,000	29,759,000
Total amounts becoming available	3,077,031,079	3,290,961,000	3,543,759,000
Postal fund deficit	605,117,245	619,010,000	554,000,000
1959 appropriation available in 1958	15,238,311		
Unobligated balance brought forward:			
For return to Treasury	−19,621,746	−27,354,056	−16,012,056
Principal of Air carriers revolving fund	−7,000,000	−7,000,000	−7,000,000
Adjustment of prior year obligations and revenue	−7,665,220		
Balance no longer available (repayment to Treasury for unused portion of prior year appropriations)	4,815,665	11,342,000	11,129,301
Unobligated balance carried forward:			
For return to Treasury	27,354,056	16,012,056	4,882,755
Principal of Air carriers revolving fund	7,000,000	7,000,000	7,000,000
Appropriation (new obligational authority)	625,238,311	619,010,000	554,000,000

Revenue from mail and other services of the Post Office Department are placed in the postal fund, which was established as a revolving fund in 1950 (39 U.S.C. 794a). The fund is available for obligation and expenditure by the Post Office Department primarily in accordance with limitations established in appropriation accounts (often referred to as appropriations out of the postal fund). The fund may also be used without annual action by Congress for purchase of stamp-embossed envelopes and for payment of certain indemnities, claims, and judgments.

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CURRENT AUTHORIZATIONS OUT OF GENERAL FUND—Continued

Public enterprise funds—Continued

POSTAL FUND—Continued

In accordance with the Postal Policy Act of 1958, appropriations from the general fund of the Treasury are requested for public services, and payments from such appropriations into the fund will be accounted for as postal revenue. The postal revenue also includes, without distinction, receipts from various Federal agencies for the handling of official mail; in addition, certain agencies reimburse the Post Office Department for special services rendered them.

The aggregate of postal revenue has, in the past, been insufficient to cover the expense authorized for payment from the postal fund. An indefinite appropriation is made from the general fund of the Treasury to make up the difference. Legislation to be proposed for rate increases, as described above, if effective by the beginning of the fiscal year, should reduce to zero the obligations chargeable to this indefinite appropriation in 1961.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied—obligation basis):			
Operation program:			
Postal operations: Expense:			
Subject to appropriation	$3,581,954,501	$3,712,660,000	$3,899,250,000
Not subject to appropriation	15,008,527	15,000,000	15,000,000
Total postal operations	3,596,963,028	3,727,660,000	3,914,250,000
Reimbursable work for others	25,833,099	28,122,000	29,264,000
Total operation program	3,622,796,127	3,755,782,000	3,943,514,000
Capital and research programs:			
Subject to appropriation	58,413,552	153,750,000	153,750,000
Out of reimbursements	938,645	439,000	495,000
Total capital and research programs	59,352,197	154,189,000	154,245,000
Increase in selected working capital	176,434,893		
Total funds applied	3,858,583,217	3,909,971,000	4,097,759,000
Receipts from operations (funds provided):			
Total revenue from mail and services	3,050,259,335	3,225,000,000	3,465,000,000
Receipt from appropriation "Payment for public services"		37,400,000	49,000,000
Reimbursements:			
Federal departments and agencies	23,139,943	24,495,300	25,633,254
Non-Federal sources	3,631,801	4,065,700	4,125,746
Adjustment of prior year obligations and revenue	7,665,220		
Total gross postal revenue	3,084,696,299	3,290,961,000	3,543,759,000
Decrease in selected working capital		52,010,000	
Total receipts from operations	3,084,696,299	3,342,971,000	3,543,759,000
Budget expenditures	773,886,918	567,000,000	554,000,000

Financial Condition

Assets:			
Cash with Treasury, commercial banks, on hand, and in transit	$291,791,351	$332,459,351	$321,330,050
Accounts receivable, net	59,580,023	48,000,000	48,000,000
Advances and deferred charges	6,319,446	6,000,000	6,000,000
Total assets	357,690,820	386,459,351	375,330,050
Liabilities:			
Accounts payable (obligation basis)	292,363,228	331,447,295	331,447,295
Advance deposits and deferred revenue	30,973,536	32,000,000	32,000,000
Total liabilities	323,336,764	363,447,295	363,447,295
Equity of U.S. Government:			
Non-interest-bearing capital:			
Start of year (balance due Treasury)	19,621,746	27,354,056	16,012,056
Advances:			
General fund appropriation (indefinite)	625,238,311	619,010,000	554,000,000
1959 appropriation available in 1958	−15,238,311		
Postal fund deficit (−)	−605,117,245	−619,010,000	−554,000,000
Adjustment of prior year obligations and revenue	7,665,220		
Repayment to Treasury of unused prior year appropriations (−)	−4,815,665	−11,342,000	−11,129,301
End of year	27,354,056	16,012,056	4,882,755

Financial Condition—Continued

	1959 actual	1960 estimate	1961 estimate
Equity of U.S. Government—Continued			
Principal of Air carriers revolving fund	$7,000,000	$7,000,000	$7,000,000
Total equity of U.S. Government	34,354,056	23,012,056	11,882,755

Status of Postal Fund Balance

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash	$460,493,934	$291,791,351	$332,459,351	$321,330,050
Obligated balance, net:				
Current liabilities (including deferred and undistributed credits)	482,744,502	323,336,764	363,447,295	363,447,295
Accounts receivable, net, and advances and deferred charges (−)	−48,872,314	−65,899,469	−54,000,000	−54,000,000
Total obligated balance	433,872,188	257,437,295	309,447,295	309,447,295
Unobligated balance	26,621,746	34,354,056	23,012,056	11,882,755
Distribution of unobligated balance:				
For return to the Treasury	$19,621,746	$27,354,056	$16,012,056	$4,882,755
Principal of Air carriers revolving fund	7,000,000	7,000,000	7,000,000	7,000,000

Proposed for later transmission:

POSTAL RATE INCREASE

Under proposed legislation, 1961.—Legislation will be proposed to increase revenue by approximately $554 million in 1961.

CURRENT AUTHORIZATIONS OUT OF POSTAL FUND

ADMINISTRATION, REGIONAL OPERATION, AND RESEARCH

For expenses, not otherwise provided for, necessary for administration of the postal service, operation of the inspection service and regional offices, uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131), and conduct of a research and development program (including current increases in prior year contracts thereunder), including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); management studies; not to exceed $25,000 for miscellaneous and emergency expenses; rewards for information and services concerning violations of postal laws and regulations, current and prior fiscal years, in accordance with regulations of the Postmaster General in effect at the time the services are rendered or information furnished; expenses of delegates designated by the Postmaster General to attend meetings and congresses for the purpose of making postal arrangements with foreign governments pursuant to law, and not to exceed $15,000 of such expenses to be accounted for solely on the certificate of the Postmaster General; and not to exceed $20,000 for rewards for information and services as provided for herein, shall be paid in the discretion of the Postmaster General and accounted for solely on his certificate; and settlement of claims, pursuant to law, current and prior fiscal years, for damages, and for losses resulting from unavoidable casualty; [$71,750,000] *$73,700,000. (5 U.S.C. 22, 22a, 30q, 43, 61g, 73b–3, 133z–15, 150, 361, 363a, 364a, 364–1, 366, 369, 372, 388, 836–840, 901, 911–913, 921, 922, 926, 943, 944, 1003, 1006, 1010, 1011, 1111–1114, 1123, 1124, 1133, 2001, 2061–2066, 2091–2103, 2121–2123, 2131–2133, 2181–2185, 2201, 2203, 2205, 2301–2319; 6 U.S.C. 14; 12 U.S.C. 391; 28 U.S.C. 1346, 2671, 2672, 2673, 2677; 31 U.S.C. 22a, 82a–1, 82a–2, 224c, 695, 725a; 39 U.S.C. 49, 246f, 270d, 360, 381a, 578, 711, 712, 715, 720–722, 728a, 755, 760, 768, 781, 794–794f, 826, 847, 847a, 848b, 951, 952, 961–965, 971, 974, 975, 981–984, 991–994, 1001–1010, 1021, 1031–1033, 1035–1038, 1071–1075; Act of Sept. 28, 1959, 73 Stat. 708; Post Office Department Appropriation Act, 1960.)*

Appropriated 1960, **$71,750,000** Estimate 1961 **$73,700,000**
Appropriated (adjusted) 1960, **$72,075,000**

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Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Executive direction and administration	$15,562,435	$16,796,000	$16,972,900
2. Field inspection service	13,078,538	13,916,000	14,580,000
3. Regional operation	34,607,112	35,863,000	36,648,000
4. Contract research, development, and engineering	4,868,779	5,500,000	5,500,000
Total obligations	68,116,864	72,075,000	73,700,000
Financing:			
Comparative transfers from (−) other accounts	−320,438		
Unobligated balance no longer available	426,674		
Appropriation (adjusted)	68,223,100	72,075,000	73,700,000
Appropriation (adjusted):			
Appropriation	$66,823,100	$71,750,000	$73,700,000
Transferred from—			
"Operations" (72 Stat. 65)	1,400,000		
"Facilities" (73 Stat. 69)		325,000	

The request for this appropriation is $73,700,000, an increase of $1,625,000 compared with obligations for 1960, including $562,000 for the cost of the Federal Employees Health Benefits Act. A net decrease of eight positions is contemplated.

1. *Executive direction and administration.*—This activity provides for the overall direction and administration of the postal service, including all offices and bureaus at Washington headquarters, the headquarters engineering staff, the field personnel of the internal audit division, and the money order center at Kansas City.

It also includes claims settled administratively under the Federal Tort Claims Act, the payment of compromise settlements and damage suits, and, for 1960, the biennial fidelity bond premium of all bonded employees.

2. *Field inspection service.*—This activity covers all field investigative and inspection functions pertaining to violation of the postal laws, the prevention and detection of mail loss and mistreatment, and losses of Government funds and property, the field audit of all postmasters' accounts, personnel security and suitability investigations, and special surveys and investigations.

3. *Regional operation.*—There are 15 regional offices which direct and take final action on all aspects of postal management, personnel, operations, transportation, finance, engineering, equipment, supplies, and facilities within each region, except for specific areas reserved to the bureaus at headquarters primarily involving policy and technical guidance.

4. *Contract research, development, and engineering.*—An industrial research and engineering program for the postal establishment is carried on, including (*a*) the design, development, and testing of new types of postal equipment and materials; (*b*) the development of better work methods, production measurement standards, and manpower utilization systems; and (*c*) the recommendation of general location, functional design, building modifications, developing layouts, and mechanization requirements of facilities. This activity covers the portion of the program performed by contracts with private firms, research institutions, and Federal agencies. Funds for the accelerated program of modernizing the postal plant, including the cost of the necessary staff, are included in the appropriation Postal modernization.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	7,825	7,989	7,981
Full-time equivalent of all other positions	28	23	23
Average number of all employees (including overtime equivalent)	7,906	8,123	8,122
Number of employees at end of year	7,805	7,989	7,981
Average GS grade and salary	8.7 $7,141	8.8 $7,350	8.8 $7,423
Average postal field service level and salary	4.5 $5,015	4.5 $5,027	4.5 $5,020
01 Personal services:			
Permanent positions	$52,374,718	$54,807,841	$55,984,321
Positions other than permanent	120,577	94,000	94,000
Other personal services	888,390	1,114,939	934,785
Total personal services	53,383,685	56,016,780	57,013,106
02 Travel	3,532,953	3,740,877	3,862,105
03 Transportation of things	98,976	102,790	101,128
04 Communication services	154,528	127,300	131,500
05 Rents and utility services	72,089	65,000	210,000
06 Printing and reproduction	81,074	69,415	70,043
07 Other contractual services	2,592,566	1,749,531	1,937,020
08 Supplies and materials	225,034	177,522	188,058
09 Equipment	2,996,761	4,788,000	4,775,000
11 Grants, subsidies, and contributions	3,373,164	3,530,287	3,604,205
13 Refunds, awards, and indemnities	1,594,462	1,698,959	1,799,191
15 Taxes and assessments	11,572	8,539	8,644
Total obligations	68,116,864	72,075,000	73,700,000

Operations

For expenses necessary for postal operations, not otherwise provided for, including uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131); for repair of vehicles owned by, or under control of, units of the National Guard and departments and agencies of the Federal Government, where repairs are made necessary because of utilization of such vehicles in the postal service, and for other activities conducted by the Post Office Department pursuant to law; [$2,993,000,000] *$3,135,300,000*: *Provided*, That not to exceed 5 per centum of any appropriation available to the Post Office Department for the current fiscal year may be transferred, with the approval of the Bureau of the Budget, to any other such appropriation or appropriations; but the appropriation "Administration, regional operation, and research", shall not be increased by more than $1,000,000 as a result of such transfers: *Provided further*, That functions financed by the appropriations available to the Post Office Department for the current fiscal year and the amounts appropriated therefor, may be transferred, in addition to the appropriation transfers otherwise authorized in this Act and with the approval of the Bureau of the Budget, between such appropriations to the extent necessary to improve administration and operations: *Provided further*, That Federal Reserve banks and branches may be reimbursed for expenditures as fiscal agents of the United States on account of Post Office Department operations. (*5 U.S.C. 22a, 30q, 30r, 43, 61g, 73b–3, 133z–15, 150, 361, 369, 836–840, 922, 944, 2091–2103, 2121–2123, 2131–2133, 2181–2185, 2301–2319; 6 U.S.C. 14; 31 U.S.C. 22a, 82a–1, 82a–2; 39 U.S.C. 1–5, 11a, 14, 38, 64, 82, 83, 133a, 136a, 151–153, 158, 159, 160a, 161, 169, 171, 191, 192, 212, 221, 244, 270d, 351–358, 360, 381, 475, 481, 489, 667, 672, 711, 712, 728a, 764, 794f, 802, 826, 848b, 951, 952, 961–965, 971–975, 981–984, 991–994, 1001–1007, 1007a, 1008–1010, 1021, 1031–1033, 1035–1038, 1051; Act of Sept. 21, 1959, 73 Stat. 611; Act of Sept. 28, 1959, 73 Stat. 708; Post Office Department Appropriation Act, 1960.*)

Appropriated 1960, **$2,993,000,000** Estimate 1961, **$3,135,390,000**
Appropriated (adjusted) 1960, **$2,994,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Administration of postal installations	$369,243,395	$382,985,000	$397,226,000
2. Mail handling and window service	1,307,378,691	1,340,993,000	1,415,311,000
3. Collection and delivery service	1,061,528,390	1,098,849,000	1,139,676,000
4. Custodial service	82,390,197	86,441,000	92,829,000
5. Vehicle service	80,340,789	84,732,000	90,258,000
Total obligations	2,900,881,462	2,994,000,000	3,135,300,000

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CURRENT AUTHORIZATIONS OUT OF POSTAL FUND—Continued

OPERATIONS—Continued

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Financing:			
Unobligated balance no longer available	$5,338,538		
Appropriation (adjusted)	2,906,220,000	$2,994,000,000	$3,135,300,000
Appropriation (adjusted):			
Appropriation	$2,911,220,000	$2,993,000,000	$3,135,300,000
Transferred from—			
"Transportation" (72 Stat. 65)	1,200,000		
"Facilities" (73 Stat. 69)		1,000,000	
Transferred (72 Stat. 65) to—			
"Administration, regional operation, and research"	−1,400,000		
"Facilities"	−4,800,000		

This appropriation covers the operation of post offices, the motor vehicle service, the handling of mail in transit, contract stations, and contract vehicles. The amount requested is $3,135,300,000, an increase of $141,300,000 over 1960, due primarily to the estimated increase in mail volume, the expansion of delivery services required to keep pace with the growth in population and suburban areas, and to the additional cost of $38,100,000 for the Federal employees health benefits program.

1. *Administration of postal installations.*—This activity is for the local management and supervision of post offices, their stations and branches, railway mail terminals, airmail transfer offices, and truck terminals. The employees included in this activity are postmasters, assistant postmasters, and supervisors and technical personnel. The postmasters and their assistants are primarily responsible for the overall direction and supervision of mails, finance, buildings, personnel, and related postal services in main post offices and stations and branches. The supervisors provide direct supervision over the processing of incoming and outgoing mail, financial and related postal services, and the operation of stations and branches of the main post office and terminals. Also included under this head are technical personnel such as chief accountants, station examiners, personnel, safety and medical officers, and head nurses.

POST OFFICES BY CLASSES—AS OF JUNE 30

	1957 actual	*1958 actual*	*1959 actual*	*1960 estimate*	*1961 estimate*
1st class	3,681	3,750	3,896	3,995	4,095
2d class	6,612	6,647	6,666	6,684	6,652
3d class	13,134	13,120	13,156	13,104	13,124
4th class	13,585	12,791	12,032	11,607	11,207
Total post offices	37,012	36,308	35,750	35,390	35,078
Stations and branches	8,219	8,496	8,865	9,250	9,600
Total	45,231	44,804	44,615	44,640	44,678

2. *Mail handling and window service.*—This activity is for the separation, distribution, and handling of incoming, outgoing, and transit mail at post offices, stations, and branches, railway terminals, airmail transfer offices, truck terminals, and railway and highway post offices. It also includes the rendering of window service to the public, the operation of contract stations, and the reimbursement to Federal Reserve banks for the processing of paid money orders and postmasters' deposits. The employees included in this activity are post office, terminal, and mobile clerks and mail handlers. The effects of improved management and modernization of facilities and equipment will continue to result in improved efficiency in 1961 as a 5.2% increase in mail volume is processed with a 4.2% increase in man-years of employment.

COMPARISON OF TOTAL CLERICAL EMPLOYMENT AND WORKLOAD

	Man-years	*Mail volume (millions)*	*Average pieces per man-year*
1957	245,507	59,078	240,637
1958	251,355	60,130	239,223
1959	253,579	61,247	241,530
1960 estimate	259,313	63,073	243,231
1961 estimate	270,202	66,353	245,568

3. *Collection and delivery service.*—This activity provides for the delivery of mail to residences and business firms of cities and their suburbs, collection of mail from collection boxes in the same areas, delivery of mail on rural routes, and delivery of special delivery articles. The effects of mechanization of city delivery routes, utilizing such new vehicles as the mailster, is reflected in the anticipated improvement in productivity of city carriers. In 1961, a 5.5% increase in possible delivery stops will be handled with a 3.5% increase in carrier man-years.

CITY DELIVERY CARRIERS

	Man-years	*Number of possible stops*	*Possible stops per carrier man-year*
1957	144,755	30,371,900	209.8
1958	150,543	32,123,525	213.4
1959	154,424	33,803,778	218.9
1960 estimate	159,527	35,662,986	223.6
1961 estimate	165,115	37,624,450	227.9

SPECIAL DELIVERY MESSENGERS

	Man-years	*Number of special delivery articles (thousands)*	*Pieces per man-year*
1957	5,560	110,865	19,940
1958	5,334	96,484	18,088
1959	5,404	92,831	17,178
1960 estimate	5,485	95,151	17,347
1961 estimate	5,579	97,720	17,516

RURAL CARRIERS

	Man-years	*Number of routes, June 30*	*Average length of routes (miles)*
1957	35,971	31,669	50.1
1958	35,799	31,411	51.4
1959	35,432	31,377	55.9
1960 estimate	35,430	31,357	57.7
1961 estimate	35,421	31,337	59 0

4. *Custodial service.*—This activity is for operation, maintenance, cleaning, and minor repair of Federal buildings under jurisdiction of the Post Office Department and of leased postal space. It also includes operation of mail handling elevators and repair and maintenance of Government-owned mail handling equipment and office furniture and equipment.

5. *Vehicle service.*—This activity provides for the supervision, operation, and maintenance of Government-owned vehicles used for collection and delivery of mail locally and for transporting mail between main offices and branches, stations, depots, and air fields and between cities. It also provides for purchase of parts, gasoline, motor oil, and contract labor necessary for the operation and maintenance of Government-owned vehicles and for the cost of contract vehicles used in lieu of Government-owned vehicles when economically advantageous to the Government

MILES OPERATED BY GOVERNMENT VEHICLES

[Thousands]

	Mailsters (carrier vehicles)	*All other vehicles*	*Operating, repair, and maintenance cost per mile (cents)*
1957	------	300,442	[1]
1958	6,076	319,271	[1]
1959	9,402	357,798	6.210
1960 estimate	21,310	374,820	6.158
1961 estimate	31,867	391,686	6.134

[1] Not available.

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Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	393,439	406,585	425,144
Full-time equivalent of all other positions	144,240	143,604	144,737
Average number of all employees (including overtime equivalent)	539,870	553,701	571,870
Number of employees at end of year	540,519	554,447	575,872
Average postal field service level and salary	4.5 $5,015	4.5 $5,027	4.5 $5,020
Average salary of ungraded positions	$4,368	$4,424	$4,471
01 Personal services:			
Permanent positions	$1,908,141,710	$1,976,644,278	$2,066,096,894
Positions other than permanent	603,489,876	601,869,802	607,366,423
Other personal services	119,498,629	132,827,593	131,524,460
Total personal services	2,631,130,215	2,711,341,673	2,804,987,777
02 Travel	15,484,190	15,927,190	16,341,860
03 Transportation of things	59,299,229	63,401,200	64,400,600
05 Rents and utility services	4,166,898	4,082,775	3,999,383
07 Other contractual services	19,672,763	21,429,663	60,166,132
08 Supplies and materials	19,190,299	20,805,000	22,092,000
11 Grants, subsidies, and contributions	145,407,407	149,608,399	155,062,782
13 Refunds, awards, and indemnities	119,381		
15 Taxes and assessments	6,411,080	7,404,100	8,249,466
Total obligations	2,900,881,462	2,994,000,000	3,135,300,000

Transportation

For payments for transportation of domestic and foreign mails by air, land, and water transportation facilities, including current and prior fiscal years settlements with foreign countries for handling of mail, [$524,000,000] *$550,400,000. (5 U.S.C. 22a, 133z–15, 361, 369, 372; 31 U.S.C. 22a; 39 U.S.C. 424, 434, 470, 481, 483–488a, 493, 494, 539–541, 565, 569, 578, 579, 651, 667, 669, 672, 794f, 802, 848b, 1051–1056; 49 U.S.C. 1371–1376; Post Office Department Appropriation Act, 1960.)*

Appropriated 1960, [a] **$531,000,000** Estimate 1961, **$550,400,000**

[a] Includes $7,000,000 appropriated in Supplemental Appropriation Act, 1960.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Water transportation	$14,134,149	$16,299,000	$16,918,000
2. Highway transportation	87,309,756	93,409,000	100,300,000
3. Rail transportation	334,798,902	344,229,000	348,727,000
4. Air transportation	63,111,885	68,554,000	75,649,000
5. Terminal and transportation charges by foreign countries	7,933,940	8,509,000	8,806,000
Total obligations	507,288,632	531,000,000	550,400,000
Financing:			
Unobligated balance no longer available	3,601,368		
Appropriation (adjusted)	510,890,000	531,000,000	550,400,000
Appropriation (adjusted):			
Appropriation	$512,500,000	$531,000,000	$550,400,000
Transferred (72 Stat. 65) to—			
"Operations"	−1,200,000		
"Facilities"	−410,000		

This appropriation covers the transportation of mail by air, land, and water. The request is $550,400,000, an increase of $19,400,000 over the obligations for 1960, primarily because of increased mail volume.

1. *Water transportation.*—This includes transportation of mail by powerboat within the United States and by steamship to foreign countries.

Powerboat service is utilized for the transportation of mail on the inland and coastal waterways at per annum contract rates ($816,000 in 1961) and at pound rates ($3,328,000 in 1961). Of the increase in 1960, the amount of $540,000 is due to assuming the obligation of transporting military mail to Alaska and Hawaii which, prior to 1960, had been transported by the armed services.

DATA RELATING TO POUND RATE SERVICE BY POWERBOAT

	Pounds (thousands)	*Payments to carriers*	*Average cost per pound (cents)*
1957	40,901	$1,881,462	4.60
1958	37,097	1,872,618	5.05
1959	39,259	2,344,128	5.97
1960 estimate	50,664	3,025,126	5.97
1961 estimate	55,734	3,327,626	5.97

Foreign mail transportation covers the carriage of mails by steamship to foreign countries and between Puerto Rico and the Virgin Islands. Nearly all of the transportation cost is for services at pound rates. Effective in 1960, U.S. carriers were granted a 15% rate increase.

DATA RELATING TO FOREIGN MAIL TRANSPORTATION

	Pounds (thousands)	*Payments to carriers*	*Average cost per pound (cents)*
1957	205,179	$10,612,304	5.17
1958	217,066	11,109,686	5.12
1959	212,879	10,907,168	5.12
1960 estimate	216,008	12,396,500	5.74
1961 estimate	221,302	12,700,500	5.74

2. *Highway transportation.*—This activity includes transportation of mail by star routes and other truck services. Star route service is provided between post offices not afforded other means of transportation and for supplemental service at the offices where there is not adequate service by railroads.

DATA RELATING TO TRANSPORTATION BY STAR ROUTE

	Number of routes (close of year)	*Scheduled miles of travel (thousands)*	*Annual obligations*	*Average cost per mile (cents)*
1957	10,565	256,792	$42,492,770	16.55
1958	10,032	261,434	43,920,731	16.80
1959	10,078	271,780	46,863,448	17.24
1960 estimate	10,128	283,475	50,402,000	17.78
1961 estimate	10,178	296,592	54,128,000	18.25

Short-haul truck service is provided for mail diverted from railroads when lower rates or improved service will result. The expansion of this service is part of a long-range program to transport mail by the most economical and expeditious means.

DATA RELATING TO SHORT-HAUL TRUCK SERVICE

	Number of routes (close of year)	*Scheduled miles of travel (thousands)*	*Annual obligations*	*Average cost per mile (cents)*
1957	668	51,826	$12,082,645	23.31
1958	656	53,130	12,829,534	24.15
1959	710	59,098	14,242,560	24.10
1960 estimate	765	66,377	16,216,000	24.43
1961 estimate	820	74,110	18,268,000	24.65

Mobile highway post offices provide mail distribution en route in contract vehicles where adequate train service of this nature does not exist. The estimate provides for 10 additional contract routes to be established.

DATA RELATING TO CONTRACT HIGHWAY POST OFFICE SERVICE

	Number of routes (close of year)	*Scheduled miles of travel (thousands)*	*Annual obligations*	*Average cost per mile (cents)*
1957	171	18,564	$5,173,343	27.87
1958	172	18,688	5,658,904	30.28
1959	175	19,035	5,937,588	31.19
1960 estimate	181	19,636	6,336,000	32.27
1961 estimate	191	20,722	6,990,000	33.73

3. *Rail transportation.*—This covers transportation by rail in continental United States, Alaska, and Puerto Rico. The estimate provides for increased mail volume, offset in part by further diversion of short hauls from rail to truck. The railroad rate increase granted to the western roads by the Interstate Commerce Commission order

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CURRENT AUTHORIZATIONS OUT OF POSTAL FUND—Continued

TRANSPORTATION—Continued

of June 11, 1959, added $7 million annually to costs commencing in 1960.

DATA RELATING TO TRANSPORTATION BY RAILROAD

	Car-foot miles (thousands)	*Railway post office and line-haul obligations (thousands)*	*Average cost per thousand car-foot miles*
1958	16,855,100	$261,979	$15.54
1959	16,883,000	255,171	15.11
1960 estimate	16,721,000	259,756	15.53
1961 estimate	16,869,000	262,076	15.54

4. *Air transportation.*—This covers transportation of mail by air between the points within the United States, to U.S. possessions, and to foreign countries. Payments to carriers cover only compensation for service; any subsidy is paid by the Civil Aeronautics Board.

DATA RELATING TO DOMESTIC AIRMAIL TRANSPORTATION [1]

	Ton-miles (thousands)	*Payments to carriers*	*Average cost per ton-mile (cents)*
1957	98,652	$37,824,794	38.34
1958	103,322	39,594,021	38.32
1959	114,336	43,701,594	38.22
1960 estimate	123,647	47,806,000	38.66
1961 estimate	135,974	53,161,000	39.10

[1] Includes airlift of 1st-class mail.

DATA RELATING TO FOREIGN AIRMAIL TRANSPORTATION [1]

	Ton-miles (thousands)	*Payments U.S. carriers*	*Average cost per ton-mile (cents)*
1957	54,654	$27,237,105	49.84
1958	57,322	28,746,634	50.15
1959	72,780	36,435,660	50.06
1960 estimate	77,270	38,616,000	49.98
1961 estimate	82,064	40,947,000	49.90

[1] Includes military airmail for which the Department is reimbursed.

Object Classification

		1959 actual	1960 estimate	1961 estimate
03	Transportation of things	$507,287,570	$531,000,000	$550,400,000
13	Refunds, awards, and indemnities	1,062		
	Total obligations	507,288,632	531,000,000	550,400,000

FACILITIES

For expenses necessary for the operation of postal facilities, buildings, and field postal communication service; uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131); procurement of stamps and accountable paper, postal supplies, and equipment; and storage of vehicles owned by, or under control of, units of the National Guard and departments and agencies of the Federal Government; [$190,660,000] *$213,600,000*: *Provided*, That this appropriation shall be available for the repair, alteration, and improvement of the mail equipment shops at Washington, District of Columbia, and for payment to the General Services Administration of such additional sums as may be necessary for the repair, alteration, preservation, renovation, improvement, and equipment of federally owned property used for postal purposes, including improved lighting, color, and ventilation for the specialized conditions in space occupied for postal purposes. (*5 U.S.C. 22a, 30q, 30r, 43, 61g, 73b–3, 133z–15, 150, 361, 366, 369, 374, 836–840, 922, 944, 1133, 2091–2103, 2121–2123, 2131–2133, 2181–2185, 2301–2319; 6 U.S.C. 14; 31 U.S.C. 22a, 82a–1, 82a–2; 39 U.S.C. 11, 11a, 12, 14, 64, 136a, 155, 156, 158, 355, 360, 483, 577, 715, 720, 794f, 829, 848b, 901–909, 951, 952, 961–965, 971, 974, 975, 981–984, 991–994, 1001–1006, 1008, 1010, 1021, 1031–1033, 1035–1038, 1071–1075; Act of Sept. 28, 1959, 73 Stat. 708; Post Office Department Appropriation Act, 1960.*)

Appropriated 1960, **$190,660,000** Estimate 1961, **$213,600,000**
Appropriated (adjusted) 1960, **$189,335,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Building occupancy	$69,359,634	$75,051,000	$95,087,000
2. Supplies and services	43,268,047	46,034,000	50,263,000
3. Regular capital program	66,691,725	68,250,000	68,250,000
4. 1959 program obligated in 1958	−15,238,311		
Total obligations	164,081,095	189,335,000	213,600,000
Financing:			
Comparative transfers to other accounts	320,438		
1959 appropriations available in 1958	15,238,311		
Unobligated balance no longer available	1,170,456		
Appropriation (adjusted)	180,810,300	189,335,000	213,600,000
Appropriation (adjusted):			
Appropriation	$175,600,300	$190,660,000	$213,600,000
Transferred (72 Stat. 65) from—			
"Operations"	4,800,000		
"Transportation"	410,000		
Transferred (73 Stat. 69) to—			
"Administration, regional operation, and research"		−325,000	
"Operations"		−1,000,000	

This appropriation provides for expense of building occupancy (other than personal services); for supplies and certain types of contractual services required by the postal service; for the acquisition of sites for resale under the commercial leasing program; and for the regular capital program. The amount requested is $213,600,000, an increase of $24,265,000 over 1960.

1. *Building occupancy.*—This activity provides for rental of real estate; utilities, fuel, and communications costs; and the acquisition and resale of land under the commercial leasing program. The recoveries from the resale of such land are shown under Advances and reimbursements and are available for the lease program. Increased rental costs will result from (*a*) the acquisition of additional postal space, (*b*) increased rental rates, and (*c*) replacement of presently occupied substandard space. The 1961 estimate includes rental of buildings and equipment at Project Turnkey, the Department's experimental mechanized post office at Providence, R.I., to be occupied on September 1, 1960.

LEASED AND RENTED BUILDINGS [1]

	Annual rent obligations	*Square feet*		
		Interior	*Loading*	*Open*
June 30, 1958	$37,453,866	39,871,356	1,653,254	32,577,427
June 30, 1959	41,819,520	41,797,519	1,918,694	37,506,994
June 30, 1960 estimate	49,582,257	45,507,791	2,419,002	47,142,852
June 30, 1961 estimate	64,861,596	54,268,535	3,399,307	63,169,988

[1] Does not include space for which payments are made to other Government agencies in lieu of rent or space to be rented fully equipped and maintained by the lessor.

2. *Supplies and services.*—This activity provides for the procurement of postal supplies, stamps and other accountable paper, rental equipment, and certain types of contractual services; the warehousing and distribution of all postal supplies and equipment; the manufacture, storage, and repair of mail bags and other specialized mail equipment items; and the costs of personnel engaged directly in these services.

3. *Regular capital program.*—This activity covers the procurement necessary for the replacement of unserviceable plant and equipment on a normal basis with some provision for expansion. It includes the replacement of standard mail handling, counterline, and similar postal equipment with modern new equipment; the replacement of wornout vehicles; normal expansion of the vehicle fleet for new services and service extensions; a continuation of the mailster procurement program for carrier mechaniza-

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tion, and the repair and alteration of postal space in Federal buildings. Such repairs and alterations include the replacement of heating apparatus, driveway and platform extensions, the creation of additional workroom floor space, and restroom facilities.

As in 1960, funds are requested in this appropriation for some modernization of postal facilities as part of the normal continuing capital program. Funds for the accelerated program to bring all facilities up to date in the next few years, authorized by the Congress in 1958, are again included in the Postal modernization appropriation as in 1960. The aggregate amounts requested for capital procurement and research in both appropriations are equal to the amounts appropriated for 1960. It is intended that some 150 Federal buildings will be completely modernized and rehabilitated and 20 urgently needed large postal establishments completely mechanized with the latest mail processing equipment in 1961. Developments in letter and parcel processing equipment will eliminate the need for further mail flow installations. Future planning includes the merging of mechanized mail processing equipment into existing mail flow systems.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	1,364	1,412	1,412
Average number of all employees (including overtime equivalent)	1,427	1,410	1,423
Number of employees at end of year	1,364	1,412	1,412
Average PFS level and salary	4.5 $5,015	4.5 $5,027	4.5 $5,020
01 Personal services:			
Permanent positions	$6,112,179	$6,254,273	$6,390,494
Positions other than permanent	207,050		
Other personal services	191,958	240,307	218,931
Total personal services	6,511,187	6,494,580	6,609,425
02 Travel	22,163	24,000	24,000
03 Transportation of things	3,844,559	3,948,710	4,100,000
04 Communication services	3,632,629	4,010,000	4,450,000
05 Rents and utility services	57,698,711	65,630,000	84,099,000
06 Printing and reproduction	4,458,481	4,761,000	4,996,000
07 Other contractual services	17,276,124	15,392,390	27,577,900
08 Supplies and materials	29,430,418	31,588,000	35,146,000
09 Equipment	49,454,070	53,828,290	41,932,000
10 Lands and structures	6,587,519	3,250,000	4,250,000
11 Grants, subsidies, and contributions	395,420	407,130	414,775
13 Refunds, awards, and indemnities	7,247		
15 Taxes and assessments	878	900	900
1959 program obligated in 1958	−15,238,311		
Total obligations	164,081,095	189,335,000	213,600,000

Postal Modernization

For postal modernization as authorized by title III of the Act of May 27, 1958 [(72 Stat. 144)] *(39 U.S.C. 1071–1075), including current increases in prior year contracts therefor,* $80,000,000, *to remain available until expended: Provided,* That the funds herein appropriated shall be available for payment to the General Services Administration for the repair, alteration, preservation, renovation, improvement, and equipment of federally owned property used for postal purposes, including improved lighting, color, and ventilation for the specialized conditions in space occupied for postal purposes, and for services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a). *(5 U.S.C. 22, 22a, 30q, 30r, 43, 61g, 73b–3, 133z–15, 150, 366, 369, 836–840, 901, 911–913, 921, 922, 926, 943, 944, 1111–1114, 1123, 1133, 2001, 2061–2066, 2091–2103, 2121, 2123; 6 U.S.C. 14; 31 U.S.C. 22a, 82a–1, 82a–2; 39 U.S.C. 847, 847a, 848b, 951, 952, 961–965, 971, 974, 975, 981–984, 991–994, 1001–1010, 1021, 1031–1033, 1035–1038; Act of Sept. 28, 1959, 73 Stat. 708; Post Office Department Appropriation Act, 1960.)*

Appropriated 1960, **$80,000,000** Estimate 1961, **$80,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Contract research, development, and engineering		$9,125,000	$5,960,000
2. Building and equipment improvement		69,556,000	72,012,000
3. Engineering and technical services		1,319,000	2,028,000
Total obligations		80,000,000	80,000,000
Financing:			
Appropriation		80,000,000	80,000,000

The appropriation of $80 million requested under this heading will permit continuation of the program which began in 1960 for full-scale modernization of postal plant and equipment authorized by title III of Public Law 85–426, approved May 27, 1958. The program envisions the eventual expenditure of more than $500 million to replace obsolete and outgrown postal facilities. The improved facilities will be modern, functionally designed, and strategically located mail-processing plants. Major installations will be equipped with up-to-date mechanical and electronic mail-handling devices that will move the Nation's ever-growing volume of mail quickly and economically.

The program will also accelerate some of the regular research and capital projects financed under the appropriations, Administration, regional operation, and research, and Facilities.

1. *Contract research, development, and engineering.*—This activity covers the contract and engineering work and prototype equipment required under the modernization program. As in the case of the regular research program, it includes the design, development, and testing of improved postal equipment and materials, and recommending the location, functional design, building modifications, developing layouts, and mechanization requirements of postal facilities. The work, however, is at the accelerated rate contemplated by the modernization program.

2. *Building and equipment improvement.*—This activity, which constitutes the principal phase of the modernization program, consists of the major projects for improvement of large postal installations. It is planned to equip 19 new buildings and 1 existing facility with the most modern mechanical and automatic mail sorting and distributing machinery. This phase of the long-range program to remodel and rehabilitate existing Federal buildings is in addition to the normal work of this type carried on under the Facilities appropriation.

3. *Engineering and technical services.*—This provides for the additional personnel needed to carry out the modernization program. In 1961, such staff will be utilized primarily in the fields of space acquisition and utilization, vehicle utilization, construction engineering, and procurement.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions		212	216
Average number of all employees (including overtime equivalent)		130	218
Number of employees at end of year		212	216

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CURRENT AUTHORIZATIONS OUT OF POSTAL FUND—Continued

POSTAL MODERNIZATION—Continued

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
Average GS grade and salary		8.8 $7,350	8.8 $7,423
Average PFS level and salary		4.5 $5,027	4.5 $5,020
01 Personal services:			
Permanent positions		$899,766	$1,559,370
Other personal services		27,646	22,110
Total personal services		927,412	1,581,480
02 Travel		290,000	290,000
03 Transportation of things		40,000	40,000
07 Other contractual services		45,115,103	24,292,191
09 Equipment		33,569,000	53,700,000
11 Grants, subsidies, and contributions		58,485	96,329
Total obligations		80,000,000	80,000,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Executive direction and administration, headquarters	$8,985	$6,000	$6,000
2. Regional operation	744		
3. Mail handling and window services:			
(a) Sale of migratory bird stamps (Department of the Interior)	139,734	100,100	109,054
(b) Alien registration (Department of Justice)	255,875	260,000	266,000
(c) Sale of savings bonds and stamps (Treasury Department)	692,225	1,001,200	1,001,200
(d) Other	211,573	221,700	235,746
4. Vehicle service: Sale of vehicle supplies	277,317	300,000	300,000
5. Air transportation: Transportation of military mail (Department of Defense)	21,114,030	22,162,000	23,264,000

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
6. Building occupancy:			
(a) Site acquisition	$2,532,065	$3,500,000	$3,500,000
(b) Fuel and communications	492,141	495,000	505,000
7. Supplies and services	100,288	75,000	76,000
8. Facilities field personnel	8,122	1,000	1,000
9. Regular capital program: Sale of equipment	938,645	439,000	495,000
Total obligations	26,771,744	28,561,000	29,759,000
Financing:			
Advances and reimbursements from—			
Other accounts	23,139,943	24,495,300	25,633,254
Non-Federal sources	3,631,801	4,065,700	4,125,746
Total financing	26,771,744	28,561,000	29,759,000

NOTE.—Reimbursements from non-Federal sources consist of receipts from the sale of postal vehicles and equipment (40 U.S.C. 481(c)), from the sale of scrap material from mail bag repair units and equipment shops (39 U.S.C. 829(b)), from the sale and lease of real estate (39 U.S.C. 905), and from the refund of annual leave payments (5 U.S.C. 61(b)).

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	168	215	223
Full-time equivalent of all other positions	95	104	103
Average number of all employees	263	319	326
Number of employees at end of year	263	319	326
Average PFS level and salary	4.5 $5,015	4.5 $5,027	4.5 $5,020
Average salary of ungraded positions	$4,368	$4,424	$4,471
01 Personal services:			
Permanent positions	$833,093	$1,050,268	$1,082,798
Positions other than permanent	400,843	438,420	433,034
Total personal services	1,233,936	1,488,688	1,515,832
03 Transportation of things	21,114,030	22,162,000	23,264,000
04 Communication services	486,614	490,000	500,000
05 Rents and utility services	2,537,592	3,505,000	3,505,000
07 Other contractual services	4,678	5,775	5,881
08 Supplies and materials	378,155	375,000	376,000
09 Equipment	938,645	439,000	495,000
11 Grants, subsidies, and contributions	78,094	95,537	97,287
Total obligations	26,771,744	28,561,000	29,759,000

Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1961

	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purposes
	Number	Gross cost	Number	Allowance (estimate)				
Postal fund						29	$1,000	2 hired cars and 2 Government-owned cars are used by the Postmaster General, the assistant postmasters general, and by officials of all bureaus of the Department for the transaction of official business. All other cars are used at the largest post offices for supervision purposes.

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DEPARTMENT OF STATE

New obligational authority of $299 million is recommended for the Department of State in 1961, compared with $267 million in 1960. The 1960 estimate includes $36 million in appropriations requested in this document to use foreign currencies acquired from the sale abroad of surplus agricultural commodities for educational exchange. The recommended increase of $32 million in new obligational authority for 1961 over 1960 is the net result of a requested appropriation for 1961 of $49 million to settle Philippine war damage claims, a reduction of $24 million in appropriations to use foreign currencies, and a net increase of $7 million for all other programs.

Expenditures for 1961 are estimated at $292 million, compared with $238 in 1960. Of the increase of $54 million, $49 million is for the Philippine claims. Increases in expenditures for other programs are largely offset by a sharp reduction in expenditures for the new State Department building, which will be completed in 1961.

New obligational authority and expenditures for the Department of State are shown by function in the following table:

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
International affairs and finance:						
151 Conduct of foreign affairs	$214,211	$199,300	$253,604	$234,986	$205,377	$246,443
152 Economic and technical development		1,000	1,000	706	1,002	1,000
153 Foreign information and exchange activities	23,997	59,788	35,560	21,688	24,417	36,336
Total, international affairs and finance	238,208	260,088	290,164	257,380	230,796	283,779
Natural resources:						
401 Conservation and development of land and water resources	4,679	4,583	6,560	5,122	5,049	6,442
404 Conservation and development of fish and wildlife	1,664	1,780	1,925	1,675	1,825	1,925
Total, natural resources	6,343	6,363	8,485	6,797	6,874	8,367
Total, Department of State	244,549	266,451	298,649	264,178	237,670	292,146

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate		
							Total	From new obligational authority	From prior authority
ADMINISTRATION OF FOREIGN AFFAIRS									
Current authorizations:									
Salaries and expenses	151	$108,965	$112,000	$119,850	$105,634	$107,000	$114,000	$104,000	$10,000
Representation allowances	151	750	825	875	676	825	875	751	124
Acquisition, operation, and maintenance of buildings abroad	151	18,000	17,372	[1] 17,372	21,028	15,000	18,200	10,000	8,200
Acquisition, operation, and maintenance of buildings abroad (special foreign currency program)	151			4,850					
Emergencies in the diplomatic and consular service	151	1,495	1,000	1,000	1,159	1,200	1,000	500	500
Payment to Foreign Service retirement and disability fund	151	2,025	2,360	2,540	2,025	2,360	2,540	2,540	
Extension and remodeling, State Department building	151		3,000	800	21,930	17,000	3,300	300	3,000
Government in occupied areas	151				−6				
Permanent authorizations:									
Replacement of passenger motor vehicles sold abroad (indefinite special fund)	151	286	232	306	233	300	300	200	100
Intragovernmental funds:									
Advances and reimbursements	151				17				
Proposed for later transmission:									
Under existing legislation:									
Salaries and expenses	151		700			300	400		400
Emergencies in the diplomatic and consular service	151		300			200	100		100
Total, administration of foreign affairs		131,521	137,789	147,593	152,695	144,185	140,715	118,291	22,424
INTERNATIONAL ORGANIZATIONS AND CONFERENCES									
Current authorizations:									
Contributions to international organizations	151	46,771	48,036	49,380	46,840	47,806	49,234	48,051	1,183
Missions to international organizations	151	1,788	1,950	1,966	1,574	1,890	1,943	1,553	390
International conferences and contingencies	151	2,700	1,900	2,450	2,329	2,366	2,116	1,946	170
International tariff negotiations	151			900			640	640	
Eleventh World Health Assembly of the World Health Organization	151				114				
Proposed for later transmission:									
Under existing legislation:									
Contributions to international organizations	151		6,550			6,550			
International conferences and contingencies	151		800			320	480		480
Total, international organizations and conferences		51,259	59,236	54,696	50,858	58,932	54,413	52,190	2,223
INTERNATIONAL COMMISSIONS									
Current authorizations:									
International Boundary and Water Commission, United States and Mexico:									
Salaries and expenses	401	554	573	578	566	577	574	526	48
Operation and maintenance	401	2,502	2,610	1,982	2,098	2,950	1,950	1,791	159
Construction	401	1,000	1,400	4,000	1,733	1,273	3,876	1,909	1,967
Rio Grande emergency flood protection	401				112				
American sections, international commissions	151	342	345	385	344	330	385	345	40
International fisheries commissions	404	1,664	1,725	1,925	1,675	1,720	1,925	1,835	90
Passamaquoddy tidal power survey	401	623			613	249	42		42
Restoration of salmon runs, Fraser River system, International Pacific Salmon Fisheries Commission	404					50			
Proposed for later transmission:									
Under existing legislation: International fisheries commissions	404		55			55			
Total, international commissions		6,684	6,708	8,870	7,141	7,204	8,752	6,406	2,346

[1] To carry out authorizing legislation proposed for 1961.

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
							1961 estimate		
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	Total	From new obligational authority	From prior authority
EDUCATIONAL EXCHANGE									
Current authorizations:									
International educational exchange activities	153	$23,100	$23,210	$28,200	$20,053	$22,021	$25,000	$15,000	$10,000
International educational exchange activities (special foreign currency program)	153			6,961			2,000	2,000	
Educational, scientific, and cultural activities	153				651	696	500		500
Permanent authorizations:									
Educational exchange fund, payments by Finland, World War I debt (indefinite special fund)	153	397	399	399	200	400	400	100	300
Educational fund, interest payments by the Government of India (indefinite special fund)	153				777	800	400		400
Proposed for later transmission:									
Under existing legislation:									
International educational exchange activities (special foreign currency program) [2]	153		3,000				1,000		1,000
International educational exchange activities permanent appropriation (special foreign currency program) [2]	153		33,179				7,036		7,036
Total, educational exchange		23,497	59,788	35,560	21,681	23,917	36,336	17,100	19,236
OTHER									
Current authorizations:									
Rama Road, Nicaragua	152		1,000	1,000	700	1,000	1,000		1,000
Cleveland Pan American Games	153				7				
Payment to the Government of Denmark	151	5,296			5,296				
Payment to the Philippine Government	151	23,863			23,863				
Salaries and expenses, Philippine rehabilitation	152				6	2			
Third Pan American Games	153	500				500			
Permanent authorizations:									
Payment to the Republic of Panama	151	1,930	1,930	1,930	1,930	1,930	1,930	1,930	
Proposed for later transmission:									
Under proposed legislation: Payment of Philippine war damage claims	151			49,000			49,000	49,000	
Total, other		31,589	2,930	51,930	31,802	3,432	51,930	50,930	1,000
Total new obligational authority and budget expenditures		244,549	266,451	298,649	264,178	237,670	292,146	244,917	47,229
RECAPITULATION									
Enacted or recommended in this document:									
Current authorizations:									
Appropriations		$241,936	$219,306	$247,014	$264,178	$230,245	$234,130	$195,917	$38,213
Permanent authorizations:									
Appropriations		2,613	2,561	2,635					
Proposed for later transmission:									
Appropriations			44,584	49,000		7,425	58,016	49,000	9,016
Total new obligational authority and budget expenditures		244,549	266,451	298,649	264,178	237,670	292,146	244,917	47,229

[2] Language to provide this appropriation is recommended in this document.

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ANALYSIS OF UNEXPENDED BALANCES

[In thousands]

Description	Balance, start of 1959		Balance, start of 1960		Balance, start of 1961		Balance, start of 1962	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document:								
Appropriations:								
Salaries and expenses		$9,602		$9,112		$14,112		$19,962
Acquisition, operation, and maintenance of buildings abroad	$217	20,870	$645	17,842	$650	20,214	$650	19,386
Acquisition, operation, and maintenance of buildings abroad (special foreign currency program)								4,850
Extension and remodeling, State Department building	6,881	39,629	553	17,699		3,699		1,199
Replacement of passenger motor vehicles sold abroad (indefinite special fund)	16	166	66	219		151		157
International Boundary and Water Commission, United States and Mexico:								
Construction	2,404	2,573	1,397	1,840		1,967		2,091
Rio Grande emergency flood protection	112	112						
Passamaquoddy tidal power survey	106	281	244	291		42		
Restoration of salmon runs, Fraser River system, International Pacific Fisheries Commission	53	53	53	53				
International educational exchange activities		10,431		12,799		13,988		17,188
International educational exchange activities (special foreign currency program)								4,961
Educational exchange fund, payments by Finland, World War I debt (indefinite special fund)	551	767	615	964	599	963	598	962
Educational fund, interest payments by the Government of India (indefinite special fund)	1,728	2,284	948	1,507	238	707		307
Rama Road, Nicaragua	1,049	3,770	270	3,070		3,070		3,070
Cleveland Pan American Games	74	87						
Third Pan American Games			500	500				
Other		5,540		5,463		4,003		4,303
Total, appropriations	13,190	96,165	5,291	71,359	1,488	62,916	1,248	78,436
Revolving and management funds	44	299	54	277		277		277
Proposed for later transmission:								
Appropriations:								
International educational exchange activities (special foreign currency program)						3,000		2,000
International educational exchange activities permanent appropriation (special foreign currency program)					33,179	33,179	26,143	26,143
Other						980		
Total, appropriations, proposed for later transmission					33,179	37,159	26,143	28,143
Total, Department of State	13,235	96,464	5,345	71,636	34,667	100,352	27,391	106,856

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

Description	1959 actual	1960 estimate	1961 estimate
Balances brought forward at start of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	$96,165	$71,359	$62,916
Revolving and management funds	299	277	277
Proposed for later transmission: Appropriations			37,159
Total balances brought forward	96,464	71,636	100,352
New obligational authority:			
Enacted or recommended in this document:			
Current authorizations: Appropriations	241,936	219,306	247,014
Permanent authorizations: Appropriations	2,613	2,561	2,635
Total new obligational authority enacted or recommended	244,549	221,867	249,649
Proposed for later transmission: Appropriations		44,584	49,000
Total new obligational authority	244,549	266,451	298,649
Other amounts available: Appropriation available in prior year	−1,818		
Total budget authorizations available	339,195	338,087	399,001
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	264,178	230,245	195,917
Out of balances of prior obligational authority			38,213
Total expenditures from obligational authority enacted or recommended	264,178	230,245	234,130
From obligational authority proposed for later transmission:			
Out of new obligational authority		7,425	49,000
Out of balances of prior obligational authority			9,016
Total expenditures from obligational authority proposed for later transmission		7,425	58,016
Total budget expenditures	264,178	237,670	292,146
Amounts no longer available:			
Unobligated balances expiring and lapsing	834	66	
Adjustment of balances downward in expired accounts, net	2,547		
Total amounts no longer available	3,381	66	
Balances carried forward at close of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	71,359	62,916	78,436
Revolving and management funds	277	277	277
Proposed for later transmission: Appropriations		37,159	28,143
Total balances carried forward at close of year	71,636	100,352	106,856
Obligations incurred, net	$249,787	$237,063	$305,925

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ADMINISTRATION OF FOREIGN AFFAIRS

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Department of State, not otherwise provided for, including expenses authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801–1158), not otherwise provided for; expenses necessary to meet the responsibilities and obligations of the United States in Germany (including those arising under the supreme authority assumed by the United States on June 5, 1945, and under contractual arrangements with the Federal Republic of Germany); salary of the United States member of the Board for the validation of German Bonds in the United States at the rate of $17,100 per annum; expenses of the National Commission on Educational, Scientific, and Cultural Cooperation as authorized by sections 3, 5, and 6 of the Act of July 30, 1946 (22 U.S.C. 287o, 287q, 287r); purchase (not to exceed [seven] *nineteen*, of which two shall be for replacement only) or hire of passenger motor vehicles; printing and binding outside the continental United States without regard to section 11 of the Act of March 1, 1919 (44 U.S.C. 111); services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); purchase of uniforms; payment of tort claims, in the manner authorized in the first paragraph of section 2672, as amended, of title 28 of the United States Code when such claims arise in foreign countries; dues for library membership in organizations which issue publications to members only, or to members at a price lower than the others; employment of aliens by contract for services abroad; refund of fees erroneously charged and paid for passports; radio communications; payment in advance for subscriptions to commercial information, telephone and similar services abroad; rent and expenses of maintaining in Morocco institutions for American convicts and persons declared insane by any consular court, and care and transportation of prisoners and persons declared insane; expenses, as authorized by law (18 U.S.C. 3192), of bringing to the United States from foreign countries persons charged with crime; and procurement by contract or otherwise, of services, supplies, and facilities, as follows: (1) translating, (2) analysis and tabulation of technical information, and (3) preparation of special maps, globes, and geographic aids; [$112,000,000] *$119,850,000*, of which not less than $9,000,000 shall be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States: *Provided*, That passenger motor vehicles in possession of the Foreign Service abroad may be replaced in accordance with section 7 of the Act of August 1, 1956 (70 Stat. 891), and the cost, including the exchange allowance, of each such replacement shall not exceed $3,800 in the case of the chief of mission automobile at each diplomatic mission (except that ten such vehicles may be purchased at not to exceed $7,800 each) [and $1,500 in the case of all other such vehicles except station wagons]. (*Department of State Appropriation Act, 1960.*)

Appropriated 1960, **$112,000,000** Estimate 1961, **$119,850,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct obligations:			
1. Executive direction and policy formulation	$8,822,092	$9,005,567	$9,791,082
2. Conduct of diplomatic and consular relations with foreign countries	81,514,201	84,915,841	91,267,775
3. Conduct of diplomatic relations with international organizations	1,739,758	1,790,474	1,804,833
4. Domestic public information and liaison	1,437,629	1,421,254	1,435,848
5. Central program services	3,773,569	3,644,326	3,987,252
6. Administrative and staff activities	11,451,049	11,222,538	11,563,210
7. 1959 program obligated in 1958	−1,695,623		
Total direct obligations	107,042,675	112,000,000	119,850,000
Reimbursable obligations:			
1. Executive direction and policy formulation	1,145,186	1,419,066	1,419,066
2. Conduct of diplomatic and consular relations with foreign countries	54,489,967	57,401,183	60,351,183
3. Conduct of diplomatic relations with international organizations	98,442	132,478	132,478
4. Domestic public information and liaison	204,590	218,165	218,165
5. Central program services	1,080,579	1,144,565	1,144,565
6. Administrative and staff activities	3,321,703	3,434,543	3,434,543
Total reimbursable obligations	60,340,467	63,750,000	66,700,000
Total obligations	167,383,142	175,750,000	186,550,000

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Financing:			
1959 appropriation available in 1958	$1,695,623		
Advances and reimbursements from—			
Other accounts	−60,153,402	−$63,384,000	−$66,334,000
Non-Federal sources	−333,472	−366,000	−366,000
Recovery of prior year obligations	−9,286		
Unobligated balance no longer available	382,295		
Appropriation (new obligational authority)	108,964,900	112,000,000	119,850,000

NOTE.—Reimbursements from non-Federal sources are derived from payments for cablegrams and telephone service involved in procuring information for corporations, firms and individuals (5 U.S.C. 169), from sales of personal property (40 U.S.C. 481(c)), from refunds of terminal leave payments (5 U.S.C. 61(b)), and from recoveries of jury service fees (5 U.S.C. 30p).

The program described below is financed by this appropriation and by reimbursements from other agencies, which are provided with most of their administrative services overseas by the Department of State, and from non-Federal sources, as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
United States Information Agency	$12,738,770	$12,822,000	$13,321,000
Mutual security activities	17,236,912	18,564,000	19,860,000
Other accounts	30,031,313	31,998,000	33,153,000
Non-Federal sources	333,472	366,000	366,000
Total reimbursable obligations	60,340,467	63,750,000	66,700,000

1. *Executive direction and policy formulation.*—Increases are requested mainly to intensify efforts in the fields of disarmament and nuclear test suspension in order to develop and urge new approaches to armaments control.

2. *Conduct of diplomatic and consular relations with foreign countries.*—This includes representation of the United States and its citizens abroad, political and economic negotiations and reporting, consular operations, and overseas administrative services (including services for other agencies on a reimbursable basis). The estimates provide for increasing mandatory costs such as prices and local employee wages overseas, expanding area and "hard" language training, and establishing new posts and elevating consulates to embassy status in Africa, the Near East, South Asia, and Latin America. Increases in staff are requested for overseas political, economic, consular, and supporting activities.

Increases in domestic personnel are requested chiefly for dealing with western Africa, international cultural relations, and the continuance of the rise in travel abroad, as reflected in the following annual figures on passport applications in the United States:

1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
653,074	702,021	798,000	880,000

3. *Conduct of diplomatic relations with international organizations.*—In collaboration with other Government agencies, U.S. policy is developed and coordinated on political and security issues and in such specialized fields as world health, education, labor, and refugee activities.

4. *Domestic public information and liaison.*—This program provides for informing the American public on international policies and also keeping the Department informed on American attitudes relative to foreign policy and issues.

5. *Central program services.*—These provide personnel and physical security measures, translating and interpreting services, and the coordination of governmental foreign reporting requirements. The major increase for 1961 is for the purchase of additional security equipment.

6. *Administrative and staff activities.*—This includes normal domestic administrative activities and the administration of a global communications system for all civilian activities of the Government, the costs incurred for other

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agencies being reimbursed. The major increase for 1961 is for editing and printing the Malloy Treaty Series and the Digest of International Law.

A supplemental appropriation is anticipated for 1960 under Proposed for later transmission.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	21,121	21,428	22,043
Full-time equivalent of all other positions	49	63	77
Average number of all employees	20,337	20,968	21,592
Number of employees at end of year	20,579	21,022	21,634
Average GS grade and salary	7.3 $6,122	7.4 $6,138	7.4 $6,167
Average grade and salary established by the Foreign Service Act of 1946 (22 U.S.C. 801–1158):			
Foreign Service officers	4.5 $10,042	4.5 $10,106	4.5 $10,043
Foreign Service reserve officers	4.7 $9,485	4.7 $9,636	4.7 $9,632
Foreign Service staff officers	10.7 $5,171	10.7 $5,188	10.7 $5,230
Average salary of ungraded positions	$4,627	$4,637	$4,664
Average salary in foreign countries (local rates)	$1,733	$1,832	$1,909
Personal service obligations:			
Permanent positions	$99,482,650	$104,493,677	$108,561,774
Positions other than permanent	284,264	343,061	413,891
Other personal services	13,217,983	13,984,318	14,462,304
Total personal service obligations	112,984,897	118,821,056	123,437,969
Direct obligations:			
01 Personal services	79,644,835	83,111,165	86,782,872
02 Travel	8,418,154	8,526,677	9,065,100
03 Transportation of things	4,651,915	4,636,480	5,100,198
04 Communication services	3,214,646	3,342,272	3,511,639
05 Rents and utility services	1,981,350	2,201,403	2,690,510
06 Printing and reproduction	709,160	714,812	848,302
07 Other contractual services	2,998,050	3,170,942	4,305,848
Services performed by other agencies	149,528	103,495	83,957
08 Supplies and materials	1,998,717	1,987,745	2,201,235
09 Equipment	2,473,526	1,662,827	2,614,988
11 Grants, subsidies, and contributions	2,445,286	2,481,081	2,582,800
13 Refunds, awards, and indemnities	24,445	28,265	28,273
15 Taxes and assessments	28,686	32,836	34,278
1959 program obligated in 1958	−1,695,623		
Total direct obligations	107,042,675	112,000,000	119,850,000
Reimbursable obligations:			
01 Personal services	33,340,062	35,709,891	36,655,097
02 Travel	4,829,088	5,298,060	5,490,176
03 Transportation of things	4,725,086	4,757,114	5,033,562
04 Communication services	2,326,189	2,527,515	2,805,462
05 Rents and utility services	4,245,539	4,478,909	4,837,081
06 Printing and reproduction	168,225	163,676	168,664
07 Other contractual services	3,549,628	4,072,805	4,519,635
Services performed by other agencies	46,988	39,194	39,191
08 Supplies and materials	2,967,461	3,141,686	3,333,304
09 Equipment	2,660,776	1,943,484	2,108,933
11 Grants, subsidies, and contributions	1,395,360	1,539,854	1,630,306
13 Refunds, awards, and indemnities	5,019	5,109	5,100
15 Taxes and assessements	81,046	72,703	73,489
Total reimbursable obligations	60,340,467	63,750,000	66,700,000
Total obligations	167,383,142	175,750,000	186,550,000

Representation Allowances

For representation allowances as authorized by section 901(3) of the Foreign Service Act of 1946 (22 U.S.C. 1131), [$825,000] *$875,000.* (*Department of State Appropriation Act, 1960.*)

Appropriated 1960, **$825,000** Estimate 1961, **$875,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Representation abroad by the Foreign Service (object class 07)	$748,590	$825,000	$875,000
Financing:			
Unobligated balance no longer available	1,410		
Appropriation (new obligational authority)	750,000	825,000	875,000

Officers of the Foreign Service are reimbursed in part for expenses incurred in pursuance of the following official duties:

	1959 actual	*1960 estimate*	*1961 estimate*
Promotion of U.S. national interests	$497,996	$548,735	$581,350
Protection of U.S. citizens' interests	21,642	23,855	25,900
Promotion of economic activities	87,634	98,126	104,750
Commemorative and ceremonial requirements	141,318	154,284	163,000
Total	748,590	825,000	875,000

Acquisition, Operation, and Maintenance of Buildings Abroad

For necessary expenses of carrying into effect the Foreign Service Buildings Act, 1926, as amended (22 U.S.C. 292–300), including personal services in the United States and abroad; salaries, expenses and allowances of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801–1158); and services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), $17,372,000, of which not less than [$16,739,000] *$17,144,000* shall be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States, to remain available until expended: *Provided,* That not to exceed [$1,300,000] *$1,420,000* may be used for administrative expenses during the current fiscal year. (*Department of State Appropriation Act, 1960. Authorizing legislation proposed for 1961.*)

Appropriated 1960, **$17,372,000** Estimate 1961, **$17,372,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Acquisition and construction:			
(a) Acquisition	$2,177,951	$1,780,000	$1,265,000
(b) Planning and development	463,993	235,000	235,000
(c) Construction	6,823,294	10,215,000	6,210,000
2. Building occupancy expeuses:			
(a) Operation, maintenance, and repair	5,139,913	5,750,000	5,950,000
(b) Lease payments	420,400	1,000,000	750,000
3. Furniture and equipment:			
(a) Initial furnishings	849,746	1,300,000	1,000,000
(b) Furniture and household equipment repair and replacement	1,034,382	1,170,000	1,170,000
4. Administrative expenses	1,180,672	1,300,000	1,420,000
Total obligations	18,090,351	22,750,000	18,000,000
Financing:			
Unobligated balance brought forward	−216,905	−644,605	−650,000
Advances and reimbursements from—			
Other accounts	−193,561	−50,000	−50,000
Non-Federal sources (dollar conversion of foreign currencies)	−324,490	−5,333,395	−578,000
Unobligated balance carried forward	644,605	650,000	650,000
Appropriation (new obligational authority)	18,000,000	17,372,000	17,372,000

The object of the foreign buildings program is to provide consolidated office space for the Foreign Service and other Government agencies abroad, and living quarters for American employees in localities where suitable facilities are not available. Through this program the Department has acquired real property valued in excess of $175 million, consisting of some 215 office buildings, 145 principal officer residences, 244 residences for senior officers and attachés, and 2,224 staff living units. Since 1946, the program has been financed primarily through the purchase of foreign currency credits held by the Treasury Department resulting from lend-lease settlements, sale of surplus war property, and other sources. This program also finances property leases of 10 years or more (shorter term leases are included in Salaries and expenses, above), procurement of initial furniture and furnishings, and repair, maintenance, and operating costs of these facilities.

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ADMINISTRATION OF FOREIGN AFFAIRS—Con.

Current authorizations—Continued

ACQUISITION, OPERATION, AND MAINTENANCE OF BUILDINGS ABROAD—Continued

The purpose of the program for acquisition and construction is generally to replace outmoded or otherwise unsatisfactory Government-owned or leased office space. Such space is replaced with structures that are designed specifically to meet the particular needs of the Foreign Service and other overseas Government operations from the standpoint of conducting efficient operations and of providing adequate security protection. In addition, housing is provided American employees in localities where housing either is not available or is substandard in relation to American living standards.

The Department has previously presented to the Congress a 10-year building program estimated to require approximately $100 million for acquiring new office and housing facilities. The status of the program is as follows:

PROJECTED STATUS OF THE 1957–65 FOREIGN BUILDINGS PROGRAM THROUGH JUNE 30, 1961

[Amounts stated in thousands of U.S. dollars]

Type of project	Building program 1957–65	Completed through 1959	Program goals 1960 Underway	1960 Completion	1961 Underway	1961 Completion	Unfunded projects
Office buildings:							
Number	123	10	2	10	5	2	94
Amount	$53,237	$2,586	$2,742	$6,019	$2,396	$1,038	$38,456
Principal officers' residences:							
Number	109	12	------	7	------	4	86
Amount	$12,952	$810	------	$748	------	$303	$11,091
Senior officers' and attaches' residences:							
Number	428	25	------	5	------	7	391
Amount	$16,740	$1,400	------	$250	------	$350	$14,740
Staff housing:							
Units	834	51	32	90	12	4	645
Amount	$17,311	$1,020	$654	$1,726	$250	$80	$13,581
Total	$100,240	$5,816	$3,396	$8,743	$2,646	$1,771	$77,868

The construction program continues at about the same level in 1959–61, except that reimbursements from the sale of the old U.S. Embassy in London permit an increase in construction in 1960.

Of the requested appropriation for 1961, $6,649,000 is subject to authorization by the Congress.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	235	260	262
Average number of all employees	215	234	242
Number of employees at end of year	215	248	258
Average GS grade and salary	9.0 $7,559	9.4 $7,783	9.7 $8,086
Average grade and salary, grades established by Foreign Service Act of 1946, as amended (22 U.S.C. 801–1158) Foreign Service staff officers and employees	4.4 $9,322	4.4 $9,466	4.1 $9,643
Average salary of ungraded positions (local employees)	$2,337	$2,461	$2,539
01 Personal services:			
Permanent positions	$1,242,964	$1,370,000	$1,469,000
Other personal services	92,865	100,000	101,000
Total personal services	1,335,829	1,470,000	1,570,000
02 Travel	148,975	185,000	200,000
03 Transportation of things	286,872	320,000	325,000
05 Rents and utility services	463,883	1,000,000	750,000
07 Other contractual services	1,879,294	1,800,000	1,800,000
Services performed by other agencies	3,196,800	3,500,000	3,600,000
08 Supplies and materials	958,930	1,000,000	1,000,000
09 Equipment	2,032,835	2,000,000	2,000,000
10 Lands and structures	7,717,935	11,400,000	6,675,000
11 Grants, subsidies, and contributions	53,302	60,000	65,000
15 Taxes and assessments	15,696	15,000	15,000
Total obligations	18,090,351	22,750,000	18,000,000

ACQUISITION, OPERATION, AND MAINTENANCE OF BUILDINGS ABROAD (SPECIAL FOREIGN CURRENCY PROGRAM)

For purchase of foreign currencies which accrue under Title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for the purposes authorized by section 104(l) of that Act, to be credited to and expended under the appropriation account for "Acquisition, operation, and maintenance of buildings abroad", and to remain available until expended, $4,850,000, of which not less than $3,200,000 shall be available to purchase currencies which the Treasury Department shall determine to be excess to the normal requirements of the United States: Provided, That this appropriation shall not be used for the purchase of currencies available in the Treasury for the purposes of section 104(f) of such Act, unless such currencies are excess to the normal requirements of the United States.

Estimate 1961, **$4,850,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Acquisition and construction:			
(a) Acquisition	----------	----------	$1,075,000
(b) Planning and development	----------	----------	65,000
(c) Construction	----------	----------	3,550,000
2. Furniture and equipment: Initial furnishings	----------	----------	160,000
Total obligations	----------	----------	4,850,000
Financing:			
Appropriation (new obligational authority)	----------	----------	4,850,000

This appropriation will make use of foreign currencies generated from sales abroad of U.S. surplus agricultural commodities to accelerate the foreign buildings program in Brazil, India, Indonesia, Pakistan, Poland, and Uruguay. It will finance construction of buildings for the Department of State and the acquisition of buildings and construction sites for the United States Information Agency. There will be no U.S. dollar cost charged to the regular 1961 appropriation in connection with these projects.

Object Classification

	1959 actual	1960 estimate	1961 estimate
07 Other contractual services	----------	----------	$65,000
09 Equipment	----------	----------	160,000
10 Lands and structures	----------	----------	4,625,000
Total obligations	----------	----------	4,850,000

INFORMATIONAL FOREIGN CURRENCY SCHEDULE

Proceeds of sales of buildings and grounds, foreign currency, Foreign Service buildings fund

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Expense of sales (total obligations)	$2,375	----------	----------
Financing:			
Balance brought forward	113,637	$97,515	----------
Proceeds of sales (22 U.S.C. 300)	1,247,252	4,700,000	$400,000
Dollar conversions credited to "Acquisition, operation, and maintenance of buildings abroad"	−1,260,999	−4,797,515	−400,000
Balance carried forward	−97,515	----------	----------
Total financing	2,375	----------	----------

Buildings abroad are sold and the proceeds applied toward the acquisition and preservation of other properties. Foreign currency proceeds placed in this account are expended through Acquisition, operation, and maintenance of buildings abroad.

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Analysis of Expenditures

	1959 actual	1960 estimate	1961 estimate
Obligations incurred during year	$2,375		
Expenditures	2,375		

Emergencies in the Diplomatic and Consular Service

For expenses necessary to enable the Secretary of State to meet unforeseen emergencies arising in the Diplomatic and Consular Service, to be expended pursuant to the requirement of section 291 of the Revised Statutes (31 U.S.C. 107), $1,000,000. (*Department of State Appropriation Act, 1960.*)

Appropriated 1960, **$1,000,000** Estimate 1961, **$1,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Unforeseen emergencies (unvouchered object class)	$1,451,764	$1,000,000	$1,000,000
Financing:			
Unobligated balance no longer available	43,236		
Appropriation (new obligational authority)	1,495,000	1,000,000	1,000,000

These funds are used for relief and repatriation loans to U.S. citizens abroad and for other emergencies of the Department. Repayments of loans are deposited in miscellaneous receipts of the Treasury.

A supplemental appropriation is anticipated for 1960 under Proposed for later transmission.

Payment to Foreign Service Retirement and Disability Fund

For payment to the Foreign Service retirement and disability fund as authorized by the Foreign Service Act of 1946 (22 U.S.C. 1061–1116), [$2,360,000] *$2,540,000.* (*Department of State Appropriation Act, 1960.*)

Appropriated 1960, **$2,360,000** Estimate 1961, **$2,540,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Payment on Government share of retirement costs (object class 11)	$2,025,000	$2,360,000	$2,540,000
Financing:			
Appropriation (new obligational authority)	2,025,000	2,360,000	2,540,000

The request of $2,540,000 is estimated to equal the Government's net share of cash disbursements to be made by the fund in 1961.

Extension and Remodeling, State Department Building

For expenses necessary for planning, and the extension and remodeling, under the supervision of the General Services Administration, of the State Department Building, Washington, D.C., and for expenses necessary for providing temporary office space, including payment of rent in the District of Columbia, alterations, and purchase and installation of air conditioning equipment, to remain available until expended, [$3,000,000] *$800,000,* to be transferred to the General Services Administration. (*Supplemental Appropriation Act. 1960.*)

Appropriated 1960, **$3,000,000** Estimate 1961, **$800,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Design, supervision, etc	$856,801	$237,566	
2. Rents and moving expense	110,055	200,000	
3. Construction	5,201,806	1,974,311	
4. Equipment and furnishings	159,077	1,141,049	$800,000
Total obligations	6,327,739	3,552,926	800,000
Financing:			
Unobligated balance brought forward	−6,880,665	−552,926	
Unobligated balance carried forward	552,926		
Appropriation (new obligational authority)		3,000,000	800,000

Construction of an addition to the existing main building of the Department of State is largely completed and certain areas will be occupied prior to the scheduled completion date of April 1960. Thereafter the existing building will be remodeled. Additional funds are requested in 1961 for equipment and other completion items to permit more effective utilization of the building.

Object Classification

	1959 actual	1960 estimate	1961 estimate
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
02 Travel	$501	$1,000	
03 Transportation of things	9		
04 Communication services	457	400	
06 Printing and reproduction	11,994	5,000	
07 Other contractual services	1,217,950	485,566	
08 Supplies and materials	47,787	679,000	
09 Equipment	798	502,049	$502,000
10 Lands and structures	5,048,243	1,879,911	298,000
Total obligations	6,327,739	3,552,926	800,000

Administrative and Other Expenses (Mutual Security)

NOTE.—This appropriation has been transferred to the Funds appropriated to the President chapter under Mutual security—economic.

Permanent authorizations:

Replacement of Passenger Motor Vehicles Sold Abroad

(Indefinite special fund)

Appropriated (estimate) 1960, **$232,162** Estimate 1961, **$306,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Replacement of passenger vehicles (total obligations)	$235,399	$298,300	$306,000
Financing:			
Unobligated balance brought forward	−15,619	−66,138	
Unobligated balance carried forward	66,138		
Appropriation (new obligational authority)	285,918	232,162	306,000

Proceeds from sale of passenger motor vehicles of the Foreign Service abroad are available for the replacement of such vehicles. It is anticipated that the estimated proceeds in 1961 will replace 110 vehicles.

Object Classification

	1959 actual	1960 estimate	1961 estimate
03 Transportation of things	$13,659	$18,550	$16,750
09 Equipment	221,740	279,750	289,250
Total obligations	235,399	298,300	306,000

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ADMINISTRATION OF FOREIGN AFFAIRS—Con.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Representation by the Foreign Service of the United States abroad:			
Mutual security program (Department of Defense)	$147,589	$165,300	$165,300
Mutual security program (administrative expenses)	71,584	73,900	73,900
International Cooperation Administration	2,800	2,800	2,800
United States Information Agency	1,000	1,250	1,250
2. International educational exchange (International Cooperation Administration)	407,068	321,300	321,300
3. Department of Defense	2,901,174	3,060,677	3,060,677
4. Miscellaneous services to other accounts	9,144	12,000	12,000
Total obligations	3,540,359	3,637,227	3,637,227
Financing:			
Unobligated balance brought forward	44,317	53,501	
Advances and reimbursements from—			
Other accounts	3,524,696	3,571,726	3,625,227
Non-Federal sources (40 U.S.C. 481(c))	9,144	12,000	12,000
Recovery of prior year obligations	15,703		
Unobligated balance carried forward	−53,501		
Total financing	3,540,359	3,637,227	3,637,227

Object Classification

Total number of permanent positions		402		377		377
Full-time equivalent of all other positions		3		3		3
Average number of all employees		367		358		359
Number of employees at end of year		379		353		353
Average GS grade and salary	8.6	$6,660	8.5	$6,635	8.5	$6,635
Average grade and salary established by the Foreign Service Act of 1946 (22 U.S.C. 801–1158):						
Foreign Service officers	6.2	$7,424	6.2	$7,470	6.2	$7,470
Foreign Service reserve officers	5.7	$7,944	5.7	$7,983	5.7	$7,983
Foreign Service staff officers	10.0	$5,609	10.0	$5,609	10.0	$5,609
01 Personal services:						
Permanent positions		$2,473,103		$2,411,646		$2,420,063
Positions other than permanent		22,785		21,000		21,000
Other personal services		27,385		44,159		35,297
Total personal services		2,523,273		2,476,805		2,476,360
02 Travel		45,058		40,000		40,000
06 Printing and reproduction		3,655		5,000		5,000
07 Other contractual services		274,684		296,566		296,655
Services performed by other agencies		262,130		242,270		242,270
08 Supplies and materials		729				
09 Equipment		7,420		268,000		268,000
10 Lands and structures		5,070				
11 Grants, subsidies, and contributions		416,827		307,241		307,508
15 Taxes and assessments		1,513		1,345		1,434
Total obligations		3,540,359		3,637,227		3,637,227

Proposed for later transmission:

SALARIES AND EXPENSES

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Conduct of diplomatic and consular relations with foreign countries (total obligations)		$700,000	
Financing:			
Proposed supplemental appropriation		700,000	

Under existing legislation, 1960.—This proposed supplemental appropriation is to implement Public Law 86–363, which amended the Immigration and Nationality Act to provide additional visas for certain relatives of U.S. citizens and lawfully resident aliens, and to open two new posts and elevate a consular post to diplomatic status.

EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Unforeseen emergencies (total obligations)		$300,000	
Financing:			
Proposed supplemental appropriation		300,000	

Under existing legislation, 1960.—A supplemental appropriation is needed to cover unanticipated expenses essential to the conduct of foreign affairs.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

Current authorizations:

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

For expenses, not otherwise provided for, necessary to meet annual obligations of membership in international multilateral organizations, pursuant to treaties, conventions, or specific Acts of Congress, [$48,033,000] *$49,380,000.* (*United Nations and specialized agencies—(1) 22 U.S.C. 287–287f; (2) 22 U.S.C. 287m–287t; (3) 61 Stat. 1180; (4) 22 U.S.C. 290–290d; 69 Stat. 288; (5) 22 U.S.C. 279–279d; 70 Stat. 559; Public Law 85–141, approved Aug. 14, 1957; (6) 22 U.S.C. 271, 272–272b; Public Law 85–477, approved June 30, 1958; (7) 6 U.S.T. 1213; T.I.A.S. 3266; (8) T.I.A.S. 2052; 1 U.S.T. 281–294; (9) T.I.A.S. 4044; inter-American organizations—(1) 22 U.S.C. 269b; 70 Stat. 696; (2) 56 Stat. 1303; (3) 58 Stat. 1169; (4) 22 U.S.C. 273; 68 Stat. 1008; (5) 22 U.S.C. 280j, 280k; (6) 44 Stat. 2031; (7) T.I.A.S. 2361; 2 U.S.T. 2394; T.S. 938; regional organizations—(1) 22 U.S.C. 280h, 280i; (2) 22 U.S.C. 280, 280b; (3) 22 U.S.C. 1928 and 1789; 63 Stat. 2241; (4) 22 U.S.C. 1928a, 1928b; Public Law 85–477, approved June 30, 1958; (5) T.I.A.S. 3170; (6) Public Law 86–108, approved July 24, 1959; other international organizations—(1) 22 U.S.C. 276, 276a; Public Law 85–477, approved June 30, 1958; (2) 32 Stat. 1779; 36 Stat. 2199; (3) 53 Stat. 1748; (4) 26 Stat. 1520; protocol modifying the Convention of July 5, 1890; (5) 20 Stat. 709; 43 Stat. 1686; (6) 22 U.S.C. 274; Public Law 85–627, approved Aug. 4, 1958; (7) 22 U.S.C. 275; (8) International Sugar Agreement, approved by the Senate July 21, 1959, and ratified by the President Sept. 8, 1959; (9) 7 U.S.C. 1642(g); International Wheat Agreement, approved by the Senate July 15, 1959, and ratified by the President July 16, 1959; (10) 71 Stat. 453; T.I.A.S. 3873; general—22 U.S.C. 262a; Department of State Appropriation Act, 1960.*)

Appropriated 1960, [a] **$48,036,000** Estimate 1961, **$49,380,000**

[a] Includes $3,000 appropriated in Supplemental Appropriation Act, 1960.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
United Nations and specialized agencies:			
1. United Nations	$21,505,396	$20,302,115	$19,269,332
2. United Nations Educational, Scientific, and Cultural Organization	3,401,102	3,789,810	3,832,952
3. International Civil Aviation Organization	2,016,968	2,280,358	2,255,000
4. World Health Organization	4,666,480	4,744,090	5,355,110
5. Food and Agriculture Organization	3,000,000	2,997,489	2,999,210
6. International Labor Organization	1,927,685	2,132,464	1,975,364
7. International Telecommunication Union	229,753	225,000	300,000
8. World Meteorological Organization	66,050	70,710	125,918
9. Intergovernmental Maritime Consultative Organization		56,012	49,776
Subtotal	36,813,434	36,598,048	36,162,662
Inter-American organizations:			
1. Inter-American Children's Institute	25,000	25,000	25,000
2. Inter-American Indian Institute	4,800	4,800	4,800
3. Inter-American Institute of Agricultural Sciences	218,021	221,480	228,000
4. Pan American Institute of Geography and History	48,780	48,780	48,780
5. Pan American Railway Congress Association	5,000	5,000	5,000

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Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
Inter-American organizations—Con.			
6. Pan American Health Organization	$1,914,000	$2,310,000	$2,640,000
7. Organization of American States	3,733,649	4,781,878	6,179,098
Subtotal	5,949,250	7,396,938	9,130,678
Regional organizations:			
1. Caribbean Commission	139,534	142,000	139,321
2. South Pacific Commission	68,672	69,777	75,000
3. North Atlantic Treaty Organization	1,326,400	1,714,400	1,493,400
4. North Atlantic Treaty Organization Parliamentary Conference	27,179	27,179	27,179
5. Southeast Asia Treaty Organization	173,438	213,000	315,000
6. Colombo Plan Council for Technical Cooperation		6,350	6,830
Subtotal	1,735,223	2,172,706	2,056,730
Other international organizations:			
1. Interparliamentary Union	18,000	21,000	21,000
2. International Bureau of the Permanent Court of Arbitration	1,140	1,158	1,167
3. International Bureau for the Protection of Industrial Property	1,767	1,767	1,767
4. International Bureau for the Publication of Customs Tariffs	53,633	8,658	8,658
5. International Bureau of Weights and Measures	14,377	14,700	14,700
6. International Council of Scientific Unions	9,000	24,486	31,571
7. International Hydrographic Bureau	9,997	9,997	9,997
8. International Sugar Council	17,150	17,150	20,000
9. International Wheat Council	24,430	24,430	21,510
10. International Atomic Energy Agency	2,029,464	1,682,248	1,899,560
Subtotal	2,178,958	1,805,594	2,029,930
Total obligations	46,676,865	47,973,286	49,380,000
Financing:			
Unobligated balance no longer available	93,734	62,714	
Appropriation (new obligational authority)	46,770,599	48,036,000	49,380,000

The United States contributes its share of the expenses of the United Nations and 8 of its specialized agencies, 7 inter-American organizations, 6 regional organizations, and 10 other organizations. Included for the first time is the Colombo Plan Council for Technical Cooperation which was financed from mutual security appropriations in 1959 and savings in other parts of the Contributions appropriation in 1960.

The growing role of international organizations in world affairs is accompanied by added responsibilities. Along with the costs of new responsibilities, there are higher operating costs.

The major contribution increases are for: (*a*) the World Health Organization for increased international health programs, particularly research, (*b*) the Pan American Health Organization for stepped-up technical assistance and eradication programs, and (*c*) the Organization of American States mainly for additional programs recommended by the Inter-American Committee of Presidential Representatives.

A supplemental appropriation is anticipated for 1960 under Proposed for later transmission.

Object Classification

	1959 actual	1960 estimate	1961 estimate
07 Other contractual services: Services performed by other Department of State accounts	$441,850	$501,400	$601,400
11 Grants, subsidies, and contributions	46,235,015	47,471,886	48,778,600
Total obligations	46,676,865	47,973,286	49,380,000

Missions to International Organizations

For expenses necessary for permanent representation to certain international organizations in which the United States participates pursuant to treaties, conventions, or specific Acts of Congress, including expenses authorized by the pertinent Acts and conventions providing for such representation; salaries, expenses, and allowances of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801–1158); hire of passenger motor vehicles; printing and binding, without regard to section 11 of the Act of March 1, 1919 (44 U.S.C. 111); and purchase of uniforms for guards and chauffeurs; [$1,922,500] *$1,966,000.* (*Department of State Appropriation Act, 1960.*)

Appropriated 1960, [a] **$1,949,500** Estimate 1961, [b] **$1,966,000**

[a] Includes $27,000 appropriated in Supplemental Appropriation Act, 1960.

[b] Includes $150,000 for activities previously carried under "International conferences and contingencies." The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Delegations to—			
1. United Nations	$1,033,463	$1,151,000	$990,000
2. International organizations, Geneva	306,128	302,700	383,000
3. International Civil Aviation Organization	74,564	83,500	86,000
4. Organization of American States	89,131	98,700	92,500
5. International Atomic Energy Agency	220,420	283,100	324,000
6. National Commission, Pan American Railway Congress Association		500	500
7. Interparliamentary Union	18,000	30,000	30,000
8. North Atlantic Treaty Organization Parliamentary Conference	24,000	30,000	30,000
9. Canada-United States Interparliamentary Group		27,000	30,000
Total obligations	1,765,706	2,006,500	1,966,000
Financing:			
Comparative transfers from (−) other accounts	−51,700	−57,000	
Unobligated balance no longer available	74,194		
Appropriation (new obligational authority)	1,788,200	1,949,500	1,966,000

These missions represent the United States in the international organizations listed above, provide continuous reporting, and maintain liaison with international secretariats of the organizations and with delegations of other governments.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	148	148	147
Full-time equivalent of all other positions	1	2	2
Average number of all employees	135	139	140
Number of employees at end of year	137	139	142
Average GS grade and salary	8.0 $6,331	8.1 $6,453	8.0 $6,446
Average grade and salary, grades established by the Foreign Service Act of 1946, as amended (22 U.S.C. 801–1158):			
Foreign Service officers	3.1 $12,038	3.1 $12,285	3.5 $12,320
Foreign Service reserve officers	2.3 $13,798	2.3 $14,039	2.3 $14,338
Foreign Service staff officers and employees	10.8 $5,151	10.8 $5,313	10.8 $5,413
01 Personal services:			
Permanent positions	$1,079,968	$1,111,485	$1,130,145
Positions other than permanent	6,582	17,600	17,600
Other personal services	84,602	104,385	104,450
Total personal services	1,171,152	1,233,470	1,252,195
02 Travel	43,914	60,770	55,500
03 Transportation of things	13,644	27,900	27,800
04 Communication services	54,253	61,500	61,500
05 Rents and utility services	45,021	47,500	47,500
06 Printing and reproduction	2,776	3,500	3,500
07 Other contractual services	33,210	27,750	30,485
Representation	24,591	27,500	27,500
Services performed by other Department of State accounts	227,930	197,700	292,000
08 Supplies and materials	13,279	12,100	12,100
09 Equipment	38,594	157,890	4,000
11 Grants, subsidies, and contributions	55,135	61,370	61,370
15 Taxes and assessments	207	550	550
Unvouchered	42,000	87,000	90,000
Total obligations	1,765,706	2,006,500	1,966,000

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INTERNATIONAL ORGANIZATIONS AND CONFERENCES—Continued

Current authorizations—Continued

International Conferences and Contingencies

For necessary expenses of participation by the United States upon approval by the Secretary of State, in international activities which arise from time to time in the conduct of foreign affairs and for which specific appropriations have not been provided pursuant to treaties, conventions, or special Acts of Congress, including personal services without regard to civil service and classification laws; salaries, expenses, and allowances of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801–1158); hire of passenger motor vehicles; contributions for the share of the United States in expenses of international organizations; and printing and binding without regard to section 11 of the Act of March 1, 1919 (44 U.S.C. 111); [$1,900,000] *$2,450,000,* of which not to exceed a total of $100,000 may be expended for representation allowances as authorized by section 901(3) of the Act of August 13, 1946 (22 U.S.C. 1131), and for entertainment. (*Department of State Appropriation Act, 1960.*)

Appropriated 1960, **$1,900,000** Estimate 1961, [a] **$2,450,000**

[a] Excludes $150,000 for activities transferred to "Missions to international organizations." The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Participation in international conferences:			
Meetings of international organizations	$1,688,163	$1,229,605	$1,576,200
Other international conferences	602,736	250,695	429,300
Total, participation in international conferences	2,290,899	1,480,300	2,005,500
2. U.S. missions on special assignment:			
United States-Italian Conciliation Commission	44,518	45,000	33,000
United States-Japanese Property Commission	8,815	27,000	35,000
Total, U.S. missions on special assignment	53,333	72,000	68,000
3. Contributions to new or provisional organizations:			
Central Treaty Organization (Baghdad Pact)	90,856	125,000	175,000
Central Commission for the Rhine River	12,293	13,200	13,200
Coffee Study Group		15,000	15,000
General Agreement on Tariffs and Trade	102,280	107,000	137,000
International Cotton Advisory Committee	12,500	25,000	25,000
International Rubber Study Group	4,959	5,200	5,400
International Seed Testing Association	294	300	900
Lead and Zinc Study Group			5,000
Total, contributions to new or provisional organizations	223,182	290,700	376,500
Total obligations	2,567,414	1,843,000	2,450,000
Financing:			
Comparative transfers to other accounts	51,700	57,000	
Unobligated balance no longer available	80,886		
Appropriation (new obligational authority)	2,700,000	1,900,000	2,450,000

This appropriation provides for U.S. participation in recurring and emergency international conferences and other activities arising in the conduct of foreign affairs. This includes (*a*) participation in international conferences; (*b*) special missions; and (*c*) contributions to new or provisional organizations. The increase is largely for additional conference activity in 1961.

A supplemental appropriation is anticipated for 1960 under Proposed for later transmission.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	6	7	7
Full-time equivalent of all other positions	5	3	4
Average number of all employees	10	10	8
Number of employees at end of year	5	6	2
Average grade and salary, grades established by the Foreign Service Act of 1946, as amended (22 U.S.C. 801–1158):			
Foreign Service officers		8.0 $4,742	8.0 $4,909
Foreign Service staff officers and employees	11.0 $4,659	11.0 $4,805	11.0 $4,950
Average salary of ungraded positions (local employees)	$2,400	$2,400	$2,400
01 Personal services:			
Permanent positions	$31,461	$38,000	$24,400
Positions other than permanent	69,866	29,400	45,000
Other personal services	15,441	10,000	16,000
Total personal services	116,768	77,400	85,400
02 Travel	1,731,482	1,114,700	1,533,100
03 Transportation of things	10,747	7,100	9,500
04 Communication services	19,302	12,700	16,900
05 Rents and utility services	103,007	68,200	90,800
06 Printing and reproduction	5,874	3,900	5,200
07 Other contractual services	209,310	138,600	184,500
Services performed by other agencies	13,635	16,000	20,000
Representation and entertainment	68,380	70,000	70,000
08 Supplies and materials	50,712	33,700	44,800
09 Equipment	12,024	7,900	10,500
11 Grants, subsidies, and contributions	225,120	292,200	378,500
15 Taxes and assessments	1,053	600	800
Total obligations	2,567,414	1,843,000	2,450,000

International Tariff Negotiations

For necessary expenses of participation by the United States in the fifth round of tariff negotiations beginning in fiscal year 1961, including purchase of not to exceed four passenger motor vehicles, and not to exceed $8,000 for representation allowances as authorized by section 901(3) of the Act of August 13, 1946 (22 U.S.C. 1131) and for entertainment, $900,000: Provided, That this appropriation shall be available in accordance with authority specified in the current appropriation for "International conferences and contingencies." (19 U.S.C. 1351.)

Estimate 1961, **$900,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Participation in international conference (total obligations)			$900,000
Financing:			
Appropriation (new obligational authority)			900,000

This appropriation provides for U.S. participation in negotiations of trade agreements under the General Agreements on Tariffs and Trade, pursuant to the Trade Agreements Extension Act of 1958. These negotiations will start in Geneva in September 1960 and continue 12 to 14 months.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions			24
Full-time equivalent of all other positions			13
Average number of all employees			33
Number of employees at end of year			37
Average GS grade and salary			5.6 $4,713
Average grade and salary established by the Foreign Service Act of 1946, as amended (22 U.S.C. 801–1158)			4.2 $9,857
01 Personal services:			
Permanent positions			$167,600
Positions other than permanent			55,300
Other personal services			5,300
Total personal services			228,200

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Object Classification—Continued

		1959 actual	1960 estimate	1961 estimate
02	Travel			$605,000
03	Transportation of things			5,000
04	Communication services			7,500
05	Rents and utility services			12,500
06	Printing and reproduction			5,000
07	Other contractual services			9,500
	Representation			8,000
08	Supplies and materials			7,500
09	Equipment			9,800
11	Grants, subsidies, and contributions			2,000
	Total obligations			900,000

Proposed for later transmission:

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
United Nations and specialized agencies: United Nations (total obligations)		$6,550,000	
Financing:			
Proposed supplemental appropriation		6,550,000	

Under existing legislation, 1960.—It is anticipated that a supplemental appropriation will be requested to meet the U.S. share of the cost assessed to maintain the United Nations Emergency Force for the calendar year 1960.

INTERNATIONAL CONFERENCES AND CONTINGENCIES

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Participation in international conferences: Other international conferences (total obligations)		$800,000	
Financing:			
Proposed supplemental appropriation		800,000	

Under existing legislation, 1960.—An additional appropriation is anticipated to meet expenses of the proposed summit meeting and related negotiations being scheduled for 1960.

INTERNATIONAL COMMISSIONS

Current authorizations:

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO

The Commission consists of a U.S. section, with headquarters at El Paso, Tex., and a Mexican section, with headquarters at Ciudad Juarez, Chihuahua, and has the status of an international body. It was created in 1889 by the United States and Mexico to provide a practical means for solving mutual boundary problems.

For expenses necessary to enable the United States to meet its obligations under the treaties of 1884, 1889, 1905, 1906, 1933, and 1944 between the United States and Mexico, and to comply with the other laws applicable to the United States Section, International Boundary and Water Commission, United States and Mexico, including operation and maintenance of the Rio Grande rectification, canalization, flood control, bank protection, water supply, power, irrigation, boundary demarcation, and sanitation projects; detailed plan preparation and construction (including surveys and operation and maintenance and protection during construction); Rio Grande emergency flood protection; expenditures for the purposes set forth in sections 101 through 104 of the Act of September 13, 1950 (22 U.S.C. 277d–1—277d–4); purchase of four passenger motor vehicles for replacement only; purchase of planographs and lithographs; uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131); and leasing of private property to remove therefrom sand, gravel, stone, and other materials, without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5); as follows: (*Department of State Appropriation Act, 1960.*)

SALARIES AND EXPENSES

For salaries and expenses not otherwise provided for, including examinations, preliminary surveys, and investigations, [$573,000] *$578,000.* (*Department of State Appropriation Act, 1960.*)

Appropriated 1960, **$573,000** Estimate 1961, **$578,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs:			
1. General administration	$330,613	$342,400	$345,400
2. General engineering	183,450	180,900	182,400
3. Project investigations	35,268	54,200	54,700
Total operating costs	549,331	577,500	582,500
4. Unfunded adjustments to total operating costs:			
Depreciation included above (−)	−4,313	−5,000	−5,000
Property or services transferred out without charge, net	833		
Total operating costs, funded	545,851	572,500	577,500
Capital outlay:			
5. Operating program	3,033	500	500
Total program costs, funded	548,884	573,000	578,000
6. Relation of costs to obligations: Obligations incurred for costs of other years, net	4,619		
Total program (obligations)	553,503	573,000	578,000
Financing:			
Unobligated balance no longer available	497		
Appropriation (new obligational authority)	554,000	573,000	578,000

1. *General administration.*—Activities include overall control of the operations of the U.S. section of the Commission, formulation of policies and procedures, financial management, and negotiations with Mexico to solve international problems.

2. *General engineering.*—This provides for (*a*) measurement and determination of the national ownership of boundary waters; (*b*) technical engineering guidance and supervision of the planning, construction, and operation of international projects of which 9 have been completed and 1 is now under construction; and (*c*) studies relating to international problems of a continuing nature.

3. *Project investigations.*—Preliminary investigations are made to determine the feasibility of joint projects for the solution of international problems arising along the boundary. The proposed program for 1961 includes investigations of the following projects: (*a*) Lower Colorado River flood control, (*b*) Tijuana River development, (*c*) Rio Grande stream-gaging control weirs, and (*d*) Lower Rio Grande flood control.

6. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$106	$122	$122	$122
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	3,224	7,061	7,061	7,061
Total selected resources at end of year	3,330	7,183	7,183	7,183
Selected resources at start of year (−)		−3,330	−7,183	−7,183
Adjustment of selected resources reported at start of year		766		
Obligations incurred for costs of other years, net		4,619		

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INTERNATIONAL COMMISSIONS—Continued

Current authorizations—Continued

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO—Continued

SALARIES AND EXPENSES—continued

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	73	77	77
Average number of all employees	71	75	75
Number of employees at end of year	70	75	75
Average GS grade and salary	7.8 $6,726	7.6 $6,558	7.6 $6,601
Average salary of ungraded positions	$4,114	$4,566	$4,566
01 Personal services:			
Permanent positions	$473,546	$492,892	$494,342
Positions other than permanent		1,000	1,000
Other personal services	19,806	21,308	19,858
Total personal services	493,352	515,200	515,200
02 Travel	4,189	5,450	5,450
03 Transportation of things	663	1,500	1,500
04 Communication services	6,353	5,700	5,700
06 Printing and reproduction	710	1,000	1,000
07 Other contractual services	3,524	5,000	10,000
Services performed by other agencies	20		
08 Supplies and materials	8,561	7,400	7,400
09 Equipment	5,721	500	500
11 Grants, subsidies, and contributions	30,189	31,150	31,150
13 Refunds, awards, and indemnities	20		
15 Taxes and assessments	201	100	100
Total obligations	553,503	573,000	578,000

OPERATION AND MAINTENANCE

For operation and maintenance of projects or parts thereof, as enumerated above, including gaging stations, [$2,160,000] *$1,982,000*: *Provided*, That expenditures for the Rio Grande bank protection project shall be subject to the provisions and conditions contained in the appropriation for said project as provided by the Act approved April 25, 1945 (59 Stat. 89). (*Department of State Appropriation Act, 1960.*)

Appropriated 1960, [a] **$2,610,000** Estimate 1961, **$1,982,000**

[a] Includes $450,000 appropriated in Supplemental Appropriation Act, 1960.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs:			
1. El Paso projects	$542,719	$1,321,230	$741,285
2. Lower Rio Grande flood control project	478,642	716,010	653,550
3. Falcon Dam and powerplant	236,616	265,860	279,565
4. International gaging stations	250,094	262,000	268,400
5. Rio Grande emergency flood protection	495,657	355,943	
Total operating costs	2,003,728	2,921,043	1,942,800
6. Unfunded adjustments to total operating costs:			
Depreciation included above (−)	−109,031	−126,500	−135,500
Property or services transferred in (−) without charge, net	−1,194		
Total operating costs, funded	1,893,503	2,794,543	1,807,300
Capital outlay:			
7. Replacement of equipment	209,634	171,400	174,700
Total program costs, funded	2,103,137	2,965,943	1,982,000
8. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−355,943	
Obligations incurred for costs of other years, net	273,629		
Total program (obligations)	2,376,766	2,610,000	1,982,000
Financing:			
1959 appropriation available in 1958	122,405		
Unobligated balance no longer available	2,329		
Appropriation (new obligational authority)	2,501,500	2,610,000	1,982,000

This appropriation finances the operation and maintenance of flood control dams and other structures, a powerplant, and stream gaging stations on the international rivers and tributaries.

The following table summarizes the major maintenance workload.

PROGRAM WORKLOAD SUMMARY

Item	*Unit*	*Quantities performed, 1959*	*Quantities proposed, 1960*	*Quantities proposed, 1961*
1. River channel:				
(a) Clearing	Acre	345	700	700
(b) Revetment placing	Mile	3.14	20.86	4.14
(c) Excavation	Cubic yard.	209,295	2,078,300	843,210
2. Levees:				
(a) Clearing	Acre	5,700	5,700	5,700
(b) Surfacing	Mile	20.18	20	20
(c) Road maintenance	Mile	642	692	692
(d) Embankment	Cubic yard.	74,913	23,125	23,125
(e) Rodent control	Acre	289	1,200	1,200
(f) Reconditioning	Mile	56.8	55	55
(g) Road surfacing	Mile	11.9	33	16.5
3. Floodways:				
(a) Clearing	Acre	8,900	8,900	8,900
(b) Leveling	Acre	699	700	700
(c) Rodent control	Acre	6,306	9,200	9,200
4. Pilot channel:				
(a) Excavation	Cubic yard.	12,993	30,000	30,000
(b) Earthwork	Cubic yard.	33,040	12,000	12,000
(c) Road maintenance	Mile	10	40	40
(d) Rock riprap	Cubic yard.	597	500	500
5. Canal: Maintenance	Mile	14.5	15	15
6. Arroyo control: Earthwork	Cubic yard.	246,110	240,000	240,000

7. *Replacement of equipment.*—Provides for necessary replacement of heavy duty maintenance equipment.

8. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$200,314	$165,180	$165,180	$165,180
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	98,950	394,107	38,164	38,164
Total selected resources at end of year	299,264	559,287	203,344	203,344
Selected resources at start of year (−)		−299,264	−559,287	−203,344
Adjustment of selected resources reported at start of year		13,606		
Costs financed from obligations of other years, net (−)			−355,943	
Obligations incurred for costs of other years, net		273,629		

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	235	309	273
Full-time equivalent of all other positions	19	5	5
Average number of all employees	252	290	270
Number of employees at end of year	268	285	265
Average GS grade and salary	6.2 $5,687	6.0 $5,421	6.1 $5,639
Average salary of ungraded positions	$4,346	$4,519	$4,540
01 Personal services:			
Permanent positions	$1,107,692	$1,370,302	$1,288,552
Positions other than permanent	64,816	18,350	18,350
Other personal services	52,063	26,870	22,420
Total personal services	1,224,571	1,415,522	1,329,322
02 Travel	8,543	5,750	5,750
03 Transportation of things	11,572	13,550	13,550
04 Communication services	28,557	16,150	18,650
05 Rents and utility services	17,970	14,500	14,500
06 Printing and reproduction	57	50	50
07 Other contractual services	660,730	434,150	116,150
Services performed by other agencies	1,650		
08 Supplies and materials	304,460	296,200	243,200
09 Equipment	171,242	172,500	176,200
10 Lands and structures	15,047	177,000	
11 Grants, subsidies, and contributions	67,687	81,978	81,978
13 Refunds, awards, and indemnities	125		
15 Taxes and assessments	3,312	650	650
1959 appropriation available in 1958	−122,405		
Subtotal	2,393,118	2,628,000	2,000,000
Deduct quarters and subsistence charges	16,352	18,000	18,000
Total obligations	2,376,766	2,610,000	1,982,000

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CONSTRUCTION

For detailed plan preparation and construction of projects authorized by the Convention concluded February 1, 1933, between the United States and Mexico, the Acts approved August 19, 1935, as amended (22 U.S.C. 277–277f), August 29, 1935 (49 Stat. 961), June 4, 1936 (49 Stat. 1463), June 28, 1941 (22 U.S.C. 277f), September 13, 1950 (22 U.S.C. 277d–1–9), and the projects stipulated in the treaty between the United States and Mexico signed at Washington on February 3, 1944, [$1,000,000] *$4,000,000,* to remain available until expended: *Provided,* That no expenditures shall be made for the Lower Rio Grande flood-control project for construction on any land, site, or easement in connection with this project except such as has been acquired by donation and the title thereto has been approved by the Attorney General of the United States: *Provided further,* That the Anzalduas diversion dam shall not be operated for irrigation or water supply purposes in the United States unless suitable arrangements have been made with the prospective water users for repayment to the Government of such portions of the costs of said dam as shall have been allocated to such purposes by the Secretary of State. *(Department of State Appropriation Act, 1960.)*

Appropriated 1960, [a] **$1,400,000** Estimate 1961, **$4,000,000**

[a] Includes $400,000 appropriated in Supplemental Appropriation Act, 1960.

Program and Financing

	Costs to this appropriation					Analysis of 1961 financing			
	Total estimate	To June 30, 1958	1959 actual	1960 estimate	1961 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1961	Appropriation required to complete
Program by activities:									
1. Rio Grande international dams program:									
(a) Falcon Dam and powerplant	$36,826,602	$35,363,940	$137,722	$1,324,940					
(b) Amistad (Diablo) Dam and Reservoir	1,552,602	1,509,883	17,850	24,869					
2. Lower Rio Grande flood control:									
(a) Anzalduas Dam and related works	6,725,103	2,370,622	1,640,734	1,815,747	$898,000			$898,000	
(b) Modification of levee system	11,240,000				2,800,000		$200,000	3,000,000	$8,240,000
3. Douglas-Agua Prieta sanitation project	25,000				25,000			25,000	
4. Rio Grande gaging stations	500,000				77,000			77,000	423,000
Total program costs	56,869,307	39,244,445	1,796,306	3,165,556	3,800,000		200,000	4,000,000	8,663,000
5. Relation of costs to obligations:									
Costs financed from obligations of other years, net (−)				−368,131					
Obligations incurred for costs of other years, net			210,397		200,000				
Total program (obligations)			2,006,703	2,797,425	4,000,000				
Financing:									
Unobligated balance brought forward			−2,404,128	−1,397,425					
Unobligated balance carried forward			1,397,425						
Appropriation (new obligational authority)			1,000,000	1,400,000	4,000,000				

1. *Rio Grande international dams program.*—A report on the Amistad (Diablo) Dam and Reservoir project, the second major international storage structure contemplated by the 1944 water treaty, was submitted to the Congress in June 1959. Funds will be requested to initiate construction on this project following the enactment of authorizing legislation.

2. *Lower Rio Grande flood control.*—The 1961 program provides for the completion of the Anzalduas Dam and initiation of construction on the modification of the flood control levee system.

3. *Douglas-Agua Prieta sanitation project.*—The U.S. share of the cost of expansion of the Douglas-Agua Prieta international sewage treatment plant will be funded in 1961.

4. *Rio Grande gaging stations.*—The water measurement facilities of the gaging stations on the Rio Grande will be improved to provide a higher degree of accuracy in measuring river flows.

5. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$116,140	$338,600		$200,000
Equipment (acquisition value of facilities used on projects, less depreciation charged to project costs)	41,594	29,531		
Total selected resources at end of year	157,734	368,131		200,000
Selected resources at start of year (−)		−157,734	−$368,131	
Costs financed from obligations of other years, net (−)			−368,131	
Obligations incurred for costs of other years, net		210,397		200,000

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	16	25	68
Full-time equivalent of all other positions	2	3	2
Average number of all employees	17	28	67
Number of employees at end of year	22	25	66
Average GS grade and salary	8.2 $6,839	7.6 $6,169	6.6 $5,125
Average salary of ungraded positions			$3,492
01 Personal services:			
Permanent positions	$99,376	$150,806	$304,900
Positions other than permanent	8,880	11,490	9,000
Other personal services	6,281	3,075	5,750
Total personal services	114,537	165,371	319,650
02 Travel	3,077	3,500	3,500
03 Transportation of things	1,423	2,500	6,500
04 Communication services	3,277	3,600	4,600
05 Rents and utility services	1,498	1,500	500
07 Other contractual services	11,535	1,500	10,000
Services performed by other agencies	152		
08 Supplies and materials	10,972	12,000	85,000
09 Equipment	4,550	2,500	31,500
10 Lands and structures	1,849,549	2,471,000	3,521,000
11 Grants, subsidies, and contributions	6,476	9,200	17,000
14 Interest	127	125,000	
15 Taxes and assessments	190	414	750
Subtotal	2,007,363	2,798,085	4,000,000
Deduct quarters and subsistence charges	660	660	
Total obligations	2,006,703	2,797,425	4,000,000

RIO GRANDE EMERGENCY FLOOD PROTECTION

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Emergency repairs (total costs—obligations)	$112,021		
Financing:			
Unobligated balance brought forward	−112,022		
Unobligated balance no longer available	1		
Appropriation (new obligational authority)			

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INTERNATIONAL COMMISSIONS—Continued

Current authorizations—Continued

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO—Continued

RIO GRANDE EMERGENCY FLOOD PROTECTION—continued

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Full-time equivalent of all other positions	14		
	Average number of all employees	14		
	Number of employees at end of year	0		
01	Personal services:			
	Permanent positions	$2,324		
	Positions other than permanent	36,981		
	Other personal services	30,470		
	Total personal services	69,775		
02	Travel	1,097		
03	Transportation of things	365		
04	Communication services	1,405		
05	Rents and utility services	120		
07	Other contractual services	17,517		
08	Supplies and materials	17,568		
09	Equipment	2,099		
11	Grants, subsidies, and contributions	1,685		
15	Taxes and assessments	390		
	Total obligations	112,021		

AMERICAN SECTIONS, INTERNATIONAL COMMISSIONS

For expenses necessary to enable the President to perform the obligations of the United States pursuant to treaties between the United States and Great Britain, in respect to Canada, signed January 11, 1909 (36 Stat. 2448), and February 24, 1925 (44 Stat. 2102), the treaty between the United States and Canada signed February 27, 1950, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); hire of passenger motor vehicles; [$345,000] *$385,000*, to be disbursed under the direction of the Secretary of State, and to be available also for additional expenses of the American Sections, International Commissions, as hereinafter set forth:

International Joint Commission, United States and Canada, the salary of one Commissioner on the part of the United States who shall serve at the pleasure of the President (the other Commissioners to serve in that capacity without compensation therefor); salaries of clerks and other employees appointed by the Commissioners on the part of the United States with the approval solely of the Secretary of State; travel expenses and compensation of witnesses in attending hearings of the Commission at such places in the United States and Canada as the Commission or the American Commissioners shall determine to be necessary; and special and technical investigations in connection with matters falling within the Commission's jurisdiction: *Provided*, That transfers of funds may be made to other agencies of the Government for the performance of work for which this appropriation is made.

International Boundary Commission, United States[, Alaska,] and Canada, the completion of such remaining work as may be required under the award of the Alaskan Boundary Tribunal and the existing treaties between the United States and Great Britain; commutation of subsistence to employees while on field duty, not to exceed $8 per day each (but not to exceed $5 per day each when a member of a field party and subsisting in camp); hire of freight and passenger motor vehicles from temporary field employees; and payment for timber necessarily cut in keeping the boundary line clear. (*Department of State Appropriation Act, 1960.*)

Appropriated 1960, **$345,000** Estimate 1961, **$385,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. International Boundary Commission	$95,266	$96,065	$104,000
2. International Joint Commission:			
(a) U.S. section	57,175	59,835	74,000
(b) Special and technical investigations, International Joint Commission:			
(1) Allocation to Public Health Service	69,169	69,600	77,000
(2) Allocation to Geological Survey	119,500	119,500	130,000
Total obligations	341,110	345,000	385,000

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Financing:			
Unobligated balance no longer available	$690		
Appropriation (new obligational authority)	341,800	$345,000	$385,000

These funds are used for payment of the U.S. share of the expenses of:

1. *International Boundary Commission.*—This Commission keeps the United States-Canadian boundary line marked in accordance with existing treaties. It also maintains boundary vistas by periodic tree cutting and chemical vegetation control.

2. *International Joint Commission.*—This Commission studies United States-Canadian border matters, such as investigation of water and smoke pollution in conjunction with the Public Health Service, and gathering stream flow data in cooperation with the Geological Survey. It also acts to insure appropriate apportionment of international waters and, upon referral, investigates and makes recommendations for remedial action.

Object Classification

		1959 actual	1960 estimate	1961 estimate
	DEPARTMENT OF STATE			
	Total number of permanent positions	12	12	12
	Full-time equivalent of all other positions	6	6	6
	Average number of all employees	17	17	17
	Number of employees at end of year	24	32	32
	Average GS grade and salary	9.9 $7,965	9.9 $8,006	9.9 $8,035
01	Personal services:			
	Permanent positions	$97,194	$100,288	$104,145
	Positions other than permanent	15,883	16,000	16,000
	Other personal services	11,602	11,985	11,616
	Total personal services	124,679	128,273	131,761
02	Travel	11,810	13,200	17,185
03	Transportation of things	29	100	400
04	Communication services	742	900	2,050
05	Rents and utility services	292	300	300
06	Printing and reproduction	100	440	5,700
07	Other contractual services	5,936	3,540	7,115
08	Supplies and materials	2,100	2,150	5,395
09	Equipment	211	200	800
11	Grants, subsidies, and contributions	6,078	6,297	6,794
15	Taxes and assessments	464	500	500
	Total, Department of State	152,441	155,900	178,000
	ALLOCATION ACCOUNTS			
	Total number of permanent positions	8	8	8
	Full-time equivalent of all other positions	1	1	1
	Average number of all employees	8	8	8
	Number of employees at end of year	6	8	8
	Average GS grade and salary	7.0 $6,519	7.1 $6,521	7.1 $6,521
01	Personal services:			
	Permanent positions	$42,825	$45,318	$44,818
	Positions other than permanent	5,763	5,270	5,426
	Other personal services	134	312	156
	Total personal services	48,722	50,900	50,400
02	Travel	2,403	3,000	3,000
03	Transportation of things	300	400	400
04	Communication services	2,088	2,100	2,100
05	Rents and utility services	2,305	1,000	1,000
06	Printing and reproduction	2,379	400	7,900
07	Other contractual services	707	850	1,250
	Services performed by other agencies	119,500	119,500	130,000
08	Supplies and materials	5,774	6,000	6,000
09	Equipment	1,534	1,700	1,700
11	Grants, subsidies, and contributions	2,816	3,000	3,000
15	Taxes	141	250	250
	Total, allocation accounts	188,669	189,100	207,000
	Total obligations	341,110	345,000	385,000
	Obligations are distributed as follows:			
	Department of State	$152,441	$155,900	$178,000
	Department of Health, Education, and Welfare	69,169	69,600	77,000
	Department of the Interior	119,500	119,500	130,000

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International Fisheries Commissions

For expenses, not otherwise provided for, necessary to enable the United States to meet its obligations in connection with participation in international fisheries commissions pursuant to treaties or conventions, and implementing Acts of Congress, [$1,725,000] *$1,925,000: Provided*, That the United States share of such expenses may be advanced to the respective commissions. (*Department of State Appropriation Act, 1960.*)

Appropriated 1960, **$1,725,000** Estimate 1961, **$1,925,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. International Pacific Halibut Commission	$121,738	$121,900	$139,000
2. International Pacific Salmon Fisheries Commission	233,560	246,650	231,400
3. Inter-American Tropical Tuna Commission	352,700	372,700	372,700
4. International Commission for the Northwest Atlantic Fisheries	5,035	5,690	5,690
5. International Whaling Commission	560	600	600
6. International North Pacific Fisheries Commission	16,907	17,210	17,210
7. Great Lakes Fishery Commission	918,800	946,287	946,287
8. North Pacific Fur Seal Commission	1,200	2,000	2,000
9. Tortugas Shrimp Commission			200,000
10. Expenses of the U.S. commissioners	6,092	11,963	10,113
Total obligations	1,656,592	1,725,000	1,925,000
Financing:			
Unobligated balance no longer available	7,108		
Appropriation (new obligational authority)	1,663,700	1,725,000	1,925,000

These funds are used for payment of the U.S. share of the expenses of nine international fisheries commissions. The commissions conduct studies to determine measures necessary for the preservation and expansion of fishery stocks. In addition, the Halibut and Salmon Commissions regulate the fisheries under their jurisdiction, and in the Great Lakes the Commission carries on a lamprey control program.

A supplemental appropriation is anticipated for 1960 under Proposed for later transmission.

Object Classification

	1959 actual	1960 estimate	1961 estimate
02 Travel	$6,092	$11,963	$10,113
11 Grants, subsidies, and contributions	1,650,500	1,713,037	1,914,887
Total obligations	1,656,592	1,725,000	1,925,000

Passamaquoddy Tidal Power Survey

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Engineering survey	$387,472	$210,068	
2. Power marketing studies	37,075	9,600	
3. Commercial fishery studies	46,037	8,094	
4. Administration	13,457	16,550	
Total obligations	484,041	244,312	
Financing:			
Unobligated balance brought forward	−105,753	−244,312	
Unobligated balance carried forward	244,312		
Appropriation (new obligational authority)	622,600		

A survey is being completed by the International Joint Commission as to the economic feasibility of a tidal power project at Passamaquoddy Bay, situated between Maine and New Brunswick Province, Canada. The purpose of the survey is to determine (*a*) the cost of construction, (*b*) whether or not such cost would allow hydroelectric power to be produced at a reasonable price, and (*c*) what contribution the project would make to the national economy and defense.

Three U.S. Government agencies are participating. The Corps of Engineers has completed an investigation of powerplant construction and location requirements. The Federal Power Commission, together with the Corps of Engineers, has studied the potential power market and transmission problems. The Fish and Wildlife Service, in cooperation with the Government of Canada, has studied the potential effect on fisheries in the area. Reports on these phases of the survey have been submitted, except for certain appendixes, to the International Joint Commission. During 1960, the International Joint Commission will consider these reports and prepare its final recommendations to the Governments of Canada and the United States. Carryover funds are being used to complete the survey.

Object Classification

	1959 actual	1960 estimate	1961 estimate
DEPARTMENT OF STATE			
07 Other contractual services: Services performed by other agencies	$50,532	$26,150	
ALLOCATION ACCOUNTS			
Total number of permanent positions	48	17	
Full-time equivalent of all other positions	1		
Average number of all employees	40	13	
Number of employees at end of year	31	0	
Average GS grade and salary	11.7 $8,125	12.0 $8,600	
01 Personal services:			
Permanent positions	$344,307	$122,096	
Positions other than permanent	3,682		
Other personal services	3,395	1,404	
Total personal services	351,384	123,500	
02 Travel	5,510	4,500	
03 Transportation of things	1,433	200	
04 Communication services	1,373	400	
05 Rents and utility services	2,696	800	
06 Printing and reproduction	822	8,194	
07 Other contractual services	21,743	15,200	
Services performed by other agencies	21,397	56,968	
08 Supplies and materials	4,297	800	
09 Equipment	1,361		
11 Grants, subsidies, and contributions	21,339	7,600	
15 Taxes and assessments	154		
Total, allocation accounts	433,509	218,162	
Total obligations	484,041	244,312	
Obligations are distributed as follows:			
Department of State	$50,532	$26,150	
Corps of Engineers, Army	387,472	210,068	
Fish and Wildlife Service, Department of the Interior	46,037	8,094	

Restoration of Salmon Runs, Fraser River System, International Pacific Salmon Fisheries Commission

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
International Pacific Salmon Fisheries Commission (total costs—obligations) (object class 11)		$50,000	
Financing:			
Unobligated balance brought forward	−$52,880	−52,880	
Unobligated balance carried forward	52,880		
Unobligated balance no longer available		2,880	
Appropriation (new obligational authority)			

Obligations in 1960 will finance one-half of the construction costs of a laboratory to be built on the Fraser River. Canada will fund the other half of the cost. The new laboratory will provide facilities for analysis of water to determine the presence and effects of toxic pollutants and other factors affecting salmon survival.

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INTERNATIONAL COMMISSIONS—Continued

Proposed for later transmission:

INTERNATIONAL FISHERIES COMMISSIONS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Tortugas Shrimp Commission (total obligations)		$55,000	
Financing:			
Proposed supplemental appropriation		55,000	

Under existing legislation, 1960.—This supplemental appropriation is to provide for the U.S. share of the first half year's operation of the Commission for the Conservation of Shrimp in the Eastern Gulf of Mexico (Tortugas Shrimp Commission) under the International Convention for the Conservation of Shrimp which came into force on September 4, 1959.

EDUCATIONAL EXCHANGE

Current authorizations:

INTERNATIONAL EDUCATIONAL EXCHANGE ACTIVITIES

For necessary expenses, not otherwise provided for, to enable the Department of State to carry out international educational exchange activities, as authorized by the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1431–1479), and the Act of August 9, 1939 (22 U.S.C. 501), and to administer the programs authorized by section 32 (b) (2) of the Surplus Property Act of 1944, as amended (50 U.S.C. App. 1641(b)), the Act of August 24, 1949 (20 U.S.C. 222–224), and the Act of September 29, 1950 (20 U.S.C. 225), including salaries, expenses, and allowances of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801–1158); hire of passenger motor vehicles; entertainment within the United States (not to exceed $1,000); services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); and advance of funds notwithstanding section 3648 of the Revised Statutes, as amended; [$23,210,000] *$28,200,000*, of which not less than $5,500,000 shall be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States: *Provided*, That not to exceed [$1,437,500] *$1,700,000* may be used for administrative expenses during the current fiscal year. (*Department of State Appropriation Act, 1960.*)

Appropriated 1960, **$23,210,000** Estimate 1961, **$28,200,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Governmental program expense:			
(a) American republics	$4,946,645	$4,498,000	$5,206,000
(b) Western Europe	7,392,945	6,868,000	6,866,000
(c) Eastern Europe	224,682	472,500	611,000
(d) Far East	4,170,840	4,313,300	6,347,000
(e) Near East and South Asia	2,972,550	3,397,800	4,496,000
(f) Africa	1,774,923	2,073,200	2,841,000
2. Grants for private U.S. programs	137,046	150,000	150,000
3. Administrative expenses	1,412,463	1,437,200	1,683,000
Total obligations	23,032,094	23,210,000	28,200,000
Financing:			
Unobligated balance no longer available	67,906		
Appropriation (new obligational authority)	23,100,000	23,210,000	28,200,000

The primary objective of the program is the promotion of U.S. foreign policy through the exchange of key persons between the United States and over 80 foreign countries in the fields of teaching, study, research, professional and governmental observation, lecturing, and the acquiring of specialized practical experience. Assistance is provided also to American-sponsored schools abroad and to some private exchange projects.

In addition to the dollars appropriated for this program a portion of the foreign currencies derived from sales abroad of surplus agricultural commodities is made available to finance educational exchanges. The total obligations for this program are shown in the following table:

	1959 actual	*1960 estimate*	*1961 estimate*
Regular appropriations	$23,032,094	$23,210,000	$28,200,000
Special foreign currency programs	5,869,916	7,337,300	13,996,706
Total	28,902,010	30,547,300	42,196,706

Educational exchange grants for U.S. and foreign participants are estimated as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
U.S. grantees	2,231	2,127	2,669
Foreign grantees	5,523	5,165	6,364
Total grantees	7,754	7,292	9,033

Exchange of persons programs with the Far East, Near East, Africa, and Latin America will be substantially increased in 1961. Increased emphasis will be placed on leader-specialist exchanges as well as academic exchanges.

Object Classification

	1959 actual	1960 estimate	1961 estimate
DEPARTMENT OF STATE			
Total number of permanent positions	280	280	300
Average number of all employees	248	260	287
Number of employees at end of year	251	270	290
Average GS grade and salary	7.6 $6,179	7.6 $6,219	7.6 $6,143
Average grade and salary, grades established by the Foreign Service Act of 1946, as amended (22 U.S.C. 801–1158):			
Foreign Service officer	6.4 $7,635	6.4 $7,715	6.4 $7,715
Foreign Service reserve officer	5.5 $8,643	5.5 $8,747	5.5 $8,747
Foreign Service staff officer	4.1 $10,150	4.1 $10,150	4.1 $10,150
01 Personal services:			
Permanent positions	$1,632,216	$1,728,146	$1,883,394
Other personal services	41,043	50,954	49,906
Total personal services	1,673,259	1,779,100	1,933,300
02 Travel	68,382	85,000	90,000
07 Other contractual services	2,556,574	2,783,000	3,427,000
Services performed by other agencies	2,488,000	2,580,000	3,110,000
11 Grants, subsidies, and contributions	14,688,396	15,981,900	19,638,700
15 Taxes and assessments	720	1,000	1,000
Total, Department of State	21,475,331	$23,210,000	$28,200,000
ALLOCATION ACCOUNTS			
Total number of permanent positions	49		
Average number of all employees	45		
Number of employees at end of year	47		
Average GS grade and salary	8.6 $6,990		
01 Personal services:			
Permanent positions	$294,046		
Positions other than permanent	2,460		
Other personal services	2,011		
Total personal services	298,517		
02 Travel	15,904		
03 Transportation of things	4		
04 Communication services	9,249		
06 Printing and reproduction	6,159		
07 Other contractual services	8,036		
08 Supplies and materials	3,844		
09 Equipment	1,620		
11 Grants, subsidies, and contributions	1,213,387		
13 Refunds, awards, and indemnities	10		
15 Taxes and assessments	33		
Total, allocation accounts	1,556,763		
Total obligations	23,032,094	$23,210,000	$28,200,000
Obligations are distributed as follows:			
Department of State	$21,475,331	$23,210,000	$28,200,000
Department of Labor	199,214		
Department of the Interior	150		
Department of Health, Education, and Welfare	1,350,439		
Library of Congress	6,960		

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INTERNATIONAL EDUCATIONAL EXCHANGE ACTIVITIES (SPECIAL FOREIGN CURRENCY PROGRAM)

For purchase of foreign currencies which accrue under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for the purposes authorized by sections 104(h) relating to interchange of persons programs under title II of the United States Information and Educational Exchange Act of 1948, as amended (22 U.S.C. 1446), 104(j), 104(k), 104(o), and 104(p) of the Agricultural Trade Development and Assistance Act, as amended, to remain available until expended, $6,960,610, of which not less than $2,862,500 shall be available to purchase currencies which the Treasury Department shall determine to be excess to normal requirements of the United States: Provided, That this appropriation shall not be used for the purchase of currencies available in the Treasury for the purposes of section 104(f) of such Act unless such currencies are excess to the normal requirements of the United States: Provided further, That the dollar value of the unexpended balances, as of June 30, 1960, of allocations of foreign currencies heretofore made to Department of State for the purposes of such section 104(j) is appropriated as of that date and shall be merged with this appropriation.

Appropriated (indefinite) 1960, **$3,000,000**

Estimate 1961, **$6,960,610**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Aid to American-sponsored schools	$1,967,934	$2,930,809	$3,764,310
2. Educational exchange (Public Law 402)			970,700
3. Educational Development			750,000
4. Chairs and workshops			1,475,600
Total obligations (object class 11)	1,967,934	2,930,809	6,960,610
Financing:			
Unobligated balance brought forward	−965,200	−1,180,402	
Unobligated balance carried forward	1,180,402		
Adjustment due to change in exchange rates to permit conversion to dollar equivalents	42,554		
Authorization to expend foreign currency receipts (net of proposed appropriation to cover balances as of June 30, 1960)	−2,225,690	1,249,593	
New obligational authority		3,000,000	6,960,610
New obligational authority:			
Indefinite (proposed in appropriation language above)		$3,000,000	
Definite			$6,960,610
Appropriation		3,000,000	6,960,610

NOTE.—The gross foreign currency authorization in 1960 is $1,750,407. The schedule above covers foreign currency authorizations for 1959 and 1960. The appropriation recommended for 1960 is equal to the unexpended balance of previous foreign currency authorizations as of June 30, 1960. All transactions in 1961 relate to appropriations.

Foreign currencies derived from the sales of agricultural commodities under title I of the Agricultural Trade Development and Assistance Act of 1954 (68 Stat. 454) are available to the U.S. Government for certain international educational and cultural activities as stipulated in sections 104(h), 104(j), 104(k), 104(o), and 104(p) of that act.

Beginning in 1961, these currencies will be subject to the regular appropriation process when used for programs authorized under these sections. A dollar appropriation of $6,960,610, to remain available until expended, is therefore requested for 1961 for the purchase of such currencies. In addition, it is requested that a dollar appropriation for 1960 be made in an amount sufficient to provide for the purchase of the unexpended balance of currencies as of June 30, 1960, which had previously been made available to the Department of State without appropriation, such appropriation to be merged with the appropriation for 1961 previously mentioned.

Programs financed from these appropriations will provide for: (*a*) aid to American-sponsored schools abroad; (*b*) the interchange of persons as authorized under title II of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1446); (*c*) special educational development programs between American and foreign universities; and (*d*) the establishment and support of workshops and university chairs of American studies abroad. The latter three of these programs will be undertaken for the first time in 1961. Dollar support for these latter three programs is planned to be obtained principally from private sources. The regular international exchange dollar appropriation includes $275,000 for aid to American-sponsored schools. Totals presented in the program narrative of that appropriation summarize the total educational exchange program of the Department of State.

Status of Unfunded Allocations

	1959 actual	1960 estimate	1961 estimate
Unfunded balance, start of year	$1,314,817	$1,530,019	
Allocations	2,225,690	1,750,407	
Unfunded balance expiring		−349,617	
Adjustment due to change in exchange rates to permit conversion to dollar equivalent	−42,554		
Unfunded balance, end of year	−1,530,019		
Transfers into agency account	1,967,934	2,930,809	

Analysis of Expenditures

Obligated balance, start of year	$2,050,044	$2,998,307	
Obligations incurred during year	1,967,934	2,930,809	
Adjustment due to change in exchange rates to permit conversion to dollar equivalent		−243,428	
Obligated balance, end of year	−2,998,307		
Obligated balance transferred to appropriations		−3,000,000	
Expenditures	1,019,671	2,685,688	

INTERNATIONAL EDUCATIONAL EXCHANGE ACTIVITIES PERMANENT APPROPRIATION (SPECIAL FOREIGN CURRENCY PROGRAM)

(Indefinite)

For the purposes authorized by section 104(h) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), relating to international educational exchange activities under section 32(b)(2) of the Surplus Property Act of 1954, as amended (50 U.S.C. App. 1641(b)), to remain available until expended, such amounts as may be necessary to purchase foreign currencies which accrue under title I of such Act to finance the requirements for such activities as may be determined after July 1, 1960, by the Secretary of State in accordance with such section 104(h) of such Act, as now or hereafter amended: Provided, That the dollar value of the unexpended balances as of June 30, 1960, of allocations of foreign currencies heretofore made for the foregoing purposes of such section 104(h) is appropriated as of that date and shall be merged with this appropriation.

Appropriated (est.) 1960, **$33,178,655**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
American republics	$975,267	$626,501	$1,715,628
Western Europe	251,466	1,443,587	1,940,500
East Europe			175,000
Far East	1,371,392	813,106	701,968
Near East and South Asia	1,303,857	1,523,297	2,503,000
Total obligations (object class 11)	3,901,982	4,406,491	7,036,096
Financing:			
Unobligated balance brought forward	−10,461,172	−11,211,038	−33,178,655
Unobligated balance carried forward	11,211,038	33,178,655	26,142,559
Unobligated balance no longer available	188,200	195,900	
Adjustment due to change in exchange rates to permit conversion to dollar equivalents	121,458		
Authorization to expend foreign currency receipts (net of proposed appropriation to cover balances as of June 30, 1960)	−4,961,506	6,608,647	
Appropriation (new obligational authority)		33,178,655	

NOTE.—The gross foreign currency authorization in 1960 is $26,570,008. The schedule above covers foreign currency authorizations for 1959 and 1960. The appropriation recommended for 1960 is equal to the unexpended balance of previous foreign currency authorizations as of June 30, 1960. All transactions in 1961 relate to appropriations.

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EDUCATIONAL EXCHANGE—Continued

Current authorizations—Continued

INTERNATIONAL EDUCATIONAL EXCHANGE ACTIVITIES PERMANENT APPROPRIATION (SPECIAL FOREIGN CURRENCY PROGRAM)—Con.

(Indefinite)—Continued

Section 104(h) of the Agricultural Trade Development and Assistance Act of 1954 (68 Stat. 454) makes available foreign currencies derived from sales of agricultural commodities or the repayment of loans under title I of that act for academic exchange programs authorized by the Fulbright amendment to the Surplus Property Act of 1944 (60 Stat. 754). Section 104(h) gives the Secretary of State authority to determine the amounts to be set aside for these exchange programs up to $1 million per year in any one country for a period of not more than 5 years. Secretarial determinations through 1960 will amount to $26,570,000.

Beginning on July 1, 1960, it is requested that currencies in amounts determined by the Secretary of State for this program be made available by a permanent, indefinite dollar appropriation for the purchase of such currencies and to remain available until expended. In addition, it is requested that a dollar appropriation for 1960 be made in an amount sufficient to provide for the purchase of the unexpended balance of currencies as of June 30, 1960, which had previously been made available to the Department of State without appropriation, such appropriation to be merged with any permanent, indefinite appropriation subsequently made for this program.

Increased Fulbright academic exchanges are planned in 1961. The regular international educational exchange dollar appropriation contains dollar support for these exchanges as well as those financed directly from that appropriation. Tables presented in the program narrative of the regular dollar appropriation above summarize the total educational exchange program of the Department of State.

Status of Unfunded Allocations

	1959 actual	1960 estimate	1961 estimate
Unfunded balance, start of year	$11,310,658	$11,642,763	
Allocations	4,961,506	26,430,730	
Unfunded balance expiring	−188,200	−33,667,002	
Adjustment due to change in exchange rates to permit conversion to dollar equivalent	−121,458		
Unfunded balance, end of year	−11,642,763		
Transfers into agency account	4,319,743	4,406,491	

Analysis of Expenditures

Obligated balance, start of year	$1,199,103	$818,252	
Obligations incurred during year	3,901,982	4,406,491	
Adjustment due to change in exchange rates to permit conversion to dollar equivalent		−144,399	
Obligated balance, end of year	−818,252		
Expenditures	4,282,833	5,080,344	

Permanent authorizations:

EDUCATIONAL EXCHANGE PERMANENT APPROPRIATIONS

(Indefinite special funds)

Appropriated (est.) 1960, **$399,000** Estimate 1961, **$399,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. "Educational exchange fund, payments by Finland, World War I debt"	$349,979	$414,700	$400,000
2. "Educational fund, interest payments by the Government of India"	793,533	709,714	238,212
Total obligations	1,143,512	1,124,414	638,212
Financing:			
Unobligated balance brought forward	−2,278,827	−1,562,919	−837,505
Recovery of prior year obligations	−30,962		
Unobligated balance carried forward	1,562,919	837,505	598,293
Appropriation (new obligational authority)	396,642	399,000	399,000

1. *Educational exchange fund, payments by Finland, World War I debt.*—Any sums paid by the Republic of Finland to the United States as interest on, or principal of, the debt incurred under the act of February 25, 1919, are credited to this fund to finance the educational exchange of persons between the United States and Finland and the purchase of books and equipment for the educational system of Finland. During 1959 the exchange of 27 Finns was financed in full from this fund and 61 grants to Finns and Americans under the Fulbright program were supplemented. The amount of $76,512 was used to purchase books and equipment (63 Stat. 630).

2. *Educational fund, interest payments by the Government of India.*—Interest payments up to a cumulative total of $5 million on loans made to India are available for educational exchange of persons and educational materials. As of June 30, 1959, a total of $4,052,072 had been obligated for this purpose (65 Stat. 71).

Object Classification

	1959 actual	1960 estimate	1961 estimate
DEPARTMENT OF STATE			
Total number of permanent positions	3	3	3
Average number of all employees	3	3	3
Number of employees at end of year	3	3	3
Average GS grade and salary	7.3 $5,570	7.3 $5,570	7.3 $5,570
01 Personal services:			
Permanent positions	$15,775	$16,210	$16,210
Other personal services	61	125	62
Total personal services	15,836	16,335	16,272
07 Other contractual services	32,132	30,000	24,000
11 Grants, subsidies, and contributions	379,453	506,880	414,728
Total, Department of State	427,421	553,215	455,000
ALLOCATION ACCOUNTS			
Total number of permanent positions	22	22	16
Average number of all employees	20	21	16
Number of employees at end of year	22	22	16
Average GS grade and salary	7.0 $5,807	7.0 $5,836	7.0 $5,836
Average FSS grade and salary	4.2 $8,916	4.2 $8,992	4.0 $9,672
Average salary of ungraded positions (local rates)	$1,048	$1,048	$1,048

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Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
ALLOCATION ACCOUNTS—continued			
01 Personal services:			
Permanent positions	$66,167	$63,942	$48,145
Other personal services	14,529	12,366	6,286
Total personal services	80,696	76,308	54,431
02 Travel	11,029	4,040	4,000
03 Transportation of things	5,514	960	1,000
04 Communication services	107		
06 Printing and reproduction	327	900	
07 Other contractual services	281	264	100
08 Supplies and materials	808		
09 Equipment	1,697	1,000	
11 Grants, subsidies, and contributions	615,532	487,727	123,681
15 Taxes and assessments	100		
Total, allocation accounts	716,091	571,199	183,212
Total obligations	1,143,512	1,124,414	638,212
Obligations are distributed as follows:			
Department of State	$427,421	$553,215	$455,000
United States Information Agency	673,501	571,199	183,212
Department of Health, Education, and Welfare	36,927		
Department of Labor	5,663		

OTHER

Current authorizations:

Rama Road, Nicaragua

For an additional amount for necessary expenses for the survey and construction of the Rama Road, Nicaragua, in accordance with the provisions of section 5 of the Federal-Aid Highway Act of 1952 (66 Stat. 160), as supplemented by section 8 of the Federal-Aid Highway Act of 1954 (68 Stat. 74) and the Act of September 2, 1958 (72 Stat. 1709), $1,000,000, to remain available until expended: *Provided*, That transfer of funds may be made from this appropriation to the Department of Commerce for the performance of work for which the appropriation is made. (*Department of State Appropriation Act, 1960.*)

Appropriated 1960, **$1,000,000** Estimate 1961, **$1,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Construction (total obligations)	$779,459	$1,270,000	$1,000,000
Financing:			
Unobligated balance brought forward	−1,049,459	−270,000	
Unobligated balance carried forward	270,000		
Appropriation (new obligational authority)		1,000,000	1,000,000

The Rama Road, being constructed pursuant to international agreement, will connect the east coast river port of Rama, Nicaragua, with the Inter-American Highway, 158 miles away. The appropriation requested for 1961 will permit further progress on the road.

Object Classification

	1959 actual	1960 estimate	1961 estimate
ALLOCATION TO BUREAU OF PUBLIC ROADS, DEPARTMENT OF COMMERCE			
Total number of permanent positions	6	6	6
Average number of all employees	5	5	5
Number of employees at end of year	1	3	3
Average GS grade and salary	8.1 $6,598	8.2 $6,674	8.2 $6,771
01 Personal services:			
Permanent positions	$22,987	$23,000	$23,200
Other personal services	8,344	8,000	8,000
Total personal services	31,331	31,000	31,200

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
ALLOCATION TO BUREAU OF PUBLIC ROADS, DEPARTMENT OF COMMERCE—continued			
02 Travel	$1,047	$1,000	$1,000
03 Transportation of things	6,514	7,000	7,000
04 Communication services	6		
05 Rents and utility services		500	500
06 Printing and reproduction	345	500	500
07 Other contractual services	2,390	3,000	3,000
08 Supplies and materials	84,320	85,000	85,000
10 Lands and structures	652,716	1,141,200	871,000
11 Grants, subsidies, and contributions	701	700	700
15 Taxes and assessments	89	100	100
Total obligations	779,459	1,270,000	1,000,000

Cleveland Pan American Games

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Financing:			
Unobligated balance brought forward	−$74,000		
Recovery of prior year obligations	−5,782		
Unobligated balance no longer available	79,782		
Appropriation (new obligational authority)			

Payment to the Government of Denmark

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Payment of claims (object class 13)	$5,296,302		
Financing:			
Appropriation (new obligational authority)	5,296,302		

Payment to the Philippine Government

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Payment to the Philippine Government (object class 13)	$23,862,751		
Financing:			
Appropriation (new obligational authority)	23,862,751		

Third Pan American Games

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Expenses, Third Pan American Games (object class 11)		$500,000	
Financing:			
Unobligated balance brought forward		−500,000	
Unobligated balance carried forward	$500,000		
Appropriation (new obligational authority)	500,000		

This appropriation helped finance transportation and subsistence costs for participants and related personnel at the Third Pan American Games held in Chicago in 1959.

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OTHER—Continued

Permanent authorizations:

PAYMENT TO THE REPUBLIC OF PANAMA

Appropriated 1960, **$1,930,000** Estimate 1961, **$1,930,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Payment to the Republic of Panama (object class 11)	$1,930,000	$1,930,000	$1,930,000
Financing:			
Appropriation (new obligational authority)	1,930,000	1,930,000	1,930,000

Annual payments are made to the Government of Panama in consideration of the rights granted in perpetuity for the construction of the Panama Canal. The Treaty of Mutual Understanding and Cooperation of 1955 provides for an annual payment by the United States of $1,930,000, of which $430,000 is reimbursed to the Treasury by the Panama Canal Company.

INFORMATIONAL FOREIGN CURRENCY SCHEDULE

Counterpart funds, foreign currency, section 708(c), Public Law 83-118, July 16, 1953

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Functions under sec. 502(b) of Public Law 665 (object class 02)	$398,199		
Financing:			
Unobligated balance brought forward	−818,900	−$516,874	−$516,874
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents	16,187		
Unobligated balance carried forward	516,874	516,874	516,874
Authorization to expend foreign currency receipts (22 U.S.C. 1754(b))	112,360		
Analysis of Expenditures			
Obligations incurred during year	$398,199		
Expenditures	398,199		

Proposed for later transmission:

PAYMENT OF PHILIPPINE WAR DAMAGE CLAIMS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Payment of claims (total obligations)			$49,000,000
Financing:			
Proposed supplemental appropriation			49,000,000

Under proposed legislation, 1961.—A supplemental appropriation is anticipated to provide payment to the Philippine Government to settle war damage claims of $73 million against the United States. An offset will be made for any amounts then owed the U.S. Government by the Philippine Government under the agreement of November 6, 1950. Such amounts currently total approximately $24 million.

GENERAL PROVISIONS—DEPARTMENT OF STATE

SEC. 102. Appropriations under this title for "Salaries and expenses", "International conferences and contingencies", and "Missions to international organizations" are available for reimbursement of the General Services Administration for security guard services for protection of confidential files.

SEC. 103. No part of any appropriation contained in this title shall be used to pay the salary or expenses of any person assigned to or serving in any office of any of the several States of the United States or any political subdivision thereof.

SEC. 104. None of the funds appropriated in this title shall be used (1) to pay the United States contribution to any international organization which engages in the direct or indirect promotion of the principle or doctrine of one world government or one world citizenship; (2) for the promotion, direct or indirect, of the principle or doctrine of one world government or one world citizenship.

SEC. 105. It is the sense of the Congress that the Communist Chinese Government should not be admitted to membership in the United Nations as the representative of China.

SEC. 106. The Secretary of State, under such regulations as he may prescribe, may pay the cost of transportation to and from a place of storage and the cost of storing the furniture and household and personal effects of an employee of the Foreign Service who is assigned to a post at which he is unable to use his furniture and effects. (*Department of State Appropriation Act, 1960.*)

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1961

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
ADMINISTRATION OF FOREIGN AFFAIRS								
Salaries and expenses	188	$525,900	173	$254,200	$271,700	463	$1,500	Utilized in carrying out the assigned functions of the Department of State abroad and the departmental service, and for special occasions in the transaction of official duties. All are in foreign countries except 11 in Washington, D.C.
Station wagon	41	106,600	37	51,800	54,800	154		Do.
Bus						7	10,200	Do.
INTERNATIONAL ORGANIZATIONS AND CONFERENCES								
Missions to international organizations							2,500	Transportation to meetings at United Nations headquarters, at missions and at offices of 81 national delegations in New York.
International tariff negotiations	4	6,800			6,800			Transportation of chief of delegation and ranking officers to and from delegation office and conference site. Shuttle service for other officers and secretariat between delegation office and conference site. Delivery by messengers of special or classified mail in Geneva.
INTERNATIONAL COMMISSIONS								
International Boundary and Water Commission, United States and Mexico.	4	6,000	4	900	5,100	18		Commissioner and staff, administrative, engineering, and project personnel for transportation to and from Commission works along 1,935 miles of boundary.
Station wagon						3		Do.
Total, Department of State	237	645,300	214	306,900	338,400	645	14,200	

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TREASURY DEPARTMENT

The 1961 recommendations for new obligational authority for the Treasury Department total $10.5 billion. Of this amount, 92% is for interest payments, 5% for Federal financial management, and most of the remainder for the Coast Guard.

The total new obligational authority proposed for 1961 is $7 million lower than for 1960. A decrease of $280 million for the nonrecurring 1960 subscription to the new Inter-American Development Bank is almost offset by a number of increases; the major increases estimated are for interest on the public debt ($200 million), the start of a program of the Internal Revenue Service to improve the collection of taxes ($29 million), the Coast Guard ($27 million), and the payment to the unemployment trust fund ($15 million).

Budget expenditures for the Treasury Department in 1961 are estimated to be $10.5 billion, which is $168 million more than estimated for 1960. The largest item of increase is interest on the public debt.

In line with the President's policy to reduce the burden on the general taxpayer for services which give special benefits to identifiable individuals or groups, legislation has been proposed to amend or repeal provisions of customs, Coast Guard, and internal revenue laws which either prohibit the collection of fees or fix charges at rates which do not permit the full recovery of costs incurred.

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
International affairs and finance:						
152 Economic and technical development	$4,550,000	$280,000		$1,375,000	$80,000	
Labor and welfare:						
211 Labor and manpower			$14,535			$14,535
Commerce and housing:						
510 Promotion of water transportation	241,150	258,050	285,115	229,310	275,789	281,017
518 Other aids to business				−11,349	−8,591	−8,279
520 Civil and defense mobilization				−150	−140	−134
Total, commerce and housing	241,150	258,050	285,115	217,811	267,058	272,604
General government:						
603 Executive direction and management	1,218	1,318	1,338	1,275	1,319	1,339
604 Federal financial management	506,544	517,224	549,766	521,587	515.275	545,591
608 Protective services and alien control	7,808	8,096	8,227	7,908	8,130	8,229
609 Territories and possessions, and the District of Columbia	21,004	20,000	20,000	20,964	20,226	20,000
610 Other general government	25,113	7,060	5,002	25,094	7,514	5,002
Total, general government	561,687	553,698	584,333	576,828	552,464	580,161
Interest:						
651 Interest on the public debt	7,592,769	9,300,000	9,500,000	7,592,769	9,300,000	9,500,000
652 Interest on refunds of receipts	69,480	75,200	75,200	69,480	75,200	75,200
653 Interest on uninvested funds	8,808	9,364	9,609	8,808	9,364	9,609
Total, interest	7,671,057	9,384,564	9,584,809	7,671,057	9,384,564	9,584,809
Total, Treasury Department	13,023,893	10,476,312	10,468,792	9,840,696	10,284,086	10,452,109

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
							1961 estimate		
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	Total	From new obligational authority	From prior authority
OFFICE OF THE SECRETARY									
Current authorizations:									
Salaries and expenses	604	$3,303	$3,300	$3,388	$3,372	$3,278	$3,372	$3,190	$182
Investment in Inter-American Development Bank	152	----	280,000	----	----	80,000	----	----	----
Investment in International Bank for Reconstruction and Development (authorization to expend from debt receipts)	152	3,175,000	----	----	----	----	----	----	----
Investment in international monetary fund (authorization to expend from debt receipts)	152	1,375,000	----	----	1,375,000	----	----	----	----
Permanent authorizations:									
Expenses of administration of settlement of War Claims Act of 1928 (indefinite special fund)	604	15	18	18	18	18	18	17	1
Federal control of transportation systems (indefinite special fund)	518	----	----	----	6	6	6	----	6
Public enterprise funds:									
Liquidation of corporate assets:									
Reconstruction Finance Corporation liquidation fund	518	----	----	----	−11,355	−8,597	−8,285	----	−8,285
Limitation on administrative expenses, Reconstruction Finance Corporation liquidation fund	----	(160)	(90)	(80)					
Civil defense loans: Civil defense program fund	520	----	----	----	−150	−140	−134	----	−134
Intragovernmental funds:									
Advances and reimbursements	604	----	----	----	−6	9	----	----	----
Proposed for later transmission:									
Under existing legislation: Salaries and expenses	604	----	32	----	----	30	2	----	2
Total, Office of the Secretary	----	4,553,318	283,350	3,406	1,366,884	74,604	−5,021	3,207	−8,228
BUREAU OF ACCOUNTS									
Current authorizations:									
Salaries and expenses	604	3,447	3,489	3,598	3,491	3,475	3,572	3,288	284
Salaries and expenses, Division of Disbursement	604	21,185	22,000	23,482	20,227	22,171	23,218	19,345	3,873
Claims, judgments, and relief acts	610	20,858	2,058	----	20,839	2,512	----	----	----
Permanent authorizations:									
Claims, judgments, and relief acts:									
Definite	610	2	2	2	2	2	2	2	----
Indefinite	610	4,253	5,000	5,000	4,253	5,000	5,000	5,000	----
Interest on uninvested funds (indefinite)	653	8,808	9,364	9,609	8,808	9,364	9,609	9,609	----
Payment to unemployment trust fund (indefinite)	211	----	----	14,535	----	----	14,535	14,535	----
Public enterprise funds:									
Fund for payment of Government losses in shipment (current appropriation)	604	50	----	100	27	40	40	34	6
Total, Bureau of Accounts	----	58,602	41,913	56,326	57,647	42,564	55,976	51,813	4,163
BUREAU OF THE PUBLIC DEBT									
Current authorizations:									
Administering the public debt	604	47,333	47,000	46,850	48,507	47,078	46,870	43,144	3,726
OFFICE OF THE TREASURER									
Current authorizations:									
Salaries and expenses	604	17,969	17,500	17,300	18,189	17,461	17,267	16,757	510
Public enterprise funds:									
Check forgery insurance fund	604	----	----	----	18	−10	5	----	5
Total, Office of the Treasurer	----	17,969	17,500	17,300	18,207	17,451	17,272	16,757	515
BUREAU OF CUSTOMS									
Current authorizations:									
Salaries and expenses	604	52,519	53,865	55,875	54,339	53,550	55,584	52,034	3,550
Proposed for later transmission:									
Under existing legislation: Salaries and expenses	604	----	204	----	----	196	8	----	8
Total, Bureau of Customs	----	52,519	54,069	55,875	54,339	53,746	55,592	52,034	3,558

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate		
							Total	From new obligational authority	From prior authority
INTERNAL REVENUE SERVICE									
Current authorizations:									
Salaries and expenses	604	$355,500	$364,250	$393,000	$366,828	$361,329	$390,126	$367,914	$22,212
Permanent authorizations:									
Refunding internal revenue collections, interest (indefinite)	652	69,480	75,200	75,200	69,480	75,200	75,200	75,200	
Internal revenue collections for Puerto Rico (indefinite special fund)	609	21,004	20,000	20,000	20,964	20,226	20,000	18,500	1,500
Intragovernmental funds:									
Advances and reimbursements	604				−17	17			
Total, Internal Revenue Service		445,984	459,450	488,200	457,255	456,772	485,326	461,614	23,712
BUREAU OF NARCOTICS									
Current authorizations:									
Salaries and expenses	608	4,061	4,080	4,100	4,089	4,085	4,108	3,867	241
UNITED STATES SECRET SERVICE									
Current authorizations:									
Salaries and expenses	608	3,747	4,016	4,127	3,819	4,045	4,121	3,911	210
Salaries and expenses, White House Police	603	979	1,055	1,065	1,019	1,056	1,066	1,010	56
Salaries and expenses, guard force	604	316	338	332	310	339	334	314	20
Permanent authorizations:									
Contribution for annuity benefits (indefinite)	603	239	263	273	256	263	273	273	
Total, United States Secret Service		5,281	5,672	5,797	5,404	5,703	5,794	5,508	286
BUREAU OF THE MINT									
Current authorizations:									
Salaries and expenses	604	4,300	4,600	5,038	4,416	4,499	5,021	4,445	576
Permanent authorizations:									
Minor coinage profits, etc. (indefinite special fund)	604	206	280	298	261	289	298	98	200
Silver profit fund (indefinite special fund)	604	401	348	487	457	411	487	287	200
Total, Bureau of the Mint		4,907	5,228	5,823	5,134	5,199	5,806	4,830	976
BUREAU OF ENGRAVING AND PRINTING									
Intragovernmental funds:									
Bureau of Engraving and Printing fund	604				1,150	1,095	−631		−631
COAST GUARD									
Current authorizations									
Operating expenses	510	179,500	189,800	208,000	180,038	190,147	207,111	186,511	20,600
Acquisition, construction, and improvements	510	18,150	23,250	31,115	2,703	40,841	27,000	4,250	22,750
Retired pay	510	28,500	29,500	30,000	28,076	29,498	30,000	29,907	93
Reserve training	510	15,000	15,500	16,000	14,965	15,333	16,000	13,800	2,200
Intragovernmental funds:									
Coast Guard supply fund	510				211	30			
Coast Guard yard fund	510				3,317	−60	906		906
Total, Coast Guard		241,150	258,050	285,115	229,310	275,789	281,017	234,468	46,549
INTEREST ON THE PUBLIC DEBT									
Permanent authorizations:									
Interest on the public debt (indefinite)	651	7,592,769	9,300,000	9,500,000	7,592,769	9,300,000	9,500,000	9,500,000	
Total new obligational authority and budget expenditures		13,023,893	10,476,312	10,468,792	9,840,696	10,284,086	10,452,109	10,377,242	74,867

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BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
							1961 estimate		
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	Total	From new obligational authority	From prior authority
RECAPITULATION									
Enacted or recommended in this document:									
Current authorizations:									
Appropriations		$776,717	$1,065,601	$843,370					
Authorizations to expend from debt receipts		4,550,000			$9,840,696	$10,283,860	$10,452,099	$10,377,242	$74,857
Permanent authorizations:									
Appropriations		7,697,176	9,410,475	9,625,422					
Proposed for later transmission:									
Appropriations			236			226	10		10
Total new obligational authority and budget expenditures		13,023,893	10,476,312	10,468,792	9,840,696	10,284,086	10,452,109	10,377,242	74,867
MEMORANDUM									
REFUNDS OF RECEIPTS									
Bureau of Accounts: Refund of moneys erroneously received and covered (permanent indefinite)		$1,665	$1,600	$1,600	$1,665	$1,600	$1,600	$1,600	
Bureau of Customs: Refunds and drawbacks (permanent indefinite)		23,221	24,000	24,000	23,221	24,000	24,000	24,000	
Internal Revenue Service: Refunding internal revenue collections (permanent indefinite)		5,087,489	5,508,400	6,053,675	5,004,059	5,419,400	5,955,675	5,955,675	
Total, refunds of receipts		5,112,374	5,534,000	6,079,275	5,028,944	5,445,000	5,981,275	5,981,275	
STATUTORY PUBLIC DEBT RETIREMENTS									
Cumulative sinking fund (permanent indefinite)		$633,406	$633,349	$633,349					

EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

[In thousands]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1959	1960	1961	1959	1960	1961	1959	1960	1961
OFFICE OF THE SECRETARY										
Liquidation of corporate assets: Reconstruction Finance Corporation liquidation fund	518	$835	$94	$83	$12,190	$8,691	$8,368	−$11,355	−$8,597	−$8,285
Civil defense loans: Civil defense program fund	520	18	28	25	168	168	159	−150	−140	−134
BUREAU OF ACCOUNTS										
Fund for payment of Government losses in shipment	604	47	41	41	21	1	1	27	40	40
OFFICE OF THE TREASURER										
Check forgery insurance fund	604	245	230	240	227	240	235	18	−10	5
Total, public enterprise funds		1,145	393	389	12,606	9,100	8,763	−11,460	−8,707	−8,374

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ANALYSIS OF UNEXPENDED BALANCES

[In thousands]

Description	Balance, start of 1959		Balance, start of 1960		Balance, start of 1961		Balance, start of 1962	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document:								
Appropriations:								
Investment in Inter-American Development Bank, Office of the Secretary					$200,000	$200,000	$200,000	$200,000
Expenses of administration of settlement of War Claims Act of 1928, Office of the Secretary (indefinite special fund)	$5	$6	$2	$3	2	3	2	3
Federal control of transportation systems, Office of the Secretary (indefinite special fund)	51	51	45	45	39	39	33	33
Salaries and expenses, Bureau of Customs	300	8,454	300	6,359	300	6,674	300	6,965
Salaries and expenses, Internal Revenue Service		31,680		19,347		22,268		25,142
Minor coinage profits, etc., Bureau of the Mint (indefinite special fund)	264	264	209	209	200	200	200	200
Silver profit fund, Bureau of the Mint (indefinite special fund)	319	319	263	263	200	200	200	200
Operating expenses, Coast Guard		22,814		20,995		20,648		21,537
Acquisition, construction, and improvements, Coast Guard	4,368	31,958	10,760	42,482		24,891		29,006
Other		15,506		14,136		13,516		13,847
Total, appropriations	5,307	111,052	11,579	103,839	200,741	288,439	200,735	296,933
Authorizations to expend from debt receipts:								
Investment in International Bank for Reconstruction and Development, Office of the Secretary	2,540,000	2,540,000	5,715,000	5,715,000	5,715,000	5,715,000	5,715,000	5,715,000
Civil defense program fund, Office of the Secretary	246,597	249,130	246,850	249,280	247,162	249,420	247,488	249,555
Total, authorizations to expend from debt receipts	2,786,597	2,789,130	5,961,850	5,964,280	5,962,162	5,964,420	5,962,488	5,964,555
Revolving and management funds	2,520	15,887	−16	10,220	−814	8,497	−446	6,606
Proposed for later transmission:								
Appropriations						10		
Total, Treasury Department	2,794,423	2,916,069	5,973,412	6,078,340	6,162,089	6,261,366	6,162,777	6,268,094

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SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

Description	1959 actual	1960 estimate	1961 estimate
Balances brought forward at start of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	$111,052	$103,839	$288,439
Authorizations to expend from debt receipts	2,789,130	5,964,280	5,964,420
Revolving and management funds	15,887	10,220	8,497
Proposed for later transmission: Appropriations			10
Total balances brought forward	2,916,069	6,078,340	6,261,366
New obligational authority:			
Enacted or recommended in this document:			
Current authorizations:			
Appropriations	776,717	1,065,601	843,370
Authorizations to expend from debt receipts	4,550,000		
Total new obligational authority under current authorizations	5,326,717	1,065,601	843,370
Permanent authorizations: Appropriations	7,697,176	9,410,475	9,625,422
Total new obligational authority enacted or recommended	13,023,893	10,476,076	10,468,792
Proposed for later transmission: Appropriations		236	
Total new obligational authority	13,023,893	10,476,312	10,468,792
Other amounts available: Appropriations available in prior year	−7,252		
Total budget authorizations available	15,932,710	16,554,652	16,730,158
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	9,840,696	10,283,860	10,377,242
Out of balances of prior obligational authority			74,857
Total expenditures from obligational authority enacted or recommended	9,840,696	10,283,860	10,452,099
From obligational authority proposed for later transmission:			
Out of new obligational authority		226	
Out of balances of prior obligational authority			10
Total budget expenditures	9,840,696	10,284,086	10,452,109
Amounts no longer available:			
Unobligated balances expiring and lapsing	957		
Capital transfers from revolving funds to receipt accounts	12,375	9,198	9,955
Adjustment of balances downward in expired accounts, net	343		
Total amounts no longer available	13,675	9,198	9,955
Balances carried forward at close of year from authorizations:			
Enacted or recommended in this document:			
Appropriations	103,839	288,439	296,933
Authorizations to expend from debt receipts	5,964,280	5,964,420	5,964,555
Revolving and management funds	10,220	8,497	6,606
Proposed for later transmission: Appropriations		10	
Total balances carried forward at close of year	6,078,340	6,261,366	6,268,094
Obligations incurred, net	$9,824,320	$10,278,437	$10,458,149

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OFFICE OF THE SECRETARY

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses in the Office of the Secretary, including the operation and maintenance of the Treasury Building and Annex thereof; services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), at rates for individuals not to exceed $50 per diem; and the purchase of uniforms for elevator operators; [$3,300,000] *$3,388,000. (5 U.S.C. 3, 22, 22(a), 22–1, 133z–15, 241, 242, 244, 245(a), 246, 246(a), 2131, 2201, 2203, 2205; 67 Stat. 230; Reconstruction Finance Corporation Liquidation Act (67 Stat. 231); Treasury Department Appropriation Act, 1960.)*

Appropriated 1960, **$3,300,000** Estimate 1961, **$3,388,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Executive direction	$1,449,690	$1,425,610	$1,445,100
2. Administration and coordination of legal services	371,963	365,590	370,800
3. General administrative services	679,122	684,940	702,410
4. Operation and maintenance of Treasury buildings	736,592	756,640	802,470
5. Employee health program	66,496	67,220	67,220
Total program costs	3,303,863	3,300,000	3,388,000
6. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−9,054		
Total program (obligations)	3,294,809	3,300,000	3,388,000
Financing:			
1959 appropriation available in 1958	7,994		
Unobligated balance no longer available	297		
Appropriation (new obligational authority)	3,303,100	3,300,000	3,388,000

This appropriation, in addition to paying the salaries of the Secretary and his assistants, provides for the executive direction of the various functions of the Department, general supervision of the legal activities of the several bureaus, and for general administrative services, including maintenance of the main Treasury Building and its annex, and health services for Treasury employees in Washington, D.C.

A supplemental appropriation for 1960 is anticipated under Proposed for later transmission.

6. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $15,859; 1959, $6,805; 1960, $6,805; 1961, $6,805.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	423	430	430
Full-time equivalent of all other positions	2	2	2
Average number of all employees	403	406	406
Number of employees at end of year	402	406	406
Average GS grade and salary	8.4 $7,222	8.4 $7,285	8.4 $7,395
Average salary of ungraded positions	$4,577	$4,545	$4,576
01 Personal services:			
Permanent positions	$2,741,579	$2,710,166	$2,768,455
Positions other than permanent	3,968	3,000	3,000
Other personal services	40,351	51,075	40,411
Total personal services	2,785,898	2,764,241	2,811,866
02 Travel	20,609	21,000	21,000
03 Transportation of things	21	100	100
04 Communication services	55,679	57,700	57,700
05 Rents and utility services	64,216	64,210	68,800
06 Printing and reproduction	13,409	14,400	14,400
07 Other contractual services	25,060	25,100	48,100
Services performed by other agencies	110,636	113,720	113,720
08 Supplies and materials	40,430	53,279	53,279
09 Equipment	9,958	10,000	20,000
11 Grants, subsidies, and contributions	174,987	174,250	177,035
13 Refunds, awards, and indemnities	603	600	600

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
15 Taxes and assessments	$1,297	$1,400	$1,400
1959 program obligated in 1958	−7,994		
Total obligations	3,294,809	3,300,000	3,388,000

[INVESTMENT IN INTER-AMERICAN DEVELOPMENT BANK]

[To finance the participation of the United States in the Inter-American Development Bank, to remain available until expended, $280,000,000, of which, $230,000,000 is for the purchase of capital stock in said bank (including $200,000,000 for callable capital stock and $30,000,000 for the first installment on the paid-in capital stock) and $50,000,000 is for payment of the first installment of the subscription of the United States to the fund for special operations of said bank.] *(Supplemental Appropriation Act, 1960.)*

Appropriated, 1960 **$280,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Investment in Inter-American Development Bank (total costs—obligations) (object class 16)		$80,000,000	
Financing:			
Unobligated balance brought forward			−$200,000,000
Unobligated balance carried forward		200,000,000	200,000,000
Appropriation (new obligational authority)		280,000,000	

Public Law 86–147, approved August 7, 1959, provided for membership of the United States in the Inter-American Development Bank, and authorized an appropriation of $450 million to cover the U.S. subscription to the Bank. The Bank is an institution sponsored by the 21 nations of the Organization of American States and is designed to accelerate the economic development of the American republics by providing capital and technical assistance and by encouraging private investment in development projects.

The U.S. subscription falls into three categories. The first is a subscription of $150 million for paid-in shares of capital stock, payable in three installments. The first installment of $30 million must be paid no later than September 30, 1960. The second and third installments of $60 million each are to be paid not sooner than September 30, 1961, and September 30, 1962, respectively. The second category is $200 million of callable capital stock which can be called only to meet obligations of the Bank on securities which it has issued in the private financial market or on loans which it has guaranteed. The third category is a subscription quota of $100 million in the fund for special operations of the Bank. Fifty million dollars must be paid not later than September 30, 1960, and $50 million must be paid in such installments as the Bank may provide but not later than the date fixed for the payment of the third installment of the paid-in capital stock.

The 1960 appropriation will be used as follows: $450,000 for payment of one-tenth of 1% of the total U.S. subscription which is due when the United States deposits its instrument of acceptance of membership; $29,550,000 for paid-in capital; $50 million for the initial payment to the fund for special operations; and $200 million for callable capital stock, which will be available as a contingent liability to meet the Bank's obligations.

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OFFICE OF THE SECRETARY—Continued

Current authorizations—Continued

INVESTMENT IN INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Financing:			
Unobligated balance brought forward (authorization to expend from public debt receipts)	−$2,540,000,000	−$5,715,000,000	−$5,715,000,000
Unobligated balance carried forward (authorization to expend from public debt receipts)	5,715,000,000	5,715,000,000	5,715,000,000
Authorization to expend from public debt receipts	3,175,000,000		

The Bretton Woods Agreements Act of July 31, 1945, authorized the acceptance of membership in the International Bank for Reconstruction and Development and the subscription of $3,175 million. On June 17, 1959 (73 Stat. 80), the Bretton Woods Agreement Act was amended to increase the U.S. subscription by $3,175 million.

The United States paid $635 million of the original subscription in cash and non-interest-bearing nonnegotiable notes. The remaining balance of obligational authority ($5,715 million) represents capital stock which will not be called unless required to meet the Bank's obligations.

INVESTMENT IN INTERNATIONAL MONETARY FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Financing:			
Investment in international monetary fund (total costs—obligations) (object class 16)	$1,375,000,000		
Authorization to expend from public debt receipts	1,375,000,000		

By amendment to the Bretton Woods Agreement Act (73 Stat. 80), the U.S. Governor of the International Monetary Fund was authorized to request and consent to an increase of $1,375 million in the quota of the United States under the fund articles of agreement. Resolutions of the Board of Governors of the Fund, dated February 2, 1959, proposed general increases in the quotas of the members.

Permanent authorizations:

OFFICE OF THE SECRETARY PERMANENT APPROPRIATIONS

(Indefinite special funds)

Appropriated (est.) 1960, **$18,000** Estimate 1961, **$18,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. "Expenses of administration of settlement of War Claims Act of 1928"	$17,843	$17,940	$18,263
2. "Federal control of transportation systems"	5,575	5,732	5,801
Total program (costs—obligations)	23,418	23,672	24,064
Financing:			
Unobligated balance brought forward	−55,448	−47,030	−41,358
Unobligated balance carried forward	47,030	41,358	35,294
Appropriation (new obligational authority): "Expenses of administration of settlement of War Claims Act of 1928"	15,000	18,000	18,000

1. *Expenses of administration of settlement of War Claims Act of 1928.*—Funds from the German deposit fund are deposited in a receipt account and appropriated for a portion of the administrative expenses incurred in paying awards under the settlement of War Claims Act of 1928 (45 Stat. 262).

2. *Federal control of transportation systems.*—Expenditures are for settlement of claims arising from the World War I period during which the Federal Government exercised control over major transportation systems and related administrative expenses.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	4	4	4
Average number of all employees	4	4	4
Number of employees at end of year	4	4	4
Average GS grade and salary	6.0 $5,263	6.0 $5,320	6.0 $5,398
01 Personal services:			
Permanent positions	$20,868	$21,158	$21,470
Other personal services	82	164	83
Total personal services	20,950	21,322	21,553
07 Other contractual services	63	65	389
11 Grants, subsidies, and contributions	1,362	1,388	1,402
13 Refunds, awards, and indemnities	1,043	897	720
Total obligations	23,418	23,672	24,064

Public enterprise funds:

LIQUIDATION OF CORPORATE ASSETS

The Secretary of the Treasury is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available therefor and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the Budget for the fiscal year [1960] *1961* for the following functions, except as hereinafter provided: (*Treasury Department Appropriation Act, 1960.*)

RECONSTRUCTION FINANCE CORPORATION LIQUIDATION FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs:			
Liquidation of lending program	$149,335	$94,000	$83,000
Decrease in valuation allowances on loans (−)	−50,000	−750,000	−500,000
Writeoff of loans	29,142	30,000	165,000
Total operating costs	128,477	−626,000	−252,000
Unfunded adjustment to total operating costs:			
Decrease in valuation allowances	50,000	750,000	500,000
Writeoff of loans (−)	−29,142	−30,000	−165,000
Total operating costs, funded	149,335	94,000	83,000
Capital outlay: Deferred participation purchased	408,973		
Total program costs, funded	558,308	94,000	83,000
Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−408,973		
Total program (obligations)	149,335	94,000	83,000
Financing:			
Amounts becoming available:			
Revenue and receipts:			
Loans repaid	10,445,190	7,161,688	7,230,000
Revenue	1,740,733	1,334,000	1,003,000
Adjustment of prior year revenue	4,385		
Recovery of prior year obligations	853,217	336,883	1,660,000
Total amounts becoming available	13,043,525	8,832,571	9,893,000
Unobligated balance brought forward	510,115	1,029,305	570,000
Total amounts available	13,553,640	9,861,876	10,463,000
Capital transfer (repayment of investment to Treasury) (−)	−12,375,000	−9,197,876	−9,955,000
Unobligated balance carried forward	−1,029,305	−570,000	−425,000
Financing applied to program	149,335	94,000	83,000

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Under the provisions of Reorganization Plan No. 1 of 1957, the Reconstruction Finance Corporation was abolished as a corporate entity, and its remaining assets liabilities, and obligations were transferred to the Administrator of Small Business, the Housing and Home Finance Administrator, the Administrator of General Services, and the Secretary of the Treasury. After giving effect to these transfers, the Secretary of the Treasury is responsible for completing the liquidation of business loans and securities with individual balances of $250,000 or more as of June 30, 1957, securities of and loans to railroads, and securities of financial institutions, and for the windup of corporate affairs.

Budget program.—Liquidation transactions in 1959 produced net budget receipts of $11.4 million and it is estimated that transactions in 1960 and 1961 will produce net budget receipts of $8.6 and $8.3 million, respectively.

The progress made and anticipated in the liquidation of loans, securities, and loan obligations transferred to Treasury is summarized in the following table:

[In millions]

	July 1, 1957	*1959 actual*	*1960 estimate*	*1961 estimate*
Outstanding at end of year:				
Financial institutions	$4.8	----	----	----
Railroads	8.5	$6.1	$5.9	$5.5
Other business enterprises:				
Loans	36.9	24.7	17.8	10.8
Undisbursed authorizations	.8	.8	.8	.8
Deferred participation commitments	4.5	2.4	2.0	.4
Total	55.5	34.0	26.5	17.5

A limitation is placed on administrative expenses. The reduction of $10,000 from 1960 to 1961 is attributable to a declining workload.

Operating results.—Excess proceeds of liquidation are paid into the Treasury as miscellaneous receipts. During 1959 these receipts amounted to $12.4 million and it is estimated that $9.2 million and $10 million will be paid in 1960 and 1961, respectively.

Relation of costs to obligations.—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Undisbursed loan authoriztions	$761,381	$761,381	$761,381	$761,381
Deferred participation commitments	3,682,692	2,420,502	2,083,619	423,619
Total selected resources at end of year	4,444,073	3,181,883	2,845,000	1,185,000
Selected resources at start of year (−)		−4,444,073	−3,181,883	−2,845,000
Adjustment due to recovery of prior year obligations		853,217	336,883	1,660,000
Costs financed from obligations of other years, net (−)		−408,973	----	----

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Expense	$149,335	$94,000	$83,000
Acquisition of assets: Deferred participation purchased	408,973	----	----
Increase in working capital	277,046	----	----
Total gross expenditures	835,354	94,000	83,000
Receipts from operations (funds provided):			
Loans repaid	10,445,190	7,161,688	7,230,000
Revenue	1,740,733	1,334,000	1,003,000
Adjustment of prior year revenue	4,385	----	----
Decrease in selected working capital	----	194,899	135,000
Total receipts from operations	12,190,308	8,690,587	8,368,000
Budget expenditures	−11,354,954	−8,596,587	−8,285,000

Revenue, Expense, and Retained Earnings

	1959 actual	1960 estimate	1961 estimate
Revenue	$1,740,733	$1,334,000	$1,003,000
Expense	149,335	94,000	83,000
Total operating income	1,591,398	1,240,000	920,000
Nonoperating income:			
Decrease in valuation allowances on loans	50,000	750,000	500,000
Writeoff of loans	−29,142	−30,000	−165,000
Net nonoperating income	20,858	720,000	335,000
Net income for the year	1,612,256	1,960,000	1,255,000
Analysis of equity of Treasury:			
Equity of Treasury, beginning of year	36,066,235	25,307,876	18,070,000
Repayment of investment to Treasury (−)	−12,375,000	−9,197,876	−9,955,000
Adjustment of prior year revenue	4,385	----	----
Equity of Treasury, end of year	25,307,876	18,070,000	9,370,000

Financial Condition

Assets:			
Cash with Treasury	$3,556,289	$2,955,000	$1,285,000
Accounts receivable, net	400,638	200,000	120,000
Advances	11,671	----	----
Collateral acquired in liquidation of loans (at lower of cost or appraised values)	386,920	370,000	305,000
Loans receivable, net	21,096,688	14,655,000	7,760,000
Total assets	25,452,206	18,180,000	9,470,000
Liabilities:			
Current	144,330	110,000	100,000
Government investment:			
Non-interest-bearing capital: Equity of Treasury	25,307,876	18,070,000	9,370,000

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash with Treasury	$4,576,335	$3,556,289	$2,955,000	$1,285,000
Obligated balance, net:				
Current liabilities	133,318	144,330	110,000	100,000
Undisbursed loan authorizations	761,381	761,381	761,381	761,381
Deferred participation commitments	3,682,692	2,420,502	2,083,619	423,619
Accounts and other receivables, net (−)	−410,496	−400,638	−200,000	−120,000
Acquired collateral and advances (−)	−100,675	−398,591	−370,000	−305,000
Total obligated balance	4,066,220	2,526,984	2,385,000	860,000
Unobligated balance	510,115	1,029,305	570,000	425,000

LIMITATION ON ADMINISTRATIVE EXPENSES, RECONSTRUCTION FINANCE CORPORATION LIQUIDATION FUND

Not to exceed [$90,000] *$80,000* (to be computed on an accrual basis) of the funds derived from functions transferred to the Secretary of the Treasury pursuant to Reorganization Plan No. 1 of 1957 (22 Federal Register 4633) shall be available during the current fiscal year for administrative expenses incident to the liquidation of said functions, including use of the services and facilities of the Federal Reserve banks: *Provided*, That as used herein the term "administrative expenses" shall be construed to include all salaries and wages, services performed on a contract or fee basis, and travel and other expenses, including the purchase of equipment and supplies, of administrative offices: *Provided further*, That the limiting amount heretofore stated for administrative expenses shall be increased by an amount which does not exceed the expenses of services performed on a contract or fee basis in connection with the termination of contracts or in the performance of legal services; and all administrative expenses, reimbursable from other Government agencies: *Provided further*, That the distribution of administrative expenses to the accounts shall be made in accordance with generally recognized accounting principles and practices. (*Treasury Department Appropriation Act, 1960.*)

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OFFICE OF THE SECRETARY—Continued

Public enterprise funds—Continued

LIQUIDATION OF CORPORATE ASSETS—Continued

LIMITATION ON ADMINISTRATIVE EXPENSES, RECONSTRUCTION FINANCE CORPORATION LIQUIDATION FUND—continued

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Liquidation of lending program	$144,490	$90,000	$80,000
Deduct portion not chargeable to limitation	9,328		
Total accrued administrative expenses	135,162	90,000	80,000
Financing:			
Unobligated balance no longer available	24,838		
Limitation	160,000	90,000	80,000

Object Classification

Total number of permanent positions		14		10		8
Average number of all employees		13		9		8
Number of employees at end of year		12		8		6
Average GS grade and salary	10.4	$9,167	10.5	$9,094	10.0	$8,889
01 Personal services:						
Permanent positions		$112,955		$77,950		$68,800
Other personal services		1,365		550		250
Total personal services		114,320		78,500		69,050
02 Travel		1,474		1,500		1,500
03 Transportation of things		30		25		25
04 Communication services		1,734		1,500		1,400
06 Printing and reproduction		5,600		400		200
07 Other contractual services		741		625		1,050
Services performed by other agencies		3,221		1,700		1,675
08 Supplies and materials		831		650		600
11 Grants, subsidies, and contributions		7,207		5,100		4,500
15 Taxes and assessments		4				
Total accrued administrative expenses		135,162		90,000		80,000

CIVIL DEFENSE LOANS

CIVIL DEFENSE PROGRAM FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Interest on borrowing	$17,965	$28,000	$23,000
Increase in commitment previously authorized	135,000		
Total obligations	152,965	28,000	23,000
Financing:			
Amounts becoming available: Revenue and receipts:			
Loan repayments	102,113	102,920	104,000
Interest on loans	66,264	60,731	55,000
Total amounts becoming available	168,377	163,651	159,000
Unobligated balance brought forward (authorization to expend from public debt receipts)	246,596,943	246,849,622	247,162,000
Recovery of prior year obligations	237,267	176,727	190,000
Total amounts available	247,002,587	247,190,000	247,511,000
Unobligated balance carried forward (authorization to expend from public debt receipts)	−246,849,622	−247,162,000	−247,488,000
Financing applied to program	152,965	28,000	23,000

The Secretary of the Treasury is authorized to purchase securities or make loans (including participations therein and guarantees thereof) to aid in financing projects for civil-defense purposes upon certification by the Director, Office of Civil and Defense Mobilization (50 U.S.C. App. 2261, and sec. 104, Reconstruction Finance Corporation Liquidation Act). Investments under the program are limited to a total of $250 million outstanding at any one time.

Budget program.—The sole program cost continues to be the payment of interest on borrowings from Treasury. As of June 30, 1959, there were outstanding $1,008,920 in loans and $2,436,727 in commitments to participate in loans made by banks wherein disbursement of Treasury funds is deferred. It is estimated by the close of 1961 that the loans will be reduced to $802,000 and the deferred participation commitments to $2,070,000.

No new loans were authorized in 1959 and it is anticipated that there will be no additional loans authorized during 1960 and 1961. During 1959 an increase of $135,000 was authorized for a deferred participation commitment executed in a prior year.

Financing.—Program activities are financed from borrowings from Treasury. The unobligated balance of such authority at the end of 1961 is estimated to increase slightly to $247.5 million.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Expense	$17,965	$28,000	$23,000
Increase in selected working capital	56		2,000
Total gross expenditures	18,021	28,000	25,000
Receipts from operations (funds provided):			
Loan repayments	102,113	102,920	104,000
Revenue	66,264	60,731	55,000
Decrease in selected working capital		4,249	
Total receipts from operations	168,377	167,900	159,000
Budget expenditures	−150,356	−139,900	−134,000

Revenue, Expense, and Retained Earnings

Revenue	$66,264	$60,731	$55,000
Expense	17,965	28,000	23,000
Net income for the year	48,299	32,731	32,000
Retained earnings, beginning of year	246,970	295,269	328,000
Retained earnings, end of year	295,269	328,000	360,000

Financial Condition

Assets:			
Cash with Treasury	$13,100	$13,000	$12,000
Accounts receivable, net	1,193	1,000	1,000
Loans receivable	1,008,920	906,000	802,000
Total assets	1,023,213	920,000	815,000
Liabilities:			
Current	7,944	12,000	10,000
Government investment:			
Interest-bearing capital:			
Start of year	870,000	720,000	580,000
Borrowings from Treasury during year, net (−)	−150,000	−140,000	−135,000
End of year	720,000	580,000	445,000
Retained earnings	295,269	328,000	360,000
Total Government investment	1,015,269	908,000	805,000

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash	$12,744	$13,100	$13,000	$12,000
Budget authorization	249,130,000	249,280,000	249,420,000	249,555,000
Total unexpended balance	249,142,744	249,293,100	249,433,000	249,567,000
Obligated balance, net:				
Current liabilities	9,506	7,944	12,000	10,000
Deferred participation commitments	2,538,994	2,436,727	2,260,000	2,070,000
Accounts receivable, net (−)	−2,699	−1,193	−1,000	−1,000
Total obligated balance	2,545,801	2,443,478	2,271,000	2,079,000
Unobligated balance	246,596,943	246,849,622	247,162,000	247,488,000

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Object Classification

	1959 actual	1960 estimate	1961 estimate
14 Interest	$17,965	$28,000	$23,000
16 Investments and loans	135,000		
Total obligations	152,965	28,000	23,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Executive direction	$34,432	$25,725	$25,780
2. Administration and coordination of legal services	9,530	10,660	10,660
3. General administrative services	167,589	171,070	172,215
4. Operation and maintenance of Treasury buildings	24,917	18,545	18,545
5. Employee health program	4,004		
Total obligations	240,472	226,000	227,200
Financing:			
Unobligated balance brought forward	2,787	9,261	
Advances and reimbursements from other accounts	246,946	216,739	227,200
Unobligated balance carried forward	−9,261		
Total financing	240,472	226,000	227,200

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	28	25	25
Average number of all employees	28	25	25
Number of employees at end of year	28	24	24
Average GS grade and salary	8.4 $7,222	8.4 $7,285	8.4 $7,395
Average salary of ungraded positions	$4,577	$4,545	$4,576
01 Personal services:			
Permanent positions	$137,205	$119,500	$119,555
Positions other than permanent	150		
Other personal services	9,002	6,000	5,600
Total personal services	146,357	125,500	125,155
02 Travel	756		
04 Communication services	45,010	56,900	56,900
05 Rents and utility services	17,781	17,445	17,445
06 Printing and reproduction	378	350	350
07 Other contractual services	433	395	1,840
Services performed by other agencies	4,004		
08 Supplies and materials	18,499	19,000	19,000
09 Equipment	198		
11 Grants, subsidies, and contributions	7,037	6,410	6,510
15 Taxes and assessments	19		
Total obligations	240,472	226,000	227,200

Proposed for later transmission:

SALARIES AND EXPENSES

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. General administrative services		$2,300	
2. Operation and maintenance of Treasury buildings		29,700	
Total costs—obligations		32,000	
Financing:			
Proposed supplemental appropriation		32,000	

Under existing legislation, 1960.—A supplemental appropriation is anticipated to meet the cost of wage-board salary increases.

BUREAU OF ACCOUNTS

The Bureau maintains the central revenue, appropriation, and expenditure accounts; prepares the central financial reports of the Government; and performs other fiscal functions.

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Bureau of Accounts, [$3,464,000] *$3,598,000. (Reorganization Plan No. III (effective June 30, 1940), issued under the Reorganization Act of 1939 (5 U.S.C. 133t note, 258a(b); Treasury Department Appropriation Act, 1960.)*

Appropriated 1960, [a] **$3,489,000** Estimate 1961, **$3,598,000**

[a] Includes $25,000 appropriated in Supplemental Appropriation Act, 1960.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Processing deposits of withheld tax payments	$1,219,010	$1,272,539	$1,360,798
2. Financial reporting and maintenance of the Government's central accounts	1,528,172	1,565,583	1,579,174
3. Accounting and reporting development and internal audit	209,914	216,198	218,304
4. Processing investments, loans, claims, collections, and surety bonds	183,073	182,997	184,889
5. Supervision of the Federal Depositary System	166,583	162,787	164,916
6. Executive direction	105,687	88,896	89,919
Total program costs	3,412,439	3,489,000	3,598,000
7. Relation of costs to obligations: Obligations incurred for costs of other years, net	1,663		
Total program (obligations)	3,414,102	3,489,000	3,598,000
Financing:			
1959 appropriation available in 1958	4,999		
Unobligated balance no longer available	27,899		
Appropriation (new obligational authority)	3,447,000	3,489,000	3,598,000

The Bureau maintains the central revenue, appropriation, and expenditure accounts; prepares the central financial reports of the Government; and performs other fiscal functions.

1. *Processing deposits of withheld tax payments.*—Employers and certain business enterprises deposit monthly, with designated banks, excise, withheld income, railroad retirement, and withheld social security taxes, to the credit of the Treasurer of the United States. The Federal Reserve banks, acting as fiscal agents of the Treasury, issue depositary receipts which the employers attach to their returns as evidence of payment of taxes. Of the $1,360,798 obligations estimated for 1961, $640,000 will be recovered and credited to miscellaneous receipts by charges against the Federal old-age and survivors insurance trust fund and the Federal disability insurance trust fund. The work volume is estimated at 10,000,000 depositary receipts in 1960 and 10,500,000 in 1961 as compared with 9,577,446 in 1959.

2. *Financial reporting and maintenance of the Government's central accounts.*—This activity includes the maintenance of central accounts of appropriations, receipts and expenditures which provide data for financial statements. It also includes the preparation and publication of financial reports on the Government's fiscal operations, such as the annual Combined Statement of Receipts, Expenditures, and Balances; the Monthly Treasury

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BUREAU OF ACCOUNTS—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Statement; the Secretary's Annual Report; the Treasury Bulletin; and reports on foreign currencies acquired without payment of dollars. The volume of accounting items is estimated at 4,590,000 in 1960 and 4,540,000 in 1961 as compared with 4,569,947 in 1959.

3. *Accounting and reporting development and internal audit.*—This activity includes furnishing technical accounting advice and assistance to all bureaus and offices of the Treasury, participating in the governmentwide accounting improvement program, performing internal audit in the Bureau, and coordinating Treasury fiscal internal audit.

4. *Processing investments, loans, claims, collections, and surety bonds.*—Investments in interest-bearing securities are processed for certain funds, such as the Federal old-age and survivors insurance trust fund, the unemployment trust fund, the veterans insurance trust fund, and various Government retirement funds. The work includes accounting for purchases, sales and redemptions of securities, processing of capital stock subscriptions of Government corporations, payment of international and other claims, and examination of the financial condition of companies issuing surety bonds in favor of the United States. The number of transactions is estimated at 296,120 for 1961, as compared with 297,810 in 1960 and 289,094 in 1959.

5. *Supervision of the Federal Depositary System.*—Banking facilities are provided for all agencies of the Government through the designation of selected institutions to act as official depositaries of the Government's funds. Workload is expected to increase in 1961 as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Number of depositaries utilized	4,161	4,270	4,375
Agency authorizations in effect at end of year	8,654	8,800	8,900

7. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$22,919	$20,382	$21,000	$21,000
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	28,039	30,882	30,264	30,264
Total selected resources at end of year	50,958	51,264	51,264	51,264
Selected resources at start of year (−)		−50,958	−51,264	−51,264
Adjustment of selected resources at start of year		1,357		
Obligations incurred for costs of other years, net		1,663		

Object Classification

		1959 actual		1960 estimate		1961 estimate
	Total number of permanent positions	337		335		334
	Average number of all employees	330		329		328
	Number of employees at end of year	325		329		328
	Average GS grade and salary	6.3	$5,713	6.4	$5,753	6.4	$5,791
01	Personal services:						
	Permanent positions		$1,878,755		$1,890,034		$1,899,847
	Other personal services		15,635		17,633		10,633
	Total personal services		1,894,390		1,907,667		1,910,480
02	Travel		4,842		5,000		5,000
03	Transportation of things		1,295		7,000		7,000
04	Communication services		22,363		23,400		23,400
05	Rents and utility services		47,839		45,400		45,400
06	Printing and reproduction		99,247		88,713		99,300
07	Other contractual services		16,996		17,000		35,000
	Services performed by Federal Reserve banks		1,149,294		1,217,000		1,288,350
08	Supplies and materials		43,040		37,570		43,820
09	Equipment		18,083		16,500		16,500
11	Grants, subsidies, and contributions		$120,522		$123,500		$123,500
13	Refunds, awards, and indemnities		955				
15	Taxes and assessments		235		250		250
	1959 program obligated in 1958		−4,999				
	Total obligations		3,414,102		3,489,000		3,598,000

SALARIES AND EXPENSES, DIVISION OF DISBURSEMENT

For necessary expenses of the Division of Disbursement, [$22,000,000] *$23,482,000. (E.O. No. 6166, sec. 4, June 10, 1933 (note following 5 U.S.C. 124–132); 31 U.S.C. 157; Treasury Department Appropriation Act, 1960.)*

Appropriated 1960, **$22,000,000** Estimate 1961, **$23,482,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Processing payments	$20,785,916	$21,732,196	$23,217,533
2. Issuance of savings bonds	308,178	267,804	264,467
Total program costs	21,094,094	22,000,000	23,482,000
3. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−26,282		
Total program (obligations)	21,067,812	22,000,000	23,482,000
Financing:			
1959 appropriation available in 1958	87,581		
Unobligated balance no longer available	29,207		
New obligational authority	21,184,600	22,000,000	23,482,000
New obligational authority:			
Appropriation	$21,203,600	$22,000,000	$23,482,000
Transferred to "Salaries and expenses" Office of the Treasurer (Reorganization Plan No. 26 of 1950)	−19,000		
Appropriation (adjusted)	21,184,600	22,000,000	23,482,000

The Division of Disbursement makes payments for civilian Federal agencies, except the Post Office Department and certain Government corporations, and issues savings bonds for Federal employees under the payroll savings plan.

The increase in 1961 is due to additional work volume (involving 14.3 million payments) and increases in program activities.

The funds required are determined by multiplying the volume of work or the number of units to be processed by the unit cost per item as shown in the following tables:

WORK VOLUME

	1959 actual	*1960 estimate*	*1961 estimate*
1. Processing payments	266,566,713	278,222,000	292,481,000
2. Issuance of savings bonds	3,322,721	3,000,000	3,000,000

UNIT COST

1. Processing payments	$0.0782	$0.0781	$0.0794
2. Issuance of savings bonds	.0927	.0893	.0882

3. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$746,641	$607,598	$700,000	$730,000
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	169,693	274,934	182,532	152,532
Total selected resources at end of year	916,334	882,532	882,532	882,532
Selected resources at start of year (−)		−916,334	−882,532	−882,532
Adjustment of selected resources at start of year		7,520		
Costs financed from obligations of other years, net (−)		−26,282		

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Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	1,778	1,764	1,792
Full-time equivalent of all other positions	187	137	122
Average number of all employees	1,908	1,866	1,887
Number of employees at end of year	1,785	1,821	1,845
Average GS grade and salary	3.5 $4,176	3.6 $4,249	3.6 $4,250
01 Personal services:			
Permanent positions	$7,185,730	$7,331,685	$7,476,035
Positions other than permanent	535,810	447,442	398,452
Other personal services	184,160	93,375	64,912
Total personal services	7,905,700	7,872,502	7,939,399
02 Travel	29,587	56,953	48,471
03 Transportation of things	76,922	91,737	91,381
04 Communication services	9,674,713	10,403,055	10,971,701
05 Rents and utility services	775,111	1,044,711	1,386,500
06 Printing and reproduction	61,384	63,050	66,428
Purchase of blank checks	748,605	767,422	811,711
07 Other contractual services	151,998	171,879	427,652
Services performed by other agencies	126,274		
08 Supplies and materials	1,002,832	976,535	1,087,562
09 Equipment	134,465	77,878	173,451
11 Grants, subsidies, and contributions	443,820	453,479	460,360
13 Refunds, awards, and indemnities	2,794		
15 Taxes and assessments	21,188	20,799	17,384
1959 program obligated in 1958	−87,581		
Total obligations	21,067,812	22,000,000	23,482,000

Claims, Judgments, and Relief Acts

Appropriated (est.) 1960, **$7,059,646** Estimate 1961, **$5,001,620**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Payment of claims (total costs—obligations)	$25,103,381	$7,059,646	$5,001,620
Financing:			
Unobligated balance no longer available	9,489		
Appropriation (new obligational authority):			
Current definite	20,857,821	2,058,026	
Permanent definite	1,620	1,620	1,620
Permanent indefinite	4,253,429	5,000,000	5,000,000

Appropriations are made for payment of claims and interest for damages not chargeable to appropriations of individual agencies and for payment of private relief acts. Appropriations are made individually for judgments over $100,000 while 31 U.S.C. 724a authorizes a permanent indefinite appropriation to pay judgments of $100,000 or less from the general fund of the Treasury.

Statutory awards in the amount of $1,620 are paid annually to Herman F. Kraft and Sara E. Edge (46 Stat. 1921; 52 Stat. 1334).

Object Classification

	1959 actual	1960 estimate	1961 estimate
13 Refunds, awards, and indemnities	$24,883,153	$6,759,646	$4,701,620
14 Interest	220,228	300,000	300,000
Total obligations	25,103,381	7,059,646	5,001,620

Permanent authorizations:

Interest on Uninvested Funds

(Indefinite)

Appropriated (est.) 1960, **$9,363,850** Estimate 1961, **$9,608,625**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Payment of awards (total costs—obligations) (object class 14)	$8,807,711	$9,363,850	$9,608,625
Financing:			
Appropriation (new obligational authority)	8,807,711	9,363,850	9,608,625

Under conditions of the law creating each trust, interest accruing and payable from the general fund of the Treasury is appropriated for transfer to the proper trust fund receipt accounts (31 U.S.C. 725S; 2 U.S.C. 158; 20 U.S.C. 54–55, 74a, and 101; 24 U.S.C. 46; various treaties; 69 Stat. 533).

The following schedule details the interest obligations under this account:

	Annual rate of interest (%)	*1959 actual*	*1960 estimate*	*1961 estimate*
Bequest of Gertrude M. Hubbard, Library of Congress	4	$800	$800	$800
Library of Congress trust fund	4	171,083	178,350	178,525
Expenses of Smithsonian Institution	6	60,000	60,000	60,000
National Gallery of Art trust fund	4	200,000	200,000	200,000
Education of the blind	4	10,000	10,000	10,000
Soldiers' Home permanent fund	3	2,593,586	2,900,000	3,150,000
Indian tribal funds	4	5,759,152	6,000,000	6,000,000
Oliver Wendell Holmes devise fund	3.5	13,090	14,700	9,300
Total obligations		8,807,711	9,363,850	9,608,625

Payment to Unemployment Trust Fund

(Indefinite)

Estimate 1961, **$14,535,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Payment to Unemployment trust fund (total costs—obligations) (object class 11)			$14,535,000
Financing:			
Appropriation (new obligational authority)			14,535,000

At the end of each year, the Secretary of the Treasury estimates the excess of Federal unemployment tax receipts for the year over expenditures for unemployment compensation and employment service administration. This appropriation transfers the estimated excess into the Unemployment trust fund, where a portion is allocated to the Federal unemployment account to bring the balance of that account to $200 million and the remainder is allocated to the trust accounts of the various States (68 Stat. 668). This payment is determined as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Estimated Federal unemployment tax receipts	$325,200,000	$335,000,000	$342,000,000
Add adjustment of prior year estimate	267,521	99,527	
Less tax refunds, including interest	3,965,266	4,184,000	4,379,000
Adjusted tax receipts	321,502,255	330,915,527	337,621,000
Less expense incurred:			
Internal Revenue Service	4,828,600	4,828,600	4,828,600
Other Treasury bureaus	22,165	22,000	22,400
Department of Labor:			
Grants to States	310,370,482	323,110,000	310,819,000
Administrative expenses	6,703,000	6,985,000	7,416,000
Excess of expense over receipts	421,992	4,030,073	
Payment to Unemployment trust fund			14,535,000

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BUREAU OF ACCOUNTS—Continued

Permanent authorizations—Continued

REFUND OF MONEYS ERRONEOUSLY RECEIVED AND RECOVERED

(Indefinite)

Appropriated (est.) 1960, **$1,600,000** Estimate 1961, **$1,600,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Payment of claims (total costs—obligations) (object class 13)	$1,664,689	$1,600,000	$1,600,000
Financing:			
Appropriation (new obligational authority)	1,664,689	1,600,000	1,600,000

Certificates of settlement, approved by the General Accounting Office, are paid for amounts which Federal agencies have erroneously deposited into the Treasury as miscellaneous receipts but which should have been deposited into other accounts or returned to the payees (63 Stat. 358).

Public enterprise funds:

PAYMENT TO FUND FOR PAYMENT OF GOVERNMENT LOSSES IN SHIPMENT

To increase the capital of the "Fund for payment of Government losses in shipment", in accordance with section 2 of the Act approved July 8, 1937 (5 U.S.C. 134a), $100,000, to remain available until expended, and to be derived by transfer from the account "Unclaimed partial payments on United States savings bonds."

Estimate 1961, **$100,000**

FUND FOR PAYMENT OF GOVERNMENT LOSSES IN SHIPMENT

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Payments of claims (total costs—obligations) (object class 13)	$47,486	$41,000	$41,000
Financing:			
Amounts becoming available:			
Appropriation	50,000		100,000
Revenue: Recoveries of losses	2,990	1,000	1,000
Total amounts becoming available	52,990	1,000	101,000
Unobligated balance brought forward	73,750	79,254	39,254
Total amounts available	126,740	80,254	140,254
Unobligated balance carried forward	−79,254	−39,254	−99,254
Financing applied to program	47,486	41,000	41,000

This revolving fund was created as self-insurance to cover losses in shipment of Government property such as coin, currency, securities, certain losses incurred by the Post Office Department, and losses in connection with the redemption of savings bonds (5 U.S.C. 134). Since these claims are only partially offset by recoveries, the net losses have gradually increased to $864,549 as of June 30, 1959, and are expected to increase to $904,549 by June 30, 1960. It is estimated that the creation of this fund has resulted in a savings of over $80 million of insurance premiums on shipments of Government property.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Expense (payment of claims)	$47,486	$41,000	$41,000
Receipts from operations (funds provided):			
Revenue (recoveries)	2,990	1,000	1,000
Decrease in selected working capital	17,912		
Total receipts from operations	20,902	1,000	1,000
Budget expenditures	26,584	40,000	40,000

Revenue, Expense, and Retained Earnings

Payment of claims:			
Revenue	$2,990	$1,000	$1,000
Expense	47,486	41,000	41,000
Net loss (−) for the year	−44,496	−40,000	−40,000
Deficit (−), beginning of year	−820,053	−864,549	−904,549
Deficit (−), end of year	−864,549	−904,549	−944,549

Financial Condition

Assets:			
Cash with Treasury	$113,625	$73,625	$133,625
Liabilities:			
Current	34,371	34,371	34,371
Government investment:			
Non-interest-bearing capital:			
Start of year	893,803	943,803	943,803
Appropriation during year	50,000		100,000
End of year	943,803	943,803	1,043,803
Deficit (−)	−864,549	−904,549	−944,549
Total Government investment	79,254	39,254	99,254

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash with Treasury	$90,209	$113,625	$73,625	$133,625
Obligated balance, net:				
Current liabilities	16,459	34,371	34,371	34,371
Unobligated balance	73,750	79,254	39,254	99,254

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Processing payments	$458,938	$398,329	$373,701
2. Replacement of personal property sold	739		
Total obligations	459,677	398,329	373,701
Financing:			
Advances and reimbursements from—			
Other accounts	458,938	398,329	373,701
Non-Federal sources (40 U.S.C. 481(c))	739		
Total financing	459,677	398,329	373,701

Object Classification

Total number of permanent positions		51		45		42
Full-time equivalent of all other positions		3		2		2
Average number of all employees		53		46		43
Number of employees at end of year		49		45		42
Average GS grade and salary	3.5	$4,176	3.6	$4,249	3.6	$4,250
01 Personal services:						
Permanent positions		$209,513		$184,764		$173,619
Positions other than permanent		9,348		6,532		6,532
Other personal services		758		1,438		661
Total personal services		219,619		192,734		180,812

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Object Classification—Continued

		1959 actual	1960 estimate	1961 estimate
02	Travel	$583	$464	$450
03	Transportation of things	377	987	959
04	Communication services	175,621	153,612	138,758
05	Rents and utility services	18,659	14,229	13,637
06	Printing and reproduction	393	833	905
	Purchase of blank checks	12,528	11,449	11,031
07	Other contractual services	2,154	2,202	4,457
08	Supplies and materials	14,201	13,692	14,026
09	Equipment	2,349	1,122	2,101
11	Grants, subsidies, and contributions	12,710	6,679	6,283
13	Refunds, awards, and indemnities	135		
15	Taxes and assessments	348	326	282
	Total obligations	459,677	398,329	373,701

BUREAU OF THE PUBLIC DEBT

Current authorizations:

ADMINISTERING THE PUBLIC DEBT

For necessary expenses connected with any public-debt issues of the United States [$47,000,000] *$46,850,000. (5 U.S.C. 258a; 31 U.S.C. 731–774; 12 U.S.C. 391; Treasury Department Appropriation Act, 1960.)*

Appropriated 1960, **$47,000,000** Estimate 1961, **$46,850,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Issuance, servicing, and retirement of savings bonds	$33,654,800	$33,058,892	$32,785,750
2. Issuance, servicing, and retirement of other Treasury securities	7,146,447	7,619,036	7,598,800
3. Maintenance and audit of public debt accounts	761,410	760,577	764,000
4. Promotion of the sale of savings bonds	5,406,101	5,505,365	5,570,000
5. Executive direction	126,112	131,300	131,450
Total program costs	47,094,870	47,075,170	46,850,000
6. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—)		−75,170	
Obligations incurred for costs of other years, net	165,569		
Total program (obligations)	47,260,439	47,000,000	46,850,000
Financing:			
1959 appropriation available in 1958	54,172		
Unobligated balance no longer available	18,289		
Appropriation (new obligational authority)	47,332,900	47,000,000	46,850,000

This appropriation provides funds for the conduct of all public debt operations and the promotion of the sale of U.S. savings bonds and stamps.

1. *Issuance, servicing, and retirement of savings bonds.*—This activity consists of (*a*) procuring, receiving, storing, and distributing bond stocks; (*b*) issuing bonds and maintaining records relating thereto; (*c*) adjudicating claims for the replacement or payment of lost, stolen, or mutilated bonds; (*d*) handling reissues and other transactions incident to servicing outstanding bonds; (*e*) retiring bonds; and (*f*) determining and authorizing semiannual interest payments on series G, H, and K bonds.

U.S. SAVINGS BONDS, SERIES A THROUGH K

[Number of pieces]

	1959 actual	*1960 estimate*	*1961 estimate*
Issues:			
Sales, original issue	85,944,922	89,500,000	92,400,000
Reissues, exchanges, and claims	2,212,260	2,500,000	2,600,000
Total	88,157,182	92,000,000	95,000,000
Retirements:			
Redemptions	89,705,489	90,700,000	91,300,000
Reissues, exchanges, claims, and spoils	4,292,163	4,400,000	4,400,000
Total	93,997,652	95,100,000	95,700,000

2. *Issuance, servicing, and retirement of other Treasury securities.*—This activity covers the same type of functions as described above for all U.S. securities other than savings bonds.

TREASURY SECURITIES OTHER THAN SAVINGS BONDS

[Number of pieces]

	1959 actual	*1960 estimate*	*1961 estimate*
Issues:			
Original issue	1,904,526	2,400,000	2,400,000
Other transactions	2,388,685	2,500,000	2,500,000
Total	4,293,211	4,900,000	4,900,000
Retirements:			
Redemptions	2,359,231	2,650,000	2,650,000
Other transactions	1,514,732	1,550,000	1,550,000
Total	3,873,963	4,200,000	4,200,000

3. *Maintenance and audit of public debt accounts.*—Control accounts are maintained over all transactions affecting the public debt. Provision is also made for the audit and verification of security stocks and the performance of other internal audit functions.

4. *Promotion of the sale of savings bonds.*—This activity consists of continuous sales promotion efforts using press, radio, other advertising media and organized groups, augmented by concentrated sales campaigns, with strong emphasis on payroll savings plans.

6. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$2,405,927	$2,565,057	$2,500,000	$2,500,000
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	389,532	385,113	375,000	375,000
Total selected resources at end of year	2,795,459	2,950,170	2,875,000	2,875,000
Selected resources at start of year (—)	−2,795,459	−2,950,170	−2,875,000	−2,875,000
Adjustment of selected resources reported at start of year		10,858		
Costs financed from obligations of other years, net (—)			−75,170	
Obligations incurred for costs of other years, net		165,569		

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Total number of permanent positions	3,375	3,038	2,923
	Full-time equivalent of all other positions	4	1	1
	Average number of all employees	3,079	2,919	2,860
	Number of employees at end of year	2,946	2,900	2,850
	Average GS grade and salary	4.4 $4,786	4.6 $4,918	4.7 $4,997
01	Personal services:			
	Permanent positions	$14,829,185	$14,354,243	$14,212,836
	Positions other than permanent	16,913	3,300	3,300
	Other personal services	336,552	156,457	72,864
	Total personal services	15,182,650	14,514,000	14,289,000
02	Travel	452,503	460,800	459,300
03	Transportation of things	494,853	496,700	477,700
04	Communication services	1,635,862	1,699,881	1,699,881
05	Rents and utility services	1,974,727	2,152,384	1,980,884
06	Printing and reproduction	534,919	563,320	543,320
	Printing of Government securities	1,889,283	2,020,000	2,045,000
07	Other contractual services	418,550	352,800	487,500
	Services performed by other agencies	317,876	318,000	318,000
	Federal Reserve banks	21,816,081	22,100,000	22,225,000
	Post Office Department	719,043	965,000	1,015,000
08	Supplies and materials	748,515	287,075	279,075
09	Equipment	141,795	124,240	100,440
11	Grants, subsidies, and contributions	954,984	943,500	927,600
13	Refunds, awards, and indemnities	30,605		
15	Taxes and assessments	2,365	2,300	2,300
	1959 program obligated in 1958	−54,172		
	Total obligations	47,260,439	47,000,000	46,850,000

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OFFICE OF THE TREASURER

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Office of the Treasurer, [$17,500,000] *$17,300,000. (31 U.S.C. 141–155, 157, 545, 548; 12 U.S.C. 121, 127, 411–422; 5 U.S.C. 258a; Treasury Department Appropriation Act, 1960.)*

Appropriated 1960, **$17,500,000** Estimate 1961, **$17,300,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct costs:			
1. Check payment and reconciliation	$2,637,047	$2,857,941	$2,850,500
2. Processing check claims	1,614,583	1,703,200	1,797,500
3. General banking services	365,328	382,600	385,100
4. Retirement of currency	697,018	697,800	721,000
5. Maintenance of Treasurer's accounts	350,240	360,500	362,700
6. Payment and custody of securities	314,587	327,500	329,700
7. Procurement and transportation of U.S. currency	11,119,344	11,469,619	11,780,408
8. Executive direction	107,378	89,800	90,000
Total direct costs	17,205,525	17,888,960	18,316,908
Reimbursable costs:			
1. Check payment and reconciliation	95,744	94,200	95,200
2. Processing check claims	56,103	54,700	55,400
3. General banking services	11,865	11,700	11,800
4. Retirement of currency	465,596	513,400	520,200
5. Maintenance of Treasurer's accounts	108		
6. Payment and custody of securities	218		
Total reimbursable costs	629,634	674,000	682,600
Total program costs	17,835,159	18,562,960	18,999,508
9. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)		−388,960	−1,016,908
Obligations incurred for costs of other years, net	709,571		
Total program (obligations)	18,544,730	18,174,000	17,982,600
Financing:			
Advances and reimbursements from—			
Other accounts	−150,445	−147,900	−149,600
Non-Federal sources	−479,189	−526,100	−533,000
1959 appropriation available in 1958	15,504		
Unobligated balance no longer available	38,400		
New obligational authority	17,969,000	17,500,000	17,300,000
New obligational authority:			
Appropriation	$17,950,000	$17,500,000	$17,300,000
Transferred from "Salaries and expenses, Division of Disbursement" (Reorganization Plan No. 26 of 1950)	19,000		
Appropriation (adjusted)	17,969,000	17,500,000	17,300,000

NOTE.—Reimbursements from non-Federal sources above are funds received for services rendered in connection with Federal Reserve currency (31 U.S.C. 157) and sales of personal property (40 U.S.C. 481(c)).

This office (*a*) receives, keeps, and disburses the moneys of the United States; (*b*) processes claims for the proceeds of Government checks; (*c*) receives, stores, issues, transfers, and retires currency; (*d*) issues and redeems Government securities; (*e*) maintains fiscal accounts; and (*f*) prepares financial statements and reports.

1. *Check payment and reconciliation.*—This activity consists of maintaining checking accounts of Government disbursing officers and Government-owned corporations; processing documents crediting Government disbursing accounts; performing centralized payment functions for all checks drawn on the Treasurer of the United States; reconciling deposits claimed and checks issued as reported by disbursing officers with the deposits credited and checks paid by the Treasurer; and determining the outstanding checks in each disbursing account.

Including the reimbursable work performed by this activity, approximately 398 million checks were paid and reconciled in 1959 by the Treasurer in Washington through the use of electronic equipment. Based on estimates furnished by the various Government agencies, a check volume of 411 million is expected in 1960 and 424 million in 1961.

2. *Processing check claims.*—This consists of the processing of all claims for the proceeds of Government checks, including the allowance or disallowance of claims against the United States and enforcing of claims of the United States against banks, endorsers, principals, and sureties or other parties having liability due to the fraudulent or otherwise improper negotiation of checks.

WORK VOLUME

Type of case processed:	*1959 actual*	*1960 estimate*	*1961 estimate*
Paid check	179,638	184,300	191,300
Outstanding check	68,725	71,200	73,900
Authority	5,198	5,350	5,550

UNIT COSTS

Type of case processed:			
Paid check	$7.56	$7.79	$7.91
Outstanding check	3.49	3.58	3.65
Authority	2.49	2.54	2.61

3. *General banking services.*—General banking services are provided for Government accountable officers and for banks in the District of Columbia.

WORKLOAD OF MEASURABLE OPERATIONS

[In thousands]

	1959 actual	*1960 estimate*	*1961 estimate*
Treasury checks and other obligations paid in cash	632	650	650
Commercial checks, drafts, and money orders processed for collection	5,917	6,000	6,000

4. *Retirement of currency.*—U.S. currency unfit for further circulation is verified and destroyed by the Federal Reserve banks on a reimbursable basis. Unfit currency received from local sources, as well as all mutilated currency, is processed for retirement in Washington. The pieces of currency destroyed are estimated to be 1.2 billion in 1960 and in 1961 as compared to 1.1 billion in 1959.

5. *Maintenance of the Treasurer's accounts.*—Controlling accounts covering receipts and disbursements are maintained for all funds placed in the custody of the Treasurer, and reports are prepared, including the Daily Statement of the United States Treasury and a monthly statement of money held in the Treasury and paper currency in circulation.

6. *Payment and custody of securities.*—This consists of payment of principal and interest on public debt obligations, including those of Government corporations, and provision of safekeeping facilities for securities, trust funds, and savings bonds.

7. *Procurement and transportation of U.S. currency.*—All U.S. paper currency is procured by the Treasurer from the Bureau of Engraving and Printing on a reimbursable basis. The Treasurer is also charged with the cost of transportation of this new currency to the Federal Reserve banks and depositaries.

FACTORS DETERMINING REQUIREMENTS

[In thousands of notes]

	1959 actual	*1960 estimate*	*1961 estimate*
New currency procured	1,437,520	1,184,344	1,147,568
New currency issued	1,210,844	1,260,000	1,260,000

9. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

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	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Inventories and items on order:				
U.S. currency (unissued currency)	$4,418,442	$5,163,490	$4,804,371	$3,787,463
Stores (goods unconsumed by projects)	60,543	80,215	55,000	55,000
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	107,368	39,626	35,000	35,000
Total selected resources at end of year	4,586,353	5,283,331	4,894,371	3,877,463
Selected resources at start of year (−)		−4,586,353	−5,283,331	−4,894,371
Adjustment of selected resources reported at start of year		12,593		
Costs financed from obligations of other years, net (−)			−388,960	−1,016,908
Obligations incurred for costs of other years, net		709,571		

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	998	995	1,008
Full-time equivalent of all other positions		4	4
Average number of all employees	943	971	984
Number of employees at end of year	956	980	990
Average GS grade and salary	5.0 $4,835	5.0 $4,887	5.1 $4,903
Personal service obligations:			
Permanent positions	$4,579,563	$4,721,700	$4,788,100
Positions other than permanent		13,000	13,000
Other personal services	89,441	93,500	76,500
Total personal services obligations	4,669,004	4,828,200	4,877,600
Direct obligations:			
01 Personal services	4,168,389	4,285,600	4,334,000
02 Travel	6,733	8,800	8,800
03 Transportation of things	440,575	440,700	435,700
04 Communication services	52,938	58,800	58,800
05 Rents and utility services	955,387	1,123,200	1,098,200
06 Printing and reproduction	30,626	46,200	55,200
Purchase of U.S. currency	11,447,999	10,693,000	10,356,000
07 Other contractual services	60,889	60,000	110,400
Services performed by Federal Reserve banks	312,248	347,000	353,000
08 Supplies and materials	105,199	130,100	155,600
09 Equipment	77,305	30,700	54,500
11 Grants, subsidies, and contributions	264,588	275,900	279,800
13 Refunds, awards, and indemnities	7,194		
15 Taxes and assessments	530		
1959 program obligated in 1958	−15,504		
Total direct obligations	17,915,096	17,500,000	17,300,000
Reimbursable obligations:			
01 Personal services	500,615	542,600	543,600
02 Travel	104	600	600
03 Transportation of things	4,375	4,600	4,700
04 Communication services	5,298	6,800	6,900
05 Rents and utility services	35,002	36,200	36,200
06 Printing and reproduction	2,268	2,500	2,500
07 Other contractual services	35,006	36,100	43,200
08 Supplies and materials	5,330	7,900	8,200
09 Equipment	9,868	3,100	3,100
11 Grants, subsidies, and contributions	31,076	33,300	33,300
13 Refunds, awards, and indemnities	571		
15 Taxes and assessments	121	300	300
Total reimbursable obligations	629,634	674,000	682,600
Total obligations	18,544,730	18,174,000	17,982,600

Public enterprise funds:

CHECK FORGERY INSURANCE FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Payment of claims and losses (total costs—obligations) (object class 12)	$227,497	$230,300	$235,316
Financing:			
Amounts becoming available: Revenue	227,208	230,000	235,000
Unobligated balance brought forward	44,005	43,716	43,416
Total amounts available	271,213	273,716	278,416
Unobligated balance carried forward	−43,716	−43,416	−43,100
Financing applied in program	227,497	230,300	235,316

This fund covers settlements on lost or stolen checks which have been paid on forged endorsements. These settlements are financed out of the initial capital of $50,000 (31 U.S.C. 561).

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Expense (payment of claims)	$227,208	$230,000	$235,000
Increase in selected working capital	17,976		5,000
Total gross expenditures	245,184	230,000	240,000
Receipts from operations (funds provided):			
Revenue	227,208	230,000	235,000
Decrease in selected working capital		9,575	
Total receipts from operations	227,208	239,575	235,000
Budget expenditures	17,976	−9,575	5,000

Revenue, Expense, and Retained Earnings

	1959 actual	1960 estimate	1961 estimate
Revenue	$227,208	$230,000	$235,000
Expense	227,497	230,300	235,316
Net loss (−) for the year	−289	−300	−316
Deficit (−), beginning of year	−5,995	−6,284	−6,584
Deficit (−), end of year	−6,284	−6,584	−6,900

Financial Condition

	1959 actual	1960 estimate	1961 estimate
Assets:			
Cash with Treasury	$9,425	$19,000	$14,000
Accounts receivable, net	34,291	24,416	29,100
Total assets	43,716	43,416	43,100
Government investment:			
Non-interest-bearing capital	50,000	50,000	50,000
Deficit (−)	−6,284	−6,584	−6,900
Total Government investment	43,716	43,416	43,100

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash with Treasury	$27,401	$9,425	$19,000	$14,000
Obligated balance: Accounts receivable, net (−)	−16,604	−34,291	−24,416	−29,100
Unobligated balance	44,005	43,716	43,416	43,100

BUREAU OF CUSTOMS

SALARIES AND EXPENSES

For necessary expenses of the Bureau of Customs, including purchase of seventy-five passenger motor vehicles for replacement only, of which forty for police-type use may exceed by $300 each the general purchase price limitation for the current fiscal year; uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131); services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); and awards of compensation to informers as authorized by the Act of August 13, 1953 (22 U.S.C. 401); [$53,865,000] *$55,875,000. (5 U.S.C. 118, 118a, 281a; 19 U.S.C. 68, 1524, 1619, 1701; 31 U.S.C. 529b, 530; 46 U.S.C. 1–1334; Treasury Department Appropriation Act, 1960.)*

Appropriated 1960 **$53,865,000** Estimate 1961 **$55,875,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Assessment and collection of duties, taxes, and fees	$38,333,847	$38,392,900	$39,738,350
2. Appraisal of imported merchandise	7,369,206	8,235,800	8,639,600
3. Investigations of violations of customs and related laws and regulations	2,958,891	3,185,300	3,365,225
4. Audit of collection and merchandise accounts	786,567	850,800	866,610

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BUREAU OF CUSTOMS—Continued

SALARIES AND EXPENSES—Continued

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
5. Analysis and identification of merchandise for tariff purposes	$1,061,783	$1,129,000	$1,147,000
6. Executive direction	1,936,798	2,071,200	2,068,215
Total program costs [1]	52,447,092	53,865,000	55,825,000
7. Relation of costs to obligations:			
Cost financed from obligations of other years, net (−)	−177,788		
Obligations incurred for costs of other years, net			50,000
Total program (obligations)	52,269,304	53,865,000	55,875,000
Financing:			
1959 appropriation available in 1958	203,632		
Unobligated balance brought forward	300,000	300,000	300,000
Unobligated balance carried forward	−300,000	−300,000	−300,000
Unobligated balance no longer available	46,064		
Appropriation (new obligational authority)	52,519,000	53,865,000	55,875,000

[1] Includes capital outlay as follows: 1959, $7,929 and 1961, $400,000.

The Bureau of Customs controls the importation of merchandise and collects the duties, taxes, and fees thereon. Gross collections amounted to $1.3 billion in 1959.

The unobligated balance of $300,000 is a special fund available to this account when necessary to help pay the expense of reimbursable customs work pending the collection of receivables from private interests.

A supplemental appropriation for 1960 is anticipated under Proposed for later transmission.

1. *Assessment and collection of duties, taxes, and fees.*—The collectors of customs assess and collect the duties and taxes on imported merchandise, inspect international traffic, combat smuggling, perform certain marine activities relating to ownership and documentation of vessels of the United States and the movement of vessels in the foreign trade, and enforce the laws of other Government agencies affecting imports and exports.

SELECTED WORKLOAD DATA

	1959 actual	*1960 estimate*	*1961 estimate*
Formal entries accepted	1,312,279	1,378,000	1,447,000
Carriers of persons and merchandise arriving from foreign countries	41,027,265	42,050,000	43,100,000
Persons arriving from foreign countries	143,924,569	148,200,000	152,600,000

2. *Appraisal of imported merchandise.*—The customs appraisers examine and ascertain the value of imported merchandise, and perform other functions in support of the collectors' determinations of rates of duty to be assessed and the admissibility of merchandise into the United States.

SELECTED WORKLOAD DATA

	1959 actual	*1960 estimate*	*1961 estimate*
Packages examined by appraisers' personnel	1,454,147	1,498,000	1,543,000
Invoices received	2,042,970	2,104,000	2,167,000

3. *Investigations of violations of customs and related laws and regulations.*—The customs agents in the United States and abroad make investigations in the enforcement of the Tariff Act of 1930, the Narcotics Drug Act of 1934, the Gold Reserve Act of 1934, the Export Control Act, and other laws affecting the movement of merchandise into and out of the United States. They also secure market value information for customs appraisers. In 1959, a total of 16,632 investigations were made. The estimates for 1960 and 1961 are 17,740 and 18,885, respectively.

4. *Audit of collection and merchandise accounts.*—The comptrollers of customs examine and certify collectors' accounts of receipts and disbursements of money and receipts and disposition of merchandise, and verify collectors' final assessments of duties and taxes, as well as allowances of drawback.

SELECTED WORKLOAD DATA

	1959 actual	*1960 estimate*	*1961 estimate*
Liquidations verified	70,500	75,000	78,000
Liquidations pending verification, June 30	2,492	4,000	4,000
Audit reports made	78	130	130

5. *Analysis and identification of merchandise for tariff purposes.*—The customs laboratories perform scientific analysis and identification of merchandise for tariff and enforcement purposes. In 1959, a total of 120,032 samples were tested, and it is estimated that 128,265 and 133,475 will be tested in 1960 and 1961, respectively.

7. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (supplies and equipment unused)	$36,163	$42,475	$40,000	$42,500
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	440,653	233,484	231,000	281,000
Advances (payments for goods and services on order not yet received)	4,023	1,356	4,000	1,500
Total selected resources at end of year	480,839	277,315	275,000	325,000
Selected resources at start of year (−)		−480,839	−277,315	−275,000
Adjustment of selected resources reported at start of year		25,736	2,315	
Cost financed from obligations of other years, net (−)		−177,788		
Obligations incurred for costs of other years, net				50,000

Object Classification

	1959 actual		1960 estimate		1961 estimate	
Total number of permanent positions	7,214		7,364		7,490	
Full-time equivalent of all other positions	84		84		84	
Average number of all employees	7,119		7,271		7,399	
Number of employees at end of year	7,133		7,413		7,539	
Average GS grade and salary	8.1	$6,351	8.1	$6,411	8.1	$6,482
01 Personal services.						
Permanent positions	$43,793,225		$44,550,140		$45,775,470	
Positions other than permanent	411,178		412,500		412,500	
Other personal services	2,230,892		2,501,000		2,392,155	
Total personal services	46,435,295		47,463,640		48,580,125	
02 Travel	396,703		523,000		529,500	
03 Transportation of things	416,730		450,000		450,000	
04 Communication services	622,800		615,000		635,000	
05 Rents and utility services	101,240		140,000		103,600	
06 Printing and reproduction	216,869		246,000		221,000	
07 Other contractual services	435,153		483,400		911,965	
08 Supplies and materials	433,794		421,000		421,000	
09 Equipment	363,530		409,000		389,535	
10 Lands and structures	7,929				450,000	
11 Grants, subsidies, and contributions	2,932,230		3,013,600		3,082,915	
13 Refunds, awards, and indemnities	121,462		110,000		110,000	
15 Taxes and assessments	11,979		13,200		13,200	
1959 program obligated in 1958	−203,632					
Subtotal	52,292,082		53,887,840		55,897,840	
Deduct quarters and subsistence charges	22,778		22,840		22,840	
Total obligations	52,269,304		53,865,000		55,875,000	

Permanent authorizations:

REFUNDS AND DRAWBACKS

(Indefinite)

Appropriated (est.) 1960, **$24,000,000** Estimate 1961, **$24,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Refunds of duties assessed and collected (total costs—obligations) (object class 13)	$23,220,638	$24,000,000	$24,000,000
Financing:			
Appropriation (new obligational authority)	23,220,638	24,000,000	24,000,000

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Overpayments are refunded, and drawbacks of duties upon exportation of previously imported merchandise are paid as required.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Assessment and collection of duties, taxes and fees	$9,728,586	$10,297,800	$10,597,800
2. Appraisal of imported merchandise	68,798	80,800	80,800
3. Investigations of violations of customs and related laws and regulations	65,465	69,200	69,200
4. Analysis and identification of merchandise for tariff purposes	274		
5. Executive direction	38,008	52,200	52,200
Total obligations	9,901,131	10,500,000	10,800,000
Financing:			
Advances and reimbursements from—			
Other accounts	2,415,872	2,297,000	2,400,000
Non-Federal sources	7,485,259	8,203,000	8,400,000
Total financing	9,901,131	10,500,000	10,800,000

NOTE.—Reimbursements from non-Federal sources above are funds received for overtime pay and miscellaneous expenses for customs services (19 U.S.C. 1524).

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Total number of permanent positions	687	665	682
	Full-time equivalent of all other positions	9	9	9
	Average number of all employees	670	651	660
	Number of employees at end of year	691	673	684
	Average GS grade and salary	6.9 $5,523	6.9 $5,610	6.9 $5,684
01	Personal services:			
	Permanent positions	$3,548,740	$3,454,500	$3,542,855
	Positions other than permanent	39,833	40,000	40,000
	Other personal services	5,970,445	6,643,100	6,858,825
	Total personal services	9,559,018	10,137,600	10,441,680
02	Travel	60,549	59,800	59,800
03	Transportation of things	1,522	1,600	1,600
04	Communication services	7,698	16,800	16,800
05	Rents and utility services	1,598	1,600	1,600
06	Printing and reproduction	62,725	65,000	65,000
07	Other contractual services	46,988	44,800	55,820
08	Supplies and materials	20,070	15,700	15,700
09	Equipment	13,761	18,100	18,100
10	Land and structures		20,000	
11	Grants, subsidies, and contributions	127,085	118,900	123,800
13	Refunds, awards, and indemnities	117	100	100
	Total obligations	9,901,131	10,500,000	10,800,000

Proposed for later transmission:

SALARIES AND EXPENSES

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Assessment and collection of duties, taxes and fees		$82,650	
2. Appraisal of imported merchandise		116,650	
3. Investigations of violations of customs and related laws and regulations		1,200	
5. Analysis and identification of merchandise for tariff purposes		2,500	
6. Executive direction		1,000	
Total costs—obligations		204,000	
Financing:			
Proposed supplemental appropriation		204,000	

Under existing legislation, 1960.—A supplemental appropriation is anticipated to meet the cost of wage-board salary increases.

INTERNAL REVENUE SERVICE

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Internal Revenue Service, including purchase (not to exceed one hundred for replacement only, of which forty for police-type use may exceed by $300 each the general purchase price limitation for the current fiscal year) and hire of passenger motor vehicles; and services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), and of expert witnesses at such rates as may be determined by the Commissioner; [$364,250,000] *$393,000,000.* (*5 U.S.C. 133; 26 U.S.C.; 72 Stat. 1275; Treasury Department Appropriation Act, 1960.*)

Appropriated 1960, **$364,250,000** Estimate 1961, **$393,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Rulings, technical planning, and special technical services	$5,649,688	$5,995,100	$6,492,214
2. Collection of revenue	148,723,411	151,317,338	162,777,132
3. Audit of tax returns	123,862,772	127,373,864	138,885,031
4. Tax fraud and special investigations	18,288,037	18,619,370	19,664,345
5. Alcohol and tobacco tax regulatory work	25,691,558	26,125,669	27,049,328
6. Taxpayer conferences and appeals	12,769,914	13,722,531	15,289,770
7. Legal services	8,971,803	9,353,642	10,220,066
8. Inspection	4,822,290	4,846,020	5,272,646
9. Statistical reporting	2,600,600	2,644,146	2,948,396
10. Executive direction	4,156,403	4,252,320	4,401,072
Total program costs	355,536,476	364,250,000	393,000,000
11. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−1,006,581		
Total program (obligations)	354,529,895	364,250,000	393,000,000
Financing:			
1959 appropriation available in 1958	818,614		
Unobligated balance no longer available	151,491		
Appropriation (new obligational authority)	355,500,000	364,250,000	393,000,000

The Internal Revenue Service is the primary revenue collecting agency of the Federal Government. Gross collections of the Internal Revenue Service amounted to $80 billion in 1959.

The number of tax returns filed has increased over the past 5 years from 88.6 million to 92.8 million. While greater efficiency and the introduction of automatic equipment have enabled the Service to process this larger workload, it has not been possible to increase the more time-consuming enforcement work accordingly. As a start in correcting this situation and to recover part of the present annual revenue loss to the Government, the 1961 recommendation provides funds for an increase in enforcement personnel and the initiation of an electronic computer system designed to maintain a consolidated master-file of taxpayer accounts. These funds, which will allow significant increases in work accomplishment as indicated in the following workload tables (particularly in the collection and audit activities), constitute the first step in a long-range plan to improve the enforcement of our tax laws.

1. *Rulings, technical planning, and special technical services.*—The Service interprets statutory provisions, issues rulings, and prepares regulations and Treasury decisions. It conducts continuing research on tax loopholes, inequities, and related problems; provides special technical services; and negotiates tax treaties with foreign governments.

SELECTED WORKLOAD DATA

	1959 actual	*1960 estimate*	*1961 estimate*
Rulings and advisory opinions	63,658	64,000	65,000
Regulations, legislative analysis, drafting, and reports	2,812	3,000	3,000
Research, analysis, and preparation of rulings for publication	2,949	3,000	3,000

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INTERNAL REVENUE SERVICE—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

2. *Collection of revenue.*—This activity includes the securing of delinquent returns and the collection of delinquent accounts; receiving returns and remittances; tax accounting; bookkeeping; arithmetic verification of tax returns; determination of tax liability in respect to form 1040A returns; preparation of bills; computation and scheduling of refunds; the filing of returns and records; and personal assistance to taxpayers on subjects related to all of these functions.

SELECTED WORKLOAD DATA

[In thousands]

	1959 actual	*1960 estimate*	*1961 estimate*
Tax returns filed—all types	92,853	95,694	97,334
Individual income tax computations and verifications	57,391	61,438	62,501
Refunds and credits scheduled	39,839	40,656	41,500
First notices and current installment bills issued	17,825	18,224	18,900
Taxpayer delinquent accounts issued	2,656	2,554	2,900
Taxpayer delinquent accounts closed	2,960	2,766	3,000
Delinquent returns secured (service total)	841	979	1,433

3. *Audit of tax returns.*—This activity covers the primary enforcement work of the Service. It encompasses all examinations, audits, investigations, and informal conferences for checking correctness and completeness of taxpayers' returns and claims, and for determining the correct tax liability.

SELECTED WORKLOAD DATA

[In thousands]

	1959 actual	*1960 estimate*	*1961 estimate*
Examined income, estate, and gift tax returns	2,624	2,649	2,855

4. *Tax fraud and special investigations.*—This function covers investigations of tax fraud, including making recommendations with respect to prosecution, fraud penalty, and civil liability of taxpayers. The function relating to the investigations of applicants to practice before the Treasury Department is being transferred to activity 8—Inspection.

SELECTED WORKLOAD DATA

[In thousands]

	1959 actual	*1960 estimate*	*1961 estimate*
Fraud cases	18.2	18.5	18.8
Enrollment investigations	7.2	8.5	----

5. *Alcohol and tobacco tax regulatory work.*—Under the laws relating to liquor, tobacco, and firearms, tax liability is determined, the alcohol and tobacco industry operations and trade practices are regulated, and violators against such laws are detected and prosecuted.

SELECTED WORKLOAD DATA

	1959 actual	*1960 estimate*	*1961 estimate*
Cases made	11,166	10,950	10,950
Distilleries seized	6,177	6,750	6,500
Mash seized (wine gallons)	4,655,572	4,400,000	4,400,000
Arrests	10,912	10,950	10,950
Inspections (includes dealers with Federal Alcohol Administration permits)	40,779	41,900	41,000

6. *Taxpayer conferences and appeals.*—This activity consists of formal appellate work with respect to tax liability, interest, penalties (except alcohol, tobacco, narcotics, and firearms) in protested cases, the issuance of statutory notices, consideration of claims, and consideration of appealed offers in compromise which have been rejected by district directors. There were 24,854 cases closed during 1959, a total of 27,200 estimated for 1960, and 28,625 for 1961.

7. *Legal services.*—This activity is responsible for all legal services, including the issuance of legal opinions for the guidance of officers of the Service, defense of petitions to the Tax Court of the United States, recommendations as to prosecution by the Department of Justice of civil and criminal suits and appeals to be taken, and the review of abatements, refunds, or credits of $100,000 or over.

SELECTED WORKLOAD DATA

Cases disposed of	*1959 actual*	*1960 estimate*	*1961 estimate*
Litigation:			
Tax Court cases (including courts of appeal and Supreme Court)	6,198	6,200	7,000
District court cases	1,394	1,500	1,500
Enforcement:			
Fraud cases	1,776	1,780	1,780
Alcohol and tobacco tax cases	5,237	5,250	5,250
Claims:			
Claims against estates, bankruptcy and receivership proceedings, collections, lien cases, etc.	10,502	10,000	10,500
Review of overassessments and proposed refunds in excess of $100,000	336	350	380
Technical rulings and opinions	1,516	1,500	1,500

8. *Inspection.*—This activity covers the internal audit and internal security activities servicewide. The investigation of applicants for enrollment to practice before the Treasury Department, and the investigation of charges against enrolled practitioners, is being transferred from activity 4 for 1961 (with modifications which will substantially reduce the number of investigations).

SELECTED WORKLOAD DATA

	1959 actual	*1960 estimate*	*1961 estimate*
Internal audit examinations	267	256	256
Applicant character investigations	2,328	4,000	5,600
Personnel conduct investigations	597	600	600
Special inquiry investigations	1,349	1,500	1,500
Tort claim and discrimination investigations	126	150	150
Enrollment investigations	-----	-----	1,744

9. *Statistical reporting.*—Annual statistics are prepared on income and profits taxes. Statistics covering collections, refunds, additional assessments, warrants for distraint, and other data are compiled for public release or inclusion in the annual reports of the Secretary and Commissioner.

SELECTED WORKLOAD DATA

[In thousands]

	1959 actual	*1960 estimate*	*1961 estimate*
Returns transcribed and edited	726.8	683.1	820.3
Statistical reports issued (table and text pages)	3.4	5.2	4.8

11. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$515,199	$467,533	$467,533	$467,533
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	2,307,568	1,323,259	1,323,259	1,323,259
Total selected resources at end of year	2,822,767	1,790,792	1,790,792	1,790,792
Selected resources at start of year (−)		−2,822,767	−1,790,792	−1,790,792
Adjustment of selected resources reported at start of year		25,394	----------	----------
Costs financed from obligations of other years, net (−)		−1,006,581	----------	----------

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	50,247	49,442	52,202
Full-time equivalent of all other positions	1,923	2,198	2,922
Average number of all employees	51,209	51,317	54,213
Number of employees at end of year	50,198	51,300	54,140

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Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
Average GS grade and salary	7.3 $6,001	7.6 $6,161	7.6 $6,239
01 Personal services:			
Permanent positions	$292,461,379	$297,819,266	$314,632,706
Positions other than permanent	6,336,029	7,338,044	9,867,622
Other personal services	2,544,738	3,497,297	2,423,614
Total personal services	301,342,146	308,654,607	326,923,942
02 Travel	8,133,143	9,172,776	11,768,454
03 Transportation of things	1,578,015	1,652,252	1,751,518
04 Communication services	6,589,911	7,210,426	7,518,435
05 Rents and utility services	2,002,191	2,701,003	2,760,508
06 Printing and reproduction	7,121,847	6,075,292	6,661,129
07 Other contractual services	3,648,625	3,475,739	7,466,344
08 Supplies and materials	3,335,956	3,439,749	3,923,008
09 Equipment	1,805,486	1,717,472	2,960,378
11 Grants, subsidies, and contributions	18,996,091	19,497,801	20,554,173
13 Refunds, awards, and indemnities	654,471	510,000	510,000
15 Taxes and assessments	140,627	142,883	202,111
1959 program obligated in 1958	−818,614		
Total obligations	354,529,895	364,250,000	393,000,000

Permanent authorizations:

Refunding Internal Revenue Collections

(Indefinite)

Appropriated (est.) 1960, **$5,508,400,000**
Estimate 1961, **$6,053,675,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Refunding internal revenue collections (total costs—obligations) (object class 13)	$5,087,488,923	$5,508,400,000	$6,053,675,000
Financing:			
Recovery of prior year obligations (repayment of prior year refunds made on behalf of Federal old-age and survivors insurance trust fund and Federal disability insurance trust fund)	−83,430,000	−89,000,000	−98,000,000
Unobligated balance no longer available	83,430,000	89,000,000	98,000,000
Appropriation (new obligational authority)	5,087,488,923	5,508,400,000	6,053,675,000

Refunds are made of erroneous internal revenue collections or overpayments of taxes (26 U.S.C. 3770).

Refunding Internal Revenue Collections, Interest

(Indefinite)

Appropriated (est.) 1960, **$75,200,000** Estimate 1961, **$75,200,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Payment of interest on refunds (total costs—obligations) (object class 14)	$69,479,835	$75,200,000	$75,200,000
Financing:			
Appropriation (new obligational authority)	69,479,835	75,200,000	75,200,000

Interest is paid at 6% per annum on internal revenue collections which must be refunded (26 U.S.C. 3771).

Internal Revenue Collections for Puerto Rico

(Indefinite special fund)

Appropriated (est.) 1960, **$20,000,000** Estimate 1961, **$20,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Internal revenue collections for Puerto Rico (total costs—obligations) (object class 11)	$21,004,247	$20,000,000	$20,000,000
Financing:			
Appropriation (new obligational authority)	21,004,247	20,000,000	20,000,000

Taxes collected under the internal revenue laws of the United States on articles produced in Puerto Rico and either transported to the United States or consumed on the island are paid to Puerto Rico (26 U.S.C. 3360).

Intragovernmental funds:

Advances and Reimbursements

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Rulings, technical planning, and special technical services	$185		
2. Collection of revenue	78,421	$75,000	$75,000
3. Audit of tax returns	6,556		
4. Tax fraud and special investigations	11,024		
5. Alcohol and tobacco tax regulatory work	23,487	164,000	164,000
6. Taxpayer conferences and appeals	433		
7. Legal services	247		
8. Inspection	124		
9. Executive direction	242		
Total obligations	120,719	239,000	239,000
Financing:			
Advances and reimbursements from—			
Other accounts	87,618	214,000	214,000
Non-Federal sources (40 U.S.C. 481(c))	33,101	25,000	25,000
Total financing	120,719	239,000	239,000

Object Classification

Total number of permanent positions	2	18	18
Full-time equivalent of all other positions	15	20	20
Average number of all employees	17	38	38
Number of employees at end of year	2	18	18
Average GS grade and salary	8.5 $6,510	7.9 $6,358	7.9 $6,427
01 Personal services:			
Permanent positions	$13,021	$114,454	$115,687
Positions other than permanent	69,733	61,183	64,039
Other personal services	60	18,794	18,433
Total personal services	82,814	194,431	198,159
02 Travel	1,944	2,600	2,600
03 Transportation of things		826	275
04 Communication services		500	500
06 Printing and reproduction	7,015		
07 Other contractual services	1,812	1,700	1,700
08 Supplies and materials	2,164	1,600	1,600
09 Equipment	24,120	29,800	26,600
11 Grants, subsidies, and contributions	850	7,543	7,566
Total obligations	120,719	239,000	239,000

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BUREAU OF NARCOTICS

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Bureau of Narcotics, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); and hire of passenger motor vehicles; [$4,080,000] *$4,100,000. (5 U.S.C. 258a, 282–282c; 18 U.S.C. 1401–1407; 21 U.S.C. 171–184a, 188–188n, 197–199; 26 U.S.C. 4701–4762, 4771–4774, 7237, 7607; 49 U.S.C. 781–788; Treasury Department Appropriation Act, 1960.)*

Appropriated 1960, **$4,080,000** Estimate 1961, **$4,100,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Administering and enforcing the Federal narcotic and marihuana laws	$3,941,239	$3,992,650	$4,011,402
2. Executive direction	86,078	87,350	88,598
Total program costs	4,027,317	4,080,000	4,100,000
3. Relation of costs to obligations: Obligations incurred for costs of other years, net	6,469		
Total program (obligations)	4,033,786	4,080,000	4,100,000
Financing:			
Unobligated balance no longer available	26,764		
Appropriation (new obligational authority)	4,060,550	4,080,000	4,100,000

The Bureau of Narcotics is responsible for the investigation, detection and prevention of violations of the Federal narcotic and marihuana laws; and in conjunction with other interested agencies, regulates the import, export, manufacture and distribution of narcotic drugs for medical and scientific use, and controls this legitimate trade to prevent diversion to illicit and abusive channels.

In 1961 the enforcement efforts of the Bureau will continue to be concentrated on the illicit narcotic traffic at the interstate and international levels and on wholesale intrastate distribution.

SELECTED WORKLOAD DATA

	1957 actual	*1958 actual*	*1959 actual*	*1960 estimate*	*1961 estimate*
Cases completed for prosecution:					
Narcotics	1,469	1,524	1,608	1,605	1,605
Marihuana	361	200	146	145	145
Subtotal	1,830	1,724	1,754	1,750	1,750
Other dispositions: Cases either showing no criminal violations or involving theft, military assistance, and assistance to local authorities	49,570	42,444	41,845	41,250	41,250
Total	51,400	44,168	43,599	43,000	43,000
Active investigations at close of year	4,809	4,357	3,882	4,000	4,000

3. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (supplies and equipment unused)	$88,535	$100,679	$100,679	$100,679
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	8,745	3,070	3,070	3,070
Total selected resources at end of year	97,280	103,749	103,749	103,749
Selected resources at start of year (−)		−97,280	−103,749	−103,749
Obligations incurred for costs of other years, net		6,469		

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	437	437	437
Average number of all employees	416	424	424
Number of employees at end of year	407	420	420

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
Average GS grade and salary	8.5 $6,366	8.5 $6,388	8.5 $6,414
01 Personal services:			
Permanent positions	$2,663,721	$2,678,621	$2,688,103
Other personal services	261,472	273,176	263,694
Total personal services	2,925,193	2,951,797	2,951,797
02 Travel	228,728	233,260	233,260
03 Transportation of things	29,103	29,103	29,103
04 Communication services	103,904	104,000	104,000
05 Rents and utility services	1,995	2,000	2,000
06 Printing and reproduction	11,775	13,802	13,802
07 Other contractual services	144,911	147,438	167,438
08 Supplies and materials	123,738	124,900	124,900
Purchase of evidence	254,553	260,000	260,000
09 Equipment	18,920	20,350	20,350
11 Grants, subsidies, and contributions	170,194	171,550	171,550
13 Refunds, awards, and indemnities	20,396	21,400	21,400
15 Taxes and assessments	376	400	400
Total obligations	4,033,786	4,080,000	4,100,000

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Administering and enforcing the Federal narcotic and marihuana laws (total obligations)	$72,637	$79,325	$79,825
Financing:			
Advances and reimbursements from other accounts	72,637	79,325	79,825

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	4	4	4
Average number of all employees	4	4	4
Number of employees at end of year	4	4	4
Average GS grade and salary	8.2 $6,305	8.2 $6,430	8.2 $6,430
01 Personal services:			
Permanent positions	$30,205	$32,403	$32,676
Other personal services	6,991	7,597	7,507
Total personal services	37,196	40,000	40,183
02 Travel	2,632	2,350	2,350
03 Transportation of things	304		
04 Communication services	205	200	200
05 Rents and utility services		722	722
07 Other contractual services	14,008	17,299	17,588
08 Supplies and materials	108	150	150
Purchase of evidence	16,402	16,500	16,500
11 Grants, subsidies, and contributions	1,532	2,104	2,132
13 Refunds, awards, and indemnities	250		
Total obligations	72,637	79,325	79,825

UNITED STATES SECRET SERVICE

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the United States Secret Service, including purchase (not to exceed [thirty-seven, of which twenty-five are] *ten* for replacement only[, including ten] for police-type use which may exceed by [$135] *$235* each the general purchase price limitation for the current fiscal year) and hire of passenger motor vehicles, [$4,016,000] *$4,127,000. (18 U.S.C. 3056, as amended; Treasury Department Appropriation Act, 1960.)*

Appropriated 1960, **$4,016,000** Estimate 1961 **$4,127,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Suppressing counterfeiting and investigating check and bond forgeries	$3,513,301	$3,797,288	$3,904,855
2. General administrative services	143,105	149,034	151,849

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Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
3. Executive direction	$69,450	$69,678	$70,296
Total program costs	3,725,856	4,016,000	4,127,000
4. Relation of costs to obligations: Cost financed from obligations of other years, net (−)	−21,491		
Total program (obligations)	3,704,365	4,016,000	4,127,000
Financing:			
1959 appropriation available in 1958	25,505		
Unobligated balance no longer available	17,530		
Appropriation (new obligational authority)	3,747,400	4,016,000	4,127,000

The Service is responsible for investigation of counterfeiting of currency, specie, and securities; forgery and conversion of Government checks and bonds; and noncriminal cases as directed by the Secretary of the Treasury. The protection of the President of the United States, his immediate family, the Vice President, and the President-elect is also covered by this appropriation.

NUMBER OF CASES CLOSED

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Check cases	27,505	32,173	33,058	36,718
Bond cases	4,205	3,618	3,655	5,000
Counterfeiting	2,978	4,197	4,500	4,500
Protective research cases	1,092	683	650	646
Other criminal and noncriminal cases	2,254	2,145	2,150	2,300
Total	38,034	42,816	44,013	49,164

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (supplies and equipment unused)	$1,585	$2,846	$2,846	$2,846
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	31,282	8,357	8,357	8,357
Total selected resources at end of year	32,867	11,203	11,203	11,203
Selected resources at start of year (−)		−32,867	−11,203	−11,203
Adjustment of selected resources reported at start of year		173		
Cost financed from obligations of other years, net (−)		−21,491		

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	427	474	474
Average number of all employees	404	442	454
Number of employees on roll at end of year	403	456	456
Average GS grade and salary	9.1 $6,849	9.0 $6,755	9.2 $6,946
01 Personal services:			
Permanent positions	$2,830,516	$3,040,413	$3,148,212
Other personal services	179,322	218,629	206,934
Total personal services	3,009,838	3,259,042	3,355,146
02 Travel	229,320	277,200	277,200
03 Transportation of things	13,115	18,600	16,900
04 Communication services	56,307	53,457	53,457
05 Rents and utility services	2,840	3,160	3,160
06 Printing and reproduction	9,362	8,000	8,000
07 Other contractual services	76,572	76,528	103,528
08 Supplies and materials	77,491	71,763	71,763
09 Equipment	57,133	35,550	18,850
11 Grants, subsidies, and contributions	176,072	192,500	198,796
13 Refunds, awards, and indemnities	3,014	200	200
Unvouchered	18,806	20,000	20,000
1959 program obligated in 1958	−25,505		
Total obligations	3,704,365	4,016,000	4,127,000

Salaries and Expenses, White House Police

For necessary expenses of the White House Police, including uniforms and equipment, and for performing such protective duties in the White House areas of the Executive Office Building as the Secretary may prescribe, [$1,055,000] *$1,065,000. (3 U.S.C. 203(a), as amended; 5 U.S.C. 258(a); Treasury Department Appropriation Act, 1960.)*

Appropriated 1960, **$1,055,000** Estimate 1961, **$1,065,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Protection of White House and grounds (total program costs)	$981,013	$1,055,000	$1,065,000
2. Relation of costs to obligations: Cost financed from obligations of other years, net (−)	−5,787		
Total program (obligations)	975,226	1,055,000	1,065,000
Financing:			
Unobligated balance no longer available	3,774		
Appropriation (new obligational authority)	979,000	1,055,000	1,065,000

1. This permanent police force protects the White House and grounds, and such White House areas of the Executive Office Building as the Secretary may prescribe.

2. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (supplies and equipment unused)	$18,751	$12,168	$12,168	$12,168
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	7,745	8,346	8,346	8,346
Total selected resources at end of year	26,496	20,514	20,514	20,514
Selected resources at start of year (−)		−26,496	−20,514	−20,514
Adjustment of selected resources reported at start of year		195		
Cost financed from obligations of other years, net (−)		−5,787		

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	160	170	170
Average number of all employees	146	163	162
Number of employees on roll at end of year	149	162	162
Average salary of ungraded positions	$6,074	$6,093	$6,201
01 Personal services:			
Permanent positions	$894,713	$1,000,126	$1,003,761
Other personal services	58,472	27,377	23,742
Total personal services	953,185	1,027,503	1,027,503
02 Travel	2,409	5,000	5,000
03 Transportation of things		10	10
06 Printing and reproduction	265	350	350
07 Other contractual services	3,977	4,191	14,191
08 Supplies and materials	15,017	17,500	17,500
09 Equipment	373	100	100
11 Grants, subsidies, and contributions		346	346
Total obligations	975,226	1,055,000	1,065,000

Salaries and Expenses, Guard Force

For necessary expenses of the guard force for Treasury Department buildings in the District of Columbia, including purchase, repair, and cleaning of uniforms, [$338,000] *$332,000. (5 U.S.C. 22, 258(a); Treasury Department Appropriation Act, 1960.)*

Appropriated 1960, **$338,000** Estimate 1961, **$332,000**

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UNITED STATES SECRET SERVICE—Continued

Current authorizations—Continued

SALARIES AND EXPENSES, GUARD FORCE—Continued

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Safeguarding Government securities and protection of Treasury buildings (total program costs)	$304,238	$338,000	$332,000
2. Relation of costs to obligations: Obligations incurred for costs of other years, net	1,013		
Total program (obligations)	305,251	338,000	332,000
Financing:			
Unobligated balance no longer available	10,249		
Appropriation (new obligational authority)	315,500	338,000	332,000

1. This force is responsible for safeguarding paper currency and other Government securities and obligations in the money-handling divisions of the Treasury Department. It also provides protection for the main Treasury Building and its annex.

2. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (supplies and equipment unused)	$14,891	$13,052	$13,052	$13,052
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	2,579	5,396	5,396	5,396
Total selected resources at end of year	17,470	18,448	18,448	18,448
Selected resources at start of year (−)	−17,470	−18,448	−18,448	−18,448
Adjustment of selected resources reported at start of year		35		
Obligations incurred for costs of other years, net		1,013		

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Total number of permanent positions	70	70	70
	Average number of all employees	61	66	64
	Number of employees at end of year	64	64	64
	Average GS grade and salary	4.3 $4,273	4.3 $4,345	4.3 $4,399
01	Personal services:			
	Permanent positions	$262,876	$292,080	$284,080
	Other personal services	16,334	15,905	14,515
	Total personal services	279,210	307,985	298,595
03	Transportation of things		25	25
04	Communication services	1,216	1,210	1,210
06	Printing and reproduction	450	350	350
07	Other contractual services	1,227	1,365	5,365
08	Supplies and materials	5,809	7,630	7,630
09	Equipment	267	200	200
11	Grants, subsidies, and contributions	17,072	19,135	18,525
13	Refunds, awards, and indemnities		100	100
	Total obligations	305,251	338,000	332,000

Permanent authorizations:

CONTRIBUTION FOR ANNUITY BENEFITS

(Indefinite)

Appropriated (est.) 1960, **$263,000** Estimate 1961, **$273,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Contribution for annuity benefits (total costs—obligations) (object class 11)	$238,716	$263,000	$273,000
Financing:			
Appropriation (new obligational authority)	238,716	263,000	273,000

The District of Columbia is reimbursed for benefit payments made from the revenue of the District of Columbia to or for members of the White House Police force and such members of the U.S. Secret Service entitled to benefits under the Policemen and Firemen's Retirement and Disability Act (72 Stat. 883).

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Suppressing counterfeiting and investigating check and bond forgeries	$4,230	$1,500	$2,000
2. Safeguarding Government securities and protection of Treasury buildings	5,300	4,000	4,000
Total obligations	9,530	5,500	6,000
Financing:			
Advances and reimbursements from—			
Other accounts	5,300	4,000	4,000
Non-Federal sources (40 U.S.C. 481(c))	4,230	1,500	2,000
Total financing	9,530	5,500	6,000

Object Classification

08	Supplies and materials	$5,300	$4,000	$4,000
09	Equipment	4,230	1,500	2,000
	Total obligations	9,530	5,500	6,000

BUREAU OF THE MINT

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Bureau of the Mint, including purchase and maintenance of uniforms and accessories for guards[; purchase of one passenger motor vehicle for replacement only;] and not to exceed $1,000 for the expenses of the annual assay commission[; $4,300,000], *$5,038,000.* (*5 U.S.C. 150; 31 U.S.C. 251–287; Treasury Department Appropriation Act, 1960.*)

Appropriated 1960, [a] **$4,600,000** Estimate 1961, **$5,038,000**

[a] Includes $300,000 appropriated in the Mutual Security Appropriation Act, 1960.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct program:			
Operating costs:			
1. Manufacture of coins (domestic)	$1,764,269	$2,100,000	$2,341,000
2. Processing deposits and issues of monetary metals and coins	996,523	1,003,000	1,189,000
3. Protection of monetary metals and coins	776,284	780,000	788,000
4. Refining gold and silver bullion	470,478	475,000	479,000
5. Executive direction	141,184	140,000	141,000
Total direct operating costs	4,148,738	4,498,000	4,938,000
Capital outlay:			
6. Replacement of equipment	183,643	102,000	100,000
Total direct program costs	4,332,381	4,600,000	5,038,000
Reimbursable program:			
1. Manufacture of coins (foreign)	910,545	1,103,000	970,000
7. Miscellaneous services to other accounts	483,485	237,000	30,000
Total reimbursable program costs	1,394,030	1,340,000	1,000,000
Total program costs	5,726,411	5,940,000	6,038,000
8. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−41,790		
Total program (obligations)	5,684,621	5,940,000	6,038,000

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Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Financing:			
Advances and reimbursements from—			
Other accounts	−$483,485	−$237,000	−$30,000
Non-Federal sources:			
Sale of proof coins	−641,231	−736,000	−550,000
Other	−269,314	−367,000	−420,000
Unobligated balance no longer available	9,409		
Appropriation (new obligational authority)	4,300,000	4,600,000	5,038,000

NOTE.—Reimbursements from non-Federal sources above are receipts from foreign coinage (31 U.S.C. 367 (Jan. 29, 1874, 18 Stat. 6)); proceeds from sale of medals and proof coins (31 U.S.C. 369 (as amended May 10, 1950, 64 Stat. 157)); and proceeds from the sale of personal property (40 U.S.C. 481(c)).

The Bureau of the Mint manufactures coins, receives deposits of gold and silver bullion, safeguards the Government's holdings of monetary metals, and refines gold and silver bullion (see miscellaneous permanent appropriations).

1. *Manufacture of coins.*—Production of coins is the major Mint activity. Funds requested for 1961 will permit production of approximately 2 billion coins. In addition, Mint facilities are utilized from time to time for production of foreign coins on a reimbursable basis.

DOMESTIC COINAGE WORKLOAD BY PIECES

Denomination:	*1958 actual*	*1959 actual*	*1960 estimate*	*1961 estimate*
1 cent	1,400,931,900	1,126,324,700	1,440,000,000	1,450,000,000
5 cents	226,391,900	123,020,020	185,000,000	195,000,000
10 cents	231,966,050	238,605,570	195,000,000	235,000,000
25 cents	123,706,060	62,442,856	60,000,000	90,000,000
50 cents	26,954,052	20,375,670	20,000,000	30,000,000
Total	2,009,949,962	1,570,768,816	1,900,000,000	2,000,000,000

UNIT COSTS—PER 1,000—BY DENOMINATION

Denomination:	*1958 actual*	*1959 actual*	*1960 estimate*	*1961 estimate*
1 cent	$0.79	$0.93	$0.93	$0.97
5 cents	1.49	1.56	1.60	1.52
10 cents	1.57	1.22	1.18	1.34
25 cents	2.20	2.23	2.27	2.19
50 cents	3.56	4.74	4.80	4.30

TOTAL COST BY DENOMINATION

Denomination:	*1958 actual*	*1959 actual*	*1960 estimate*	*1961 estimate*
1 cent	$1,105,977	$1,045,727	$1,342,000	$1,402,000
5 cents	337,992	191,813	296,000	297,000
10 cents	364,140	290,950	230,000	316,000
25 cents	272,157	139,127	136,000	197,000
50 cents	95,856	96,652	96,000	129,000
Total	2,176,122	1,764,269	2,100,000	2,341,000

2. *Processing deposits and issues of monetary metals and coins.*—This activity includes receipt of deposits of gold and silver bullion; issue of gold bars for industrial, professional, and artistic use and settlement of international balances; disbursements of coins; moving, shipping, storing, and verifying bullion and coin; and counting and classifying uncurrent coins returned to the Mints for recoinage. High silver receipts in 1959 reflect the return of lend-lease silver by foreign governments and in 1961 required intermint transfer to provide bullion for coinage purposes.

SELECTED STATISTICS REGARDING DEPOSIT ACTIVITY

Description	*1959 actual*	*1960 estimate*	*1961 estimate*
Number of deposit transactions	9,893	9,900	9,900
Gold receipts and disbursements (value)	$4,661,704,244	$1,500,000,000	$1,000,000,000
Sale of gold bars for industrial, professional, and artistic use (value)	$49,234,747	$50,000,000	$50,000,000
Silver receipts (fine ounces)	103,015,233	30,000,000	75,000,000
Silver disbursements (fine ounces)	16,919,686	15,000,000	60,000,000
Uncurrent coins received (pieces)	30,349,901	30,000,000	30,000,000

3. *Protection of monetary metals and coins.*—Protection of the Government's holdings of gold and silver bullion and coin is maintained by armed guards and modern protective devices.

4. *Refining gold and silver bullion.*—Gold and silver bullion are refined in order to facilitate accountability, protection, and storage, and to bring the bullion up to a degree of purity suitable for use in the world markets. Charges are made against depositors of gold and silver for refinery services, but receipts are not available for payment of refining costs. During 1959, $195,844 were deposited to miscellaneous receipts.

8. *Relation of costs to obligations.*—This relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects)	$348,840	$429,331	$429,331	$429,331
Medals and proof coins (finished goods)	20,950	23,160	23,160	23,160
Work-in-process	74,128	130,258	130,258	130,258
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	265,735	41,621	110,151	110,151
Advances (payments for goods and services on order not yet received)	5,519	5,978	5,978	5,978
Accounts receivable (bills rendered to users for goods and services reimbursable to this appropriation)	726	69,280	750	750
Accrued annual leave (leave earned and not taken by employees, charged to activity costs)	−499,992	−521,720	−521,720	−521,720
Total selected resources at end of year	215,906	177,908	177,908	177,908
Selected resources at start of year (−)		−215,906	−177,908	−177,908
Adjustment of selected resources reported at start of year		−3,792		
Costs financed from obligations of other years, net (−)		−41,790		

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	805	797	824
Average number of all employees	789	781	808
Number of employees at end of year	758	780	805
Average GS grade and salary	6.6 $5,797	6.7 $5,869	6.7 $5,937
Average salary of ungraded positions	$5,040	$5,104	$5,101
Personal service obligations:			
Permanent positions	$4,161,953	$4,223,000	$4,381,000
Other personal services	183,903	424,000	221,000
Total personal service obligations	4,345,856	4,647,000	4,602,000
Direct program:			
01 Personal services	3,316,773	3,627,300	3,853,200
02 Travel	32,799	32,800	32,800
03 Transportation of things	6,175	6,500	126,500
04 Communication services	18,163	18,500	18,500
05 Rents and utility services	226,946	243,000	256,200
06 Printing and reproduction	6,787	6,800	6,800
07 Other contractual services	33,428	33,400	71,500
Services performed by other agencies	4,957	5,000	5,000
08 Supplies and materials	307,072	304,000	320,300
09 Equipment	102,973	102,000	100,000
11 Grants, subsidies, and contributions	203,718	209,500	236,000
13 Refunds, awards, and indemnities	29,684	10,000	10,000
15 Taxes and assessments	1,116	1,200	1,200
Total direct obligations	4,290,591	4,600,000	5,038,000
Reimbursable program:			
01 Personal services	1,029,083	1,019,700	748,800
02 Travel	7,212	3,200	2,200
03 Transportation of things	37,681	46,500	32,500
04 Communication services	10,454	13,500	9,500
05 Rents and utility services	57,405	58,000	44,800
06 Printing and reproduction	2,432	3,200	2,200
07 Other contractual services	9,709	9,600	7,500
08 Supplies and materials	77,673	78,000	60,700
09 Equipment	72,692	50,000	50,000
11 Grants, subsidies, and contributions	51,529	54,500	39,000
13 Refunds, awards, and indemnities	33,407		
15 Taxes and assessments	4,753	3,800	2,800
Total reimbursable obligations	1,394,030	1,340,000	1,000,000
Total obligations	5,684,621	5,940,000	6,038,000

Permanent authorizations:

BUREAU OF THE MINT PERMANENT APPROPRIATIONS

(Indefinite special funds)

Appropriated (est.) 1960, **$627,758** Estimate 1961, **$785,000**

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BUREAU OF THE MINT—Continued

Permanent authorizations—Continued

BUREAU OF THE MINT PERMANENT APPROPRIATIONS—Continued

(Indefinite special funds)—Continued

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Minor coinage profits, etc.:			
(a) Distribution of coins	$191,300	$220,000	$229,000
(b) Coinage wastage and recoinage losses	69,677	69,000	69,000
2. Silver profit fund:			
(a) Distribution of coins	253,240	240,000	305,000
(b) Coinage wastage and recoinage losses	116,873	117,000	117,000
(c) Purchase of alloy metal	86,668	54,000	65,000
Total program (costs—obligations)	717,758	700,000	785,000
Financing:			
Unobligated balance brought forward	−582,850	−472,242	−400,000
Unobligated balance carried forward	472,242	400,000	400,000
New obligational authority	607,150	627,758	785,000
New obligational authority:			
"Minor coinage profits, etc."	$206,092	$279,977	$298,000
"Silver profit fund"	401,058	347,781	487,000
Appropriation	607,150	627,758	785,000

A portion of the gains resulting from making coins from minor coinage metals or silver bullion is appropriated to cover the cost of the alloy metal used in making subsidiary silver coins, wastage and recoinage losses incurred in coinage, and the cost of distributing coins (31 U.S.C. 317(c), 335, 340).

Object Classification

		1959 actual	1960 estimate	1961 estimate
03	Transportation of things:			
	Minor coinage profits, etc	$191,300	$220,000	$229,000
	Silver profit fund	253,240	240,000	305,000
08	Supplies and materials: Silver profit fund	86,668	54,000	65,000
13	Refunds, awards, and indemnities:			
	Minor coinage profits, etc	69,677	69,000	69,000
	Silver profit fund	116,873	117,000	117,000
	Total obligations	717,758	700,000	785,000

BUREAU OF ENGRAVING AND PRINTING

Intragovernmental funds:

BUREAU OF ENGRAVING AND PRINTING FUND

The Bureau of Engraving and Printing designs, manufactures and supplies all major evidences of a financial character issued by the United States. It is the sole source of U.S. currency and Federal Reserve notes, certificates of indebtedness, as well as most of the minor evidences of a financial character issued by the United States, such as postage, internal revenue, customs, and savings stamps. In addition, the Bureau prints bonds, commissions, certificates, permits, warrants, etc. The Bureau also prints bonds, postage, and internal revenue stamps for the governments of insular possessions.

The Bureau finances its operations out of reimbursements received from other agencies for all direct and indirect costs, including administrative expenses (31 U.S.C. 181–181e).

DELIVERIES AND COSTS

	1959 actual	*1960 estimate*	*1961 estimate*
1. Engraving and printing:			
(a) Currency:			
United States—units	1,347,520,000	1,184,340,000	1,147,568,000
Cost	$11,482,160	$10,693,000	$10,356,000
Rate per thousand	$8.521	$9.028	$9.024
Federal Reserve notes—units	452,280,000	591,648,000	525,000,000
Cost	$3,865,298	$5,357,027	$4,754,955
Rate per thousand	$8.546	$9.054	$9.057
(b) Stamps:			
Internal revenue—units	23,673,787,997	1,768,066,535	1,768,090,535
Cost	$2,449,142	$983,188	$995,020
Rate per thousand	$0.103	$0.556	$0.563
U.S. postage—units	27,980,897,620	26,867,600,000	28,341,150,000
Cost	$7,152,327	$7,272,556	$7,605,019
Rate per thousand	$0.256	$0.271	$0.268
Other—units	387,592,500	346,205,000	353,400,000
Cost	$281,616	$290,238	$299,794
Rate per thousand	$0.727	$0.838	$0.848
(c) Commissions, certificates, etc—units	8,006,712	14,919,822	14,734,510
Cost	$255,486	$357,962	$376,681
Rate per thousand	$31.909	$23.992	$25.565
(d) Securities—units	6,565,963	7,238,175	7,203,175
Cost	$818,599	$1,140,687	$1,137,828
Rate per thousand	$124.673	$157.593	$157.962
2. Card checks purchased—units	428,223,000	407,148,500	422,156,000
Cost	$1,251,947	$1,227,617	$1,268,754
Rate per thousand	$2.924	$3.015	$3.005
3. Cost of operation and maintenance of incinerator and space utilized by other agencies	$362,893	$377,655	$377,655
4. Other direct charges for miscellaneous services	$76,827	$222,150	$30,000
Total	$27,996,295	$27,922,080	$27,201,706

Budget program.—The anticipated work volume is based on estimates of requirements submitted by agencies served. The program comprises the following activities:

1. *Engraving and printing*—(a) *Currency.*—The anticipated deliveries reflect a decrease of 1.3% in 1960 and 7.1% in 1961 as compared with deliveries made in 1959. Due to the need for establishing different levels of inventory to cope with changing delivery programs and at the same time maintain stabilization in manpower requirements, it is anticipated that the Bureau will increase its currency inventory of finished goods by approximately 90 million notes during 1960 and decrease its work in process by a like amount.

(b) *Stamps.*—This program encompasses primarily the production of postage and internal revenue stamps. The substantial decrease of 44.3% in 1960 and 41.5% in 1961 below that for 1959 is due to the decision of the Treasury Department to discontinue the use of certain internal revenue stamps in connection with tax collections for cigarettes and other tobacco items.

(c) *Commissions, certificates, etc.*—Estimates for certificates, commissions, etc., indicate an increase of 86.3% in 1960 and 84% in 1961 as compared with 1959 due primarily to the increase in the quantities of identification cards and certificates required by the defense agencies. Although this represents a substantial increase in the volume requirements, the total production cost for all of these items represents only slightly more than 1% of the overall engraving and printing program.

(d) *Securities.*—The estimated increase of 10.2% in 1960 and 9.7% in 1961 over deliveries in 1959 for this type work reflects an increase in the requirements of the Bureau of the Public Debt for various issues of Treasury bonds.

2. *Purchase of card checks.*—Purchases of all Government checks in punched card form are made by the Bureau based on estimated requirements submitted by the agencies served. The purchases are made under a contract awarded to a commercial firm based on bids received in accordance with the Government's competitive bid procedure.

3. *Operation and maintenance of the incinerator and space utilized by other agencies.*—Charges are made to other agencies on an actual cost basis for use of the incin-

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erator and maintenance services provided for the space they occupy in the Bureau's buildings.

4. *Other direct charges for miscellaneous services.*—Charges for a wide variety of miscellaneous services performed by Bureau personnel are made to the agencies concerned on an actual cost basis.

Operating results and financial condition.—The Bureau sustained a loss of $9,147 as a result of operations during 1959. This loss, together with a deficit of $54,921 brought forward from prior years, will be recovered from any profits accruing in subsequent years in accordance with provisions of 31 U.S.C. 181–181e. Budget expenditures are expected to exceed receipts in the amount of $1,094,857 in 1960 and estimated to be $631,021 below receipts in 1961.

The capital of the fund is expected to remain at $25.3 million represented by an appropriation of $3.3 million and donated assets of $22 million.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Engraving and printing: Acquisition of equipment	$2,401,700	$2,471,600	$1,508,800
Expense: Purchase of commodities for manufacture or sale	5,203,591	4,430,000	4,230,000
Other expense	20,450,932	20,044,110	19,275,531
Card checks: Purchase of commodity and other expense	1,251,947	1,227,617	1,268,754
Operation and maintenance of incinerator and space utilized by other agencies: Expense	362,893	377,655	377,655
Other direct charges to agencies for services: Expense	76,827	222,150	30,000
Increase in selected working capital		307,873	
Total gross expenditures	29,747,890	29,081,005	26,690,740
Receipts from operations (funds provided):			
Engraving and printing: Revenue	26,295,282	26,158,726	25,525,297
Card checks: Revenue	1,252,051	1,227,617	1,268,754
Operation and maintenance of incinerator and space utilized by other agencies: Revenue	362,893	377,655	377,655
Other direct charges to agencies for services: Revenue	76,922	222,150	30,000
Undistributed receipts: Proceeds from sale of equipment	166,230		
Decrease in selected working capital	444,488		120,055
Total receipts from operations	28,597,866	27,986,148	27,321,761
Budget expenditures	1,150,024	1,094,857	−631,021

Revenue, Expense, and Retained Earnings

	1959 actual	1960 estimate	1961 estimate
Engraving and printing: Revenue	$26,295,282	$26,158,726	$25,525,297
Expense	25,951,326	26,083,230	25,414,136
Net operating income, engraving and printing	343,956	75,496	111,161
Card checks: Revenue	1,252,051	1,227,617	1,268,754
Expense	1,251,947	1,227,617	1,268,754
Net operating income, card checks	104		
Operation and maintenance of incinerator and space utilized by other agencies: Revenue	362,893	377,655	377,655
Expense	362,893	377,655	377,655
Net operating income, operation and maintenance of incinerator and space utilized by other agencies			
Other direct charges to agencies for services: Revenue	76,922	222,150	30,000
Expense	76,827	222,150	30,000
Net operating income, other direct charges to agencies for services	95		
Nonoperating income or loss (−): Proceeds from sale of equipment	166,230		
Net book value of disposed assets (−)	−519,532	−11,428	−111,161
Net nonoperating loss (−)	−353,302	−11,428	−111,161
Net income or loss (−) for the year	−9,147	64,068	

Revenue, Expense, and Retained Earnings—Continued

	1959 actual	1960 estimate	1961 estimate
Deficit (−), beginning of year	−$54,921	−$64,068	
Deficit (−), end of year	−64,068		

Financial Condition

Assets:			
Cash with Treasury	$3,200,234	$2,105,377	$2,736,398
Accounts receivable, net	1,233,527	1,233,527	1,233,527
Commodities for sale	6,421,710	6,708,400	6,730,900
Supplies and prepaid expense	1,416,249	1,341,249	1,291,249
Deferred charges	216,705	156,148	150,688
Fixed assets, net	16,680,300	17,305,219	16,777,213
Total assets	29,168,725	28,849,920	28,919,975
Liabilities:			
Current	3,981,863	3,598,990	3,669,045
Government investment:			
Non-interest-bearing capital	25,250,930	25,250,930	25,250,930
Deficit (−)	−64,068		
Total Government investment	25,186,862	25,250,930	25,250,930

NOTE.—Unpaid undelivered orders are as follows: June 30, 1958, $3,294,560; June 30, 1959, $3,137,950; June 30, 1960, $2,750,000; June 30, 1961, $2,500,000. These orders exclude contracts issued during the year, but only effective in the following year, as follows: 1958, $4,261,595; 1959, $3,804,375; 1960, $1,000,000; 1961, $1,000,000.

Unfilled customers' orders are as follows: June 30, 1959, $216,859; June 30, 1960, $250,000; June 30, 1961, $250,000.

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Total number of permanent positions	3,769	3,462	3,278
	Average number of all employees	3,410	3,283	3,170
	Number of employees at end of year	3,335	3,265	3,150
	Average GS grade and salary	5.4 $5,030	5.5 $5,104	5.5 $5,177
	Average salary of ungraded positions	$4,684	$4,829	$4,858
01	Personal services: Permanent positions	$16,262,247	$16,139,703	$15,748,259
	Other personal services	1,111,820	924,150	810,570
	Excess of annual leave taken (−) over leave earned	−3,511		
	Total personal services	17,370,556	17,063,853	16,558,829
02	Travel	8,054	7,200	6,500
03	Transportation of things	279,210	268,531	275,115
04	Communication services	46,254	48,000	48,000
05	Rents and utility services	400,094	416,100	417,700
06	Printing and reproduction	9,020	14,500	14,500
07	Other contractual services	248,275	345,000	224,000
	Services performed by other agencies	316,461	316,500	202,000
08	Supplies and materials	7,627,083	6,647,098	6,311,506
09	Equipment	2,408,657	2,481,600	1,518,800
11	Grants, subsidies, and contributions	1,071,394	1,071,750	1,045,790
13	Refunds, awards, and indemnities	16,558	15,000	15,000
15	Taxes and assessments	2,304	3,000	3,000
	Total accrued expenditures	29,803,920	28,698,132	26,640,740
	Decrease (−) in unpaid undelivered orders	−156,610	−387,950	−250,000
	Total obligations	29,647,310	28,310,182	26,390,740

COAST GUARD

OPERATING EXPENSES

For necessary expenses for the operation and maintenance of the Coast Guard, not otherwise provided for, including hire of passenger motor vehicles; services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); purchase of not to exceed thirty-two passenger motor vehicles for replacement only; maintenance, operation, and repair of aircraft; recreation and welfare; and uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131); [$189,000,000] *$208,000,000*: *Provided*, That the number of aircraft on hand at any one time shall not exceed one hundred and [thirty-two] *thirty-five* exclusive of planes and parts stored to meet future attrition: *Provided further*, That amounts equal to the obligated balances against the appropriations for "Operating expenses" for the two preceding years, shall be transferred to and merged with this appropriation, and such merged appropriation shall be available as one fund, except for accounting purposes of the Coast Guard, for the payment of obligations properly incurred against such prior year appropriations and against this appropriation: *Provided further*, That except as otherwise authorized by the Act of September 30, 1950 (20 U.S.C. 236–244), this appropriation shall be available for expenses of primary and secondary

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COAST GUARD—Continued

OPERATING EXPENSES—Continued

schooling for dependents of Coast Guard personnel stationed outside the continental United States in amounts not exceeding an average of $250 per student, when it is determined by the Secretary that the schools, if any, available in the locality are unable to provide adequately for the education of such dependents, and the Coast Guard may provide for the transportation of said dependents between such schools and their places of residence when the schools are not accessible to such dependents by regular means of transportation: *Provided, further, That annual accrued expenditures under this appropriation account, covering amounts becoming payable as a result of obligations incurred both in the current fiscal year and in prior fiscal years, shall not exceed $212,000,000: Provided further, That this limitation shall not include annual accrued expenditures attributable to reimbursable work performed under this appropriation account: Provided further, That not to exceed $100,000 may be expended for expenses, not otherwise provided for, necessary to enable the Coast Guard to discharge its responsibilities in connection with the meeting of the International Technical Conference on Lighthouses and Other Aids to Navigation, including transportation and entertainment of official representatives. (14 U.S.C.; 5 U.S.C. 133y–16, 150, 2094(b); 33 U.S.C. 472, 748, 748a, 763c; 34 U.S.C. 189, 943; 37 U.S.C. 111a; 46 U.S.C. 1, 170(12), 170b, 239(f), 288, 362, 364, 366, 367, 369, 372, 375, 381, 382(b), 391, 392, 395, 404, 405, 408, 435, 455, 526, 545, 660, 660a, 672, 689, 738; 50 U.S.C. 191, 194; 69 Stat. 635; 70 Stat. 151, 747, 807, 857; Treasury Department Appropriation Act, 1960.)*

Appropriation 1960, [a] **$189,800,000** Estimate 1961, **$208,000,000**

[a] Includes $800,000 appropriated in the Mutual Security Appropriation Act, 1960.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct program:			
1. Vessel operations	$49,270,000	$50,953,700	$54,118,600
2. Aviation operations	19,621,000	22,716,100	25,019,900
3. Shore stations and aids operations	49,985,000	52,302,700	58,998,784
4. Repair and supply facilities	5,287,000	5,749,600	5,796,400
5. Training and recruiting facilities	7,261,000	7,301,700	7,674,900
6. Administration and operational control	23,077,000	25,860,500	27,271,716
7. Other military personnel expense	19,506,000	20,480,500	24,254,000
8. Supporting programs	5,701,406	6,959,500	6,959,500
Total direct program costs	179,708,406	192,324,300	210,093,800
9. Unfunded adjustments to total direct program costs: Property or services transferred in (—) without charge, net	−324,106	−4,770,000	−3,134,000
Total direct program costs, funded	179,384,300	187,554,300	206,959,800
10. Relation of costs to accrued expenditures:			
Costs financed from accrued expenditures of other years, net (—)	−523,670		
Expenditures accrued for costs of other years, net		2,245,700	559,700
Total direct program accrued expenditures	178,860,630	189,800,000	207,519,500
Unpaid undelivered orders brought forward	−14,008,143	−13,366,834	−13,366,834
Adjustment of unpaid undelivered orders brought forward	110,270		
Unpaid undelivered orders carried forward	13,366,834	13,366,834	13,847,334
Total direct program (obligations)	178,329,591	189,800,000	208,000,000
Reimbursable program:			
11. Operation of ocean stations (Navy)	16,885,000	16,885,000	16,980,000
12. Miscellaneous services to other accounts	12,248,907	14,795,000	17,355,000
Total reimbursable program costs	29,133,907	31,680,000	34,335,000
13. Relation of costs to accrued expenditures: Expenditures accrued for costs of other years, net	151,394		
Total reimbursable program accrued expenditures	29,285,301	31,680,000	34,335,000
Unpaid undelivered orders brought forward	−626,932	−1,862,278	−1,862,278
Adjustment of unpaid undelivered orders brought forward	61,008		
Unpaid undelivered orders carried forward	1,862,278	1,862,278	1,862,278
Total reimbursable program (obligations)	30,581,655	31,680,000	34,335,000
Total program (obligations)	208,911,246	221,480,000	242,335,000

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Financing:			
1959 appropriation available in 1958	$1,111,356		
Advances and reimbursements from—			
Other accounts	−30,348,634	−$31,580,000	−$34,235,000
Non-Federal sources (40 U.S.C. 481(c))	−233,021	−100,000	−100,000
Unobligated balance no longer available	59,053		
Appropriation (new obligational authority)	179,500,000	189,800,000	208,000,000

The Coast Guard enforces maritime law, provides limited security of ports and waterfront facilities, saves life and property, provides navigational aids to maritime commerce in navigable waters, promotes the safety of the American merchant marine, and maintains a state of military readiness to serve as a part of the Navy in time of war or national emergency.

Direct program by activities—1. *Vessel operations.*—Multifunctional vessels are strategically stationed along the coast and inland waterways for search and rescue; tending aids to navigation; operating an international ice observation and patrol service in the North Atlantic Ocean; performing limited icebreaking in navigable lakes, rivers, canals, and harbors; and for law enforcement.

WORKLOAD DATA

Vessel operations:	*1959 actual*	*1960 estimate*	*1961 estimate*
Lives saved or persons rescued	433	450	475
Vessels towed to port	1,970	2,000	2,100
Search and rescue missions	4,830	5,000	5,100
Law enforcement and port security missions	3,824	3,900	3,900
Aids to navigation missions	6,833	6,900	7,000
Vessels boarded and papers examined	38,508	38,900	39,900

2. *Aviation operations.*—Aircraft are maintained at air stations and detachments for search and rescue; Federal law enforcement; aerial reconnaissance for the international ice patrol; and logistic support in isolated areas.

WORKLOAD DATA

Aviation operations:	*1959 actual*	*1960 estimate*	*1961 estimate*
Lives saved or persons rescued	192	200	225
Search and rescue missions	5,355	5,400	5,500
Law enforcement and port security missions	751	760	760
Logistics missions, Coast Guard	8,009	8,500	9,000

3. *Shore stations and aids operations.*—Bases, moorings and lifeboat stations are strategically situated for search, rescue and law enforcement and for maintaining aids to navigation. Port security units patrol major harbor entrances; control anchorage areas; supervise the loading and unloading of dangerous cargoes; and screen merchant seamen and longshoremen to bar subversive elements from merchant vessels and critical waterfront areas.

Buoys, lighthouses, lightships, fog signal stations, light attendant stations, radiobeacons, and Loran stations are maintained as navigational aids in the waters of the United States, its possessions and military bases overseas. There will be a net addition of 1,373 unmanned aids operated in 1961. Radio stations provide rapid communication incident to all Coast Guard operations and maintain a guard on the international maritime distress frequencies. Marine inspection offices and detachments administer laws and issue regulations on safety equipment and inspection of merchant vessels, and on licensing and certification of merchant marine officers and crews. They review plans for construction or alteration of merchant vessels, investigate marine accidents, and handle disciplinary cases. These offices will also administer the small boat safety program when inaugurated. Estimates for this program are included in this budget.

The increasing number of oil rigs being erected on the Continental Shelf of the Gulf of Mexico and the corresponding increase in the number of small commercial

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craft servicing these rigs have all contributed to a serious backlog in the examination and inspection programs. Additional marine inspection personnel are needed to keep pace with the demands of industry.

Costs for the operation of eight additional loran and three additional monitor stations (one of which is a subunit) are included in the Coast Guard budget for 1961. These facilities are being constructed overseas in 1960 with funds provided by the Department of Defense.

WORKLOAD DATA

Shore stations and aids operations:	*1959 actual*	*1960 estimate*	*1961 estimate*
Lives saved or persons rescued	1,927	2,000	2,200
Vessels towed to port	7,898	8,000	8,200
Search and rescue missions	16,598	17,000	17,500
Law enforcement and port security missions	27,369	28,000	28,000
Aids to navigation missions	10,142	10,500	10,750
Vessels boarded and papers examined	142,907	144,100	145,000
Port security cards issued	20,229	33,000	28,000
Inspection of hazardous cargo	7,375	11,500	11,500
Navigational aids operated (manned)	488	488	488
Navigational aids operated (unmanned)	39,841	40,917	42,290
Loran transmitting and monitor stations operated	51	55	70
Marine officer licenses issued	29,702	29,000	29,000
Seaman documents and certificates issued	45,788	50,000	50,000
Vessels inspected for certification	6,259	1,900	5,900
Vessel inspections	32,795	39,600	37,000
Vessel plans and blueprints reviewed	30,500	32,000	33,500
Vessels numbered by Coast Guard (lieu of documentation)	60,244	670,000	750,000
Structures inspected (Outer Continental Shelf Lands Act)	64	100	100

4. *Repair and supply facilities.*—Thirteen repair and eleven supply facilities are maintained at strategic points for support of Coast Guard operating units. Also, two facilities are maintained for testing, developing and adapting material for safer and more effective Coast Guard use.

5. *Training and recruiting facilities.*—This activity includes the Coast Guard Academy for the training of cadets, recruiting stations, training units for recruits and petty officers, and outside training programs.

WORKLOAD DATA

Training and recruiting facilities:	*1959 actual*	*1960 estimate*	*1961 estimate*
Cadets	581	550	600
Recruits trained	5,552	6,100	6,800
Other personnel in training	4,459	5,000	5,300

6. *Administration and operational control.*—This activity provides for administrative services performed by headquarters at Washington, D.C., district and area offices, regional inspection offices and liaison activities with other agencies. On April 1, 1960, the Coast Guard will commence numbering an estimated 1,250,000 additional motorboats made subject to this type of registration by the provisions of the Federal Boating Act of 1958.

7. *Other military personnel expense.*—This activity provides for certain military personnel expenses such as social security, the pay of personnel in hospitals and in transit; expense of permanent changes of stations, including travel of dependents and transportation of household effects; and expense of military separation, recreation, death gratuities and burial.

8. *Supporting programs.*—This activity consists of procurement of ammunition and maintenance of ordnance; replacement of vehicles, boats and electronic equipment; transportation of materials; and printing. These programs have such general applicability that they cannot properly be charged to specific units.

10. *Relation of costs to accrued expenditures.*—This appropriation contains a limitation on accrued expenditures in accordance with Public Law 85–759, approved August 25, 1958. Since this is the first year this type of limitation will be imposed, and because it will be necessary to extend the control system, the amount of the limitation exceeds the amount of accrued expenditures shown in the schedules by a small contingency factor. This will allow for the development of a system to provide the necessary control of the receipt of goods and services at the widely dispersed delivery points in the Coast Guard with a minimum of additional cost.

The relationship between direct costs and direct accrued expenditures is derived from year-end balances of accrued resources as reflected in the following table:

Direct program:	*1958 actual*	*1959 actual*	*1960 estimate*	*1961 estimate*
Accrued resources at end of year:				
Stores (goods and operating equipment unconsumed by projects)	$32,768,084	$31,013,345	$33,259,045	$33,783,745
Advances (payments for goods and services on order not yet received)	1,177,754	2,006,449	2,006,449	2,041,449
Uncompleted work orders	726,913	1,129,287	1,129,287	1,129,287
Total accrued resources at end of year	34,672,751	34,149,081	36,394,781	36,954,481
Accrued resources at start of year (−)	−34,672,751	−34,149,081	−36,394,781	
Costs financed from accrued expenditures of other years, net (−)		−523,670		
Expenditures accrued for costs of other years, net			2,245,700	559,700

11. *Reimbursable program by activities—Operation of ocean stations.*—The operation of six ocean stations (four in the Atlantic and two in the Pacific), on the basis of three cutters per station, is financed by the Department of Defense as a defense requirement. These vessels perform the dual function of ocean station duty and search and rescue.

12. *Miscellaneous services to other accounts.*—Various activities of the Coast Guard are financed by other agencies. They include, in part, operation of one vessel for United States Information Agency; installation and maintenance of aids to navigation for the Saint Lawrence Seaway Corporation; and operation of one special project, Loran-C, for the Department of Defense.

13. *Relation of costs to accrued expenditures.*—The relationship between reimbursable costs and reimbursable accrued expenditures is derived from year-end balances of accrued resources as reflected in the following table:

Reimbursable program:	*1958 actual*	*1959 actual*	*1960 estimate*	*1961 estimate*
Accrued resources at end of year:				
Advances (payments for goods and services on order not yet received)	$9,187			
Uncompleted work orders	96,384	$256,965	$256,965	$256,965
Total accrued resources at end of year	105,571	256,965	256,965	256,965
Accrued resources at start of year (−)		−105,571	−256,965	−256,965
Expenditures accrued for costs of other years, net		151,394		

Object Classification

		1959 actual	1960 estimate	1961 estimate
Direct program:				
Military:				
Average number		26,262	26,579	27,644
Number of military personnel at end of year		26,047	26,579	27,644
Civilian:				
Total number of permanent positions		3,392	3,391	3,436
Full-time equivalent of all other positions		47	50	50
Average number of all employees		3,149	3,167	3,212
Number of employees at end of year		3,400	3,369	3,414
Average GS grade and salary		5.7 $5,123	5.7 $5,235	5.7 $5,284
Average grade and salary established by head of agency:				
Average salary		$3,727	$3,812	$3,840
Average range (lighthouse keepers)		$3,309–$3,750	$3,309–$3,843	$3,309–$3,843
Average salary of ungraded positions		$5,166	$5,215	$5,215
01	Personal services:			
	Permanent positions:			
	Military	$98,122,500	$100,391,000	$108,763,200
	Civilian	15,909,807	16,175,500	16,392,300
	Positions other than permanent	220,613	223,000	223,000
	Other personal services	239,404	279,000	241,000
	Total personal services	114,492,324	117,068,500	125,619,500
02	Travel	4,952,200	5,539,000	6,331,000
03	Transportation of things	2,890,700	2,943,000	3,500,000
04	Communication services	1,125,000	1,265,000	1,439,000
05	Rents and utility services	1,420,000	1,453,000	1,512,516
06	Printing and reproduction	398,000	472,000	572,000
07	Other contractual services	13,952,000	15,784,000	18,280,000
	Services performed by other agencies	2,902,000	3,000,000	3,000,000
08	Supplies and materials	23,119,000	25,967,000	29,177,484

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COAST GUARD—Continued

OPERATING EXPENSES—Continued

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
Direct program—Continued			
09 Equipment	$10,111,691	$12,544,000	$14,700,000
10 Lands and structures	225,000	250,000	250,000
11 Grants, subsidies, and contributions	950,000	1,205,000	1,221,000
12 Pensions, annuities, and insurance claims	931,100	460,000	328,000
13 Refunds, awards, and indemnities	450,600	57,000	57,000
15 Taxes and assessments	1,541,000	1,812,000	2,032,000
1959 program obligated in 1958	−1,111,356		
Subtotal	178,349,259	189,819,500	208,019,500
Deduct quarters and subsistence charges	19,668	19,500	19,500
Total direct obligations	178,329,591	189,800,000	208,000,000
Reimbursable program:			
Total number of positions: Military	3,389	3,170	3,170
Full-time equivalent of all other positions	2	10	10
Average number of all employees	3,391	3,180	3,180
Number of employees at end of year	3,394	3,180	3,180
01 Personal services:			
Military	$11,977,000	$11,169,500	$11,169,500
Other personal services: Civilian	15,600	55,500	55,500
Total personal services	11,992,600	11,225,000	11,225,000
02 Travel	921,600	1,103,000	1,134,000
03 Transportation of things	364,000	320,000	364,000
04 Communication services	125,000	139,000	154,000
05 Rents and utility services	158,000	159,000	169,000
06 Printing and reproduction	41,000	41,000	41,000
07 Other contractual services	7,238,717	7,500,000	10,305,000
08 Supplies and materials	6,708,638	7,253,000	8,403,000
09 Equipment	2,856,000	3,729,000	2,315,000

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
Reimbursable program—Continued			
11 Grants, subsidies, and contributions	$1,500	$4,000	$4,000
12 Pensions, annuities, and insurance claims	15,900	16,000	17,000
15 Taxes and assessments	158,700	191,000	204,000
Total reimbursable obligations	30,581,655	31,680,000	34,335,000
Total obligations	208,911,246	221,480,000	242,335,000

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

For necessary expenses of acquisition, construction, rebuilding, and improvement of aids to navigation, shore facilities, vessels, and aircraft, including equipment related thereto; and services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); [$23,250,000] *$31,115,000*, to remain available until expended: *Provided, That annual accrued expenditures under this appropriation account, covering amounts becoming payable as a result of obligations incurred both in the current fiscal year and in prior fiscal years, shall not exceed $26,500,000: Provided further, That this limitation shall not include annual accrued expenditures attributable to reimbursable work performed under this appropriation account: Provided further, That not to exceed 5 per centum of any limitation on annual accrued expenditures herein made for the Coast Guard may be transferred to any other such limitation, but no limitation shall be increased or decreased by more than 5 per centum as a result of such transfers. (14 U.S.C.; Treasury Department Appropriation Act, 1960.)*

Appropriated 1960, **$23,250,000** Estimate 1961, **$31,115,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate	Analysis of 1961 financing: Deduct accrued resources and unpaid undelivered orders, start of year	Analysis of 1961 financing: Add unpaid undelivered orders, end of year	Analysis of 1961 financing: Appropriation required for 1961
Program by activities:						
Direct program:						
1. Vessels	$7,422,666	$1,231,803	$12,630,000	$5,480,000	$2,125,000	$9,275,000
2. Aviation facilities	2,492,313	22,578,085	8,200,000	7,868,800	13,528,800	13,860,000
3. Shore stations and navigational aids	1,170,478	3,302,788	5,177,200	2,826,032	3,265,832	5,617,000
4. Repair and supply facilities	1,044,358	2,986,716	2,365,785	1,841,785	64,000	588,000
5. Training and recruiting facilities			3,203,000	1,820,000	392,000	1,775,000
Total direct program costs	12,129,815	30,099,392	31,575,985	19,836,617	19,375,632	31,115,000
7. Unfunded adjustments to total direct program costs: Property or services transferred in (−) without charge, net	−28,411					
Total direct program costs, funded	12,101,404	30,099,392	31,575,985			
8. Relation of costs to accrued expenditures:						
Costs financed from accrued expenditures of other years, net (−)	−2,010,377		−7,461,022			
Expenditures accrued for costs of other years, net		4,108,056				
Total direct accrued expenditures	10,091,027	34,207,448	24,114,963			
Unpaid undelivered orders brought forward (−)	−19,559,888	−20,558,735	−12,375,595			
Adjustment of unpaid undelivered orders brought forward	144,328					
Unpaid undelivered orders carried forward	20,558,735	12,375,595	19,375,632			
Total direct program (obligations)	11,234,202	26,024,308	31,115,000			
Reimbursable program:						
2. Aviation facilities	61,657					
6. Loran to meet Department of Defense requirements	9,458,742	34,446,244	23,424,857			
Total reimbursable program costs	9,520,399	34,446,244	23,424,857			
8. Relation of costs to accrued expenditures:						
Costs financed from accrued expenditures of other years, net (−)		−4,075,503	−432,356			
Expenditures accrued for costs of other years, net	4,288,425					
Total reimbursable accrued expenditures	13,808,824	30,370,741	22,992,501			
Unpaid undelivered orders brought forward (−)	−7,679,525	−9,677,937	−10,492,501			
Unpaid undelivered orders carried forward	9,677,937	10,492,501	7,500,000			
Total reimbursable program (obligations)	15,807,236	31,185,305	20,000,000			
Total program (obligations)	27,041,438	57,209,613	51,115,000			
Financing:						
1959 appropriation available in 1958	4,922,676					
Unobligated balance brought forward:						
Direct appropriation	−636,859	−2,774,308				
Reimbursable	−3,730,883	−7,985,305				
Advances and reimbursements from other accounts	−20,061,657	−23,200,000	−20,000,000			
Recovery of prior year obligations	−144,328					
Unobligated balance carried forward:						
Direct appropriation	2,774,308					
Reimbursable	7,985,305					
Appropriation (new obligational authority)	18,150,000	23,250,000	31,115,000			

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This appropriation provides for the acquisition, construction, rebuilding, and improvement of vessels, aircraft, shore stations, and aids to navigation.

Direct program by activities—1. *Vessels.*—This activity provides for the replacement of certain vessels of the Coast Guard fleet. Continuing the 82-footer program for replacement of patrol boats begun in 1960, an additional 18 boats will be constructed in 1961 to replace the least serviceable of the remaining 83-foot, wooden hull, craft built during World War II. The program for 1961 also provides for construction of replacements for six tugs and five buoy boats; and for development of plans and characteristics of a replacement vessel for major cutters now in service.

2. *Aviation facilities.*—This activity covers part of the program for replacement of overage aircraft recommended in a joint report submitted to the Congress by the Secretary of the Treasury and the Commandant. Orderly replacement of these aircraft as they become overage is essential to safe and effective conduct of Coast Guard missions. The 1961 program includes the procurement of three SC–130B's and six HUS's as replacement aircraft, and procurement of 5-year spares for two UF–2G aircraft. In addition, at one air station, necessary runway improvements will be made.

3. *Shore stations and navigational aids.*—This activity provides for the establishment of aids to navigation in waterways improved and developed by the Corps of Engineers and for the installation and replacement of other aids made necessary by the natural shifting of channels and the changing needs of marine commerce. It also includes construction of two moorings to meet increased law enforcement, boating safety, and search and rescue needs resulting from extensive boating activity; and construction of a new primary radio station at New Orleans, La. In addition, two lightships will be replaced with fixed structures; the wharf at moorings, Juneau, Alaska, will be repaired; and facilities at lifeboat station, Charlevoix, Mich., will be replaced.

4. *Repair and supply facilities.*—The 1961 program under this activity provides for construction of a depot at Keokuk, Iowa, to support aids to navigation facilities; relocation of depot at Memphis, Tenn., and replacement of depot facilities at Southwest Harbor, Maine. It also provides for extension of wharf at depot, Corpus Christi, Tex.; and repairing of bulkheads, docks, and buoy slab at base, Portsmouth, Va.

5. *Training and recruiting facilities.*—The 1961 program for this activity provides for extension of classroom space, construction of maintenance shop building, and survey of facility requirements at the Coast Guard Academy; and construction of an operating force barracks at receiving center, Cape May, N.J.

8. *Relation of costs to accrued expenditures.*—The relationship between direct costs and direct accrued expenditures is derived from year-end balances of accrued resources as reflected in the following table:

Direct program:	*1958 actual*	*1959 actual*	*1960 estimate*	*1961 estimate*
Accrued resources at end of year:				
Advances (payments for goods and services on order not yet received)	$4,535,511	$1,496,433	$7,461,022	----------
Work in process	827,832	1,856,533	----------	----------
Total accrued resources at end of year	5,363,343	3,352,966	7,461,022	----------
Accrued resources at start of year (−)	−5,363,343	−3,352,966	−$7,461,022	
Costs financed from accrued expenditures of other years net (−)		−2,010,377	----------	−7,461,022
Expenditures accrued for costs of other years, net		----------	4,108,056	----------

Total advances and work-in-process vary with the projects authorized and their rate of completion. Orders are placed with the Coast Guard yard for vessel construction and with the Navy for procurement of aircraft with delivery generally scheduled in subsequent years.

Reimbursable program—6. *Loran to meet Department of Defense requirements.*—Funds have been provided in 1960 by the Department of Defense for construction of 8 Loran stations with support facilities. The construction program contemplates 11 additional stations in 1961.

8. *Relation of costs to accrued expenditures.*—The relationship between reimbursable costs and reimbursable accrued expenditures is derived from year-end balances of accrued resources.

Reimbursable program:	*1958 actual*	*1959 actual*	*1960 estimate*	*1961 estimate*
Accrued resources at end of year:				
Advances (payments for goods and services on order not yet received)	--------	$1,196,783	----------	----------
Work in process	$219,434	3,311,076	$432,356	----------
Total accrued resources at end of year	219,434	4,507,859	432,356	----------
Accrued resources at start of year (−)		−219,434	−4,507,859	−$432,356
Costs financed from accrued expenditures of other years, net (−)	----------	----------	−4,075,503	−432,356
Expenditures accrued for costs of other years, net	4,288,425	----------	----------	----------

Object Classification

	1959 actual	1960 estimate	1961 estimate
Direct program:			
Average number of all employees	41	110	97
Number of employees at end of year	50	110	97
01 Personal services: Other personal services	$242,826	$719,050	$624,480
02 Travel	32,636	150,100	109,650
03 Transportation of things	10,455	23,300	8,300
04 Communication services	272	----------	----------
06 Printing and reproduction	2,545	----------	----------
07 Other contractual services	616,584	233,700	432,750
08 Supplies and materials	579,891	1,941,000	1,645,250
09 Equipment	12,724,576	15,564,800	22,181,250
10 Lands and structures	1,927,877	7,347,700	6,059,400
11 Grants, subsidies, and contributions	17,318	44,000	53,200
13 Refunds, awards, and indemnities	100	----------	----------
15 Taxes and assessments	1,798	658	720
1959 program obligated in 1958	−4,922,676	----------	----------
Total direct obligations	11,234,202	26,024,308	31,115,000
Reimbursable program:			
Total number of positions: Military	100	408	470
Full-time equivalent of all other positions	15	29	29
Average number of all employees	89	437	499
Number of employees at end of year	115	437	499
01 Personal services: Military	$326,739	$1,200,724	$2,075,600
Other personal services: Civilian	93,853	176,230	176,560
Total personal services	420,592	1,376,954	2,252,160
02 Travel	132,522	411,750	795,000
03 Transportation of things	274,851	317,800	155,000
04 Communication services	137	----------	----------
05 Rents and utility services	2,088	----------	----------
07 Other contractual services	2,720,911	----------	245,000
08 Supplies and materials	517,675	414,000	455,000
09 Equipment	6,554,435	6,825,000	3,766,000
10 Lands and structures	5,181,225	21,814,500	12,305,933
11 Grants, subsidies, and contributions	1,220	23,801	13,907
15 Taxes and assessments	1,580	1,500	12,000
Total reimbursable obligations	15,807,236	31,185,305	20,000,000
Total obligations	27,041,438	57,209,613	51,115,000

Retired Pay

For retired pay, including the payment of obligations therefor otherwise chargeable to lapsed appropriations for this purpose, and payments under the Uniformed Services Contingency Option Act of 1953, [$29,500,000] *$30,000,000. (14 U.S.C.; 33 U.S.C. 763, 763–1, 763a–1, 765; 34 U.S.C. 430, 643; 37 U.S.C. 115, 232, 233b, 271, 272, 313, 372, 373; 70 Stat. 114–115, 510; Treasury Department Appropriation Act, 1960.)*

Appropriated 1960, **$29,500,000** Estimate 1961, **$30,000,000**

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COAST GUARD—Continued

RETIRED PAY—Continued

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Enlisted men	$11,448,288	$12,117,000	$12,356,000
2. Commissioned officers	11,407,933	11,785,000	11,952,000
3. Warrant officers	3,712,235	3,961,000	4,045,000
4. Former Lighthouse and Lifesaving Services	1,619,318	1,705,000	1,687,000
5. Reserve personnel	63,959	92,000	120,000
6. Survivors' benefits	−163,162	−160,000	−160,000
Total program (costs—obligations) (object class 12)	28,088,571	29,500,000	30,000,000
Financing:			
Unobligated balance no longer available	411,429		
Appropriation (new obligational authority)	28,500,000	29,500,000	30,000,000

This appropriation provides for payments to retired personnel of the Coast Guard and Coast Guard Reserve, members of the former Lifesaving Service, members of the former Lighthouse Service, and certain surviving dependents of retired personnel.

The table below divides activities into those persons who retired for involuntary and voluntary reasons. The columns headed Involuntary include all retirements for age, physical disability, and forced attrition. The columns headed Voluntary include retirements for military personnel with over 30 years' service, those with 20 to 30 years' service and other optional retirements.

TYPE OF RETIREMENTS

	1959 actual		*1960 estimate*		*1961 estimate*	
	Involuntary	*Voluntary*	*Involuntary*	*Voluntary*	*Involuntary*	*Voluntary*
Total on roll, beginning of year	4,692	4,184	4,638	4,448	4,636	4,740
Addition to rolls:						
Commissioned	44	43	56	42	56	56
Warrant	8	55	27	31	38	44
Enlisted	110	180	109	225	134	205
Former Lighthouse and Lifesaving Services	13	12	20	11	20	10
Reserve (Public Law 810)	-----	9	-----	13	-----	10
Total additions	175	299	212	322	248	325
Less attritions	229	35	214	30	199	30
Total on roll, end of year	4,638	4,448	4,636	4,740	4,685	5,035

6. *Survivors' benefits.*—This item shows the excess of deductions from retired pay over the annuity payments made to the beneficiaries of deceased retired personnel who have provided for such annuity payments under the provisions of the Uniformed Services Contingency Option Act of 1953. Derivation of the net cost is as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Survivors' benefit payments	$57,101	$60,000	$65,000
Deductions from retired payments	−220,263	220,000	225,000
Net cost (savings)	−163,162	−160,000	−160,000

RESERVE TRAINING

For all necessary expenses for the Coast Guard Reserve, as authorized by law (14 U.S.C. 751–762; 37 U.S.C. 231–319), including [direct expenses and] repayment to other Coast Guard appropriations for indirect expenses, for regular personnel, or reserve personnel while on active duty, engaged primarily in administration and operation of the reserve program; *for maintenance and operation of facilities; for supplies, equipment, and services;* [purchase of not to exceed two passenger motor vehicles for replacement only;] and the maintenance, operation, and repair of aircraft; [$15,500,000] *$16,000,000*: *Provided,* That amounts equal to the obligated balances against the appropriations for "Reserve training", for the two preceding years shall be transferred to and merged with this appropriation, and such merged appropriation shall be available as one fund, except for accounting purposes of the Coast Guard, for the payment of obligations properly incurred against such prior year appropriations and against this appropriation. *(14 U.S.C.; 37 U.S.C. 231–233, 235–238, 251–254, 255, 301, 305, 310; 50 U.S.C. 921, 1051, 1053; 70 Stat. 747, 807, 857; Treasury Department Appropriation Act, 1960.)*

Appropriated 1960, **$15,500,000** Estimate 1961, **$16,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct program:			
1. Trainee expense	$7,634,610	$8,002,000	$8,882,000
2. Operation of training facilities	2,911,849	4,328,000	4,168,700
3. Construction of training facilities	1,051,978	910,000	-----
4. Administration	3,243,797	3,050,000	2,949,300
Total direct costs	14,842,234	16,290,000	16,000,000
5. Unfunded adjustments to direct program costs: Property or services transferred in (−) without charge, net	−312	-----	-----
Total direct costs, funded	14,841,922	16,290,000	-----
6. Relation of cost to obligations:			
Costs financed from obligations of other years, net (−)	-----	−790,000	-----
Obligations incurred for costs of other years, net	60,245	-----	-----
Total direct program (obligations)	14,902,167	15,500,000	16,000,000
Reimbursable program:			
7. Operation of Officer Indoctrination School	-----	365,000	-----
Total program (obligations)	14,902,167	15,865,000	16,000,000
Financing:			
Advances and reimbursements from other accounts	-----	−365,000	-----
Unobligated balance no longer available	97,833	-----	-----
Appropriation (new obligational authority)	15,000,000	15,500,000	16,000,000

The Reserve training program is designed to provide a trained force of 39,600 officer and enlisted personnel in the Ready Reserve available for active duty in time of war or national emergency and at such other times as the national security requires to fill the needs of the Coast Guard. The Armed Forces Reserve Act of 1952, as amended, provides the Coast Guard with the necessary authority to successfully carry out a program of training personnel to meet the foregoing objectives. The program outlined will provide 33,250 officer and enlisted personnel in the Ready Reserve by the end of 1961.

Direct program by activities—1. *Trainee expense.*—The program for 1960 provides for an increase from 12,795 to 16,187 in the number of reservists to receive training of the types set forth by the Armed Forces Reserve Act of 1952, as amended. 1961 provides for a further increase from 16,187 to 16,777 in the number to receive the same types of training. This build-up results from an increase of 50 in the number of trainees to receive 6 months' active duty training, a decrease of 375 to perform 15 days active duty training with pay, an increase of 995 trainees to receive paid training in organized training units, and normal attrition.

TYPES OF TRAINING PLANNED

	1960			
		Man-days of training		
Type of training	*Trainees, June 30*	*Drills*	*Active duty for training*	*Total*
"A" (48 drills, 15 days active duty):				
Port security	9,819	432,420	98,140	530,560
Vessel augmentation	3,333	129,306	25,746	155,052
Rescue coordination center	360	10,085	3,094	13,179
Electronics	190	6,490	2,436	8,926
Aviation (ORTUAV)	50	2,340	700	3,040
Interservice—aviation	70	2,795	700	3,495
Interservice—other	125	5,800	1,750	7,550
Inspector-instructor	43	1,545	294	1,839
Selective service	10	480	140	620
Subtotal	14,000	591,261	133,000	724,261
"D" (24 drills, 15 days active duty)	720	[1] 5,280	10,080	15,360
"F" (6 months active duty): Officer and enlisted	1,467	-----	491,970	491,970
Officers' Candidate School preceding active duty	-----	-----	12,000	12,000
Total, all types	16,187	596,541	647,050	1,243,591

[1] These items represent nonpaid man-days and have been included in the total drill man-days.

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TYPES OF TRAINING PLANNED—continued

Type of training	1961			
	Trainees, June 30	Man-days of training: Drills	Man-days of training: Active duty for training	Man-days of training: Total
"A" (48 drills, 15 days active duty):				
Port security	10,479	484,212	120,690	604,902
Vessel augmentation	3,593	165,084	37,215	202,299
Rescue coordination center	360	17,280	5,100	22,380
Electronics	210	9,540	3,075	12,615
Aviation (ORTUAV)	100	3,480	1,125	4,605
Interservice—aviation	70	3,360	1,050	4,410
Interservice—other	125	6,000	1,875	7,875
Inspector-instructor	48	2,304	720	3,024
Selective service	10	480	150	630
Subtotal	14,995	691,740	171,000	862,740
"D" (24 drills, 15 days active duty)	345	5,280	5,175	10,455
"F" (6 months active duty): Officer and enlisted	1,437	-------	476,460	476,460
Officers' Candidate School preceding active duty	------	-------	18,000	18,000
Total, all types	16,777	697,020	670,635	1,367,655

2. *Operations of training facilities.*—The same training stations, vessels, and minor shore units and organized training units that were utilized to provide training to Reservists in 1960 will be utilized in 1961. The Reserve Training Center, Yorktown, Va., which was placed in operation in 1960, will provide facilities for an expanded Officer Candidate School program and a specialized 2-week annual active-duty-for-training program for both officer and enlisted personnel. Utilization of this facility will not only improve the quality of training by providing a more adequate training environment, but will reduce adverse workload requirements of shore facilities of the regular Coast Guard where this training was conducted in the past. Stationkeepers at organized training units will be reduced from 133 to 101 in 1961 in order to provide funds for trainee programs.

3. *Construction of training facilities.*—In order to provide maximum funds for the training of personnel, there will be no construction, activation or improvements projects undertaken in 1961.

4. *Administration.*—This activity encompasses all administrative costs at both headquarters and district offices associated with the management of the Reserve training program, recruitment of personnel, and the "in training and ineffectives" billets for personnel at school, in transit, etc. Recruiting personnel will be reduced by 20 in 1961 since the recruitment requirement in support of the trainee program will be less. "Training and ineffective" billets will be reduced by eight in consonance with the reduction in recruiters and stationkeepers.

5. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table.

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year: Inventories and items on order:				
Undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$1,044,995	$819,943	$525,943	$525,943
Advances (payments for goods and services on order not yet received)	265,251	518,274	22,274	22,274
Total selected resources at end of year	1,310,246	1,338,217	548,217	548,217
Selected resources at start of year (−)		−1,310,246	−1,338,217	−548,217
Adjustment of selected resources reported at start of year		32,274	----------	---------
Costs financed from obligations of other years, net (−)		----------	−790,000	---------
Obligations incurred for costs of other years, net		60,245	----------	---------

Reimbursable program by activities—6. *Operation of Officer Indoctrination School.*—This school is conducted at the Reserve Training Center, Yorktown, Va. In 1960 funds will be provided from the appropriation Operating expenses for those operational costs at Yorktown (including one training vessel) associated with requirements of the regular service.

In 1961 the entire cost of the school will be funded under Operating expenses with Reserve training reimbursing the former appropriation for its equitable share of the cost. This change is in consonance with the language change proposed at this time.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Direct program:			
Military:			
Average number	818	961	901
Number of military personnel at end of year	883	901	901
Civilian:			
Total number of permanent positions	120	127	127
Average number of all employees	86	123	123
Number of employees at end of year	110	127	127
Average GS grade and salary	4.1 $4,070	4.1 $4,274	4.2 $4,314
01 Personal services:			
Permanent positions:			
Military	$3,687,657	$4,251,892	$4,047,192
Civilian	351,165	534,877	538,972
Other personal services	3,210	6,945	4,836
Drill and active duty pay of trainees	6,239,582	6,050,986	6,685,000
Total personal services	10,281,614	10,844,700	11,276,000
02 Travel	695,707	867,000	941,000
03 Transportation of things	246,376	159,000	153,000
04 Communication services	32,502	27,000	27,000
05 Rents and utility services	145,932	134,000	134,000
06 Printing and reproduction	10,175	45,000	45,000
07 Other contractual services	495,621	444,000	440,000
08 Supplies and materials	1,931,883	2,513,300	2,632,000
09 Equipment	229,954	227,000	167,000
10 Lands and structures	683,898	60,000	----------
11 Grants, subsidies, and contributions	24,162	36,000	36,000
13 Refunds, awards, and indemnities	770	----------	----------
15 Taxes and assessments	123,573	143,000	149,000
Total direct obligations	14,902,167	15,500,000	16,000,000
Reimbursable program:			
Total number of positions: Military	----------	26	----------
Full-time equivalent of all other positions	----------	1	----------
Average number of all employees	----------	27	----------
Number of employees at end of year	----------	27	----------
01 Personal services:			
Military	----------	$136,000	----------
Other personal services	----------	4,000	----------
Total personal services	----------	140,000	----------
02 Travel	----------	23,000	----------
03 Transportation of things	----------	20,500	----------
07 Other contractual services	----------	104,000	----------
08 Supplies and materials	----------	65,000	----------
09 Equipment	----------	10,000	----------
11 Grants, subsidies, and contributions	----------	200	----------
15 Taxes and assessments	----------	2,300	----------
Total reimbursable obligations	----------	365,000	----------
Total obligations	14,902,167	15,865,000	16,000,000

Intragovernmental funds:

COAST GUARD SUPPLY FUND

The Coast Guard supply fund, in accordance with 14 U.S.C. 650, finances the procurement of commissary provisions, general stores, technical materials, and uniform clothing. The fund is financed by reimbursements from Coast Guard appropriations for goods issued.

Costs of approximately $15.7 million to be incurred under this fund in 1961 are divided 67% for commissary provisions, 20% for general stores and technical materials, and 13% for uniform clothing.

Sales are expected to decrease $0.9 million in 1960 compared with 1959 due principally to reductions in the number of recruits and value of uniform clothing allowances. The 1961 increase of $1.8 million in sales is due to the

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COAST GUARD—Continued

Intragovernmental funds—Continued

COAST GUARD SUPPLY FUND—Continued

increased number of recruits and total personnel strength over 1960.

No change in inventory level is planned during 1961.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Purchase of commodities for sale:			
Clothing	$2,204,631	$1,903,000	$2,131,000
Commissary supplies	10,814,176	10,247,000	10,548,000
General stores	3,032,195	2,776,000	3,071,000
Total gross expenditures	16,051,002	14,926,000	15,750,000
Receipts from operations (funds provided):			
Sale of commodities:			
Clothing	2,140,599	1,873,000	2,131,000
Commissary supplies	10,788,132	10,247,000	10,548,000
General stores	2,905,081	2,776,000	3,071,000
Decrease in selected working capital	6,265		
Total receipts from operations	15,840,077	14,896,000	15,750,000
Budget expenditures	210,925	30,000	

Revenue, Expense, and Retained Earnings

Revenue:			
Clothing	$2,140,599	$1,873,000	$2,131,000
Commissary supplies	10,788,132	10,247,000	10,548,000
General stores	2,905,081	2,776,000	3,071,000
Total revenue	15,833,812	14,896,000	15,750,000
Expense:			
Clothing	2,224,566	1,873,000	2,131,000
Commissary supplies	10,788,132	10,247,000	10,548,000
General stores	3,065,910	2,836,000	3,071,000
Total expense	16,078,608	14,956,000	15,750,000
Net loss (−) for the year	−244,796	−60,000	
Retained earnings or deficit (−), beginning of year	249,086	4,290	−55,710
Retained earnings or deficit (−), end of year	4,290	−55,710	−55,710

Financial Condition

Assets:			
Cash with Treasury	$1,955,050	$1,925,050	$1,925,050
Accounts receivable, net	1,197,019	1,197,019	1,197,019
Advances	23,248		
Commodities for sale:			
Clothing	1,834,682	1,864,682	1,864,682
Commissary supplies	993,220	993,220	993,220
General stores	2,310,234	2,310,234	2,310,234
Total assets	8,313,453	8,290,205	8,290,205
Liabilities:			
Current	1,542,404	1,519,156	1,519,156
Government investment:			
Non-interest-bearing capital:			
Start of year	6,766,448	6,766,759	6,826,759
Transfer of material from other inventory accounts (Public Law 84-1014)	311	60,000	
End of year	6,766,759	6,826,759	6,826,759
Retained earnings or deficit (−)	4,290	−55,710	−55,710
Total Government investment	6,771,049	6,771,049	6,771,049

NOTE.—Unpaid undelivered orders are as follows: June 30, 1958, $668,726; 1959, $736,665; 1960, $736,665; 1961, $736,665.

Object Classification

	1959 actual	1960 estimate	1961 estimate
08 Supplies and materials	$16,139,229	$14,902,752	$15,750,000

COAST GUARD YARD FUND

This fund finances industrial operations at the Coast Guard Yard, Curtis Bay, Md. (14 U.S.C.). The Yard finances its operations out of advances received from Coast Guard appropriations and from other agencies for all direct and indirect costs.

ANALYSIS BY TYPE OF WORK

[Percent]

	1959 actual	*1960 estimate*	*1961 estimate*
Vessel repairs and alterations	32	31	34
Vessel construction	35	43	41
Small boat construction	12	12	11
Small boat repair	1	1	1
Buoy fabrication	4	1	3
Fabrication of special items	15	11	9
Sales of surplus material and scraps	1	1	1

ANALYSIS BY RECIPIENT OF YARD SERVICES

[Percent]

	1959 actual	*1960 estimate*	*1961 estimate*
Coast Guard	81	91	99
Other Government agencies	19	9	1

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditure (funds applied):			
Purchase of equipment	$165,393	$124,448	$120,000
Expense:			
Purchase of raw materials	4,069,919	3,937,333	3,531,693
Other expense	8,296,446	7,633,795	6,684,379
Increase in selected working capital	3,496,562	42,184	965,930
Total gross expenditures	16,028,320	11,737,760	11,302,002
Receipts from operations (funds provided):			
Sales of goods and services	12,710,433	11,797,260	10,396,000
Proceeds from sale of equipment	1,250	500	500
Total receipts from operations	12,711,683	11,797,760	10,396,500
Budget expenditures	3,316,637	−60,000	905,502

Revenue, Expense, and Retained Earnings

Operating income or loss (−):			
Revenue	$12,929,162	$11,997,260	$10,596,000
Expense	13,095,969	11,893,947	10,569,072
Net operating income or loss (−)	−166,807	103,313	26,928
Nonoperating income or loss (−):			
Proceeds from sale of equipment	1,250	500	500
Net book value of assets sold (−)	−9,164	−4,800	−4,800
Net gain or loss (−) from sale of equipment	−7,914	−4,300	−4,300
Net income or loss (−) for the year	−174,721	99,013	22,628
Retained earnings or deficit (−), beginning of year	53,080	−121,641	−22,628
Deficit (−), end of year	−121,641	−22,628	

Financial Condition

Assets:			
Cash with Treasury	$1,345,502	$1,405,502	$500,000
Accounts receivable, net	318,878	320,000	320,000
Inventories:			
Raw materials	1,606,819	1,700,000	1,700,000
Finished goods	175,886	183,000	179,000
Land, structures, and equipment, net	6,733,568	6,692,158	6,634,300
Total assets	10,180,653	10,300,660	9,333,300
Liabilities:			
Current	1,933,681	1,899,733	929,803
Government investment:			
Non-interest-bearing capital:			
Start of year	8,445,615	8,368,613	8,423,555
Donations in, net	143,056	280,000	210,000
Depreciation not recoverable from operations (−)	−220,058	−225,058	−230,058
End of year	8,368,613	8,423,555	8,403,497

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Financial Condition—Continued

	1959 actual	1960 estimate	1961 estimate
Government investment—Continued			
Deficit (−)	−$121,641	−$22,628	
Total Government investment	8,246,972	8,400,927	$8,403,497

NOTE.—Unpaid undelivered orders are as follows: June 30, 1958, $1,669,607; 1959, $486,141; 1960, $468,000; 1961, $460,000.

Unfilled customers' orders are as follows: June 30, 1958, $4,066,539; 1959, $1,173,872; 1960, $1,070,000; 1961, $640,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Military:			
Average number	48	31	31
Number of military personnel at end of year	26	31	31
Civilian:			
Total number of permanent positions	1,292	1,150	1,042
Average number of all employees	1,278	1,150	1,040
Number of employees at end of year	1,181	1,150	1,042
Average GS grade and salary	5.8 $5,187	5.9 $5,324	6.2 $5,556
Average salary of ungraded positions	$5,229	$5,767	$5,754
01 Personal services:			
Permanent positions:			
Military	$278,652	$176,481	$176,481
Civilian	6,707,539	6,536,350	5,946,371
Other personal services	312,089	251,740	244,093
Total personal services	7,298,280	6,964,571	6,366,945
02 Travel	5,264	6,150	5,300
03 Transportation of things	36,160	36,120	36,000
04 Communication services	21,651	22,200	23,000
05 Rents and utility services	190,449	192,284	200,000
06 Printing and reproduction	4,711	4,740	4,800
07 Other contractual services	101,035	126,507	100,000
08 Supplies and material	4,215,548	3,774,417	3,085,027
09 Equipment	165,393	124,448	120,000
11 Grants, subsidies, and contributions	437,971	445,253	384,000
13 Refunds, awards, and indemnities	1,104	1,090	1,000
15 Taxes and assessments	9,853	5,000	6,000
Total accrued expenditures	12,487,419	11,702,690	10,332,072
Decrease in unpaid undelivered orders (−)	−1,183,466	−18,141	−8,000
Total obligations	11,303,953	11,684,549	10,324,072

INTEREST ON THE PUBLIC DEBT

Permanent authorizations:

INTEREST ON THE PUBLIC DEBT

(Indefinite)

Appropriated (est.) 1960, **$9,300,000,000**

Estimate 1961, **$9,500,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Payment of interest (total costs—obligations) (object class 14)	$7,592,769,102	$9,300,000,000	$9,500,000,000
Financing:			
Appropriation (new obligational authority)	7,592,769,102	9,300,000,000	9,500,000,000

Such amounts are appropriated as may be necessary to pay the interest each year on the public debt (31 U.S.C. 711(2), 732). With the exception of savings bonds and bonds of investment series A of 1965, interest is computed on an accrual basis. Interest on savings bonds and the 1965 investment series is computed on a due and payable basis.

Payment of interest during 1959 was distributed among the following categories:

Marketable	$4,621,079,682
Savings bonds	1,528,094,748
Special issues	1,197,370,865
Other nonmarketable issues	246,223,807

MEMORANDUM

STATUTORY PUBLIC DEBT RETIREMENTS

Permanent authorizations:

CUMULATIVE SINKING FUND

(Indefinite)

Appropriated (est.) 1960, **$633,349,085**

Estimate 1961, **$633,349,085**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Financing:			
Unobligated balance brought forward	−$11,424,560,353	−$12,057,966,548	−$12,691,315,633
Unobligated balance carried forward	12,057,966,548	12,691,315,633	13,324,664,718
Appropriation (new obligational authority)	633,406,195	633,349,085	633,349,085

There is appropriated to the cumulative sinking fund annually a sum equal to (*a*) 2½% of the amount of certain bonds and notes issued under the Liberty Bond Acts and outstanding on July 1, 1920, less an amount equal to the par amount of obligations of foreign governments held by the United States on that date, (*b*) an amount equal to the interest which would otherwise have been payable on bonds and notes which have been retired out of the sinking fund during the years, together with (*c*) 2½% of certain expenditures during the 1930's. The sinking fund is available to retire bonds and notes at maturity or to purchase them before maturity (31 U.S.C. 767, 767a–b).

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Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1961

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purposes
	Number	Gross cost	Number	Allowance (estimate)				
OFFICE OF THE SECRETARY								
Salaries and expenses						5	$500	Transportation for the Secretary, under secretaries, and assistant secretaries to and from official meetings and conferences held with congressional committees, international organizations, and officials of other Government agencies.
BUREAU OF ACCOUNTS								
Salaries and expenses, Division of Disbursement: Station wagon.						1		Transaction of official business in the Philippine Islands.
BUREAU OF CUSTOMS								
Salaries and expenses	75	$120,875	75	$14,875	$106,000	407		Official transportation between customhouses, wharves, airports, and piers, for surveillance of suspects in criminal conspiracy cases.
INTERNAL REVENUE SERVICE								
Salaries and expenses	[1] 100	159,000	100	20,000	139,000	1,177		All vehicles to be used by alcohol and tobacco tax and intelligence agents enforcing internal revenue laws.
Station wagon						16		Do.
BUREAU OF NARCOTICS								
Salaries and expenses	[2]		[2]			212		All cars to be used by narcotics agents in enforcing narcotic and marihuana laws.
Station wagon	[2]		[2]			8		Do.
BUREAU OF ENGRAVING AND PRINTING								
Bureau of Engraving and Printing revolving fund.						1		Use in the transaction of official business.
Station wagon	1	1,950	1	110	1,840	2		Transporting armed guards protecting Government securities.
UNITED STATES SECRET SERVICE								
Salaries and expenses	10	17,350	10	2,000	15,350	206	2,800	All vehicles to be used by agents of the Secret Service engaged in law enforcement.
Station wagon						1		Do.
BUREAU OF THE MINT								
Salaries and expenses: Station wagon						2		To transport guards at bullion depository.
COAST GUARD								
Operating expenses	[3] 27	10,500	[3] 27	700	9,800	89		Use by employees in transaction of official business.
Station wagon	5	9,750	5	750	9,000	29		Do.
Ambulance						6		Do.
Bus						11	6,000	Do.
Reserve training: Station wagon						3	1,000	Use by employees in transaction of official business for the administration of the Reserve training program.
Bus						1		Do.
Coast Guard yard fund						2		Use by officers and employees in the transaction of official business at Curtis Bay, Md.
Station wagon						3		Do.
Ambulance						1		Do.
Total, Coast Guard	32	20,250	32	1,450	18,800	145	7,000	
Total, Treasury Department	218	319,425	218	38,435	280,990	2,183	10,300	

[1] Includes 10 seized cars acqured by payment of court liens.
[2] It is estimated that 100 cars and 8 station wagons will be replaced by seized vehicles.
[3] Includes 20 seized cars transferred from the Bureau of Narcotics without charge.

Statement of proposed obligations for purchase, maintenance, and operation of aircraft for the fiscal year 1961

Appropriation	Aircraft to be purchased		Aircraft to be exchanged		Net cost of aircraft to be purchased	Old aircraft still to be used	Cost of maintenance and operation of aircraft	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
COAST GUARD								
Operating expenses						135	$13,804,100	For official use of Coast Guard in performance of assigned duties and carrying of passengers in connection therewith when necessary.
Acquisition, construction, and improvements.	9	$13,530,000			$13,530,000			For replacement of aircraft for official use of Coast Guard in performance of assigned duties and carrying of passengers in connection therewith, when necessary.

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DISTRICT OF COLUMBIA

The Federal Government makes loans and payments to the District of Columbia in recognition of problems arising from its unique situation as the Nation's Capital.

New obligational authority for 1961 requested for these loans and payments totals $53.2 million, a decrease of $8.3 million from 1960. Proposed program levels represent reductions of $15.6 million in authorizations for loans for public building construction and for other public works. These reductions, however, are partially offset by a recommendation for the appropriation of the full amount of the authorized Federal payment—$32 million. This will be an increase of $7 million over 1960. The 1961 budget also includes appropriations of $2.5 million (an increase of $0.3 million) to pay for water and sewage services rendered by the District to the Federal Government.

The estimated rise from 1960 to 1961 of $14 million in Federal expenditures results from the higher Federal payment requested and from increased loan outlays for construction financed from appropriations made in prior years.

The Congress serves as the legislative body for the District of Columbia and enacts the District's total budget, authorizing expenditures from funds available to the District from its own revenue and from payments made to it by the Federal Government. Detailed estimates for the District as a whole, including the Federal payments and loans to the District, estimates of appropriation from District revenue, and information regarding allocations to various Federal agencies for services rendered to the District, are printed in a separate volume of the budget. This volume of the budget contains detail only for the Federal payments and loans to the District.

New obligational authority and expenditures by function are shown below:

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
General government:						
609 Territories and possessions, and the District of Columbia	$33,361	$61,518	$53,233	$31,111	$33,918	$47,733

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BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ACCOUNT TITLE

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate		
							Total	From new obligational authority	From prior authority
Current authorizations:									
Federal payment to District of Columbia	609	$27,861	$27,218	$34,533	$27,861	$27,218	$34,533	$34,533	
Loans to District of Columbia for capital outlay, general fund	609		20,000	14,500					
Loans to District of Columbia for capital outlay, highway fund	609	5,500	13,100	3,500		5,000	5,000		$5,000
Loans to District of Columbia for capital outlay, water fund	609		1,200		3,250	1,700	4,800		4,800
Loans to District of Columbia for capital outlay, sanitary sewage works fund	609			700			3,400		3,400
Total new obligational authority and budget expenditures		33,361	61,518	53,233	31,111	33,918	47,733	34,533	13,200
RECAPITULATION									
Enacted or recommended in this document:									
Current authorizations:									
Appropriations		$33,361	$61,518	$53,233	$31,111	$33,918	$47,733	$34,533	$13,200

ANALYSIS OF UNEXPENDED BALANCES

[In thousands]

Description	Balance, start of 1959		Balance, start of 1960		Balance, start of 1961		Balance, start of 1962	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document:								
Appropriations:								
Loans to District of Columbia for capital outlay, general fund					$20,000	$20,000	$34,500	$34,500
Loans to District of Columbia for capital outlay, highway fund	$21,238	$21,238	$26,738	$26,738	34,838	34,838	33,338	33,338
Loans to District of Columbia for capital outlay, water fund	19,780	19,780	16,530	16,530	16,030	16,030	11,230	11,230
Loans to District of Columbia for capital outlay, sanitary sewage works fund	4,300	4,300	4,300	4,300	4,300	4,300	1,600	1,600
Total, District of Columbia	45,318	45,318	47,568	47,568	75,168	75,168	80,668	80,668

SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

Description	1959 actual	1960 estimate	1961 estimate
Balances brought forward at start of year from authorizations enacted or recommended in this document: Appropriations	$45,318	$47,568	$75,168
New obligational authority:			
Enacted or recommended in this document: Current authorizations: Appropriations	33,361	61,518	53,233
Total budget authorizations available	78,679	109,086	128,401
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority	31,111	33,918	34,533
Out of balances of prior obligational authority			13,200
Total expenditures from obligational authority enacted or recommended	31,111	33,918	47,733
Balances carried forward at close of year from authorizations enacted or recommended in this document: Appropriations	47,568	75,168	80,668
Obligations incurred, net	$31,111	$33,918	$47,733

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FEDERAL FUNDS

Current authorizations:

Federal Payment to District of Columbia

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there are appropriated for the District of Columbia for the fiscal year ending June 30, [1960] *1961,* out of (1) the general fund of the District of Columbia (unless otherwise herein specifically provided), hereinafter known as the general fund, such fund being composed of the revenues of the District of Columbia other than those applied by law to special funds, and [$25,000,000] *$32,000,000,* which is hereby appropriated for the purpose out of any money in the Treasury not otherwise appropriated (to be advanced July 1, [1959] *1960*), (2) the highway fund (when designated as payable therefrom), established by law (D.C. Code, title 47, ch. 19), (3) the water fund (when designated as payable therefrom), established by law (D.C. Code, title 43, ch. 15), and [$1,532,000] *$1,661,000,* which is hereby appropriated for the purpose out of any money in the Treasury not otherwise appropriated (to be advanced July 1, [1959] *1960*), (4) the sanitary sewage works fund (when designated as payable therefrom), established by law (Public Law 364, 83d Congress), and [$686,000] *$872,000,* which is hereby appropriated for the purpose out of any money in the Treasury not otherwise appropriated (to be advanced July 1, [1959] *1960*), and (5) the motor vehicle parking fund (when designated as payable therefrom), established by law (D.C. Code, title 40, ch. 8), sums as shown herein; and there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, [$34,300,000] *$18,700,000,* which, together with balances of previous appropriations for this purpose, shall remain available until expended, for loans authorized by the Act of May 18, 1954 (68 Stat. 101), and the Act of June 6, 1958 (72 Stat. 183), to be advanced upon request of the Commissioners to the following funds: general fund, [$20,000,000] *$14,500,000,* highway fund, [$13,100,000] *$3,500,000,* and [water fund, $1,200,000] *sanitary sewage works fund, $700,000. (District of Columbia Appropriation Act, 1960.)*

Appropriated 1960, **$27,218,000** Estimate 1961, **$34,533,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Payment to District of Columbia	$25,000,000	$25,000,000	$32,000,000
2. Payment for water and sewer service	2,429,000	2,218,000	2,533,000
3. Payment for highways	431,600		
Total obligations	27,860,600	27,218,000	34,533,000
Financing:			
Appropriation (new obligational authority)	27,860,600	27,218,000	34,533,000

The Federal payment includes $32,000,000 as the authorized annual payment by the United States toward defraying expenses of the government of the District of Columbia and $2,533,000 as payment for water and sewer services (61 Stat. 361; 68 Stat. 113; 70 Stat. 83; 72 Stat. 183).

Object Classification

	1959 actual	1960 estimate	1961 estimate
05 Rents and utility services	$2,429,000	$2,218,000	$2,533,000
11 Grants, subsidies, and contributions	$25,431,600	$25,000,000	$32,000,000
Total obligations	27,860,600	27,218,000	34,533,000

Loans to District of Columbia for Capital Outlay, General Fund

Appropriated 1960, **$20,000,000** Estimate 1961, **$14,500,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Financing:			
Unobligated balance brought forward			−$20,000,000
Unobligated balance carried forward		$20,000,000	34,500,000
Appropriation (new obligational authority)		20,000,000	14,500,000

This appropriation is for 30-year interest-bearing loans from Treasury to assist in financing the construction of facilities required for activities financed by the general fund of the District of Columbia (72 Stat. 183). The status of the $75 million authorization is:

[Cumulative figures]

	1959 actual	*1960 estimate*	*1961 estimate*
Appropriations		$20,000,000	$34,500,000
Funds withdrawn			
Amounts repaid			

Loans to District of Columbia for Capital Outlay, Highway Fund

Appropriated 1960, **$13,100,000** Estimate 1961, **$3,500,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Improvement of the District of Columbia highway system (object class 16)		$5,000,000	$5,000,000
Financing:			
Unobligated balance brought forward	−$21,238,100	−26,738,100	−34,838,100
Unobligated balance carried forward	26,738,100	34,838,100	33,338,100
Appropriation (new obligational authority)	5,500,000	13,100,000	3,500,000

This appropriation is for 30-year interest-bearing loans from Treasury to assist in financing a program of highway construction projects (68 Stat. 110). The status of the $50,250,000 authorization is:

[Cumulative figures]

	1959 actual	*1960 estimate*	*1961 estimate*
Appropriations	$26,738,100	$39,838,100	$43,338,100
Funds withdrawn		5,000,000	10,000,000
Amounts repaid			

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Current authorizations—Continued

LOANS TO DISTRICT OF COLUMBIA FOR CAPITAL OUTLAY, WATER FUND

Appropriated 1960, **$1,200,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Loans for the expansion and improvement of the District of Columbia water system (object class 16)	$3,250,000	$1,700,000	$4,800,000
Financing:			
Unobligated balance brought forward	−19,780,000	−16,530,000	−16,030,000
Unobligated balance carried forward	16,530,000	16,030,000	11,230,000
Appropriation (new obligational authority)		1,200,000	

This appropriation is for 30-year interest-bearing loans from Treasury to assist in financing a program of expansion and improvement of the water system (64 Stat. 195; 68 Stat. 103). The status of the $35 million authorization is:

[Cumulative figures]

	1959 actual	*1960 estimate*	*1961 estimate*
Appropriations	$29,880,000	$31,080,000	$31,080,000
Funds withdrawn	13,350,000	15,050,000	19,850,000
Amounts repaid	277,230	475,278	728,555

LOANS TO DISTRICT OF COLUMBIA FOR CAPITAL OUTLAY, SANITARY SEWAGE WORKS FUND

Estimate 1961, **$700,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Improvement of sanitary sewage system of the District of Columbia (object class 16)			$3,400,000
Financing:			
Unobligated balance brought forward	−$4,300,000	−$4,300,000	−4,300,000
Unobligated balance carried forward	4,300,000	4,300,000	1,600,000
Appropriation (total obligational authority)			700,000

This appropriation is for 30-year interest-bearing loans from Treasury to assist in financing the construction, operation, maintenance, and the repair of the sanitary sewage works of the District of Columbia (68 Stat. 105). The status of the $5 million authorization is:

[Cumulative figures]

	1959 actual	*1960 estimate*	*1961 estimate*
Appropriations	$4,300,000	$4,300,000	$5,000,000
Funds withdrawn			3,400,000
Amounts repaid			

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PART III

ESTIMATES FOR TRUST FUNDS

Table 10. Trust Receipts and Expenditures
Detailed Estimates

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INTRODUCTION TO PART III

Part III of the budget contains a summary table on trust and deposit funds, and detailed schedules and explanatory statements on the various trust funds. It excludes the detail on trust fund programs which require annual action by Congress (shown in part II) and the detail on the District of Columbia municipal government funds (contained in a separate budget volume).

TRUST AND DEPOSIT FUNDS DISTINGUISHED

The funds which are covered in this part of the budget are of two types, as follows:

Trust funds are those funds established to account for receipts which are held in trust by the Government for use in carrying out specific purposes and programs in accordance with a trust agreement or a statute. Within the category of trust funds, there is a subcategory of *trust revolving* funds, which are trust funds used to carry on a cycle of business-type operations, including certain corporations which are partly owned by the Government and partly by private interests.

Deposit funds are those funds established to account for collections that are either (*a*) held in suspense temporarily and later refunded or paid into some other fund of the Government, or (*b*) held by the Government as banker or agent for others, being paid out in lump sums at the direction of the owner. Such funds are not available for paying salaries, expenses, grants, or other expenditures of the Government.

While the transactions in these groups of funds are a part of the financial program of the Government, trust and deposit funds are not fully owned by the Government; hence these transactions are excluded from budget totals.

TRUST FUND RECEIPTS AND EXPENDITURES

Receipts.—Like budget receipts, trust fund receipts are based upon collections received and deposited, including U.S. Government securities received in lieu of cash and contributions to the trust funds from the general fund. The conversion of U.S. Government securities on hand into cash is excluded from receipts, but such sales and redemptions are listed in special analysis F of part IV on a net basis.

Expenditures.—Like budget expenditures, trust fund expenditures are stated on a checks-issued basis, less refunds collected. Net investments in U.S. Government securities are excluded from the figures, and are listed in special analysis F of part IV.

Trust revolving funds.—The small group of funds which constitute trust revolving funds are reported on a *net* expenditure basis. The collections of trust revolving funds, instead of being taken into the tables as receipts, are deducted from expenditures. The gross figures are shown in a supplementary summary table and in the detailed schedules.

OBLIGATIONAL AUTHORITY FOR TRUST FUNDS

Trust fund receipts must be appropriated before they can be obligated or spent, with the exception of those few cases where the law grants contract authorization in advance (for example, the highway trust fund).

Most trust funds are appropriated by permanent law, not requiring further action by Congress. Usually the appropriations equal the receipts of the year. In a few cases receipts of trust funds can be spent only in accordance with appropriations enacted by Congress from year to year. Examples are the highway trust fund, funds of the United States Soldiers' Home, and the municipal revenues of the District of Columbia (which are accounted for as trust funds by the Federal Government). In a few other cases, trust fund receipts are permanently appropriated for benefit payments, but limitations on administrative expenses payable out of the trust funds are imposed by annual action of the Congress.

DEPOSIT FUND EXPENDITURES

Table 10 includes deposit fund expenditures by department or agency. These expenditures are on a net basis; that is, the collections are deducted from checks issued, and the resulting figure is shown as an expenditure. Checks issued include those written to move money into other funds, as well as those written for refunds and the return of money to depositors. When the collections are larger than the checks issued, the amount shown as an expenditure is a negative item.

NET ACCUMULATION IN TRUST AND DEPOSIT FUNDS

Table 10 shows the net accumulation during each year in all the trust and deposit funds. This represents the result obtained when the trust and deposit fund expenditures are subtracted from the trust receipts of the year. Since trust and deposit funds, as well as Federal funds, affect the total cash balance of the Treasury and the total public debt, the final figures in table 10 are carried forward into table 4 of part I. Data on the unexpended balances of the largest trust funds are appended to the table.

DETAIL OF TRUST FUND ESTIMATES

The detailed material in part III covers the trust funds which do not require annual action by Congress. Consolidated schedules are used for the smaller trust funds of each bureau or independent agency.

The material here follows the general format of the similar material in part II, with the principal exception that these schedules show receipts in place of showing appropriations. In cases where the receipts are not permanently appropriated as the money is collected, the schedules identify the portion of the unobligated balances on hand which is appropriated and the portion which is unappropriated. Also, no appropriation language appears here, and the narrative statement of program and performance usually consists only of an explanation of the sources of money for the fund, the purposes for which it is authorized to be spent, and the legal citations.

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TRUST FUNDS

In 1961, total receipts of the trust funds are estimated at $22,547 million and expenditures at $21,278 million, with a resulting net accumulation of $1,269 million. In each of the major trust funds receipts are expected to exceed expenditures, with the single exception of the Federal National Mortgage Association secondary market operations.

The net accumulation estimated for 1961 compares with an estimated net excess of expenditures over receipts of $813 million for 1960. This change in the total reflects mainly a shift in three trust funds, Federal old-age and survivors insurance, highway, and unemployment. In 1960 the disbursements of each of these trust funds are estimated to exceed receipts, while the reverse is true in 1961.

TOTAL TRUST FUND TRANSACTIONS

[In millions]

	1959 actual	*1960 estimate*	*1961 estimate*
Receipts	$17,084	$20,696	$22,547
Expenditures	18,597	21,510	21,278
Net accumulation	−1,513	−813	1,269

While trust fund transactions are excluded from the budget receipts and expenditures, they nevertheless are a significant part of the program of the Government. For some functions—labor and welfare or commerce and housing—trust fund expenditures represent a larger part of the Government's program than do budget expenditures. Table 5 of part I of this budget shows budget expenditures, trust expenditures, and total Federal payments to the public for 1961.

At the end of this statement is a table showing actual trust and deposit fund expenditures by major function for 10 years, 1950 through 1959, and the estimates for 1960 and 1961.

While there are many separate trust and deposit funds, the bulk of the transactions and the largest amounts of money are in the following trust funds:

TRANSACTIONS OF MAJOR TRUST FUNDS

[In millions]

	1959 actual	*1960 estimate*	*1961 estimate*
Federal old-age and survivors insurance:			
Receipts	$8,182	$10,178	$11,721
Expenditures	9,454	11,196	11,652
Balance in fund at end of year	21,541	20,524	20,592
Federal disability insurance:			
Receipts	938	1,063	1,098
Expenditures	371	563	624
Balance in fund at end of year	1,667	2,167	2,641
Railroad retirement:			
Receipts	758	1,308	1,059
Expenditures	778	1,063	982
Balance in fund at end of year	3,649	3,894	3,971
Federal employees retirement funds (civil service and foreign service):			
Receipts	1,741	1,707	1,770
Expenditures	792	884	986
Balance in funds at end of year	9,243	10,066	10,850
Unemployment trust fund:			
Receipts	1,997	2,300	2,284
Expenditures	3,054	2,384	1,973
Balance in fund at end of year	6,716	6,632	6,943
Veterans life insurance funds:			
Receipts	698	718	739
Expenditures	642	658	652
Balance in funds at end of year	6,885	6,944	7,032
Highway trust fund:			
Receipts	2,185	2,628	2,950
Expenditures	2,709	3,143	2,854
Balance in fund at end of year	524	9	105
Federal National Mortgage Association:			
Gross receipts	509	1,152	1,136
Gross expenditures	643	2,133	1,936
Net trust expenditures	134	980	800

Social security insurance and staff retirement programs for retirement, disability, or death.—The first four major trust funds listed provide insurance against the loss of income due to retirement, disability, or death. Payments are made primarily from moneys derived from payroll contributions of employers, employees, and the self-employed. The portion of these receipts not immediately needed for benefit outlays is invested in securities of the Federal Government and earns interest. The first two trust funds are authorized by the Social Security Act of 1935, as amended, and comprise the Federal old-age, survivors, and disability insurance (OASDI) program. An increase in the employer and employee payroll tax rates from 2½% to 3%, which became effective on January 1, 1960, will enable the Federal old-age and survivors insurance trust fund to resume building up reserves.

The railroad retirement system, also established in 1935, is closely coordinated with old-age, survivors, and disability insurance, and serves as a combined social insurance and staff retirement system for workers in the railroad industry. In May 1959 legislation was enacted increasing benefits under the railroad retirement system by approximately 10%. The legislation also provided for an increase in the employer and employee payroll tax rates from 6¼% to 6¾%; this increase will largely eliminate the actuarial deficit under which the system has been operating. Receipts of the Railroad retirement account are abnormally high in 1960 because of a double financial interchange payment from the Federal old-age and survivors insurance trust fund, for both 1959 and 1960.

With the exception of some temporary employees covered under old-age, survivors, and disability insurance or special retirement systems, Federal civilian workers are covered under either the Civil Service Retirement Act or the Foreign Service Retirement Act. Beginning in 1957, Armed Forces personnel have been covered under old-age, survivors, and disability insurance on a contributory basis, as well as under the military retirement system which is financed directly from appropriations from budget funds.

The following table indicates the number of individuals receiving monthly benefits from the trust funds at the end of each year:

[In thousands]

	Federal old-age and survivors insurance	*Federal disability insurance*	*Railroad retirement account*	*Civil service and foreign service*
Retired individuals: [1]				
1959 actual	9,404	---	405	246
1960 estimate	9,957	---	449	273
1961 estimate	10,459	---	465	303
Disabled individuals and their dependents:				
1959 actual	64	361	95	93
1960 estimate	92	493	96	100
1961 estimate	118	592	97	110
Survivors: [2]				
1959 actual	3,352	---	245	137
1960 estimate	3,611	---	255	153
1961 estimate	3,862	---	265	170

[1] Includes wives under age 65 with children in their care under old-age and survivors insurance.

[2] Includes children of retired workers under old-age and survivors insurance.

Unemployment trust fund.—Unemployment insurance was also authorized by the Social Security Act of 1935, as amended. Payroll taxes paid by employers under State laws and the Federal Unemployment Tax Act or under the Railroad Unemployment Act are deposited in the unemployment trust fund. The States and the Railroad

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Retirement Board draw upon this fund to pay weekly benefits to eligible unemployed workers. Commencing in 1959, the Railroad Retirement Board is also drawing upon the Unemployment trust fund for its unemployment insurance administrative expenses and the portion of the taxes earmarked for this purpose is being deposited in the fund. Prior to 1959, a separate trust fund was maintained for this purpose.

Benefits paid by the States and the Railroad Retirement Board are expected to be at a lower level in 1961 than in 1960. In 1960, benefit payments were increased as a result of the secondary effects of the steel strike.

At present, under the Federal Unemployment Tax Act an employment tax of 0.3% is used chiefly for grants to States for administering unemployment compensation benefits as well as employment services. The receipts from this tax and the expenditures for the grants are included in budget funds. Legislation has been proposed to convert these transactions entirely to a trust fund operation, so that the administration of the regular State unemployment compensation program will be financed similarly to the old-age, survivors, and disability insurance and the railroad retirement and railroad unemployment compensation programs. This proposed change would affect both budget receipts and expenditures equally. This trust fund also includes the Federal unemployment account from which loans can be made to State reserve funds under specified conditions, but does not include the temporary unemployment compensation program which expired June 30, 1959; benefits under this program were financed from the general fund.

Veterans life insurance.—The National service life insurance fund and the United States Government life insurance fund, operated largely on a commercial basis, provide life insurance held primarily by veterans of the two World Wars. Receipts comprise premiums, interest on investments, and transfers from Federal Government budget funds to cover losses resulting from war hazards. Expenditures include payments of dividends, of death and disability claims, and of equities in policies in force. In 1961, an estimated $256 million in dividend payments will be made on 5.5 million policies in force, and $467 million will be paid for death and disability claims and for cash surrenders and matured endowments.

The foregoing does not include reference to two additional insurance funds, the Service-disabled veterans insurance fund and the Veterans special term insurance fund, which are classified as public enterprise rather than trust funds.

Highway trust fund.—Receipts from certain excise taxes on motor fuels, tires, and trucks are used to finance expenditures (primarily grants to the States) for Federal-aid highways.

The Highway Act of 1959 increased motor fuel taxes deposited in the trust fund by 1 cent per gallon, to 4 cents per gallon, for the period October 1, 1959, through June 30, 1961. In addition, effective July 1, 1961, and extending through June 30, 1964, half of the present excise tax on passenger automobiles and five-eighths of the present excise tax on parts and accessories are scheduled for diversion from the general fund to the trust fund. The additional 1 cent tax is estimated to yield approximately $590 million in 1961; the diversion would yield about $850 million on a full-year basis.

In order to permit highway construction for the Interstate System to proceed at a higher level, the budget message recommends a further increase of one-half cent per gallon in the highway fuel tax until at least June 30, 1964. Repeal of the provisions diverting excise taxes from the general fund is also requested.

Federal National Mortgage Association secondary market operations.—In the secondary market part of its operations, the Association buys and sells federally insured or guaranteed mortgages at prices prevailing in the market. These operations are self-supporting in accordance with statutory objectives. Funds required for mortgage purchases in 1961 will be obtained: (*a*) from private sources through the sale of the Association's debentures; (*b*) through mortgage sales and repayments; (*c*) through the purchases of common stock which are required of all mortgage sellers; and (*d*) by purchases of preferred stock by the Treasury in accordance with the statutory requirement that the Association maintain a minimum ratio of capital to debt of 1 to 10. Net trust expenditures, which are estimated to increase substantially to $980 million in 1960 reflecting increased mortgage purchase activity, are expected to decline in 1961 to $800 million.

TRUST AND DEPOSIT FUND EXPENDITURES BY MAJOR FUNCTION

ACTUAL THROUGH 1959

[In millions]

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961
Major national security	$51	$34	$144	$126	$146	$164	$143	$93	$344	$229	$293	$333
International affairs and finance	46	−6	97	9	3	7	4	5	15	12	16	14
Veterans services and benefits	3,125	695	1,095	669	779	628	606	608	671	651	667	664
Labor and welfare	3,370	3,058	3,816	4,594	6,079	7,476	8,067	9,647	12,854	14,392	16,049	16,159
Agriculture and agricultural resources	24	12	17	22	11	22	29	148	244	83	19	18
Natural resources	20	15	15	15	16	20	23	33	32	35	38	36
Commerce and housing	−6	−23	−3	1	(*)	−86	118	1,934	1,713	2,842	4,151	3,723
General government	188	222	208	228	286	258	216	268	293	360	412	443
Interest	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Adjustment to daily Treasury statement basis	68	190	88	95								
Deposit funds, net [1]	77	−544	−160	−471	−115	57	229	225	−97	−8	−135	−111
Total	6,964	3,654	5,317	5,288	7,204	8,546	9,436	12,961	16,069	18,597	21,510	21,278

[1] Excludes deposit funds of Government-sponsored enterprises. These have been adjusted for consistency with present treatment and allocated to the appropriate function above.

*Less than one-half million.

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TABLE 10

TRUST RECEIPTS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Functional code	RECEIPTS			EXPENDITURES		
		1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
Legislative branch:							
Library of Congress:							
Gift and trust fund income accounts:							
Cataloging project, Copyright Office	500	$8	$1		$6	$8	
Gift fund	200	827	400	$300	669	528	$383
Income from investment account	200	21	15	15	26	19	19
Payment of interest on bequest of Gertrude M. Hubbard	650	1	1	1	1	2	2
Payment of interest on permanent loan	650	171	178	179	123	195	205
Service fees	200	566	570	580	545	585	595
Principal accounts, permanent loans	200	687					
Total, legislative branch		2,280	1,165	1,075	1,371	1,337	1,204
The judiciary:							
Judicial survivors annuity fund	600	486	537	551	332	352	380
Funds appropriated to the President:							
Mutual security:							
Advances, Mutual Security Act	060	243,530	285,000	350,000	218,695	286,000	328,000
Advances for economic assistance	150					2	
Philippine assistance	150				539	182	1
Technical assistance, United States dollars advanced from foreign governments	150	346	350	350	1,049	1,100	630
President's special international program, contributions	150	401	211		912	324	
Total, funds appropriated to the President		244,278	285,561	350,350	221,195	287,608	328,631
Independent offices:							
American Battle Monuments Commission: Contributed flower fund	100	2	2	2	2	2	2
Civil Service Commission:							
Civil service retirement and disability fund:							
Deductions from employees' salaries, etc	200	748,677	721,760	721,760			
Federal contribution	200			46,329			
Interest and profits on investments	200	219,749	245,000	261,209	788,603	880,740	983,049
Payments from other funds: Employing agency contributions	200	754,129	721,760	721,760			
Voluntary contributions, donations, service credit payments, etc	200	13,046	13,000	13,000			
Total, Civil service retirement and disability fund		1,735,602	1,701,520	1,764,058	788,603	880,740	983,049
Employees health benefits fund	200					−50	−18,256
Employees life insurance fund	200				−58,378	−43,339	−43,000
Total, Civil Service Commission		1,735,602	1,701,520	1,764,058	730,225	837,351	921,793
Farm Credit Administration: Operating fund, Federal intermediate credit banks	350				55,359		
Federal Aviation Agency:							
Expenses of foreign students	500	6	12		4	14	
Gifts and donations	500	333	8		267	270	80
Total, Federal Aviation Agency		339	20		271	284	80
Federal Communications Commission: International telecommunication settlements	500				−27	15	
Foreign Claims Settlement Commission: War claims fund	600	3,750			3,412	89	61
General Accounting Office: Proceeds from estates of American citizens who die abroad	600					1	1
National Capital Housing Authority: Operation and maintenance, properties aided by Public Housing Administration	500				−3,310	3,030	100
National Capital Planning Commission: Contributed fund	600	108	400	250	126	632	250
National Science Foundation: Donations	200	2	3	3	1		
Railroad Retirement Board:							
Railroad retirement account:							
Financial interchange with Federal old-age and survivors insurance trust fund	200	124,441	566,548	277,500			
Interest and profit on investments	200	108,629	110,308	114,200			
Interest on loans to Railroad unemployment insurance account	200		1,000	2,300	777,588	1,062,880	982,000
Railroad retirement taxes	200	525,220	630,000	660,000			
Repayment of loan from Railroad unemployment insurance account	200			5,000			
Limitation on Railroad unemployment insurance administration fund		(8,464)	(9,555)	(8,747)			
Total, Railroad Retirement Board		758,290	1,307,856	1,059,000	777,588	1,062,880	982,000
Smithsonian Institution: Canal Zone biological area fund	200	19	14	14	11	22	18
United States Information Agency: United States dollars advanced from foreign governments	150	7	10	10	51	17	10

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TABLE 10—Continued

TRUST RECEIPTS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	RECEIPTS			EXPENDITURES		
		1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
Independent offices—Continued							
Veterans Administration:							
Adjusted-service certificate fund	100				$825	$235	$235
General post fund, national homes	100	$1,607	$1,598	$1,595	2,496	1,890	1,625
National service life insurance fund:							
Interest on investments	100						
Payments from general and special funds	100	634,314	660,146	682,760	562,052	581,912	579,900
Premium and other receipts	100						
United States Government life insurance fund:							
Interest on investments	100						
Premiums and other receipts	100	63,352	57,828	56,631	79,582	76,283	71,846
Total, Veterans Administration		699,273	719,572	740,986	644,954	660,320	653,606
Total, independent offices		3,197,391	3,729,397	3,564,323	2,208,663	2,564,643	2,557,921
General Services Administration:							
Real property activities: Advances for construction services	600		600	9,375		200	2,000
Personal property activities: Advances from international organizations, Mutual Security Act	150				85		
Records activities:							
National Archives gift fund	600	67	65	65	57	86	87
National Archives trust fund	600				−5	−4	−4
Total, General Services Administration		67	665	9,440	136	282	2,083
Housing and Home Finance Agency:							
Federal National Mortgage Association: Secondary market operations fund	500				134,018	980,373	800,000
Department of Agriculture:							
Agricultural Research Service:							
Expenses and refunds, inspection and grading of farm products	350	405	245	245	400	245	245
Expenses, feed and attendants for animals in quarantine	350	37	20	30	23	28	30
Miscellaneous contributed funds	350	296	468	342	276	530	350
Extension Service: Miscellaneous contributed funds	350	7	7	7	5	7	7
Soil Conservation Service:							
Technical services and other assistance, agricultural conservation program	350	863			4,300		
Miscellaneous contributed funds	350	246	211	300	261	290	300
Agricultural Marketing Service:							
Expenses and refunds, inspection and grading of farm products	350	17,289	17,414	17,703	16,940	17,465	17,913
Miscellaneous contributed funds	350	91	50	32	100	70	32
Foreign Agricultural Service: Miscellaneous contributed funds	350	4	4		3	5	
Commodity Stabilization Service: Miscellaneous contributed funds	350	34	16	9	55	41	16
Farmers Home Administration: State rural rehabilitation funds	350				4,982	588	−1,151
Office of Information: Miscellaneous contributed funds	350		21		2	21	
Forest Service:							
Cooperative work	400	17,407	18,500	19,000	15,682	17,950	18,000
Technical services and other assistance, agricultural conservation program	400				9		
Miscellaneous contributed funds	400				10	8	2
Total, Department of Agriculture		36,678	36,956	37,668	43,049	37,248	35,744
Department of Commerce:							
Bureau of Census: Special statistical work	200	1,369	1,264	1,500	1,561	1,480	1,490
Business and Defense Services Administration:							
Expenses, transcripts of studies, tables, and other records	500	420	452	452	266	452	452
Special statistical work	500	13	10	10	11	10	10
Maritime activities:							
Federal ship mortgage insurance escrow fund	500		68,289	81,415		7,191	42,607
United States Merchant Marine Academy, Kings Point, N.Y., donations for chapel and library	500	59	32	5	49	669	5
Bureau of Public Roads:							
Highway trust fund:							
Federal-aid highways	500				2,612,576	3,028,000	2,689,000
Interest	500	13,584	1,000				
Taxes	500	2,171,016	2,627,000	2,984,000			
Refunds and interest on general fund advance	500				96,900	115,000	133,000
Proposed legislation:							
Forest and public lands highways	500						39,000
Other, net	500			−34,000			−7,000
Advances from Alaska, public roads	500		15,000	25,000		15,166	25,000
Contributed funds, highways for Alaska	500	1,463			1,500		
Contributions for highway research program	500	10			4	6	

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TABLE 10—Continued

TRUST RECEIPTS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	RECEIPTS			EXPENDITURES		
		1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
Department of Commerce—Continued							
Bureau of Public Roads—Continued							
Cooperative work, forest highways	500	$502	$300	$200	$78	$733	$300
Equipment, supplies, etc., for cooperating countries	150	4,985	5,000	5,000	5,761	5,538	5,100
Funds contributed for improvement of roads, bridges, and trails, Alaska	500	95			47	48	
Technical assistance, United States dollars advanced from foreign governments	150	5,617	4,500	3,500	2,411	5,368	5,800
National Bureau of Standards: Gifts and bequests	200	96	75	50	152	90	86
Weather Bureau: Special statistical work	600	64	50	50	63	52	50
Total, Department of Commerce		2,199,293	2,722,972	3,067,182	2,721,380	3,179,803	2,934,900
Department of Defense—Military:							
Advances for supplies and expenses, United Nations Korean Reconstruction Agency, Army	060				15	4	
General gift fund, Army	060	8	6	6	26	10	8
Kermit Roosevelt fund, Army	060	1	1	1	2	3	3
National Guard armory construction, State-contributed funds, Army	060					2	
Transportation, international refugee organization, Army	060	3					
General gift fund, Navy	060	−1	10	10	1	10	10
Naval reservation, Olongapo civic fund	060	839	371		811	420	
Office of Naval Records and library fund	060	17	14	14			
Ships' stores profits, Navy	060	10,415	7,000	5,000	9,775	7,000	5,000
United States Naval Academy general gift fund	060	5	3	3	2	2	2
United States Naval Academy museum fund	060	1	1	1		1	1
General gift fund, Air Force	060	51	8	1	17	12	10
Total, Department of Defense—Military		11,339	7,414	5,036	10,649	7,464	5,034
Department of Defense—Civil:							
Rivers and harbors and flood control, Department of the Army:							
Rivers and harbors advance fund	400	32			338	32	
Rivers and harbors contributed fund	400	12,244	7,800	10,332	13,265	12,000	11,000
Advances and reimbursements	400				1	1	
United States Soldiers' Home:							
Limitation on operation and maintenance and capital outlay	100				6,396	7,065	10,661
Soldiers' Home permanent fund	100	11,512	10,543	9,343			
Payment of claims	100				21	21	21
Soldiers' Home revolving fund	100				−10	4	−5
Total, Department of Defense—Civil		23,788	18,343	19,675	20,011	19,123	21,677
Department of Health, Education, and Welfare:							
Freedmens' Hospital:							
Conditional gift fund	200	1			1	2	
Unconditional gift fund	200					7	
Public Health Service:							
Patients' benefit fund	200	37	25	25	32	25	25
Conditional gift fund	200	88	43	14	58	90	30
Unconditional gift fund	200	27	23	17	2	18	5
Saint Elizabeths Hospital:							
Patients' benefit fund	200	1			1	1	1
Conditional gift fund	200	9	9	10	1	9	9
Total, Department of Health, Education, and Welfare		164	100	66	95	152	70
Department of the Interior:							
Bonneville Power Administration: Construction of electric transmission lines and substations, contributions, Bonneville power project	400	869	319		352	765	750
Bureau of Land Management:							
Contributed funds	400	712	700	700	561	622	658
Expenses, public survey work	400	48	50	50	44	35	43
Trustee funds, Alaska townsites	400	17	25	25	30	35	98
Bureau of Indian Affairs:							
Indian moneys, proceeds of labor, agencies, schools, etc	600	3,937	3,000	3,000	4,082	3,050	3,000
Indian tribal funds	600	97,423	70,180	115,180	57,493	70,000	110,000
Bureau of Reclamation: Reclamation trust funds	400	385	445	275	606	506	300
Geological Survey: Advances, authorized services	400	1,594	1,500	1,500	1,438	1,500	1,500
Bureau of Mines: Contributed funds	400	933	980	870	761	920	900

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TABLE 10—Continued

TRUST RECEIPTS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	RECEIPTS			EXPENDITURES		
		1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
Department of the Interior—Continued							
National Park Service:							
Donations	400	$1,215	$650	$400	$360	$1,700	$750
Jefferson National Expansion Memorial, contribution	400	880	500	287	1	1,000	500
National park trust fund	400	26	5	5		4	4
Preservation, birthplace of Abraham Lincoln	400	2	2	2	2	3	2
Fish and Wildlife Service:							
Bureau of Sport Fisheries and Wildlife: Contributed funds	400	184	68	68	105	130	90
Bureau of Commercial Fisheries:							
Contributed funds	400	865	841	846	896	858	847
Inspection and grading of fishery products	400	107	174	256	47	140	205
Total, Department of the Interior		109,198	79,439	123,464	66,778	81,268	119,647
Department of Justice:							
Federal Prison System: Commissary funds	200				−57	26	20
Office of Alien Property:							
Alien property fund, World War II	600				4,255	−1,048	−166
Alien property fund, Philippines, World War II	150				31	958	2,055
International Claims Settlement Act, title II fund	600				1,237	1,879	515
Total, Department of Justice					5,467	1,815	2,424
Department of Labor:							
Office of the Secretary: Advances from international organizations, Mutual Security Act	150	7			7		
Bureau of Employees' Compensation:							
Relief and rehabilitation, Longshoremen's and Harbor Workers' Compensation Act, as amended	600	27	26	25	105	83	72
Relief and rehabilitation, Workmen's Compensation Act, within the District of Columbia	600	6	6	6	3	3	3
Advances and reimbursements	600				−1		−2
Bureau of Labor Statistics: Special statistical work	200	51	32		59	40	8
Bureau of Employment Security: Salaries and expenses	200				414		
Total, Department of Labor		91	64	31	587	126	81
Department of State:							
Foreign Service retirement and disability fund: General fund:							
Employer's contribution	200	2,025	2,360	2,540			
Employees' contributions	200	2,192	2,202	2,258	2,989	3,164	3,383
Interest on investments	200	1,031	1,129	1,231			
Total, Foreign Service retirement and disability fund		5,248	5,691	6,029	2,989	3,164	3,383
Foreign Service Institute unconditional gift fund	150				28	2	
Educational exchange:							
Education of Iranian students in the United States	150				1	5	3
United States dollars advanced from foreign governments	150	673	200	200	692	206	206
Other: Gifts and bequests, National Commission on Educational, Scientific, and Cultural Cooperation	150	1	39	40		30	30
Total, Department of State		5,922	5,930	6,269	3,710	3,407	3,622
Treasury Department:							
Office of the Secretary:							
Federal disability insurance trust fund:							
Taxes	200	846,681	928,000	972,000			
Deposits by States	200	58,064	60,000	62,000			
Interest on investments	200	33,734	48,527	61,452			
Payment from railroad retirement account	200		26,480	2,500			
Benefit payments	200				339,231	520,000	576,000
All other	200				31,601	42,689	47,836
Total, Federal disability insurance trust fund		938,480	1,063,007	1,097,952	370,832	562,689	623,836
Federal old-age and survivors insurance trust fund:							
Taxes	200	7,157,674	9,164,000	10,693,000			
Deposits by States	200	481,092	500,000	515,000			
Interest on investments	200	542,979	513,000	512,389			
Other receipts	200	597	894	1,034			
Benefit payments	200				9,049,146	10,346,000	11,086,000
All other	200				404,372	849,790	565,698
Total, Federal old-age and survivors insurance trust fund		8,182,342	10,177,894	11,721,423	9,453,518	11,195,790	11,651,698

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TABLE 10—Continued

TRUST RECEIPTS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	RECEIPTS			EXPENDITURES		
		1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
Treasury Department—Continued							
Office of the Secretary—Continued							
Pershing Hall memorial fund	600	$5	$5	$5	−$7	$5	$5
Unemployment trust fund:							
Deposits by States	200	1,700,575	1,850,000	1,900,000			
Deposits by Railroad Retirement Board	200	102,014	150,000	170,000			
Interest on investments	200	186,908	189,000	190,000			
Transfer of receipts from railroad unemployment insurance administration fund	200	7,874	9,400	9,800			
Borrowings from railroad retirement account	200		102,000				
General fund: "Payment to unemployment trust fund," Treasury Department	200			14,535			
Withdrawals by States	200				2,796,920	2,100,000	1,800,000
All other	200				256,969	284,220	173,260
Total, unemployment trust fund		1,997,370	2,300,400	2,284,335	3,053,889	2,384,220	1,973,260
Bureau of Accounts:							
Bulgarian claims fund	600	144	200	200	41	2,000	536
Czechoslovakian claims fund	600		8,541			200	1,500
Hungarian claims fund	600	448	950			1,153	585
Italian claims fund	600				248	3,022	50
Mexican claims fund	600				2	10	10
Rumanian claims fund	600	1,568	200	100	251	15,000	4,605
Soviet claims fund	600				357	6,000	769
Yugoslav claims fund	600				4	50	336
Losses in melting gold	600	6	5	5		1	1
National defense conditional gift fund	060	20			42		
Payment of pre-1934 bonds of the Government of the Philippines	600	109	80	40	200	3,252	293
Payment of unclaimed moneys	600	236	200	200	56	60	60
Unclaimed moneys of individuals whose whereabouts are known	600	7			7		
Adjustment in increment from reduction in weight of gold dollar	600	−135,616					
Bureau of Customs:							
Refunds, transfers, and expenses of operation, Puerto Rico	600	8,680	9,000	9,300	8,379	9,000	9,000
Refunds, transfers, and expenses of operation, Virgin Islands	600	489	525	550	465	525	550
Refunds, transfers, and expenses, unclaimed, abandoned, and seized goods	600	295	325	325	356	325	325
Internal Revenue Service: Expenses, Treasury Department, enforcement title III, National Prohibition Act, as amended, Puerto Rico and Virgin Islands	600	110			138	30	
Coast Guard: General gift fund	500	5	5	5	4	12	5
Total, Treasury Department		10,994,699	13,561,337	15,114,440	12,888,783	14,183,344	14,267,424
District of Columbia:							
Revenue	600	183,892	212,660	199,304	278,497	296,580	307,863
Payment from general fund, Federal payment	600	74,759	33,918	47,733			
Total, District of Columbia		258,651	246,578	247,037	278,497	296,580	307,863
Deposit funds:							
Legislative branch					−22		
The judiciary					2		
Executive Office of the President					−54	100	100
Funds appropriated to the President					−974	−378	−294
Independent offices:							
Atomic Energy Commission					−223		
Civil Service Commission					−458	750	
Farm Credit Administration					−6,845	−6,800	−6,800
Federal Aviation Agency					−2,315	2,000	2,000
Federal Home Loan Bank Board					−7,362		
National Aeronautics and Space Administration					−527	−200	−300
Veterans Administration					−5,744	−4,500	−4,500
Other					−2,729	340	−397
General Services Administration					−2,066	1,400	−200
Housing and Home Finance Agency					−389		
Department of Agriculture					−7,525	−1,767	−1,969
Department of Commerce					4,047	3,500	3,500
Department of Defense—Military					7,179	10,000	−10,000
Department of Defense—Civil					−8,735	−7,744	−8,744
Department of Health, Education, and Welfare					−1,003	−930	−930
Department of the Interior					9,207	−150,000	−100,000
Department of Justice					−1,229	−1,258	−1,277
Department of Labor					−288	−300	
Post Office Department					−907		
Department of State					−2,387	2,000	250

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TABLE 10—Continued

TRUST RECEIPTS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	RECEIPTS			EXPENDITURES		
		1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
Deposit funds—Continued							
Treasury Department					$21,439	$18,600	$18,600
District of Columbia					2,399	88	−60
Total, trust fund receipts and expenditures		$17,084,325	$20,696,458	$22,546,607	18,597,213	21,509,826	21,277,684
Deduct trust fund expenditures		18,597,213	21,509,826	21,277,684			
Net accumulation in trust funds		−1,512,888	−813,368	1,268,923			
Net increase or decrease (−) in cash balances due to trust fund debt and investment transactions (from special analysis F)		1,282,739	771,545	−969,157			
Increase or decrease (−) in cash balances resulting from trust fund operations		−230,149	−41,823	299,766			
RECAPITULATION							
Trust funds:							
Existing legislation		$17,084,325	$20,696,458	$22,580,607	$18,604,721	$21,644,925	$21,356,705
Proposed legislation				−34,000			32,000
Deposit funds, net:							
Purchase of U.S. securities (quasi-governmental enterprises)					−68,451		
Sales and redemptions of obligations in the market (quasi-governmental enterprises)					−1,222,012	−135,099	−111,021
Other					1,282,955		
Total, trust fund receipts and expenditures		17,084,325	20,696,458	22,546,607	18,597,213	21,509,826	21,277,684

SUMMARY OF MAJOR TRUST FUND BALANCES AVAILABLE AT START OF YEAR

[In thousands. Including U.S. securities]

	1959	1960	1961	1962
Federal disability insurance trust fund	$1,098,973	$1,666,621	$2,166,939	$2,641,055
Federal employees retirement funds	8,293,802	9,243,059	10,066,367	10,850,022
Federal old-age and survivors insurance trust fund	22,812,600	21,541,424	20,523,528	20,592,254
Highway trust fund	1,048,534	523,657	8,657	104,657
Railroad retirement account	3,668,223	3,648,925	3,893,901	3,970,901
Secondary market operations fund	61,694	52,616	52,117	52,117
Unemployment trust fund	7,772,672	6,716,153	6,632,333	6,943,408
Veterans life insurance funds	6,828,539	6,884,571	6,944,349	7,031,994
Total	51,585,037	50,277,026	50,288,191	52,186,408

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EXPENDITURES AND APPLICABLE RECEIPTS OF TRUST REVOLVING FUNDS

[In thousands]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			NET TRUST EXPENDITURES		
		1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
Independent offices:										
Civil Service Commission:										
Employees health benefits fund	200	----------	$788	$238,899	----------	$838	$257,155	----------	−$50	−$18,256
Employees life insurance fund	200	$79,564	84,455	87,343	$137,942	127,794	130,343	−$58,378	−43,339	−43,000
Farm Credit Administration: Operating fund, Federal intermediate credit banks	350	1,747,544	----------	----------	1,692,185	----------	----------	55,359	----------	----------
Federal Communications Commission: International telecommunications settlements	500	225	263	248	252	248	248	−27	15	----------
National Capital Housing Authority: Operation and maintenance, properties aided by Public Housing Administration	500	73,974	30,695	23,026	77,285	27,665	22,926	−3,310	3,030	100
General Services Administration:										
Records activities: National Archives trust fund	600	153	183	186	158	187	191	−5	−4	−4
Housing and Home Finance Agency:										
Federal National Mortgage Association: Secondary market operations fund	500	643,176	2,132,872	1,936,318	509,157	1,152,499	1,136,318	134,018	980,373	800,000
Department of Agriculture:										
Farmers Home Administration: State rural rehabilitation funds	350	14,190	8,482	5,111	9,207	7,893	6,262	4,982	588	−1,151
Department of Defense—Civil:										
United States Soldiers' Home: United States Soldiers' Home revolving fund	100	98	113	115	108	109	120	−10	4	−5
Department of Justice:										
Federal Prison System: Commissary funds, Federal prisons	200	1,927	1,926	1,970	1,985	1,900	1,950	−57	26	20
Office of Alien Property:										
Alien property fund, World War II	600	15,966	10,008	5,838	11,711	11,056	6,004	4,255	−1,048	−166
Alien property fund, Philippines, World War II	150	75	1,925	2,320	44	967	265	31	958	2,055
International Claims, Settlement Act, title II fund	600	2,109	2,619	515	872	740	----------	1,237	1,879	515
Total, trust revolving funds	------	2,579,001	2,274,329	2,301,889	2,440,906	1,331,896	1,561,782	138,095	942,433	740,107

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LEGISLATIVE BRANCH

LIBRARY OF CONGRESS

Library of Congress Gift and Trust Fund Income Accounts

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Acquisition of library materials	$80,603	$64,600	$70,000
2. Reader and reference service	931,385	925,750	807,000
3. Organization of the collections	380,458	322,162	325,000
4. Information service on copyright materials	4,648	7,980	
Total obligations	1,397,094	1,320,492	1,202,000
Financing:			
Unobligated balance brought forward	716,794	912,775	757,972
Receipts:			
Library of Congress gift fund	826,621	400,000	300,000
Income from investment account	20,880	15,200	15,000
Interest on bequest of Gertrude M. Hubbard	800	800	800
Interest on permanent loan	171,083	178,350	178,525
Service fees	565,659	570,000	580,000
Cataloging project, Copyright Office	8,032	1,339	
Unobligated balance carried forward	−912,775	−757,972	−630,297
Total financing	1,397,094	1,320,492	1,202,000

This schedule covers (*a*) funds received as gifts for immediate expenditure and receipts from the sale of recordings and photoduplication materials financed from capital originally received as gifts, (*b*) income from investments held by the Library of Congress trust fund board, and (*c*) interest at the rate of 4% per annum paid by the Treasury on the principal funds deposited therewith as described under Library of Congress trust fund, principal accounts (2 U.S.C. 156–160; 31 U.S.C. 725s; 37 Stat. 319).

1. *Acquisition of library materials.*—During 1959, this included the procurement of manuscripts, Hispanic materials, fine prints, books and other library materials from certain foreign areas for the Library of Congress, and the acquisition and distribution of Government documents for the Library of Congress and cooperating libraries.

2. *Reader and reference services.*—These services during 1959 included the preparation of bibliographies, indexes, digests, and checklists; lectures; surveys of bibliographic services; poetry readings; musical concerts; furtherance of musical research, composition, performance, and appreciation; and providing photostats, photographs, microfilm, and other forms of photoduplication, and sound recordings of folksongs and poetry to other Government agencies, libraries, and other institutions, and to the general public.

3. *Organization of the collections.*—During 1959, the preparation of the 17th edition of Dewey classification was started, lists of East European accessions were prepared and distributed, and experiments were conducted in cataloging materials prior to publication to permit inclusion of the entry in the publication.

4. *Information service on copyright materials.*—Depositors were supplied with preliminary information relating to copyright materials in selected subject fields.

Obligations by major source of funds for 1959 and estimated for 1960 and 1961 are as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Library of Congress gift fund	$672,687	$482,295	$350,000
Service fees, Library of Congress	564,145	598,543	605,000
Cataloging project, Copyright Office, Library of Congress	4,648	7,970	
Library of Congress trust fund, income from investment account	17,668	19,549	20,000
Payment of interest on permanent loan account, Library of Congress	136,743	210,635	225,000
Payment of interest on bequest of Gertrude M. Hubbard, Library of Congress	1,203	1,500	2,000
Total obligations	1,397,094	1,320,492	1,202,000

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Number of employees at end of year	185	134	121
01	Personal services	$894,393	$803,373	$682,000
02	Travel	21,310	12,451	15,000
03	Transportation of things	1,355	1,705	2,000
04	Communication services	11,683	12,738	13,000
05	Rents and utility services	444	510	500
06	Printing and reproduction	18,308	41,971	40,000
07	Other contractual services	141,725	145,389	150,000
08	Supplies and materials	146,095	121,447	125,000
09	Equipment	66,966	73,618	75,000
11	Grants, subsidies, and contributions	69,049	81,607	73,500
13	Refunds, awards, and indemnities	25,766	25,683	26,000
	Total obligations	1,397,094	1,320,492	1,202,000

Library of Congress Trust Fund Principal Accounts

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Financing:			
Unobligated balance brought forward:			
Cash	$3,780,760	$4,467,321	$4,483,121
U.S. securities (par)	15,800	15,800	
Receipts	686,561		
Unobligated balance carried forward;			
Cash	−4,467,321	−4,483,121	−4,483,121
U.S. securities (par)	−15,800		
Total financing			

This schedule covers two principal accounts—permanent loan and bequest of Gertrude M. Hubbard.

Both funds represent gifts or bequests in cash, which have been deposited with the Treasurer of the United States as permanent loans to the United States, the interest upon which, at 4% per annum, payable semiannually, is available to the Librarian for the purposes specified in each case.

As of June 30, 1959, the principal in the permanent loan account, which shall not exceed the sum of $5,000,000 (2 U.S.C. 158; 31 U.S.C. 725s), was distributed as follows:

Music activities	$2,250,231
Fine arts	396,558
American history	307,040
Hispanic activities	260,578
Poetry and literature	644,429
Miscellaneous purposes	588,485
Total principal	4,447,321

The additional principal sum of $20,000, representing the bequest of Gertrude M. Hubbard, is for the purchase of engravings and etchings (37 Stat. 319).

The use of the income from these accounts is described under Library of Congress gift and trust fund income accounts.

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THE JUDICIARY

JUDICIAL SURVIVORS ANNUITY FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Payment of claims	$329,699	$347,160	$364,500
2. Refunds	7,655	5,000	15,000
Total obligations	337,354	352,160	379,500
Financing:			
Unobligated balance brought forward:			
Cash	10,477	60,509	8,899
U.S. securities (par)	1,000,000	1,103,500	1,340,000
Receipts:			
Deductions from salaries	221,806	245,525	249,695
Agency contributions	221,806	245,525	249,695
Service credit payments	11,283	6,000	4,000
Interest and profits on investments	31,208	40,000	48,000
Gain from discount on investments	4,783		
Unobligated balance carried forward:			
Cash	−60,509	−8,899	−10,789
U.S. securities (par)	−1,103,500	−1,340,000	−1,510,000
Total financing	337,354	352,160	379,500

This fund is used to pay annuities to eligible widows and dependent children of deceased judges of the United States, to make refunds to former judges who have elected to come under the Judicial Survivors Annuity System but who have left the service, and to pay claims of survivors of member judges for any unpaid amounts credited to the individual accounts of such judges (28 U.S.C. 376).

On June 30, 1959, there were 338 judges participating in the system and 130 survivor annuitants. Due to an increased number of circuit and district judgeship vacancies, judicial participation remained at approximately the same level as in 1958. The number of annuitants did not increase in 1959, however, payments to annuitants increased due to more recent awards being larger in amount. It is expected that judicial participation and the number of annuitants will increase in 1960 and 1961.

Object Classification

	1959 actual	1960 estimate	1961 estimate
12 Pensions, annuities, and insurance claims	$329,699	$347,160	$364,500
13 Refunds, awards, and indemnities	7,655	5,000	15,000
Total obligations	337,354	352,160	379,500

FUNDS APPROPRIATED TO THE PRESIDENT

MUTUAL SECURITY

MUTUAL SECURITY TRUST FUNDS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Advances, Mutual Security Act	$207,155,424	$330,000,000	$340,000,000
2. Advances for economic assistance		204	
3. Philippine assistance	148,458	1,268	
4. Technical assistance, U.S. dollars advanced from foreign governments	570,237	375,000	375,000
Total obligations	207,874,119	330,376,472	340,375,000
Financing:			
Unobligated balance brought forward:			
Cash	148,521,059	183,286,611	133,589,083
Obligational authority granted in advance of receipts (68 Stat. 836)	248,550,095	256,127,171	238,798,227
Receipts:			
Advances, Mutual Security Act	243,530,419	285,000,000	350,000,000
Technical assistance, U.S. dollars advanced from foreign governments, International Cooperation Administration	346,011	350,000	350,000

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Financing—Continued			
Obligational authority granted in advance of receipts (68 Stat. 836)	$172,889,854	$175,000,000	$175,000,000
Applied to prior obligational authority	−166,549,537	−197,000,000	−250,000,000
Unobligated balance carried forward:			
Cash	−183,286,611	−133,589,083	−143,064,081
Obligation authority granted in advance of receipts (68 Stat. 836)	−256,127,171	−238,798,227	−164,298,229
Total financing	207,874,119	330,376,472	340,375,000

1. *Advances, Mutual Security Act.*—Payments are received from foreign nations for military supplies, equipment, and services which the U.S. military departments transfer from their stocks or procure under contract. In most cases, cash payments are made before delivery. However, when determined by the President to be in the best interests of the United States, payments for deliveries of materiel from stock may be made within a reasonable time after delivery, not to exceed 3 years. Normally, this period is limited to 120 days. In the case of new procurement, the foreign governments must advance sufficient funds to meet required contract payments and, in addition, must provide the United States with a dependable undertaking to assure that no loss will accrue to the United States in case of contract cancellation or termination (Mutual Security Act of 1954, as amended, 22 U.S.C. 1816).

2. *Advances for economic assistance.*—By agreement with certain governments, the International Cooperation Administration acts as an agent, utilizing dollar advances by them to arrange transportation services for commodities purchased by those countries (Mutual Security Act of 1954, as amended, 22 U.S.C. 1795(b)).

3. *Philippine assistance.*—By agreement with the Philippine Government, the International Cooperation Administration acts as its agent, utilizing dollars advanced by the Philippines to procure commodities for them (Mutual Security Act of 1954, as amended, 22 U.S.C. 1795(b)).

4. *Technical assistance, U.S. dollars advanced from foreign governments.*—Funds advanced by foreign countries are used to pay some local costs of technical cooperation programs in those countries in accordance with bilateral agreements (Mutual Security Act of 1954, as amended, 22 U.S.C. 1795(b)).

Object Classification

	1959 actual	1960 estimate	1961 estimate
INTERNATIONAL COOPERATION ADMINISTRATION			
02 Travel	$5,436	$3,750	$3,750
03 Transportation of things	332,228	217,500	217,500
07 Other contractual services	216,448	142,500	142,500
08 Supplies and materials	514	779	575
09 Equipment	156,864	7,593	6,325
11 Grants, subsidies, and contributions	7,205	4,350	4,350
Total, International Cooperation Administration	718,695	376,472	375,000
DEPARTMENT OF DEFENSE			
02 Travel	4,037	6,000	8,000
03 Transportation of things	617,715	1,337,000	852,000
07 Other contractual services	10,969,671	18,910,000	19,595,000
08 Supplies and materials	21,023,286	31,950,000	41,305,000
09 Equipment	164,531,185	273,797,000	274,240,000
13 Refunds	10,009,530	4,000,000	4,000,000
Total, Department of Defense	207,155,424	330,000,000	340,000,000
Total obligations	207,874,119	330,376,472	340,375,000

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INFORMATIONAL FOREIGN CURRENCY SCHEDULE

Advances of foreign currency for technical assistance, International Cooperation Administration

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Technical assistance operations (total obligations)	$14,412,585	$15,600,000	$17,000,000
Financing:			
Unobligated balance brought forward	3,019,435	1,675,311	1,675,311
Authorization to expend foreign currency receipts: Permanent (22 U.S.C. 1651)	13,068,461	15,600,000	16,600,000
Unobligated balance carried forward	−1,675,311	−1,675,311	−1,275,311
Total financing	14,412,585	15,600,000	17,000,000

Participating countries advance local currencies, pursuant to bilateral agreements under the Mutual Security Act, to pay certain expense in connection with economic assistance and technical cooperation projects.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	2,101	3,275	3,400
Full-time equivalent of all other positions	17	16	16
Average number of all employees	2,027	2,914	3,300
Number of employees at end of year	1,936	3,250	3,350
Average salary of foreign nationals	$1,036	$1,050	$1,050
01 Personal services:			
Permanent positions	$2,099,972	$3,060,000	$3,500,000
Other personal services	598,395	860,000	900,000
Total personal services	2,698,367	3,920,000	4,400,000
02 Travel	2,959,628	2,900,000	3,000,000
03 Transportation of things	912,442	920,000	950,000
04 Communication services	37,187	37,000	37,000
05 Rents and utility services	1,528,983	1,526,000	1,740,000
06 Printing and reproduction	125,474	127,000	200,000
07 Other contractual services	3,274,051	3,282,000	3,500,000
Services performed by other agencies	632,125	600,000	700,000
08 Supplies and materials	1,242,016	1,256,000	1,300,000
09 Equipment	308,515	300,000	400,000
11 Grants, subsidies, and contributions	661,474	700,000	740,000
13 Refunds, awards, and indemnities	32,323	32,000	33,000
Total obligations	14,412,585	15,600,000	17,000,000

Analysis of Expenditures

Obligated balance, start of year	$2,359,398	$2,162,004	$1,762,004
Obligations incurred during year	14,412,585	15,600,000	17,000,000
Obligated balance, end of year	−2,162,004	−1,762,004	−1,262,004
Expenditures	14,609,979	16,000,000	17,500,000

PRESIDENT'S SPECIAL INTERNATIONAL PROGRAM

PRESIDENT'S SPECIAL INTERNATIONAL PROGRAM, CONTRIBUTIONS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Trade fairs and solo exhibits		$100,000	
2. American National Exhibition in Moscow	$365,496	146,504	
3. Participation in Brussels Exhibition	183,625		
4. Deposit to miscellaneous receipts	85,008		
Total obligations	634,129	246,504	
Financing:			
Unobligated balance brought forward	216,983	35,963	
Receipts	401,459	210,541	
Advances and reimbursements from non-Federal sources	51,650		
Unobligated balance carried forward	−35,963		
Total financing	634,129	246,504	

This trust fund receives contributions from non-Federal sources for use in connection with trade fairs and solo exhibits, including the recent exhibition at Brussels, the American National Exhibition at Moscow, and the New Delhi World Agricultural Fair. These contributions are transferred periodically to the President's special international program for expense incurred in connection with these exhibitions (70 Stat. 778).

Object Classification

	1959 actual	1960 estimate	1961 estimate
03 Transportation of things	$6,369	$3,000	
06 Printing and reproduction	3,000	135,480	
07 Other contractual services	481,541	108,024	
08 Supplies and materials	58,211		
Deposit to miscellaneous receipts	85,008		
Total obligations	634,129	246,504	

INDEPENDENT OFFICES

AMERICAN BATTLE MONUMENTS COMMISSION

CONTRIBUTED FLOWER FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Purchase of flowers (object class 08)	$2,394	$2,100	$2,100
Financing:			
Unobligated balance brought forward	1,271	1,029	929
Receipts	2,152	2,000	2,000
Unobligated balance carried forward	−1,029	−929	−829
Total financing	2,394	2,100	2,100

This fund consists of moneys donated by American citizens to provide floral decorations for graves in cemeteries operated by the American Battle Monuments Commission. The donor is advised when the flowers have been placed (Comp. Gen. Dec. A56102, Nov. 4, 1935).

CIVIL SERVICE COMMISSION

CIVIL SERVICE RETIREMENT AND DISABILITY FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Annuities	$695,615,064	$786,000,000	$888,000,000
2. Refunds and death claims	106,475,132	106,000,000	106,000,000
Total program (costs—obligations)	802,090,196	892,000,000	994,000,000
Financing:			
Unobligated balance brought forward:			
Cash	51,801,032	32,095,518	33,615,518
U.S. securities (par)	8,166,751,000	9,122,980,000	9,933,980,000
Receipts:			
Deductions from employees' salaries	748,676,583	721,760,000	721,760,000
Payments from other funds: Employing agency contributions	754,129,237	721,760,000	721,760,000
Federal contribution			46,329,000
Voluntary contributions, donations, service credit payments, etc	13,046,374	13,000,000	13,000,000
Interest and profit on investments	219,749,314	245,000,000	261,208,582
Gain from premium or discount on investments	3,012,174	3,000,000	3,000,000
Unobligated balance carried forward:			
Cash	−32,095,518	−33,615,518	−35,135,100
U.S. securities (par)	−9,122,980,000	−9,933,980,000	−10,705,518,000
Total financing	802,090,196	892,000,000	994,000,000

This fund is used to pay annuities to retired employees or their survivors, to make refunds to former employees who have left the service, and to pay claims for employees who have died before retirement or before their annuities are paid in full (5 U.S.C. ch. 14). It is estimated that as of June 30, 1961, there will be 583,275 persons on the

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INDEPENDENT OFFICES—Continued

CIVIL SERVICE COMMISSION—Continued

CIVIL SERVICE RETIREMENT AND DISABILITY FUND—Continued

annuity roll, compared with 475,364 as of June 30, 1959, and 526,023 as of June 30, 1960.

The status of the fund is as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Investments in U.S. securities at beginning of year (par)	$8,166,751,000	$9,122,980,000	$9,933,980,000
Cash (unexpended balance)	102,613,146	93,382,359	103,162,191
Balance of fund at beginning of year	8,269,364,146	9,216,362,359	10,037,142,191
Cash income during year	1,735,601,508	1,701,520,000	1,764,057,582
Cash outgo during year:			
Payment of claims	685,566,749	777,691,448	880,000,000
Refunds	106,048,720	106,048,720	106,048,720
Gain from discount on investments (−)	−3,012,174	−3,000,000	−3,000,000
Total annual outgo	788,603,295	880,740,168	983,048,720
Investments in U.S. securities at end of year (par)	9,122,980,000	9,933,980,000	10,705,518,000
Cash (unexpended balance)	93,382,359	103,162,191	112,633,053
Balance of fund at end of year	9,216,362,359	10,037,142,191	10,818,151,053

Object Classification

	1959 actual	1960 estimate	1961 estimate
12 Pensions, annuities, and insurance claims	$695,615,064	$786,000,000	$888,000,000
13 Refunds, awards, and indemnities	106,475,132	106,000,000	106,000,000
Total obligations	802,090,196	892,000,000	994,000,000

EMPLOYEES HEALTH BENEFITS FUND

This fund finances the payment to approved carriers of the costs of health benefits protection as provided by the Federal Employees Health Benefits Act of 1959 (Public Law 86–382, 73 Stat. 713), together with expenses incurred by the Civil Service Commission in administration of the act.

Budget program.—Although expenses necessary for administering the health benefits program are authorized commencing in 1960, health benefits protection is not effective until after July 1, 1960. In the first year of operation it is estimated that 1,800,000 employee participants in this country and overseas, or approximately 90% of those eligible, in addition to some 70,000 annuitant and survivor participants will be enrolled in the program. It is estimated that during 1961, $246,250,000 in contributions will become available to the Employees health benefits fund, approximately $126,000,000 of which will be paid by covered employees, $2,750,000 by enrolled annuitants and survivors, and $117,500,000 by the Government. On the basis of these forecasts, $236,400,000 will be paid from the fund to approved health benefit plans. Amounts not to exceed 3% of the total contributions toward each plan will be set aside in the fund to provide a contingency reserve which will be used to defray increases in future rates, or to reduce contributions, or to provide increased benefits. An amount not to exceed 1% of all contributions will be set aside in the fund for any expenses incurred by the Civil Service Commission in the administration of this act.

Financing.—The fund will be financed by contributions from participants and the Government. Advances from the Employees life insurance fund are authorized for administrative expenses in 1960 and 1961. It is estimated that $800,000 will be advanced during 1960, that an additional $843,000 will be advanced during 1961, and that the total will be repaid with interest prior to the end of 1961.

Operating results.—Earnings will be retained to meet the cost of administration and future benefits after all borrowings have been repaid.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Acquisition of assets:			
Repayment of loans to Employees life insurance fund			$1,643,000
Purchase of equipment		$40,000	10,000
Expense:			
Gross premium payments			236,400,000
Administration		738,000	833,000
Interest on loans from Employees life insurance fund		10,000	13,000
Total gross expenditures		788,000	238,899,000
Receipts from operations (funds provided):			
Realization of assets: Loans from Employees life insurance fund		800,000	843,000
Revenue:			
Employees' salary withholdings and agency contributions			241,000,000
Government's contribution for annuitants			2,500,000
Annuity withholdings			2,750,000
Interest revenue			110,000
Decrease in selected working capital		38,000	9,952,000
Total receipts from operations		838,000	257,155,000
Trust expenditures		−50,000	−18,256,000

Revenue, Expense, and Retained Earnings

Revenue			$246,360,000
Expense		$749,500	237,245,900
Net income or loss (−) for the year		−749,500	9,114,100
Deficit (−), beginning of year			−749,500
Retained earnings or deficit (−), end of year		−749,500	8,364,600

Financial Condition

Assets:			
Cash with Treasury		$50,000	$10,833,600
U.S. securities (par)			7,477,000
Accounts receivable, net			10,000,000
Supplies		10,000	10,000
Equipment, net		38,500	44,000
Total assets		98,500	28,364,600
Liabilities:			
Current		38,000	20,000,000
Interest due on loan from Employees life insurance fund		10,000	
Liability for loan from Employees life insurance fund		800,000	
Total liabilities		848,000	20,000,000
Net trust investment:			
Retained earnings or deficit (−)		−749,500	8,364,600

Object Classification

07 Other contractual services		$800,000	$237,243,000
14 Interest			23,000
Undistributed (payment of loans to Employees life insurance fund)			1,643,000
Total obligations		800,000	238,909,000

EMPLOYEES LIFE INSURANCE FUND

This fund finances the payment of group life insurance premiums to private insurance companies under the Federal Employees' Group Life Insurance Act of 1954 (5 U.S.C. 2091–2103) and any expenses incurred by the Civil Service Commission in administration of this act as annually authorized by Congress.

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Budget program.—Through June 30, 1959, a total of $335 million was withheld from the salaries of covered employees and $167.5 million was contributed by the Government to the fund. It is estimated that, in 1961, a sum of $80 million will be paid into the fund by employees and $40 million by the Government. As of June 30, 1959, a total of $284.3 million had been paid by the insurer in benefits and approximately $13 million in accrued benefits awaited filing of claims. An estimated $79 million in benefits will be paid in 1961.

Most of the difference between receipts and benefit payments is held by the insurer as a contingency reserve. Upon completion of the annual policy accounting at the end of each policy year this reserve is reduced to $100 million by refunding the excess for redeposit in the Treasury of the United States for credit to the insurance fund. As of June 30, 1959, such refunds amounted to $71.9 million which represented the accumulated excess computed through the fourth policy year ended November 29, 1958. The estimated returns of $38.5 million in 1960 and $37 million in 1961 netted against expense account for the substantial increase in retained earnings which will be used to meet the cost of future benefits.

A summary statement of the operations of the contingency reserve for each of the 4 policy years, 1955 through 1958, follows:

STATEMENT OF ANNUAL ACCOUNTING AND CONTINGENCY RESERVE

[By policy year. In thousands]

	Aug. 29, 1954–Nov. 19, 1955	*Nov. 20, 1955–Nov. 17, 1956*	*Nov. 18, 1956–Nov. 16, 1957*	*Nov. 17, 1957–Nov. 29, 1958*
1. Premiums accrued	$112,700	$98,650	$104,250	$112,100
2. Interest added to contingency reserve	720	1,696	2,748	3,359
3. Mortality and other claim charges incurred:				
(*a*) Life insurance	56,248	49,388	57,721	67,687
(*b*) Accidental death and dismemberment insurance	5,450	3,848	3,860	4,791
(*c*) Conversion charges	579	877	679	719
Total	62,277	54,113	62,260	73,197
4. Expense and risk charges incurred:				
(*a*) Premium and other taxes	2,204	2,262	1,297	1,750
(*b*) Office of Federal Employees' Group Life Insurance	257	245	258	285
(*c*) Other expense and risk charges	1,048	888	938	1,009
Total	3,509	3,395	2,493	3,044
5. Total addition to contingency reserve	47,634	42,838	42,245	39,218
6. Contingency reserve at end of year	47,634	90,471	132,716	139,218
7. Less premiums returned to Employees life insurance fund	----	----	32,716	39,218
8. Contingency reserve held by insurer at end of year	47,634	90,471	100,000	100,000

Pursuant to Public Law 84–356, approved August 11, 1955, the Civil Service Commission in 1959 completed the assumption of life insurance assets and liabilities of 27 nonprofit associations of Federal employees.

Financing.—Premium costs are met by withholding from the salaries of employees 25 cents biweekly for each $1,000 of life insurance, contributions by the Government, and direct premium payments from beneficial association members.

Operating results.—Earnings are retained to meet the cost of future benefits.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Acquisition of assets:			
Loans to Employees health benefits fund	----	$800,000	$843,000
Purchase of equipment	$2,137	5,831	----

Sources and Application of Funds (Operations)—Continued

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied)—Con.			
Acquisition of assets—Continued			
Expense:			
Gross premium payments	$119,639,230	$123,400,000	$124,200,000
Less return of premiums	40,332,381	40,000,000	38,000,000
Net premium payments	79,306,849	83,400,000	86,200,000
Administration:			
(*a*) Basic program	62,419	70,900	76,600
(*b*) Beneficial association program	188,827	178,100	173,400
Other expense	3,448	----	----
Increase in selected working capital	----	----	50,000
Total gross expenditures	79,563,680	84,454,831	87,343,000
Receipts from operations (funds provided):			
Realization of assets: Repayment of loans by Employees health benefits fund	----	----	1,643,000
Revenue:			
Employees salary withholdings and agency contributions	116,693,978	120,300,000	120,300,000
Beneficial association premium collections	2,378,265	3,000,000	2,800,000
Interest revenue:			
From U.S. securities	2,451,156	4,390,000	5,587,000
From loans to Employees health benefits fund	----	10,000	13,000
Other revenue	15,950,705	----	----
Decrease in selected working capital	468,043	94,240	----
Total receipts from operations	137,942,147	127,794,240	130,343,000
Trust expenditures	−58,378,467	−43,339,409	−43,000,000

Revenue, Expense, and Retained Earnings

Revenue	$137,474,104	$127,700,000	$128,700,000
Expense	79,563,610	83,651,400	86,452,400
Net income for the year	57,910,494	44,048,600	42,247,600
Retained earnings, beginning of year	45,068,869	102,979,363	147,027,963
Retained earnings, end of year	102,979,363	147,027,963	189,275,563

Financial Condition

Assets:			
Cash with Treasury	$7,272,874	$7,300,000	$7,500,000
U.S. securities (par)	101,887,717	145,200,000	188,000,000
Accounts receivable, net	7,868,535	8,100,000	8,100,000
Loan to Employees health benefits fund	----	800,000	----
Supplies	5,957	6,000	6,000
Equipment, net	13,976	17,407	15,007
Total assets	117,049,059	161,423,407	203,621,007
Liabilities:			
Current	14,069,696	14,395,444	14,345,444
Net trust investment:			
Retained earnings	102,979,363	147,027,963	189,275,563

Limitation on Administrative Expenses, Employees Life Insurance Fund

NOTE.—The supporting detail of the above item is shown in the independent offices chapter in part II, p. 128.

FARM CREDIT ADMINISTRATION

Operating Fund, Federal Intermediate Credit Banks

The Federal intermediate credit banks serve as banks of discount for agriculture, discounting agricultural and livestock paper for local financing institutions, such as production credit associations, agricultural credit corporations, livestock loan companies, and commercial banks, and making loans to them on the security of such paper, and providing the production credit associations with necessary supervision and services. The banks were originally wholly owned Government corporations set up to serve exclusively as banks of discount; however, pursuant to the act of 1956 the banks became mixed-ownership corporations and were made responsible for supervising and assisting the production credit associations to enable them to make sound credit available to farmers.

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INDEPENDENT OFFICES—Continued

FARM CREDIT ADMINISTRATION—Continued

OPERATING FUND, FEDERAL INTERMEDIATE CREDIT BANKS—Con.

All of the capital stock of the Federal intermediate credit banks from organization in 1923 to December 31, 1956, was held by the U.S. Government. The 1956 act provided a long-range plan for the acquisition of credit bank stock by production credit associations and the gradual retirement of the Government's investment in the banks. However, in the last few years the banks have been called upon to provide associations with substantially more funds to finance the short-term needs of farmers and it has been necessary for the Federal Government to invest additional capital in the banks in order to keep the debt-to-capital ratios within the 10 to 1 maximum permitted by law. These funds have been obtained from the Federal intermediate credit banks investment fund which was authorized in the 1956 act.

Net cash transactions of the operating fund of the Federal intermediate credit banks were transferred to a deposit fund of Treasury on January 1, 1959.

Sources and Application of Funds (Operations)

	July 1 to Dec. 31, 1958, actual		
Gross expenditures (funds applied):			
Acquisition of agricultural loans and discounts	$1,605,808,697		
Expense	16,028,694		
Increase in selected working capital	9,459,563		
Transferred to a deposit account:			
Cash with Treasury and in banks	16,311,421		
Investment in U.S. securities	99,935,300		
Total gross expenditures	1,747,543,675		
Receipts from operations (funds provided):			
Repayment of agricultural loans and discounts	1,664,285,273		
Revenue	22,429,648		
Issuance of class B stock to production credit associations	4,369,825		
Advances from Treasury	1,100,000		
Total receipts from operations	1,692,184,746		
Trust expenditures	55,358,929		

Revenue, Expense, and Retained Earnings

Revenue	$22,429,648		
Expense	16,028,694		
Net income for period	6,400,954		
Retained earnings, beginning of period	64,230,935		
Retained earnings, end of period	70,631,889		

Financial Condition

	Dec. 31, 1958, actual	June 30, 1959, actual	
Assets:			
Cash with Treasury and in banks	$16,311,422	$11,413,541	
U.S. securities (par)	99,935,300	104,535,300	
Accounts receivable, net	18,900,709	23,072,378	
Agricultural loans and discounts	1,169,056,864	1,547,833,897	
Total assets	1,304,204,295	1,686,855,116	
Liabilities:			
Current liabilities	12,078,426	24,167,515	
Debentures and notes payable	1,125,855,000	1,489,275,000	
Total liabilities	1,137,933,426	1,513,442,515	
Private investment:			
Start of year	11,360,210	15,730,035	
Capital stock (class B), production credit associations	4,369,825	4,980,020	

Financial Condition—Continued

	Dec. 31, 1958, actual	June 50, 1959, actual	
Private investment—Continued			
Participating certificates, other financing institutions		$380,290	
End of year	$15,730,035	21,090,345	
Government investment:			
Non-interest-bearing capital:			
Start of year	78,808,945	79,908,945	
Advances from investment fund in Treasury	1,100,000	10,200,000	
Repayment of capital stock to Treasury miscellaneous receipts (−)		−4,369,825	
End of year	79,908,945	85,739,120	
Retained earnings	70,631,889	66,583,136	
Total investments and retained earnings	166,270,869	173,412,601	

FEDERAL AVIATION AGENCY

GIFTS AND DONATIONS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Installation, operation, and maintenance of air navigation facilities	$301,947	$160,471	
2. Returned to donor	12,910	5,376	
3. Aeronautical training of foreign students	6,000	12,000	
Total obligations	320,857	177,847	
Financing:			
Unobligated balance brought forward	139,986	157,687	
Receipts	338,558	20,160	
Unobligated balance carried forward	−157,687		
Total financing	320,857	177,847	

1. *Installation, operation, and maintenance of air navigation facilities.*—This fund includes advance payments from States, counties, and municipalities for the establishment of air navigation and related facilities, as may be required in the public interest (49 U.S.C. 452). In addition, funds from private sources for the maintenance and operation of air navigation and related facilities are credited to this fund. These funds are expended through the pertinent appropriations. No requirements are projected for 1961, as it is anticipated that these activities will be financed through reimbursement to the appropriations under which the activities are provided.

3. *Aeronautical training of foreign students.*—Advances from foreign governments are used in the training of students in aeronautical and related subjects (31 U.S.C. 725s; 62 Stat. 452).

Object Classification

		1959 actual		1960 estimate	1961 estimate
	Total number of permanent positions	1			
	Average number of all employees	3		3	
	Number of employees at end of year	0		0	
	Average GS grade and salary	9.0	$6,906	9.0 $6,906	
01	Personal services:				
	Permanent positions		$15,381	$21,655	
	Other personal services		109		
	Total personal services		15,490	21,655	
02	Travel		319		
07	Other contractual services		143,655	96,322	
09	Equipment		142,431	42,494	
11	Grants, subsidies, and contributions		6,052	12,000	
13	Refunds, awards, and indemnities		12,910	5,376	
	Total obligations		320,857	177,847	

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FEDERAL COMMUNICATIONS COMMISSION

International Telecommunication Settlements (Trust Revolving Fund)

This fund serves as a clearinghouse for payments by U.S. communications companies and other telecommunications users, including the Federal Government, to foreign governments for receiving and relaying radiotelephone and radiotelegraph messages. The charges of foreign governments against U.S. users are received by the Commission and billed to the users. The Commission then consolidates and disburses all telecommunications payments to a particular government.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Expense	$224,803	$247,725	$247,725
Increase in selected working capital		15,271	
Total gross expenditures	224,803	262,996	247,725
Receipts from operations (funds provided):			
Revenue	224,823	247,725	247,725
Decrease in selected working capital	27,010		
Total receipts from operations	251,833	247,725	247,725
Trust expenditures	−27,030	15,271	

Revenue, Expense, and Retained Earnings

Revenue	$224,823	$247,725	$247,725
Expense	224,803	247,725	247,725
Net income for the year	20		
Retained earnings, beginning of year	67,486	67,506	67,506
Retained earnings, end of year	67,506	67,506	67,506

Financial Condition

Assets:			
Cash with Treasury	$60,271	$45,000	$45,000
Accounts receivable, net	40,871	47,500	47,500
Total assets	101,142	92,500	92,500
Liabilities:			
Current	33,636	24,994	24,994
Net trust investment:			
Retained earnings	67,506	67,506	67,506

Object Classification

04 Communication services	$224,803	$247,725	$247,725

FOREIGN CLAIMS SETTLEMENT COMMISSION

War Claims Fund

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Payment of World War II claims	$3,316,437	$39,000	$21,000
2. Administrative expenses	91,800	50,000	40,000
3. Prior year salary adjustment	6,718		
Total obligations	3,414,955	89,000	61,000
Financing:			
Unobligated balance brought forward	237,152	575,686	488,686
Receipts	3,750,000		
Recovery of prior year obligations	3,489	2,000	1,000
Unobligated balance carried forward	−575,686	−488,686	−428,686
Total financing	3,414,955	89,000	61,000

The War claims fund consists of funds transferred by the Office of Alien Property, Department of Justice, from the net proceeds derived from the liquidation of former German and Japanese assets vested pursuant to the Trading With the Enemy Act. This is the master trust account from which transfers are made to other accounts, and it includes all unobligated balances from these accounts.

Object Classification

	1959 actual	1960 estimate	1961 estimate
01 Personal services	$6,718		
07 Other contractual services: Services performed by other agencies	91,800	$50,000	$40,000
13 Refunds, awards, and indemnities	3,316,437	39,000	21,000
Total obligations	3,414,955	89,000	61,000

GENERAL ACCOUNTING OFFICE

Proceeds From Estates of American Citizens Who Die Abroad

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Payment of claims (total costs—obligations) (object class 13)	$255	$1,000	$1,000
Financing:			
Unobligated balance brought forward	4,586	4,774	3,874
Receipts		100	100
Advances and reimbursements from non-Federal sources	443		
Unobligated balance carried forward	−4,774	−3,874	−2,974
Total financing	255	1,000	1,000

Proceeds of personal estates left by citizens of the United States who die abroad, other than seamen belonging to any vessel, are transmitted to the General Accounting Office to be held in this trust account for the legal claimants (22 U.S.C. 1175).

HISTORICAL AND MEMORIAL COMMISSIONS

Corregidor Bataan Memorial Commission

CORREGIDOR BATAAN MEMORIAL COMMISSION, DONATIONS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Informational literature (object class 06)	$210	$20	
Financing:			
Unobligated balance brought forward	380	170	$150
Unobligated balance carried forward	−170	−150	−150
Total financing	210	20	

NATIONAL CAPITAL HOUSING AUTHORITY

Operation and Maintenance, Properties Aided by Public Housing Administration (Trust Revolving Fund)

The National Capital Housing Authority operates the low-rent public housing program in the District of Columbia under the authority of the Housing Act of 1937 and title II of the District of Columbia Alley Dwelling Act (48 Stat. 930). The 1961 program consists of the operation of 7,910 dwelling units and the development of 1,412 additional units. Management and development operations are financed through rental income, loans, and annual contributions. There is no debt service on Federal projects conveyed to the Authority for low-rent use; all other projects are permanently financed through the sale

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INDEPENDENT OFFICES—Continued

NATIONAL CAPITAL HOUSING AUTHORITY—Continued

OPERATION AND MAINTENANCE, PROPERTIES AIDED BY PUBLIC HOUSING ADMINISTRATION (TRUST REVOLVING FUND)—Continued

of Housing Authority bonds which are supported by the pledge of the Public Housing Administration to pay annual contributions equal to the debt service less any excess operating receipts over operating expense.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
To operations:			
Acquisition of assets: Land, structures, and equipment	$13,181,513	$5,563,177	$3,500,000
Expense	2,558,197	3,000,000	3,600,000
Increase in selected working capital		1,232,442	400,000
To non-Treasury financing:			
Retirement of temporary notes	50,802,000	19,170,000	13,480,000
Retirement of Public Housing Administration notes	4,111,812		400,000
Retirement of bonds	613,000	696,000	833,000
Interest on notes and bonds	1,063,500	736,831	813,000
Increase on debt amortization funds	1,644,412	296,365	
Total gross expenditures	73,974,434	30,694,815	23,026,000
Receipts from operations (funds provided):			
By operations:			
Revenue from operating properties	3,120,506	3,500,000	4,000,000
Public Housing Authority contribution	1,739,487	2,019,156	1,667,000
Other receipts	5,924		
Decrease in selected working capital	1,920,378		
By non-Treasury financing:			
Public Housing Administration:			
Advance notes	3,932,200	500,000	
Permanent notes	99,786	500,000	
Sale of Housing Authority bonds	7,505,000	7,666,000	10,813,000
Sale of temporary notes	58,862,000	13,480,000	6,246,000
Bond premiums and discounts	99,632		
Decrease on debt amortization funds			200,000
Total receipts from operations	77,284,913	27,665,156	22,926,000
Net trust expenditures	−3,310,479	3,029,659	100,000

Revenue, Expense, and Retained Earnings

Operations:			
Revenue	$3,120,506	$3,500,000	$4,000,000
Expense	2,558,197	3,000,000	3,600,000
Net operating income	562,309	500,000	400,000
Nonoperating expense (net loss (−))	−960,866	−736,831	−813,000
Net loss (−) for the year	−398,557	−236,831	−413,000
Analysis of deficit (−):			
Deficit (−), beginning of year	−1,229,138	−1,563,169	−1,800,000
Loss (−) from disposition of property	−9,710		
Adjustment of prior year expense	74,236		
Deficit (−), end of year	−1,563,169	−1,800,000	−2,213,000

Financial Condition

Assets:			
Cash with Treasury	$1,002,659	$1,000,000	$900,000
U.S. securities (par)	4,027,000	1,000,000	1,000,000
Accounts receivable, net	170,865	200,000	300,000
Debt amortization funds	1,903,635	2,200,000	2,000,000
Supplies, deferred charges, etc	151,993	200,000	300,000
Land, structures, and equipment	71,937,494	77,500,000	81,000,000
Total assets	79,193,646	82,100,000	85,500,000
Liabilities:			
Current liabilities	3,155,300	2,000,000	1,800,000
Temporary notes payable	19,170,000	13,480,000	6,246,000
Housing Authority bonds payable	43,011,000	50,000,000	60,000,000
Total liabilities	65,336,300	65,480,000	68,046,000
Government investment:			
Interest-bearing capital:			
Series "B" Housing Authority bonds	3,169,000	3,150,000	3,130,000
Advance loan notes		500,000	300,000
Permanent notes		500,000	300,000
Total interest-bearing capital	3,169,000	4,150,000	3,730,000
Non-interest-bearing capital:			
Cumulative contributions	8,213,844	10,233,000	11,900,000
Book value of Federal projects	4,037,671	4,037,000	4,037,000
Total non-interest-bearing capital	12,251,515	14,270,000	15,937,000
Total Government investment	15,420,515	18,420,000	19,667,000

Financial Condition—Continued

	1959 actual	1960 estimate	1961 estimate
Trust investment:			
Deficit (−)	−$1,563,169	−$1,800,000	−$2,213,000
Net Government investment and trust deficit	13,857,346	16,620,000	17,454,000

NATIONAL CAPITAL PLANNING COMMISSION

CONTRIBUTED FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. George Washington Memorial Parkway, Va	$113,440	$519,035	
2. George Washington Memorial Parkway, Md	12,922	113,265	$250,000
Total program costs	126,362	632,300	250,000
3. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−18,362	−232,300	
Total program (obligations) (object class 10)	108,000	400,000	250,000
Financing:			
Receipts	108,000	400,000	250,000

One-half the cost of acquiring land for the George Washington Memorial Parkway is contributed by the States of Maryland and Virginia and held in trust for purchases as authorized by the Commission (46 Stat. 482).

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $250,662; 1959, $232,300.

NATIONAL SCIENCE FOUNDATION

DONATIONS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Executive direction and management (total obligations) (object class 07)	$2,745	$500	$500
Financing:			
Unobligated balance brought forward	7,218	6,613	9,113
Receipts	2,140	3,000	3,000
Unobligated balance carried forward	−6,613	−9,113	−11,613
Total financing	2,745	500	500

Donations received under authority of 42 U.S.C. 1870 may be used in furtherance of general purposes of the Foundation.

RAILROAD RETIREMENT BOARD

LIMITATION ON SALARIES AND EXPENSES

NOTE.—The supporting detail of the above item is shown in the Independent Offices chapter in part II, p. 176.

RAILROAD RETIREMENT ACCOUNT

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Retirement and survivor benefit payments	$781,032,846	$928,000,000	$976,000,000
2. Administrative expenses	9,273,418	9,460,000	9,485,000
3. Payment to Federal disability insurance trust fund		26,480,000	2,500,000
4. Loan to Railroad unemployment insurance account		102,000,000	
Total obligations	790,306,264	1,065,940,000	987,985,000

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Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Financing:			
Unobligated balance brought forward:			
Cash	$563,711	$3,960,323	$1,480,280
U.S. securities (par)	3,608,953,000	3,573,604,000	3,818,000,000
Recovery of prior year obligations	63,952		
Receipts:			
Interest and profit on investments	108,629,161	110,307,957	114,200,000
Railroad retirement taxes	525,219,763	630,000,000	660,000,000
Repayment of loan from Railroad unemployment insurance account			5,000,000
Interest on loans to Railroad unemployment insurance account		1,000,000	2,300,000
Financial interchange with Federal old-age and survivors insurance trust fund	124,441,000	566,548,000	277,500,000
Unobligated balance carried forward:			
Cash	−3,960,323	−1,480,280	−1,349,280
U.S. securities (par)	−3,573,604,000	−3,818,000,000	−3,889,146,000
Total financing	790,306,264	1,065,940,000	987,985,000

Under the railroad retirement system, workers and employers contribute toward their retirement by taxes on wages. Benefits are payable when workers reach 65, become disabled, or die. These contributions are deposited in this trust fund and invested in Government securities bearing interest of at least 3%.

The 1959 amendments increased the tax rate 6¼% to 6¾% on both the employers and the employees and the taxable compensation base from $350 per month to $400, effective June 1, 1959. Also, benefits were increased by approximately 10% the same effective date.

The status of the trust fund is as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Unexpended balance of fund at beginning of year	$3,668,222,957	$3,648,925,006	$3,893,900,963
Income during the year	758,289,924	1,307,855,957	1,059,000,000
Cash outgo during the year:			
Benefit payments and claims	768,211,467	925,000,000	970,000,000
Administrative expenses	9,376,408	9,400,000	9,500,000
Payment to Federal disability insurance trust fund		26,480,000	2,500,000
Loan to Railroad unemployment insurance account		102,000,000	
Total annual outgo	777,587,875	1,062,880,000	982,000,000
Unexpended balance of fund at end of year	3,648,925,006	3,893,900,963	3,970,900,963

Income.—The income of the Railroad retirement account consists of taxes paid by railroad employers and employees; interest on investments; and payments from the Federal old-age and survivors insurance trust fund. The railroad retirement system has a reinsurance arrangement of financial interchanges with the social security system.

Budget program—1. *Retirement and survivor benefit payments.*—Payment estimates reflect the benefit rate increase provided by the 1959 amendments and the maturing of the system.

2. *Administrative expenses.*—Such expenses are subject to annual limitations in appropriation acts (see Limitation on salaries and expenses, Railroad Retirement Board, in part II of the budget).

3. *Payment to Federal disability insurance trust fund.*—Payments are made between this account and the Federal disability insurance trust fund and the Federal old-age and survivors insurance trust fund so as to place these funds in the same position in which they would have been if railroad employment had been included in social security coverage. Under current conditions, this account receives payments from the Federal old-age and survivors insurance trust fund and makes payments to the Federal disability trust fund (65 Stat. 687; 70 Stat. 837).

4. *Loan to Railroad unemployment insurance account.*—The Railroad Unemployment Insurance Act provides that when the balance in the Railroad unemployment insurance account is insufficient to pay benefits due under that act, necessary amounts are to be borrowed from the Railroad retirement account. When the balance in the Railroad unemployment insurance account permits, borrowed amounts are to be repaid to the Railroad retirement account, with interest at 3% per annum.

Object Classification

	1959 actual	1960 estimate	1961 estimate
12 Pensions, annuities, and insurance claims	$781,032,846	$928,000,000	$976,000,000
Payment to Federal disability insurance trust fund		26,480,000	2,500,000
Loan to Railroad unemployment insurance account		102,000,000	
Administrative expenses, "Limitation on salaries and expenses" (see account in pt. II)	9,273,418	9,460,000	9,485,000
Total obligations	790,306,264	1,065,940,000	987,985,000

Limitation on Railroad Unemployment Insurance Administration Fund

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Maintenance of earnings accounts	$243,705	$351,691	$390,482
2. Processing of unemployment insurance claims	5,717,698	5,406,654	4,286,247
3. Processing of sickness and maternity claims	1,880,931	1,985,005	2,050,586
5. Claimant placement services	742,643	765,697	770,314
5. Administration	688,929	740,953	743,371
6. Adjustment in prior year transaction	750		
Total obligations	9,274,656	9,250,000	8,241,000
Financing:			
Unobligated balance brought forward	−6,000,000	−5,189,144	−5,494,156
Unobligated balance carried forward	5,189,144	5,494,156	6,000,000
Limitation	8,463,800	9,555,012	8,746,844

The Board administers an unemployment and sickness insurance system and an employment service to find jobs for unemployed railroad workers. The administrative expenses are shown as a separate account in the Unemployment trust fund and are financed through a permanent appropriation of 0.2% of taxable payroll. As of each June 30, the unobligated balance in this fund in excess of $6 million is transferred as shown in the following table to the Railroad unemployment insurance account in the Unemployment trust fund (45 U.S.C. 361).

	1959 actual	*1960 estimate*	*1961 estimate*
Permanent limitation (0.2% of taxable payroll)	$8,350,207	$9,400,000	$9,800,000
Interest on investments	113,593	155,012	180,000
Excess in fund over $6,000,000 at end of year (−)			−1,233,156
Limitation	8,463,800	9,555,012	8,746,844

The 1958 amendments to the Railroad Unemployment Insurance Act (Public Law 85–927) placed the Railroad unemployment administration fund in the Unemployment trust fund so that unexpended balances in the administration fund could earn interest from the parent account. The 1959 amendments to the act (Public Law 86–28) provided larger benefits to unemployed and sick railroad workers; increased the tax contribution rate and compensation base; and made various other changes in the law. The benefit provisions were retroactive to July 1, 1958, for normal unemployment and sickness benefits and to January 1, 1958, for extended benefit periods. The retroactive increase in benefits made it necessary to reopen ap-

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INDEPENDENT OFFICES—Continued

RAILROAD RETIREMENT BOARD—Continued

LIMITATION ON RAILROAD UNEMPLOYMENT INSURANCE ADMINISTRATION FUND—Continued

proximately 520,000 previously adjudicated cases. Most of this nonrecurring amendment work carried over into 1960.

1. *Maintenance of earnings accounts.*—The amounts of insurance payments for unemployment, sickness, and maternity benefits are based upon individual records of earnings and daily wage rates. This workload fluctuates with the level of employment in the railroad industry, rates of turnover, and similar factors. The costs are shared on a measured basis with the retirement program. Compensation items were 1,893,039 in 1959 and are estimated to be 1,893,000 in 1960 and 1,929,000 in 1961.

2. *Processing of unemployment insurance claims.*—This involves paying benefits to unemployed railroad workers. Claims for unemployment compensation are filed locally and certified for payment through regional offices; the number fluctuates when economic changes affect the railroad industry. Regular unemployment claims were 2,769,204 in 1959 and are estimated at 1,850,000 in 1960 and 1,500,000 in 1961.

3. *Processing of sickness and maternity claims.*—These claims are filed by mail and certified for payment through the regional offices of the Board. The volume of sickness claims is relatively stable being 875,742 in 1959 and estimated at 886,000 in 1960 and 1961.

4. *Claimant placement services.*—The Board conducts an employment service for unemployed benefit claimants and to assist railroads in filling their manpower needs. This resulted in savings in benefit payments of more than $3 million in 1959 as 45,700 placements were made. Approximately the same level of placements is forecast for 1960 and 1961.

5. *Administration.*—This activity includes executive direction and general administrative and housekeeping services. The costs of administration are shared between this and the retirement program on a measured basis.

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Total number of permanent positions	1,112	1,010	973
	Full-time equivalent of all other positions	83	111	47
	Average number of all employees	1,106	1,102	995
	Number of employees at end of year	1,119	1,040	1,016
	Average GS grade and salary	6.3 $5,319	6.4 $5,459	6.4 $5,527
01	Personal services:			
	Permanent positions	$5,556,987	$5,535,802	$5,367,500
	Positions other than permanent	278,094	382,631	161,170
	Other personal services	212,696	409,457	88,179
	Total personal services	6,047,777	6,327,890	5,616,849
02	Travel	261,051	298,809	286,387
03	Transportation of things	18,905	19,503	18,876
04	Communication services	94,024	94,668	89,174
	Penalty mail costs	205,168	185,000	155,500
05	Rents and utility services	370,651	425,998	474,370
06	Printing and reproduction	23,283	27,469	35,373
07	Other contractual services	1,412,687	1,035,705	853,031
	Services performed by other agencies	351,279	318,905	231,238
08	Supplies and materials	86,004	119,639	98,642
09	Equipment	25,301	19,801	15,497
11	Grants, subsidies, and contributions	363,991	359,646	353,352
13	Refunds, awards, and indemnities	8,154	9,502	8,298
15	Taxes and assessments	6,381	7,465	4,413
	Total administrative expenses	9,274,656	9,250,000	8,241,000

SMITHSONIAN INSTITUTION

CANAL ZONE BIOLOGICAL AREA FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Maintenance and operation of facilities (total costs—obligations) (object class 07)	$11,018	$22,000	$18,000
Financing:			
Unobligated balance brought forward	8,779	16,447	8,447
Receipts	18,686	14,000	14,000
Unobligated balance carried forward	−16,447	−8,447	−4,447
Total financing	11,018	22,000	18,000

Donations, subscriptions, and fees are appropriated and used to defray part of the expense of maintaining and operating the Canal Zone Biological Area (5 U.S.C. 133y–4; 20 U.S.C. 79, 79a).

UNITED STATES INFORMATION AGENCY

UNITED STATES DOLLARS ADVANCED FROM FOREIGN GOVERNMENTS, UNITED STATES INFORMATIONAL EXCHANGE PROGRAM

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Sale of motion picture films	$9,771	$12,453	$10,000
2. Replacement of damaged or destroyed property	41,355	4,185	
Total obligations (object class 07)	51,126	16,638	10,000
Financing:			
Unobligated balance brought forward	50,686	6,638	
Receipts	7,078	10,000	10,000
Unobligated balance carried forward	−6,638		
Total financing	51,126	16,638	10,000

1. *Sale of motion picture films.*—These funds are advanced from foreign governments and/or private organizations for purchase of films owned or controlled by the Agency. The Agency places orders with domestic film-processing companies to make copies of such films, for which payment is made from this account (22 U.S.C. 1431 et seq., 1479).

2. *Replacement of damaged or destroyed property.*—Funds received from other governments for replacing damaged or destroyed U.S. property. These funds are used for the expense of the U.S. information program (22 U.S.C. 1479).

VETERANS ADMINISTRATION

ADJUSTED-SERVICE CERTIFICATE FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Payment of World War I adjusted-service certificates (total costs—obligations) (object class 12)	$824,147	$235,000	$235,000
Financing:			
Unobligated balance brought forward	4,315,959	3,491,812	3,256,812
Unobligated balance carried forward	−3,491,812	−3,256,812	−3,021,812
Total financing	824,147	235,000	235,000

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This fund is used to pay adjusted-service certificates issued to veterans of World War I upon maturity or upon demand. The principal of the fund has not been invested in U.S. securities since January 1, 1957, and all future payments will be made from the principal. Only a few of the certificates remain unpaid (sec. 12(b), Public Law 85–857).

General Post Fund, National Homes

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Religious, recreational, and entertainment	$2,452,208	$1,890,000	$1,625,000
Discount on sales of investments in U.S. securities	27,225		
Total program (costs—obligations)	2,479,433	1,890,000	1,625,000
Financing:			
Unobligated balance brought forward:			
Cash	1,681,034	1,477,958	1,250,000
U.S. securities (par)	1,733,500	1,064,500	1,000,000
Receipts:			
Donations:			
Cash	1,571,155	1,571,542	1,570,000
U.S. securities	6,000		
Interest on U.S. securities	30,202	26,000	25,000
Unobligated balance carried forward:			
Cash	−1,477,958	−1,250,000	−1,220,000
U.S. securities (par)	−1,064,500	−1,000,000	−1,000,000
Total financing	2,479,433	1,890,000	1,625,000

This fund consists of gifts and bequests and proceeds of property left in the care of the facilities by former beneficiaries, unpaid pension money standing to the credit of beneficiaries who die without pensionable heirs, and proceeds from effects of such beneficiaries who die leaving no heirs or without having otherwise disposed of their estate. Such funds are used to promote the comfort and welfare of veterans at hospitals and homes where no general appropriation is available.

Object Classification

	1959 actual	1960 estimate	1961 estimate
05 Rents and utility services	$21,894	$22,000	$22,000
07 Other contractual services	123,190	123,000	123,000
08 Supplies and materials	1,102,002	1,065,000	1,065,000
09 Equipment	182,755	180,000	180,000
10 Lands and structures	983,538	460,000	195,000
13 Refunds, awards, and indemnities	38,829	40,000	40,000
16 Investments and loans	27,225		
Total obligations	2,479,433	1,890,000	1,625,000

National Service Life Insurance Fund

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs:			
1. Death claims	$318,226,231	$357,000,000	$355,200,000
2. Disability claims	245,270	300,000	350,000
3. Cash surrenders and matured endowments	14,732,468	16,400,000	18,200,000
4. Dividends	234,793,748	239,208,493	237,261,513
5. Interest paid on dividend credits and deposits	3,761,359	4,114,797	4,618,487
6. Other expense	147,995	170,000	170,000
7. Premiums waived and liens written off	10,001,509	10,425,000	10,975,000
8. Loans written off	14,330		
9. Increase in operating reserves	77,390,181	112,977,703	136,119,000
10. Adjustment of prior year costs	105		
Total operating costs	659,313,196	740,595,993	762,894,000
11. Unfunded adjustment to operating costs:			
Premiums waived and loans and liens written off (−)	−10,015,839	−10,425,000	−10,975,000
Increase (−) in operating reserves	−77,390,181	−112,977,703	−136,119,000
Total operating costs, funded	571,907,176	617,193,290	615,800,000

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
Capital outlay:			
12. Policy loans made	$107,587,342	$114,593,219	$120,000,000
13. Policy liens established	331,191	348,978	300,000
Total capital outlay	107,918,533	114,942,197	120,300,000
Total program (costs—obligations)	679,825,709	732,135,487	736,100,000
Items not processed through Treasury (see contra entry below) (−)	−97,746,071	−140,000,000	−140,000,000
Net program (costs—obligations)	582,079,638	592,135,487	596,100,000
Financing:			
Revenue and receipts:			
Premiums earned	470,564,002	$492,231,051	510,600,000
Interest on investments	178,524,490	183,398,027	187,700,000
Payment from Veterans insurance and indemnities	12,287,605	12,266,630	12,210,000
Loans repaid	65,235,863	70,000,000	70,000,000
Liens repaid	398,286	225,000	225,000
Other revenue: Optional settlements		42,000,000	42,000,000
Recovery of liens previously written off		25,000	25,000
Adjustment of prior year revenue	5,050,000		
Subtotal	732,060,246	800,145,708	822,760,000
Items not processed through Treasury (see contra entry above) (−)	−97,746,071	−140,000,000	−140,000,000
Total revenue and receipts	634,314,175	660,145,708	682,760,000
Unobligated balance brought forward:			
U.S. securities (par)	5,472,587,737	5,524,822,274	5,592,832,495
Total amounts available	6,106,901,912	6,184,967,982	6,275,592,495
Unobligated balance carried forward:			
U.S. securities (par)	−5,524,822,274	−5,592,832,495	−5,679,492,495
Financing applied to program	582,079,638	592,135,487	596,100,000

This fund was established in 1940 as the financing mechanism for the World War II servicemen's and veterans' insurance program authorized by the National Service Life Insurance Act of 1940. Over 22 million policies were issued under this program of which about 5.3 million, totaling approximately $35 billion, remain in force. Because issuance of new policies was ended in 1951 the insurance in force will continue to decline. The general decline in the activity of the fund is indicated in the following table:

[Dollars in millions]

	June 30, 1958	*June 30, 1959*	*June 30, 1960*	*June 30, 1961*
Number of policies in force	5,404,784	5,344,628	5,314,000	5,219,000
Amount of insurance in force	$35,477	$35,069	$34,876	$34,252

The assets of the fund, which are largely invested in special Treasury interest-bearing securities and in policy loans are expected to increase from $6,024 million as of June 30, 1959, to $6,302 million as of June 30, 1961. The current actuarial estimate of policy obligations totals $5,522 million, leaving a balance of $502 million for contingency reserves.

The income of the fund derives from premium receipts, interest on investments, and payments which are made to the fund from the appropriation Veterans insurance and indemnities, for claims (*a*) resulting from extra hazards of the veteran's service, and (*b*) arising on certain policies held by personnel on active duty. Administrative expenses are charged to the appropriation General operating expenses.

The fund is operated on a commercial basis to the greatest possible extent consistent with law. In the program and financing statement above, the noncash transactions, which are offset by other claims of the fund, are subtracted from program costs in order to show obligations of the fund. The following business-type statements of income and expense and financial condition include these noncash transactions relating to the status of insurance policy accounts.

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INDEPENDENT OFFICES—Continued

VETERANS ADMINISTRATION—Continued

NATIONAL SERVICE LIFE INSURANCE FUND—Continued

Revenue, Expense, and Retained Earnings

	1959 actual	1960 estimate	1961 estimate
Revenue:			
Funded	$661,376,097	$729,920,708	$752,535,000
Nonfunded (premiums waived)	9,956,503	10,350,000	10,900,000
Total revenue	671,332,600	740,270,708	763,435,000
Expense:			
Funded	571,907,071	617,193,290	615,800,000
Nonfunded:			
Liens written off	45,006	75,000	75,000
Premiums waived	9,956,503	10,350,000	10,900,000
Increase in operating reserves	77,390,181	112,977,703	136,119,000
Total expense	659,298,761	740,595,993	762,894,000
Net income for the year	12,033,839	−325,285	541,000
Analysis of retained earnings:			
Retained earnings, beginning of year	484,816,376	501,885,780	501,560,495
Adjustment of—			
Prior year revenue	5,050,000		
Prior year costs	−105		
Loans written off	−14,330		
Retained earnings, end of year	501,885,780	501,560,495	502,101,495

Financial Condition

Assets:			
Cash with Treasury	$10,401,261	$3,634,495	$2,494,495
U.S. securities (par)	5,741,548,000	5,826,548,000	5,930,548,000
Accounts receivable, net	6,411,604	7,250,000	8,150,000
Policy loans	265,406,781	310,000,000	360,000,000
Policy liens	451,022	500,000	500,000
Total assets	6,024,218,668	6,147,932,495	6,301,692,495
Liabilities:			
Current	233,538,591	244,600,000	261,700,000
Operating reserves:			
Policy reserves	2,479,834,744	2,718,700,000	2,976,300,000
Premium waiver disability reserves	109,160,044	109,602,000	120,126,000
Reserve for future installments on matured contracts	2,584,273,280	2,443,600,000	2,312,500,000
Total disability income reserves	4,779,554	6,070,000	7,265,000
Reserve for dividends	100,746,675	112,500,000	110,000,000
Reserve for reported claims in process of settlement	10,000,000	11,300,000	11,700,000
Total liabilities	5,522,332,888	5,646,372,000	5,799,591,000
Government investment:			
Retained earnings (reserve for contingencies)	501,885,780	501,560,495	502,101,495

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash and U.S. securities	$5,679,687,081	$5,751,949,261	$5,830,182,495	$5,933,042,495
Obligated balance, net:				
Current liabilities	212,736,587	233,538,591	244,600,000	261,700,000
Accrued interest receivable, net, and cash in transit (−)	−5,637,243	−6,411,604	−7,250,000	−8,150,000
Total obligated balance	207,099,344	227,126,987	237,350,000	253,550,000
Unobligated balance	5,472,587,737	5,524,822,274	5,592,832,495	5,679,492,495

Object Classification

	1959 actual	1960 estimate	1961 estimate
12 Pensions, annuities, and insurance claims	$571,907,176	$617,193,290	$615,800,000
16 Investments and loans	107,918,533	114,942,197	120,300,000
Subtotal	679,825,709	732,135,487	736,100,000
Items not processed through Treasury (−)	−97,746,071	−140,000,000	−140,000,000
Total obligations	582,079,638	592,135,487	596,100,000

UNITED STATES GOVERNMENT LIFE INSURANCE FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs:			
1. Death claims	$33,564,453	$53,150,000	$52,100,000
2. Disability claims	12,202,293	12,510,000	13,070,000
3. Cash surrenders and matured endowments	22,075,811	20,600,000	18,100,000
4. Dividends	18,979,465	19,219,915	19,084,302
5. Interest credited to dividend accumulation	271,515	261,647	266,698
6. Premiums waived	140,632	135,400	130,400
7. Other expenses	9,084	10,300	10,300
8. Loans written up	−1,841		
9. Decrease (−) in operating reserves	−11,008,231	−11,390,184	−12,984,000
Total operating costs	76,233,181	94,497,078	89,777,700
10. Unfunded adjustments to total operating cost:			
Decrease in operating reserves	11,008,231	11,390,184	12,984,000
Premiums waived and loans written up (−)	−138,791	−135,400	−130,400
Total operating costs, funded	87,102,621	105,751,862	102,631,300
Capital outlay:			
11. Policy loans made	18,408,670	16,331,000	14,000,000
12. Policy liens established	213,359	200,000	215,000
Total capital outlay	18,622,029	16,531,000	14,215,000
Total program (costs—obligations)	105,724,650	122,282,862	116,846,300
Items not processed through Treasury (see contra entry below) (−)	−27,067,645	−48,379,140	−45,119,000
Net program (costs—obligations)	78,657,005	73,903,722	71,727,300
Financing:			
Revenue and receipts:			
Premiums earned	23,405,971	22,364,898	20,280,000
Interest on investments	43,616,708	42,923,171	42,230,000
Payment from Veterans insurance and indemnities	251,834	550,747	540,000
Loans repaid	22,757,143	20,172,434	18,500,000
Liens repaid	207,752	194,942	199,600
Recovery of policy liens written off	270	700	700
Adjustment of prior year revenue	179,834		
Other revenue: Optional settlements		20,000,000	20,000,000
Subtotal	90,419,512	106,206,892	101,750,300
Items not processed through Treasury (see contra entry above) (−)	−27,067,645	−48,379,140	−45,119,000
Total revenue and receipts	63,351,867	57,827,752	56,631,300
Unobligated balance brought forward: U.S. securities (par)	1,136,998,934	1,121,693,796	1,105,617,826
Total amounts available	1,200,350,801	1,179,521,548	1,162,249,126
Unobligated balance carried forward: U.S. securities (par)	−1,121,693,796	−1,105,617,826	−1,090,521,826
Financing applied to program	78,657,005	73,903,722	71,727,300

This fund was established in 1919 to receive premiums and pay claims on insurance issued under the provisions of the War Risk Insurance Act. Approximately 339,000 policies of U.S. Government life insurance, providing coverage of almost $1.5 billion, remain in force. The general decline in the activity of the fund is indicated in the following table:

[Dollars in millions]

	June 30, 1958	*June 30, 1959*	*June 30, 1960*	*June 30, 1961*
Number of policies	352,999	339,193	328,000	311,000
Insurance in force	$1,545	$1,486	$1,436	$1,362

The assets of the fund, which are largely invested in interest-bearing securities and policy loans, are estimated to decline from $1,247 million as of June 30, 1959, to $1,205 million as of June 30, 1961, as an increasing number of policies mature through death or disability. The current actuarial evaluation of policy obligations totals $1,147 million, leaving a balance of $100 million for contingency reserves.

The income of the fund derives from premium receipts, interest on investments, and payments which are made to the fund from the appropriation Veterans insurance and

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indemnities, for claims (*a*) resulting from the extra hazards of the veteran's service, and (*b*) arising on certain policies held by personnel on active military duty. Administrative expenses are charged to the appropriation General operating expenses.

The fund is operated on a commercial basis to the greatest possible extent consistent with law. In the program and financing statement above, the noncash transactions, which are offset by other claims of the fund, are subtracted from program costs in order to show the obligations of the fund. The following business-type statements of income and expense and financial condition include these noncash transactions relating to the status of insurance policy accounts.

Revenue, Expense, and Retained Earnings

	1959 actual	1960 estimate	1961 estimate
Revenue:			
Funded	$67,274,783	$85,839,516	$83,050,700
Nonfunded (premiums waived)	140,632	135,000	130,000
Total revenue	67,415,415	85,974,516	83,180,700
Expense:			
Funded	87,102,621	105,751,862	102,631,300
Nonfunded:			
Premiums waived	140,632	135,400	130,400
Decrease (−) in operating reserves	−11,008,231	−11,390,184	−12,984,000
Total expense	76,235,022	94,497,078	89,777,700
Net loss (−) for the year	−8,819,607	−8,522,562	−6,597,000
Analysis of retained earnings:			
Retained earnings beginning of year	109,341,320	100,703,388	92,180,826
Loans written up	1,841		
Adjustment of prior year revenue	179,834		
Retained earnings, end of year	100,703,388	92,180,826	85,583,826

Financial Condition

Assets:			
Cash with Treasury	$5,386,936	$3,881,826	$3,066,826
U.S. securities (par)	1,127,235,000	1,110,285,000	1,095,885,000
Accounts receivable, net	2,299,221	2,235,000	2,175,000
Policy loans	112,341,434	108,500,000	104,000,000
Policy liens	80,342	85,000	100,000
Total assets	1,247,342,933	1,224,986,826	1,205,226,826
Liabilities:			
Current	13,227,361	10,784,000	10,605,000
Operating reserves:			
Policy reserves	897,499,219	883,440,000	865,682,000
Reserves for future installments on matured contracts	211,615,269	215,312,000	220,498,000
Reserve for total disability	12,127,491	12,033,000	12,095,000
Reserve for dividends	10,706,162	9,850,000	9,400,000
Reserve for policy claims in process of settlement	1,464,043	1,387,000	1,363,000
Total liabilities	1,146,639,545	1,132,806,000	1,119,643,000
Government investment:			
Retained earnings (reserve for contingencies)	100,703,388	92,180,826	85,583,826

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance: Cash and U.S. securities	$1,148,851,705	$1,132,621,936	$1,114,166,826	$1,098,951,826
Obligated balance, net:				
Current liabilities	14,221,295	13,227,361	10,784,000	10,605,000
Accounts receivable, net, and cash in transit (−)	−2,368,524	−2,299,221	−2,235,000	−2,175,000
Total obligated balance	11,852,771	10,928,140	8,549,000	8,430,000
Unobligated balance	$1,136,998,934	$1,121,693,796	$1,105,617,826	$1,090,521,826

Object Classification

	1959 actual	1960 estimate	1961 estimate
12 Pensions, annuities, and insurance claims	$87,102,621	$105,751,862	$102,631,300
16 Investments and loans (policy loans)	18,622,029	16,531,000	14,215,000
Subtotal	105,724,650	122,282,862	116,846,300
Items not processed through Treasury (−)	−27,067,645	−48,379,140	−45,119,000
Total obligations	78,657,005	73,903,722	71,727,300

GENERAL SERVICES ADMINISTRATION

REAL PROPERTY ACTIVITIES

Advances for Construction Services

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Design, supervision, etc		$245,000	$220,000
2. Construction		5,000	2,180,000
Total program costs [1]		250,000	2,400,000
3. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net		135,000	6,600,000
Total program (obligations)		385,000	9,000,000
Financing:			
Unobligated balance brought forward			215,000
Receipts		600,000	9,375,000
Unobligated balance carried forward		−215,000	−590,000
Financing applied to program		385,000	9,000,000

[1] Includes capital outlay as follows: 1960, $5,000; 1961, $2,180,000.

The Federal Deposit Insurance Corporation has acquired a site in square 170 in the District of Columbia for use in construction of a new headquarters building. Under an estimated cost of $9,975,000, exclusive of site cost but including $600,000 for design and supervision, the General Services Administration, as agent for FDIC, will undertake the design and construction of the project. A design contract was awarded in November 1959, for completion in the fall of 1960. Award of the construction contract is scheduled for January 1961, for completion about February 1, 1963.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1960, $135,000; 1961, $6,735,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
02 Travel		$2,000	$3,000
06 Printing and reproduction			35,000
07 Other contractual services		368,000	142,000
09 Equipment			100,000
10 Lands and structures		15,000	8,720,000
Total obligations		385,000	9,000,000

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GENERAL SERVICES ADMINISTRATION—Con.

PERSONAL PROPERTY ACTIVITIES

Advances From International Organizations, Mutual Security Act

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Acquisition of materials (total program costs)	$84,738		
2. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−64,851		
Total program (obligations)	19,887		
Financing:			
Unobligated balance brought forward	19,887		

2. *Relation of costs to obligations.*—Year-end balance of unpaid undelivered orders for 1958 is $64,851.

Object Classification

	1959 actual	1960 estimate	1961 estimate
07 Other contractual services	$14,800		
13 Refunds, awards, and indemnities	5,087		
Total obligations	19,887		

RECORDS ACTIVITIES

National Archives Trust Fund

The Archivist of the United States furnishes, for a fee, copies of records in the custody of the National Archives that are not exempt from examination as confidential or protected by subsisting copyright (44 U.S.C. 399).

Proceeds from sale of reproductions and publications, and admission fees to Presidential library museum rooms are deposited to this fund (44 U.S.C. 397).

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Reproduction services, National Archives:			
Acquisition of equipment	$3,924	$5,000	$5,000
Expense:			
Purchase of publications for resale	4,194	14,000	14,000
Other expense	73,338	76,900	78,900
Franklin D. Roosevelt Library:			
Acquisition of equipment	499		
Expense:			
Purchase of publications for resale		1,000	1,000
Other expense	41,584	43,500	44,100
Truman Library:			
Acquisition of equipment	356	6,000	6,000
Expense:			
Purchase of publications for resale	600	10,000	10,000
Other expense	21,123	26,200	27,500
Increase in selected working capital	7,532		
Total gross expenditures	153,150	182,600	186,500
Receipts from operations (funds provided):			
Revenue and receipts:			
Reproduction services, National Archives	74,471	80,000	80,000
Franklin D. Roosevelt Library	37,755	44,600	45,600
Truman Library	43,180	62,000	65,000
Unamortized gain from discount on U.S. securities	2,949		
Decrease in selected working capital		142	
Total receipts from operations	158,355	186,742	190,600
Trust expenditures	−5,205	−4,142	−4,100

Revenue, Expense, and Retained Earnings

	1959 actual	1960 estimate	1961 estimate
Reproduction services, National Archives:			
Revenue	$74,471	$80,000	$80,000
Expense	82,172	91,200	93,300
Net operating loss (−), reproduction services	−7,701	−11,200	−13,300
Franklin D. Roosevelt Library:			
Revenue	$37,755	$44,600	$45,600
Expense	44,360	45,900	46,500
Net operating loss (−), Franklin D. Roosevelt Library	−6,605	−1,300	−900
Truman Library:			
Revenue	43,180	62,000	65,000
Expense	21,593	36,500	37,900
Net operating income, Truman Library	21,587	25,500	27,100
Net income for the year	7,281	13,000	12,900
Retained earnings, beginning of year	251,200	258,481	271,481
Retained earnings, end of year	258,481	271,481	284,381

Financial Condition

	1959 actual	1960 estimate	1961 estimate
Assets:			
Cash with Treasury	$117,199	$121,341	$125,441
U.S. securities (par)	102,000	102,000	102,000
Accounts receivable, net	5,872	5,000	5,000
Inventories for sale	29,498	29,498	29,498
Equipment, net	17,642	26,642	35,442
Total assets	272,211	284,481	297,381
Liabilities:			
Current	13,730	13,000	13,000
Government investment:			
Retained earnings	258,481	271,481	284,381

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	22	23	23
Full-time equivalent of all other positions	3	2	2
Average number of all employees	25	25	25
Number of employees at end of year	27	25	25
Average GS grade and salary	5.0 $4,559	5.1 $4,647	5.1 $4,732
01 Personal services:			
Permanent positions	$91,454	$103,190	$106,090
Positions other than permanent	11,832	7,800	7,800
Other personal services	1,467	2,010	1,610
Excess of annual leave taken (−) over leave earned	−1,898		
Total personal services	102,855	113,000	115,500
02 Travel		400	400
03 Transportation of things	115	100	100
04 Communication services		100	100
05 Rents and utility services	33	100	100
06 Printing and reproduction	2,752	6,000	6,000
07 Other contractual services	14,269	14,400	15,700
08 Supplies and materials	19,644	30,000	30,000
09 Equipment	4,779	11,000	11,000
11 Grants, subsidies, and contributions	5,837	6,700	6,800
13 Refunds, awards, and indemnities	150	400	400
15 Taxes and assessments	346	400	400
Adjustment of prior year costs	380		
Total costs	151,160	182,600	186,500
Costs financed from obligations of other years, net (−)	−2,095	−658	
Total obligations	149,065	181,942	186,500

National Archives Gift Fund

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Preparation of microfilm reproductions	$26,781	$56,900	$58,100
2. Historical research projects	24,530	27,100	29,200
3. Dr. S. J. Buck portrait	25	2,000	
4. Adjustment of prior year costs	−935		
Total program costs [1]	50,401	86,000	87,300
5. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net	5,032		
Total program (obligations)	55,433	86,000	87,300

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Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Financing:			
Unobligated balance brought forward	$79,557	$91,113	$70,113
Receipts:			
Sale of microfilm publications	39,557	50,000	50,000
Ford Foundation grant	25,000	15,000	15,000
Methodist Publishing House grant	100		
American Historical Association	1,401		
Dr. S. J. Buck portrait	931		
Unobligated balance carried forward	−91,113	−70,113	−47,813
Total financing	55,433	86,000	87,300

[1] Includes capital outlay as follows: 1959, $5,770; 1960, $5,000; 1961, $5,000.

The National Archives trust fund board receives and administers donations for the benefit of the National Archives (44 U.S.C. 300cc). Positive microfilm publications are produced for educational institutions, scholars, and others, and historical research is conducted in accordance with grants from private institutions. Current historical projects include the production of negative microfilm copies of certain captured German World War II records for the American Historical Association, and preparation of a documentary history of the ratification of the Constitution and the first 10 amendments for the Ford Foundation.

5. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $5,000; 1959, $10,032.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	9	11	11
Average number of all employees	8	10	10
Number of employees at end of year	7	11	11
Average GS grade and salary	4.5 $4,287	4.7 $4,239	4.7 $4,340
01 Personal services:			
Permanent positions	$40,794	$50,700	$53,400
Positions other than permanent	276		
Other personal services	157	400	200
Excess of annual leave taken (−) over leave earned	−404		
Total personal services	40,823	51,100	53,600
02 Travel	723	800	800
03 Transportation of things	746	800	800
04 Communication services	13		
06 Printing and reproduction	54	100	100
07 Other contractual services	539	24,100	22,700
08 Supplies and materials	192	800	800
09 Equipment	5,770	5,000	5,000
11 Grants, subsidies, and contributions	2,431	3,200	3,400
15 Taxes and assessments	45	100	100
Adjustment of prior year costs	−935		
Total costs	50,401	86,000	87,300
Obligations incurred for costs of other years, net	5,032		
Total obligations	55,433	86,000	87,300

HOUSING AND HOME FINANCE AGENCY

FEDERAL NATIONAL MORTGAGE ASSOCIATION

SECONDARY MARKET OPERATIONS FUND (TRUST REVOLVING FUND)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operations:			
Mortgage servicing fees	$6,986,744	$10,432,000	$15,257,000
Other	1,847,148	3,065,000	3,550,000
Interest on borrowings from the public	40,824,472	71,972,077	123,085,000
Interest on borrowings from the Treasury	973,030	3,100,000	3,100,000
Income tax equivalent	10,852,665	11,837,000	10,617,000
Dividends on common stock held by the public	856,297	1,500,000	2,104,000

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
Operations—Continued			
Dividends on preferred stock held by the Treasury	$2,300,000	$2,645,000	$3,510,000
Total operations	64,640,356	104,551,077	161,223,000
Capital outlay: Mortgage purchase commitments	344,482,120	1,030,023,403	975,000,000
Total program (obligations)	409,122,476	1,134,574,480	1,136,223,000
Financing:			
Amounts becoming available: Revenue and receipts:			
Mortgage loan repayments and sales	124,953,265	71,825,562	90,925,000
Interest on mortgage loans	65,179,477	100,769,000	154,700,000
Other revenue	5,302,697	10,914,438	11,315,000
Sale of common stock to public	6,409,961	22,870,000	20,870,000
Total amounts becoming available	201,845,400	206,379,000	277,810,000
Unobligated balance brought forward (authorization to expend from debt receipts)	1,392,559,783	1,318,103,567	686,532,467
Additional authorization: 10 times increase in the aggregate of capital and retained earnings	132,820,860	296,624,380	250,670,000
Total amounts available	1,727,226,043	1,821,106,947	1,215,012,467
Unobligated balance carried forward (authorization to expend from debt receipts)	−1,318,103,567	−686,532,467	−78,789,467
Financing applied to program	409,122,476	1,134,574,480	1,136,223,000

The secondary market operations of the Federal National Mortgage Association were authorized by the Housing Act of 1954 to provide limited liquidity for Government insured and guaranteed mortgages and to improve the distribution of investment capital available for home mortgage financing. Mortgage purchases under these operations are financed by the proceeds from (*a*) the sale of debentures to private investors, or to the Secretary of the Treasury (the Secretary of the Treasury may hold not more than $2.25 billion of such debentures), (*b*) subscriptions by the Secretary of the Treasury to Federal National Mortgage Association preferred stock ($92.8 million was subscribed in 1955, $50 million in 1957, and will be increased in 1961 by $50 million to a total of $192.8 million), (*c*) mandatory subscription by mortgage sellers to the Association's common stock, (*d*) the sale of mortgages to the investing public, (*e*) repayments and prepayments of mortgage principal, and (*f*) income from operations. Government management is intended to be transitional, to be succeeded by private operations when the Government's investment is retired. The present interim program, financed by private as well as Government investment, is treated as a trust fund. Operations are discussed in part I of the budget in connection with the program's general fund financing and effect on budget expenditures.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Acquisition of assets: Federal Housing Administration insured and Veterans Administration guaranteed mortgages	$302,095,825	$1,047,000,000	$975,000,000
Expense	49,445,978	88,359,000	145,087,000
Income tax equivalent	10,852,665	11,837,000	10,617,000
Dividends:			
On preferred stock held by Treasury	2,300,000	2,645,000	3,510,000
On common stock held by public	856,297	1,500,000	2,104,000
Increase in selected working capital	11,844,014		
General fund financing: Repayment of borrowings to Treasury	265,780,935	981,531,035	800,000,000
Total gross expenditures	643,175,714	2,132,872,035	1,936,318,000
Receipts from operations (funds provided):			
Realization of assets: Mortgage repayments and sales	124,953,265	71,825,562	90,925,000
Sales of common stock to public	6,409,961	22,870,000	20,870,000
Revenue	70,482,174	111,683,438	166,015,000
Decrease in selected working capital		6,119,745	8,508,000

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HOUSING AND HOME FINANCE AGENCY—Con.

FEDERAL NATIONAL MORTGAGE ASSOCIATION—Con.

SECONDARY MARKET OPERATIONS FUND (TRUST REVOLVING FUND)—Continued

Sources and Application of Funds (Operations)—Continued

	1959 actual	1960 estimate	1961 estimate
Receipts from operations (funds provided)—Continued			
General fund financing:			
Borrowing from Treasury	$307,311,970	$940,000,000	$800,000,000
Issuance of preferred stock			50,000,000
Total receipts from operations	509,157,370	1,152,498,745	1,136,318,000
Trust expenditures	134,018,344	980,373,290	800,000,000

Revenue, Expense, and Retained Earnings

Revenue	$70,482,174	$111,683,438	$166,015,000
Expense	49,601,087	88,909,000	145,587,000
Net income before income tax equivalent	20,881,087	22,774,438	20,428,000
Income tax equivalent	10,852,665	11,837,000	10,617,000
Net income for the year	10,028,422	10,937,438	9,811,000
Analysis of retained earnings:			
Retained earnings, beginning of year	10,257,081	17,129,206	23,921,644
Dividends:			
On preferred stock held by Treasury (—)	−2,300,000	−2,645,000	−3,510,000
On common stock held by public (—)	−856,297	−1,500,000	−2,104,000
Retained earnings, end of year	17,129,206	23,921,644	28,118,644
The above is distributed as follows:			
Trust investment	$4,994,460	$7,462,563	$9,140,213
Government investment	12,134,746	16,459,081	18,978,431

Financial Condition

Assets:			
Cash with Treasury	$52,588,290	$52,090,000	$52,090,000
U.S. securities: Federal Housing Administration debentures on hand	27,300	27,300	27,300
Accounts receivable, net	10,323,338	15,100,000	21,300,000
Deferred charges	2,343,569	2,375,000	2,100,000
Loans receivable, net: Federal Housing Administration insured and Veterans Administration guaranteed mortgages	1,510,248,562	2,484,873,000	3,368,448,000
Total assets	1,575,531,059	2,554,465,300	3,443,965,300
Liabilities:			
Current liabilities	40,033,319	51,139,803	65,752,803
Deferred income—premium on sale of debentures to public	958,646	780,000	600,000
Debentures payable	1,290,125,000	2,270,000,000	3,070,000,000
Total liabilities	1,331,116,965	2,321,919,803	3,136,352,803
Trust investment:			
Common stock issued or subscribed:			
Start of year	36,523,587	42,933,548	65,803,548
Increase during year	6,409,961	22,870,000	20,870,000
End of year	42,933,548	65,803,548	86,673,548
Retained earnings	4,994,460	7,462,563	9,140,213
Total trust investment	47,928,008	73,266,111	95,813,761
Government investment:			
Interest-bearing capital:			
Start of year		41,531,035	
Borrowings from Treasury during year, net	41,531,035	−41,531,035	
End of year	41,531,035		
Non-interest-bearing capital (preferred stock issued):			
Start of year	142,820,305	142,820,305	142,820,305
Issued during year			50,000,000
End of year	142,820,305	142,820,305	192,820,305
Retained earnings	12,134,746	16,459,081	18,978,431
Total non-interest-bearing capital	154,955,051	159,279,386	211,798,736
Total Government investment	196,486,086	159,279,386	211,798,736
Total trust and Government investment	244,414,094	232,545,497	307,612,497

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash and U.S. securities	$61,693,934	$52,615,590	$52,117,300	$52,117,300
Authorization to expend from debt receipts:				
Authorization to expend from public debt receipts (general fund)	2,315,000,000	2,273,468,965	2,315,000,000	2,265,000,000
Portion available only as corporate debt to the public is retired (—)	−1,165,185,000	−1,290,125,000	−2,270,000,000	−3,070,000,000
Amount in excess of authorization to expend from public debt receipts	296,009,730	428,830,590	725,454,970	976,124,970
Authorization to expend from debt receipts	1,445,824,730	1,412,174,555	770,454,970	171,124,970
Total unexpended balance	1,507,518,664	1,464,790,145	822,572,270	223,242,270
Obligated balance, net:				
Current liabilities	48,396,287	40,033,319	51,139,803	65,752,803
Mortgage purchase commitments	74,590,302	116,976,597	100,000,000	100,000,000
Accounts receivable, net (—)	−8,027,708	−10,323,338	−15,100,000	−21,300,000
Total obligated balance	114,958,881	146,686,578	136,039,803	144,452,803
Unobligated balance	1,392,559,783	1,318,103,567	686,532,467	78,789,467

NOTE.—Preferred stock authorized but not issued as follows: 1958, $65,000,000; 1959, $65,000,000; 1960, $65,000,000; 1961, $15,000,000.

DEPARTMENT OF AGRICULTURE

AGRICULTURAL RESEARCH SERVICE

AGRICULTURAL RESEARCH SERVICE TRUST FUNDS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Expenses and refunds, inspection and grading of farm products:			
(a) Inspection and certification of animal foods and inedible agricultural products in interstate and foreign commerce	$100,759	$62,000	$62,000
(b) Identification and certification service for meat and other products	75,755	65,000	65,000
(c) Contract specification work on meat and meat food products	225,176	118,000	118,000
2. Expenses, feed and attendants for animals in quarantine	24,950	35,209	30,000
3. Miscellaneous contributed funds	276,596	523,380	356,439
4. Prior year advances returned	6,686	698	
Total program costs [1]	709,922	804,287	631,439
5. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (—)	−1,361		
Total program (obligations)	708,561	804,287	631,439
Financing:			
Unobligated balance brought forward	271,915	300,885	229,699
Receipts:			
Expenses and refunds, inspection and grading of farm products	404,714	245,000	245,000
Expenses, feed and attendants for animals in quarantine	37,039	20,000	30,000
Miscellaneous contributed funds	295,778	468,101	341,650
Unobligated balance carried forward	−300,885	−229,699	−214,910
Total financing	708,561	804,287	631,439

[1] Includes capital outlay as follows: 1959, $5,057; 1960, $12,000; 1961, $7,500.

The following services are financed by fees and miscellaneous contributions advanced by importers, manufacturers, States, organizations, individuals, and others.

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1. *Expenses and refunds, inspection and grading of farm products* provide for (*a*) inspection and certification of animal foods and inedible agricultural products in interstate and foreign commerce; (*b*) identification and marking of divided portions of meat, meat byproducts, and meat food products previously federally inspected and so marked in order that divided portions will bear Federal marks; and (*c*) examination of meat and meat food products in federally inspected meat packing plants for compliance with contract specifications (7 U.S.C. 1622h, 1624).

2. *Expenses, feed and attendants for animals in quarantine* are paid from fees advanced by importers (21 U.S.C. 102).

3. *Miscellaneous contributed funds* received from States, local organizations, individuals, and others are available for work under cooperative agreements on miscellaneous production and utilization research activities, plant quarantine inspection, and cooperative plant pest control activities (5 U.S.C. 67,563).

5. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $4,576; 1959, $3,215; 1960, $3,215; 1961, $3,215.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	28	32	33
Full-time equivalent of all other positions	8	8	8
Average number of all positions	32	41	42
Number of employees at end of year	36	41	41
Average GS grade and salary	7.5 $6,004	7.6 $6,045	7.6 $6,083
Average salary of ungraded positions	$3,907	$4,097	$4,190
01 Personal services:			
Permanent positions	$148,055	$199,000	$200 500
Positions other than permanent	26,210	23,500	23,500
Other personal services	19,896	23,800	21,900
Total personal services	194,161	246,300	245,900
02 Travel	26,141	43,800	29,150
03 Transportation of things	640	2,800	700
04 Communication services	1,389	1,500	1,500
05 Rents and utility services	2,321	2,400	2,400
06 Printing and reproduction	1,753	21,800	1,800
07 Other contractual services	10,493	14,200	13,900
Services performed by other agencies	416,245	326,250	261,250
08 Supplies and materials	35,169	115,639	59,839
09 Equipment	4,837	16,900	3,500
11 Grants, subsidies, and contributions	7,468	10,780	10,280
13 Refunds, awards, and indemnities	6,686	698	
15 Taxes and assessments	1,258	1,220	1,220
Total obligations	708,561	804,287	631,439

EXTENSION SERVICE

Miscellaneous Contributed Funds

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Miscellaneous contributed funds (total costs—obligations)	$6,672	$6,859	$6,700
Financing:			
Unobligated balance brought forward		159	
Receipts	6,831	6,700	6,700
Unobligated balance carried forward	−159		
Total financing	6,672	6,859	6,700

Miscellaneous funds received from States, local organizations, individuals, and others are available for work under cooperative agreements (5 U.S.C. 67, 563).

Object Classification

	1959 actual	1960 estimate	1961 estimate
02 Travel	$6,670	$6,859	$6,700
08 Supplies and materials	2		
Total obligations	6,672	6,859	6,700

SOIL CONSERVATION SERVICE

Soil Conservation Service Trust Funds

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Technical services and other assistance, agricultural conservation program	$3,778,869		
2. Miscellaneous contributed funds	261,675	$297,703	$300,000
Total program costs	4,040,544	297,703	300,000
3. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−117,881		
Obligations incurred for costs of other years (unpaid undelivered orders), net		2,297	
Total program (obligations)	3,922,663	300,000	300,000
Financing:			
Unobligated balance brought forward	2,902,026	88,604	
Receipts:			
Technical services and other assistance, agricultural conservation program	862,834		
Miscellaneous contributed funds	246,407	211,396	300,000
Unobligated balance carried forward	−88,604		
Total financing	3,922,663	300,000	300,000

1. *Technical services and other assistance, agricultural conservation program.*—During the 1959 fiscal year funds were advanced to the Soil Conservation Service to complete the technical services required on the 1958 program-year referrals. Beginning with the 1959 program year the agreements with the individual county agricultural stabilization and conservation committees provide that the technical services to agricultural conservation program participants will be performed on a reimbursable basis. Therefore, no obligations appear for this activity in fiscal year 1960 or 1961 (71 Stat. 337; 16 U.S.C. 590k).

2. *Miscellaneous contributed funds.*—Miscellaneous funds received from States, local organizations, individuals, and others are available for work under cooperative agreements (5 U.S.C. 67, 563).

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $153,584; 1959, $35,703; 1960, $38,000; 1961, $38,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	84	13	13
Full-time equivalent of all other positions	226	9	9
Average number of all employees	625	38	38
Number of employees at end of year	20	24	24
Average GS grade and salary	6.7 $5,491	6.9 $5,520	6.9 $5,597
01 Personal services:			
Permanent positions	$2,075,274	$166,200	$166,000
Positions other than permanent	814,847	32,000	32,000
Other personal services	4,679	1,800	2,000
Total personal services	2,894,800	200,000	200,000
02 Travel	38,039	19,300	19,300
03 Transportation of things	374	1,600	1,600
04 Communication services	1,269	600	600

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DEPARTMENT OF AGRICULTURE—Continued

SOIL CONSERVATION SERVICE—Continued

SOIL CONSERVATION SERVICE TRUST FUNDS—Continued

Object Classification—Continued

		1959 actual	1960 estimate	1961 estimate
05	Rents and utility services	$900	$1,200	$1,200
06	Printing and reproduction	789	2,300	2,300
07	Other contractual services	326,244	53,000	53,000
	Services performed by other agencies	1,928	4,300	4,300
08	Supplies and materials	124,049	2,000	2,000
09	Equipment	3		
11	Grants, subsidies, and contributions	146,077	11,000	11,000
13	Refunds, awards, and indemnities	373,676	4,000	4,000
15	Taxes and assessments	14,515	700	700
	Total obligations	3,922,663	300,000	300,000

AGRICULTURAL MARKETING SERVICE

AGRICULTURAL MARKETING SERVICE TRUST FUNDS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Expenses and refunds, inspection and grading of farm products:			
(a) Cottonseed	$21,871	$32,000	$32,100
(b) Dairy products	1,715,678	1,689,600	1,702,200
(c) Fresh and processed fruits and vegetables	5,639,768	5,280,800	5,317,900
(d) Meat	4,260,467	4,688,100	4,720,000
(e) Naval stores	14,628	16,000	16,100
(f) Poultry products	4,062,267	4,404,200	4,889,300
(g) Rice, hay, beans, peas, seed, hops, and miscellaneous agricultural commodities	1,356,109	1,390,600	1,402,600
2. Miscellaneous contributed funds	96,905	66,755	32,000
Total program costs [1]	17,167,693	17,568,055	18,112,200
3. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−1,266	−20,043	
Total program (obligations)	17,166,427	17,548,012	18,112,200
Financing:			
Unobligated balance brought forward	6,138,275	6,391,463	6,306,795
Receipts:			
Expenses and refunds, inspection and grading of farm products	17,288,592	17,413,600	17,703,300
Miscellaneous contributed funds	91,040	49,744	32,000
Recovery of prior year obligations	39,983		
Unobligated balance carried forward	−6,391,463	−6,306,795	−5,929,895
Total financing	17,166,427	17,548,012	18,112,200

[1] Includes capital outlay as follows: 1959, $82,793; 1960, $83,400; 1961, $85,200.

1. *Expenses and refunds, inspection and grading of farm products.*—An inspection and grading service for farm products is provided upon application of interested parties. These services are supported primarily by fees and, to a limited extent, by direct appropriations to the Agricultural Marketing Service. The schedules reflect expenses paid from fees received (7 U.S.C. 91–99, 1621–1627). The volume of work performed under the trust fund is shown below:

[In millions]

Commodity	Unit	1959 actual	1960 estimate	1961 estimate
Dairy products	Pound	2,786.0	2,845.0	2,845.0
Fresh fruits and vegetables	Car or carlot equivalent.	1.4	1.4	1.5
Processed fruits and vegetables:				
Canned products	Case	173.9	170.0	170.0
Frozen, dried, and miscellaneous	Pound	2,988.3	3,300.0	3,400.0
Meat and meat products, graded	Pound	7,100.4	7,340.0	7,797.0
Poultry products, graded:				
Shell eggs	Case	34.9	38.0	40.0
Processed eggs	Pound	497.5	530.0	551.0
Poultry, including rabbits	Pound	2,022.2	2,291.1	2,411.1
Poultry products, inspected:				
Poultry, including rabbits	Pound	995.4	10.4	10.4
Poultry certified for canning	Pound	178.6	190.0	200.0
Grain and related products:				
Rice, beans, and peas	100-pound bag	50.3	58.5	58.5
Seed verification and reverification	Pound	62.4	72.0	72.0

2. *Miscellaneous contributed funds.*—Miscellaneous funds received from States, local organizations, individuals, and others available for work under cooperative agreements (5 U.S.C. 67, 563).

3. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$117,514	$76,265	$56,222	$56,222
Selected resources at start of year (−)		−117,514	−76,265	−56,222
Adjustment of selected resources reported at start of year		39,983		
Costs financed from obligations of other years, net (−)		−1,266	−20,043	

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Total number of permanent positions	3,115	2,660	2,781
	Full-time equivalent of all other positions	102	84	85
	Average number of all employees	2,361	2,429	2,502
	Number of employees at end of year	2,482	2,614	2,733
	Average GS grade and salary	7.2 $5,732	7.3 $5,750	7.3 $5,747
	Average salary of ungraded positions	$4,260	$4,367	$4,392
01	Personal services:			
	Permanent positions	$12,388,667	$12,961,436	$13,361,175
	Positions other than permanent	423,414	335,070	339,870
	Other personal services	785,022	465,939	456,355
	Total personal services	13,597,103	13,762,445	14,157,400
02	Travel	1,236,958	1,285,400	1,288,600
03	Transportation of things	44,426	75,400	75,300
04	Communication services	213,734	230,300	231,300
05	Rents and utility services	93,714	97,000	97,000
06	Printing and reproduction	81,004	84,500	84,500
07	Other contractual services	789,979	736,745	878,550
	Services performed by other agencies	128,428	204,500	204,500
08	Supplies and materials	111,491	131,900	130,550
09	Equipment	79,113	84,900	84,200
11	Grants, subsidies, and contributions	755,424	822,454	847,900
13	Refunds, awards, and indemnities	7,025	10,968	10,800
15	Taxes and assessments	28,028	21,500	21,600
	Total obligations	17,166,427	17,548,012	18,112,200

FOREIGN AGRICULTURAL SERVICE

MISCELLANEOUS CONTRIBUTED FUNDS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Miscellaneous contributed funds (total costs—obligations)	$4,000	$4,000	
Financing:			
Receipts	4,000	4,000	

Miscellaneous funds received from States, local organizations, and others are available for work under cooperative agreements (5 U.S.C. 67, 563).

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Total number of permanent positions	1	1	
	Average number of employees	1	1	
	Number of employees at end of year	0	0	
	Average GS grade and salary	12.0 $8,944	12.0 $8,944	
01	Personal services:			
	Permanent positions	$2,752	$2,752	
	Positions other than permanent	1,039	1,039	
	Total personal services	3,791	3,791	
07	Other contractual services	5	5	
11	Grants, subsidies, and contributions	179	179	
15	Taxes and assessments	25	25	
	Total obligations	4,000	4,000	

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COMMODITY STABILIZATION SERVICE

Miscellaneous Contributed Funds

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Miscellaneous contributed funds (total costs—obligations) (object class 07)	$39,970	$15,550	$9,000
Financing:			
Unobligated balance brought forward	5,627		
Receipts	34,343	15,550	9,000
Total financing	39,970	15,550	9,000

Miscellaneous funds received from States, local organizations, and others are available for work under cooperative agreements (5 U.S.C. 67, 563).

FARMERS HOME ADMINISTRATION

State Rural Rehabilitation Funds

These funds are administered by the Farmers Home Administration, under agreements with 40 individual States, for use in carrying out titles I and II of the Bankhead-Jones Farm Tenant Act. In these States, operating type loans are made at 5% interest. In some States, farm ownership type loans are made from these funds and insured under the regular Farmers Home Administration insured loan program at 5% of which 1% represents an insurance charge that is retained by the Government. The entire assets of the 40 State corporations are being administered by the Farmers Home Administration, with the exception of $7,298,513 in cash and other assets returned to States for rural rehabilitation purposes agreed upon between each corporation and the Federal Government.

Declining activity is expected in 1960 and 1961 as a result of further return of assets to State corporations. Actual and estimated loan operations for 1958, 1959, 1960, and 1961 are as follows:

	Operating	*Farm ownership*
1958	$1,799,719	$10,386,610
1959	1,513,545	9,720,835
1960 (estimate)	900,000	5,500,000
1961 (estimate)	500,000	3,000,000

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Loan program:			
Acquisition of loans	$12,915,650	$6,900,000	$3,500,000
Other acquisitions	10,787	13,000	13,000
Expense	635,652	592,500	402,500
Assets returned to States	627,533	976,100	1,195,100
Total gross expenditures	14,189,622	8,481,600	5,110,600
Receipts from operations (funds provided):			
Loan program:			
Loans repaid	7,935,070	6,000,000	4,700,000
Proceeds from sale of acquired property	14,350	4,000	6,000
Payments on judgments	19,237	15,000	30,000
Revenue	1,079,453	1,271,800	1,081,500
Decrease in selected working capital	159,205	602,345	444,590
Total receipts from operations	9,207,315	7,893,145	6,262,090
Trust expenditures	4,982,307	588,455	−1,151,490

Revenue, Expense, and Retained Earnings

Operating program:			
Revenue	$1,084,435	$1,271,800	$1,081,500
Expense	512,882	464,801	293,559
Net operating income	571,553	806,999	787,941
Nonoperating income or loss (−):			
Sale of acquired property	$14,350	$19,000	$6,000
Net book value of assets sold (−)	−9,762	−19,500	−5,800
Net nonoperating income or loss (−)	4,588	−500	200
Net income for the year	576,141	806,499	788,141
Deficit (−), beginning of year	−3,738,426	−3,652,386	−2,845,887
Adjustment of prior year expense	−490,101		
Deficit (−), end of year	−3,652,386	−2,845,887	−2,057,746

Financial Condition

Assets:			
Cash with Treasury	$3,523,741	$3,551,286	$5,202,776
U.S. securities (par)	2,816,000	2,200,000	1,700,000
Accounts receivable, net	1,605,561	1,332,138	1,150,589
Loans receivable, net	22,127,586	21,893,363	17,659,263
Acquired security or collateral	1,318	10,818	28,018
Real estate acquired through foreclosure	35,058	19,058	4,058
Judgments, net	33,895	33,395	30,395
Total assets	30,143,159	29,040,058	25,775,099
Liabilities:			
Current	48,404	43,404	33,404
Investment of States:			
Non-interest-bearing capital:			
Start of year	34,754,212	33,747,141	31,842,541
Prior year adjustment	490,101		
Assets transferred under trust agreement during year, net (−)	−1,497,172	−1,904,600	−4,043,100
End of year	33,747,141	31,842,541	27,799,441
Deficit (−)	−3,652,386	−2,845,887	−2,057,746
Total investment of States	30,094,755	28,996,654	25,741,695

Object Classification

Total number of permanent positions		42		32		22
Average number of all employees		42		31		20
Number of employees at end of year		33		32		22
Average GS grade and salary	5.6	$5,116	5.5	$5,032	5.9	$5,124
01 Personal services:						
Permanent positions		$212,029		$154,760		$104,570
Other personal services		676		1,240		430
Total personal services		212,705		156,000		105,000
02 Travel		21,119		16,000		9,900
07 Other contractual services		3,472		500		1,500
Services performed by other agencies		76,907		77,000		77,000
11 Grants, subsidies, and contributions		13,753		10,500		6,600
13 Refunds, awards, and indemnities		570,010		825,100		1,039,100
16 Investments and loans		11,234,380		6,400,000		3,500,000
Undistributed charges		199,393		162,578		98,459
Total obligations		12,331,739		7,647,678		4,837,559

OFFICE OF INFORMATION

Miscellaneous Contributed Funds

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Miscellaneous contributed funds (total program costs)	$2,199	$21,000	
2. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−1,586		
Total program (obligations)	613	21,000	
Financing:			
Unobligated balance brought forward	613		
Receipts		21,000	
Total financing	613	21,000	

1. Miscellaneous funds received from States, local organizations, individuals, and others are available for work under cooperative agreements (5 U.S.C. 67, 563).

2. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1958, $1,586.

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DEPARTMENT OF AGRICULTURE—Continued

OFFICE OF INFORMATION—Continued

Miscellaneous Contributed Funds—Continued

Object Classification

	1959 actual	1960 estimate	1961 estimate
03 Transportation of things	$158		
07 Other contractual services: Services performed by other agencies	455	$21,000	
Total obligations	613	21,000	

FOREST SERVICE

Forest Service Trust Funds

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Cooperative work:			
(a) Construction and maintenance of roads and trails	$1,112,415	$1,300,000	$1,300,000
(b) Construction and maintenance of other improvements	420,304	400,000	400,000
(c) Protection of national forests and adjacent private land	2,346,716	2,400,000	2,400,000
(d) Sale area betterment and scaling	10,622,112	12,240,000	12,740,000
(e) Research investigations	953,689	1,000,000	1,000,000
(f) Administration	61,365	60,000	60,000
(g) Reforestation	92,972	100,000	100,000
2. Miscellaneous contributed funds	11,140	5,571	
3. Technical services and other assistance, agricultural conservation program	4,357		
Total program costs [1]	15,625,070	17,505,571	18,000,000
4. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net	174,860		
Total program (obligations)	15,799,930	17,505,571	18,000,000
Financing:			
Unobligated balance brought forward	13,557,702	15,164,546	16,158,975
Receipts (cooperative work)	17,406,774	18,500,000	19,000,000
Unobligated balance carried forward	−15,164,546	−16,158,975	−17,158,975
Total financing	15,799,930	17,505,571	18,000,000

[1] Includes capital outlay as follows: 1959, $9,302,486; 1960, $10,920,000; 1961, $11,420,000.

1. *Cooperative work.*—Advances, including deposits from purchasers of timber, are received and used for cooperative work in forest investigations, protection, and improvement of the national forests; and protection, reforestation, and administration of private lands adjacent to national forests (16 U.S.C. 498, 572, 572a, 576b, 581; 31 U.S.C. 725s).

2. *Miscellaneous contributed funds.*—Miscellaneous funds received from States, local organizations, individuals, and others are available for work under cooperative agreements (5 U.S.C. 67, 563).

3. *Technical services and other assistance, agricultural conservation program.*—For a part of fiscal year 1959 funds were advanced to the Forest Service from the agricultural conservation program appropriation on the basis of agreements with individual county agricultural stabilization and conservation committees for technical assistance in formulating and carrying out the forestry portion of the agricultural conservation cost-sharing programs in participating counties (71 Stat. 337; 16 U.S.C. 590k).

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $346,229; 1959, $521,089; 1960, $521,089; 1961, $521, 089.

Object Classification

	1959 actual	1960 estimate	1961 estimate
FOREST SERVICE			
Total number of permanent positions	1,250	1,301	1,301
Full-time equivalent of all other positions	1,569	1,641	1,656
Average number of all employees	2,744	2,865	2,880
Number of employees at end of year	3,111	3,286	3,300
Average GS grade and salary	6.8 $5,583	6.9 $5,617	6.9 $5,614
Average salary of ungraded positions	$4,553	$4,754	$4,754
01 Personal services:			
Permanent positions	$5,218,996	$5,577,175	$5,577,175
Positions other than permanent	5,169,932	5,382,072	5,432,072
Other personal services	199,507	207,485	216,753
Total personal services	10,588,435	11,166,732	11,226,000
02 Travel	123,936	152,531	164,000
03 Transportation of things	52,925	62,139	67,000
04 Communication services	74,124	91,874	98,000
05 Rents and utility services	131,585	151,148	162,000
06 Printing and reproduction	13,480	13,500	15,000
07 Other contractual services	979,965	1,162,184	1,405,675
Services performed by other agencies	1,230,460	1,388,660	1,401,000
08 Supplies and materials	1,505,886	1,706,951	1,716,173
09 Equipment	288,243	306,775	329,000
10 Lands and structures	482,397	954,067	1,025,000
11 Grants, subsidies, and contributions	378,021	440,384	473,000
13 Refunds, awards, and indemnities	133,052	108,653	116,000
15 Taxes and assessments	106,724	122,890	131,000
Subtotal	16,089,233	17,828,488	18,328,848
Deduct quarters and subsistence charges	312,319	322,917	328,848
Total, Forest Service	15,776,914	17,505,571	18,000,000
ALLOCATION TO DEPARTMENT OF COMMERCE			
Total number of permanent positions	1		
Average number of all employees	1		
Number of employees at end of year	1		
Average GS grade and salary	8.1 $6,598		
01 Personal services:			
Permanent positions	$2,767		
Positions other than permanent	63		
Other personal services	707		
Total personal services	3,537		
02 Travel	375		
07 Other contractual services: Services performed by other agencies	3,196		
09 Equipment	45		
10 Lands and structures	15,630		
11 Grants, subsidies, and contributions	180		
13 Refunds, awards, and indemnities	50		
15 Taxes and assessments	3		
Total, Department of Commerce	23,016		
Total obligations	15,799,930	17,505,571	18,000,000

DEPARTMENT OF COMMERCE

BUREAU OF THE CENSUS

Special Statistical Work

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Special statistical studies:			
(a) Age and citizenship searches	$691,009	$680,000	$660,000
(b) Special statistical studies	683,076	695,000	715,000
2. General administration	121,909	125,000	125,000
Total program costs	1,495,994	1,500,000	1,500,000
3. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−2,554		
Total program (obligations)	1,493,440	1,500,000	1,500,000
Financing:			
Unobligated balance brought forward	459,715	335,645	100,000
Receipts	1,369,370	1,264,355	1,500,000
Unobligated balances carried forward	−335,645	−100,000	−100,000
Total financing	1,493,440	1,500,000	1,500,000

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The Bureau performs special statistical work, at cost, for individuals and firms requesting such service. In addition, the Bureau furnishes age and citizenship data from past census records on a fee basis. Funds received for these purposes are used to pay expenses incurred in the performance of such work (5 U.S.C. 606; 12 U.S.C. 1701e; 13 U.S.C. 8, 218; 15 U.S.C. 189a, 192).

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $7,071; 1959, $4,517; 1960, $4,517; 1961, $4,517.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	228	228	228
Full-time equivalent of all other positions	11	11	11
Average number of all employees	226	226	226
Number of employees at end of year	226	228	228
Average GS grade and salary	6.7 $5,673	6.8 $5,765	6.8 $5,796
Average salary of ungraded positions	$5,080	$5,372	$5,372
01 Personal services:			
Permanent positions	$947,191	$946,380	$976,628
Positions other than permanent	77,476	43,000	43,000
Other personal services	67,046	70,000	58,000
Total personal services	1,091,713	1,059,380	1,077,628
02 Travel	58,190	60,057	59,517
03 Transportation of things	42,667	43,534	42,977
04 Communication services	20,996	21,641	22,313
05 Rents and utility services	11,126	12,585	11,136
06 Printing and reproduction	25,250	25,449	26,144
07 Other contractual services	6,532	28,461	20,627
Services performed by other agencies	122,921	127,031	122,531
Transfer to miscellaneous receipts	14,194	14,000	14,000
08 Supplies and materials	20,425	22,925	19,423
09 Equipment	1,009	1,110	1,223
11 Grants, subsidies, and contributions	57,326	60,357	58,619
13 Refunds, awards, and indemnities	21,676	21,301	21,393
15 Taxes and assessments	1,969	2,169	2,469
Total costs	1,495,994	1,500,000	1,500,000
Costs financed from obligations of other years, net (−)	−2,554		
Total obligations	1,493,440	1,500,000	1,500,000

BUSINESS AND DEFENSE SERVICES ADMINISTRATION

Business and Defense Services Administration Trust Funds

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Special studies and reports	$10,459	$10,000	$10,000
2. Preparation of transcripts of studies, tables, and other records	265,986	452,000	452,000
Total program costs	276,445	462,000	462,000
3. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)	−370		
Total program (obligations)	276,075	462,000	462,000
Financing:			
Unobligated balance brought forward	164,866	321,763	321,763
Receipts:			
Special statistical work	13,006	10,000	10,000
Expenses, transcripts of studies, tables, and other records	419,966	452,000	452,000
Unobligated balance carried forward	−321,763	−321,763	−321,763
Total financing	276,075	462,000	462,000

1. *Special studies and reports.*—Statistical reports based on Administration data are prepared at the expense of the requesting public (15 U.S.C. 192).

2. *Preparation of transcripts of studies, tables, and other records.*—Proceeds from the sale of reports and documents are used for their reproduction and dissemination (31 U.S.C. 725s; 15 U.S.C. 1153).

3. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1958, $1,280; 1959, $910; 1960, $910; 1961, $910.

Object Classification

	1959 actual	1960 estimate	1961 estimate
02 Travel	$161	$200	$200
06 Printing and reproduction	3,543	3,800	3,800
07 Other contractual services: Services performed by other agencies	272,371	458,000	458,000
Total obligations	276,075	462,000	462,000

MARITIME ACTIVITIES

Federal Ship Mortgage Insurance Escrow Fund

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Construction of insured vessels		$5,792,270	$39,191,321
Payment of interest to mortgagors		1,399,100	3,415,400
Total obligations		7,191,370	42,606,721
Financing:			
Unobligated balance brought forward:			
Cash			1,071,162
U.S. securities (par)			60,026,859
Receipts:			
Deposits		66,890,291	78,000,000
Interest		1,399,100	3,415,400
Unobligated balance carried forward:			
Cash		−1,071,162	−3,993,700
U.S. securities (par)		−60,026,859	−95,913,000
Total financing		7,191,370	42,606,721

When loans and mortgages for construction, reconstruction, and reconditioning of vessels, insured by the United States under the provisions of title XI of the Merchant Marine Act of 1936, are financed by sale of bonds to the general public, the Secretary of Commerce is authorized by section 1111 of the act to accept deposits in escrow of the proceeds from the bond sale, together with interest thereon for the period of the escrow agreement. The purpose of the escrow deposit is to assure that funds shall be available (*a*) to make progress payments becoming due on the construction of the vessel, (*b*) for interest on the loan or mortgage, and (*c*) payment on account of principal in case of default. Investments on the fund may be made in U.S. obligations. Any income realized through investment of escrow funds is paid to the mortgagor.

It is anticipated that by 1960 approximately $67 million will have been deposited covering the construction of 10 vessels. The 1961 estimate reflects additional deposits of $78 million covering 13 vessels.

Object Classification

	1959 actual	1960 estimate	1961 estimate
09 Equipment		$5,792,270	$39,191,321
14 Interest		1,399,100	3,415,400
Total obligations		7,191,370	42,606,721

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DEPARTMENT OF COMMERCE—Continued

MARITIME ACTIVITIES—Continued

UNITED STATES MERCHANT MARINE ACADEMY, KINGS POINT, N.Y., DONATIONS FOR CHAPEL AND LIBRARY FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Construction of chapel (object class 10)	$545,728	$149,331	$5,000
Financing:			
Unobligated balance brought forward:			
Cash	17,385	−423,819	
U.S. securities (par)	586,650	541,650	
Receipts:			
Donations	53,156	30,000	5,000
Interest from investments	2,673	1,500	
Advances and reimbursements from non-Federal sources	391		
Adjustment of prior year obligations	381		
Gain from premium or discount on investment	2,923		
Unobligated balance carried forward:			
Cash	423,819		
U.S. securities (par)	−541,650		
Total financing	545,728	149,331	5,000

Contributions from private sources are accepted toward the cost of construction of a chapel and library at the Merchant Marine Academy, Kings Point, N.Y. (68 Stat. 1050; 62 Stat. 172). The initial phase of construction commenced in 1959.

BUREAU OF PUBLIC ROADS

HIGHWAY TRUST FUND

NOTE.—The supporting detail of the above item is shown in the Department of Commerce chapter in part II, p. 423.

OTHER BUREAU OF PUBLIC ROADS TRUST FUNDS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Cooperative work, forest highways	$445,231	$308,052	$250,000
2. Equipment, supplies, etc., for cooperating countries	4,985,192	5,000,000	5,000,000
3. Technical assistance, U.S. dollars advanced from foreign governments	3,462,563	6,828,233	3,500,000
4. Advances from Alaska		15,165,569	25,000,000
5. Funds contributed for improvement of roads, bridges, and trails, Alaska	46,896	47,751	
6. Contributions for highway research program	7,280	3,140	
7. Contributed funds, highways for Alaska	1,464,780		
Total obligations	10,411,942	27,352,745	33,750,000
Financing:			
Unobligated balance brought forward	342,724	2,602,745	50,000
Unobligated balance transferred to "Advances from Alaska" (73 Stat. 145)		165,569	
Unobligated balance transferred from "Contributed funds, highways for Alaska" (73 Stat. 145)		−165,569	
Receipts:			
Cooperative work, forest highways	501,500	300,000	200,000
Equipment, supplies, etc., for cooperating countries	4,985,192	5,000,000	5,000,000
Technical assistance, U.S. dollars advanced from foreign governments	5,617,375	4,500,000	3,500,000
Advances from Alaska		15,000,000	25,000,000
Funds contributed for improvement of roads, bridges, and trails, Alaska	94,647		
Contributions for highway research program	10,420		
Contributed funds, highways for Alaska	1,462,829		
Unobligated balance carried forward	−2,602,745	−50,000	
Total financing	10,411,942	27,352,745	33,750,000

1. *Cooperative work, forest highways.*—Contributions are received from States and counties in connection with cooperative engineering, survey, maintenance, and construction projects for forest highways (42 Stat. 212, 218).

2. *Equipment, supplies, etc., for cooperating countries.*—In connection with the construction of the Inter-American Highway, the Bureau acts as agent for the cooperating Central American republics in purchase of equipment, supplies, and services (55 Stat. 860).

3. *Technical assistance, U.S. dollars advanced from foreign governments.*—Under the Foreign Economic Assistance Act and under agreement with the International Bank for Reconstruction and Development and the Export-Import Bank of Washington, the Bureau of Public Roads renders technical assistance and acts as agent for the purchase of equipment and materials for carrying out highway programs in foreign countries. During the current year, these services are being rendered for Ethiopia, Iran, Nicaragua, Philippines, Turkey, Iraq, and Liberia (68 Stat. 841–861).

4. *Advances from Alaska.*—Pursuant to the agreement between the Federal Government and the State of Alaska, the Bureau of Public Roads performs State highway functions on the Federal-aid systems for Alaska with funds contributed by the State (73 Stat. 151). Present plans contemplate the transfer to Alaska of all highway operations being performed by the Bureau under authority of the Alaska Omnibus Act by the end of 1961.

5. *Funds contributed for improvement of roads, bridges, and trails, Alaska.*—Funds are contributed by the State of Alaska and other local sources for construction, repair, and maintenance of roads, airfields and related facilities. The work is performed under the supervision of the Bureau of Public Roads (48 U.S.C. 327).

6. *Contributions for highway research program.*—In association with the General Services Administration and the Department of Defense, tests of highway equipment are conducted for the purpose of establishing performance standards upon which to base specifications for use by the Government in purchasing such equipment (68 Stat. 74).

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Total number of permanent positions	120	664	664
	Full-time equivalent of all other positions	7	145	145
	Average number of all employees	110	689	689
	Number of employees at end of year	104	914	64
	Average GS grade and salary	8.1 $6,598	8.2 $6,674	8.2 $6,771
01	Personal services:			
	Permanent positions	$856,300	$3,939,000	$3,978,000
	Positions other than permanent	47,537	773,400	773,900
	Other personal services	174,107	742,500	734,500
	Total personal services	1,077,944	5,454,900	5,486,400
02	Travel	68,817	373,100	373,100
03	Transportation of things	461,675	1,317,000	802,000
04	Communication services	3,927	16,000	16,000
05	Rents and utility services	137	79,100	79,100
06	Printing and reproduction		4,000	4,000
07	Other contractual services	5,935	74,100	74,100
	Services performed by other agencies	1,026,847	246,640	242,100
08	Supplies and materials	1,475,368	4,387,000	2,924,000
09	Equipment	1,086,033	3,720,233	2,356,500
10	Lands and structures	5,146,949	11,375,872	21,087,900
11	Grants, subsidies, and contributions	33,739	251,100	251,100
13	Refunds, awards, and indemnities	20,720	20,700	20,700
15	Taxes and assessments	3,851	33,000	33,000
	Total obligations	10,411,942	27,352,745	33,750,000

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations, as follows:
"Cooperative work," Forest Service, Department of Agriculture (trust fund).
"Contributed funds," Bureau of Land Management, Department of the Interior (trust fund).

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NATIONAL BUREAU OF STANDARDS

GIFTS AND BEQUESTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Physics and electronics	$12,323	$6,000	$4,000
2. Chemistry and metallurgy	108,319	59,000	58,000
3. Mechanics and engineering	12,395	22,000	22,000
4. Radio propagation	6,155		
5. General services	6,827	7,000	7,000
Total program costs	146,019	94,000	91,000
6. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net	1,081		
Total obligations (object class 07)	147,100	94,000	91,000
Financing:			
Unobligated balance brought forward	143,894	92,625	73,625
Receipts	95,831	75,000	50,000
Unobligated balance carried forward	−92,625	−73,625	−32,625
Total financing	147,100	94,000	91,000

This trust fund is maintained to account for gifts or bequests for the purpose of aiding and facilitating the work of the National Bureau of Standards as authorized by Public Law 84–940 (15 U.S.C. 278a).

6. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, $1,081; 1960, $1,081; 1961, $1,081.

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Return of funds to donor (object class 13)	$30		
Financing:			
Unobligated balance brought forward	30		

WEATHER BUREAU

SPECIAL STATISTICAL WORK

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Meteorological statistical studies	$59,559	$53,233	$50,000
2. Return of funds to donor	340		
Total obligations	59,899	53,233	50,000
Financing:			
Unobligated balance brought forward	9,287	13,233	10,000
Receipts	63,845	50,000	50,000
Unobligated balance carried forward	−13,233	−10,000	−10,000
Total financing	59,899	53,233	50,000

Payments are received from non-Government interests for the performance of special statistical studies, usually involving climatological data (49 Stat. 293).

Object Classification

	1959 actual	1960 estimate	1961 estimate
Average number of all employees	11	9	9
Number of employees at end of year	11	10	10
01 Personal services: Positions other than permanent	$43,240	$38,300	$38,300
03 Transportation of things	154	200	100
04 Communication services	128	200	100
05 Rents and utility services	9,476	9,000	7,400
06 Printing and reproduction	904	600	500
07 Other contractual services	3,641	3,500	2,500
08 Supplies and materials	985	500	500
13 Refunds, awards, and indemnities	340		
15 Taxes and assessments	1,031	933	600
Total obligations	59,899	53,233	50,000

DEPARTMENT OF DEFENSE—MILITARY

OPERATION AND MAINTENANCE

ARMY TRUST FUNDS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Advances for supplies and expenses, United Nations Korean Reconstruction Agency	$13,703	$4,360	
2. Bequest of Maj. Gen. Fred C. Ainsworth, Library, Walter Reed General Hospital	242	300	$300
3. Kermit Roosevelt fund	1,450	1,100	1,100
4. General gift fund	33,021	5,700	5,700
5. National Guard armory construction, State-contributed funds		1,867	
Total obligations	48,416	13,327	7,100
Financing:			
Unobligated balance brought forward:			
Cash	192,345	156,272	150,030
U.S. securities (par)	31,750	32,250	32,250
Receipts:			
Bequest of Maj. Gen. Fred C. Ainsworth Library, Walter Reed General Hospital	285	285	285
Kermit Roosevelt fund	1,450	1,100	1,100
Transportation, International Refugee Organization	2,729		
General gift fund	8,357	5,700	5,700
Recovery of prior year obligations	22		
Unobligated balance carried forward:			
Cash	−156,272	−150,030	−150,015
U.S. securities (par)	−32,250	−32,250	−32,250
Total financing	48,416	13,327	7,100

1. *Advances for supplies and expenses, United Nations Korean Reconstruction Agency.*—Funds advanced by the United Nations Korean Reconstruction Agency are used for the purchase of supplies and services (65 Stat. 376).

2. *Bequest of Maj. Gen. Fred C. Ainsworth, Library, Walter Reed General Hospital.*—This fund, derived from earnings of the bequest, provides for maintenance of a permanent library of medical books at Walter Reed Hospital known as the Fred C. Ainsworth Endowment Library (31 U.S.C. 725s).

3. *Kermit Roosevelt fund.*—Proceeds of this fund are used for fostering better understanding and a closer relationship between the military forces of the United States and the United Kingdom through an exchange of eminent lecturers selected by the Chiefs of Staff of the United States and United Kingdom (5 U.S.C. 224–228).

4. *General gift fund.*—Donations which are not limited to specific use by the donor are used for Army institutions

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DEPARTMENT OF DEFENSE—MILITARY—Con.

OPERATION AND MAINTENANCE—Continued

ARMY TRUST FUNDS—Continued

as determined by the Secretary of the Army (5 U.S.C. 150q–t).

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	1		
Average number of all employees	1		
Number of employees at end of year	0		
Average GS grade and salary	6.0 $5,214		
01 Personal services:			
Permanent positions	$2,413		
Other personal services	20		
Total personal services	2,433		
02 Travel	1,450	$1,100	$1,100
03 Transportation of things	251		
07 Other contractual services	27,958	1,000	1,000
08 Supplies and materials	299	2,300	2,300
09 Equipment	3,655	2,700	2,700
11 Grants, subsidies, and contributions	168		
13 Refunds, awards, and indemnities	12,202	6,227	
Total obligations	48,416	13,327	7,100

NAVY TRUST FUNDS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Naval reservation, Olongapo civic fund	$831,205	$400,000	
2. Naval Academy general gift fund	1,435	2,500	$2,500
3. Naval Academy museum fund		500	500
4. General gift fund, Navy	20,558	10,000	10,000
5. Ships' stores profits	9,775,105	7,000,000	5,000,000
Total obligations	10,628,303	7,413,000	5,013,000
Financing:			
Unobligated balance brought forward:			
Cash	1,968,925	2,553,629	2,539,661
U.S. securities (par)	146,500	209,500	209,500
Receipts:			
Naval reservation, Olongapo civic fund: Taxes	838,599	371,117	
Naval Academy general gift fund:			
Contributions	2,050		
Interest	2,731	2,815	2,900
Navy Academy museum fund: Contributions	70		
Interest	574	600	600
General gift fund, Navy:			
Contributions	15	10,000	10,000
Return to donors	−1,510		
Office of Naval Records and History fund:			
Interest	1,430	2,500	2,500
Royalties	15,974	12,000	12,000
Ships' stores profits	10,415,167	7,000,000	5,000,000
Gain from discounts on investments:			
Naval Academy general gift fund	347		
Office of Naval Records and History fund	560		
Unobligated balance carried forward:			
Cash	−2,553,629	−2,539,661	−2,554,661
U.S. securities (par)	−209,500	−209,500	−209,500
Total financing	10,628,303	7,413,000	5,013,000

1. *Naval reservation, Olongapo civic fund.*—Administrative control and custody of the naval reservation, Olongapo, were transferred to the Republic of the Philippines on December 7, 1959, and collections for use in the trust fund were discontinued as of that date.

Activities 2, 3, and 4 consist mostly of donations from individuals, subject to conditions specified by the donor, for the benefit of the Naval Academy, the Naval Academy Museum, and other institutions of the Navy (10 U.S.C. 2601, 6973–6974).

5. *Ships' stores profits.*—Profits earned in the operation of ships' stores are expended at the discretion of the Secretary of the Navy for the amusement, comfort, contentment, and welfare of officer and enlisted personnel on ships or outside the United States (10 U.S.C. 7604; 31 U.S.C. 725s(68)).

Object Classification

	1959 actual	1960 estimate	1961 estimate
07 Other contractual services	$851,763	$410,000	$10,000
08 Supplies and materials	9,776,540	7,003,000	5,003,000
Total obligations	10,628,303	7,413,000	5,013,000

GENERAL GIFT FUND, AIR FORCE

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Purchase of paintings for Air Force Academy	$12,000	$8,000	$8,000
2. "Boots Award" trophy		225	125
3. Air Force Academy cadet awards program		2,083	1,036
4. Silver service for Air Force Academy	969	517	
5. Memorial plaques for Academy buildings		1,125	
6. Welfare of the Air Force Academy choir		250	
7. Welfare of the Air Force Band		200	39
Total obligations	12,969	12,400	9,200
Financing:			
Unobligated balance brought forward:			
Cash		39,918	30,118
U.S. securities (par)			5,000
Receipts:			
Bequest of Margaret M. Hitchcock Fund	50,000		
Gift from H. Jay Boots:			
Cash		5,100	
Interest		125	125
Donations for Air Force Academy, cadet awards program	1,161	1,000	1,000
Gift from Air Force Association		1,125	
Gift from Capital Life Insurance Co. of Denver, Colo		250	
Royalties	23		
Recovery of prior year obligations	1,703		
Unobligated balance carried forward:			
Cash	−39,918	−30,118	−22,043
U.S. securities (par)		−5,000	−5,000
Total financing	12,969	12,400	9,200

1–6. Gifts or bequests, some of which are limited to specific purposes by the donors, are used for the welfare of the cadets at the Air Force Academy. With the movement of the Academy to its permanent site in 1959, the number and amount of such gifts and bequests have increased appreciably.

7. Royalties from the sale of musical recordings have been dedicated to the recreation and welfare of the Air Force Band (10 U.S.C. 2601).

Object Classification

	1959 actual	1960 estimate	1961 estimate
08 Supplies and materials		$2,758	$1,200
09 Equipment	$12,969	9,642	8,000
Total obligations	12,969	12,400	9,200

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DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

RIVERS AND HARBORS AND FLOOD CONTROL TRUST FUNDS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Construction:			
(a) Where required for an authorized Federal project:			
(1) Contributed funds	$6,669,793	$7,893,743	$3,308,100
(2) Advanced funds	1,211	31,557	
(b) Where not required for an authorized Federal project (contributed funds)	6,292,951	6,967,042	5,978,557
2. Maintenance (contributed funds)	119,794	90,076	92,500
3. Returned to contributing interests:			
(1) Contributed funds	222,238	124,466	
(2) Advanced funds	337,500		
Total program costs	13,643,487	15,106,884	9,379,157
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (−)	−1,098,264	−2,740,173	
Obligations incurred for costs of other years, net			1,180,000
Total program (obligations)	12,545,223	12,366,711	10,559,157
Financing:			
Unobligated balance brought forward	5,789,794	5,520,864	953,932
Receipts (contributions and advances from local interests)	12,276,293	7,799,779	10,332,100
Unobligated balance carried forward	−5,520,864	−953,932	−726,875
Total financing	12,545,223	12,366,711	10,559,157

1–3. (1) *Contributed funds.*—Contributions by local interests are used for flood control and river and harbor improvement work for the benefit of the contributing localities (33 U.S.C. 560, 701h, 702f, 703).

(2) *Advanced funds.*—Advances from local interests are expended upon authorized river and harbor improvements and are returnable to local interests upon the availability of Federal funds (33 U.S.C. 561).

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received):				
(1) Contributed funds	$4,584,160	$3,457,504	$745,723	$1,925,723
(2) Advanced funds		28,392		
Total selected resources at end of year	4,584,160	3,485,896	745,723	1,925,723
Selected resources at start of year (−)		−4,584,160	−3,485,896	−745,723
Costs financed from obligations of other years, net (−)		−1,098,264	−2,740,173	
Obligations incurred for costs of other years, net				1,180,000

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	81	87	75
Full-time equivalent of all other positions	1	1	1
Average number of all employees	76	82	72
Number of employees at end of year	75	75	70
Average GS grade and salary	7.4 $6,135	7.4 $6,158	7.4 $6,176
Average salary of ungraded positions	$5,269	$5,295	$5,322
01 Personal services:			
Permanent positions	$472,393	$512,018	$451,217
Positions other than permanent	6,041	6,300	5,000
Other personal services	2,142	3,982	1,783
Total personal services	480,576	522,300	458,000
02 Travel	1,923	1,500	1,000
03 Transportation of things	20		
04 Communication services	930	400	200
05 Rents and utility services	13,674	9,900	5,000
06 Printing and reproduction	503	400	100
07 Other contractual services	1,195,909	695,000	420,000
Services performed by—			
Other agencies	7,868	7,000	
"Revolving fund, Corps of Engineers"	184,051	180,000	170,000
08 Supplies and materials	$981	$1,000	$1,000
09 Equipment	3,480		
10 Lands and structures	10,064,747	10,791,745	9,474,857
11 Grants, subsidies, and contributions	30,823	33,000	29,000
13 Refunds, awards, and indemnities	559,738	124,466	
Total obligations	12,545,223	12,366,711	10,559,157

ADVANCES AND REIMBURSEMENTS, RIVERS AND HARBORS AND FLOOD CONTROL (TRUST FUND)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Consultant services (Department of State) (total obligations)	$980	$1,255	
Financing:			
Unobligated balance brought forward	2,235	1,255	
Unobligated balance carried forward	−1,255		
Total financing	980	1,255	

Object Classification

02 Travel	$288	$300	
07 Other contractual services	692	955	
Total obligations	980	1,255	

RYUKYU ISLANDS, ARMY

PROCEEDS OF REMITTANCES TO AND EXPORTS FROM RYUKYU ISLANDS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Imports financed (object class 08)		$219,576	
Financing:			
Unobligated balance brought forward	$214,574	219,576	
Recovery of prior year obligations	5,002		
Unobligated balance carried forward	−219,576		
Total financing		219,576	

The proceeds of remittances and exports are available to finance approved imports and to pay claims.

UNITED STATES SOLDIERS' HOME

LIMITATION ON OPERATION AND MAINTENANCE AND CAPITAL OUTLAY

NOTE.—The supporting detail of the above item is shown in the Department of Defense—Civil chapter in part II, p. 550.

SOLDIERS' HOME PERMANENT FUND

Amounts Available for Transfer

	1959 actual	1960 estimate	1961 estimate
Unappropriated balance brought forward	$85,765,890	$91,526,915	$91,004,915
Receipts:			
Stoppages, fines, and forfeitures	7,022,000	5,700,000	4,200,000
Estates of deceased soldiers and airmen	29,922	28,000	28,000
Withheld pay	1,851,316	1,900,000	2,000,000
Interest credited	2,593,586	2,900,000	3,100,000
All other	14,578	15,000	15,000
Unobligated balance returned	31,908		
Total available	97,309,200	102,069,915	100,347,915

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DEPARTMENT OF DEFENSE—CIVIL—Continued

UNITED STATES SOLDIERS' HOME—Continued

SOLDIERS' HOME PERMANENT FUND—Continued

Amounts Available for Transfer—Continued

	1959 actual	1960 estimate	1961 estimate
Transferred to—			
"Limitation on operation and maintenance and capital outlay":			
Authorized	−$5,761,500	−$10,948,000	−$5,664,000
Proposed increase due to wage-board pay increases		−96,000	
"Payment of claims"	−20,785	−21,000	−21,000
Balance carried forward	91,526,915	91,004,915	94,662,915

This fund consists of receipts from fines, forfeitures, and stoppages of pay of regular enlisted personnel of the Army and Air Force, withholding of 10 cents per month from the pay of such personnel, estates of deceased soldiers and airmen, other receipts consisting largely of sales, and interest of 3% on fund balance. The receipts and the balance are available for obligation and expenditure through the Operation and maintenance and capital outlay limitation only as enacted annually by Congress (24 U.S.C. 44, 45; 31 U.S.C. 725s).

PAYMENT OF CLAIMS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Payment of certified claims (object class 13)	$20,785	$21,000	$21,000
Financing:			
Receipts from "Soldiers' Home permanent fund"	20,785	21,000	21,000

Refunds are made from the permanent fund of amounts of court-martial fines and other charges erroneously deducted from the pay of soldiers and airmen after adjudication of claims therefor by the General Accounting Office (31 U.S.C. 71, 711(12); 24 U.S.C. 44).

UNITED STATES SOLDIERS' HOME REVOLVING FUND

This fund finances, on a reimbursable basis, inventories of household, maintenance, and office supplies, and minor equipment for use in the operating activities of the United States Soldiers' Home. The fund does not finance medical supplies, clothing, subsistence, or major equipment.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Sales program: Purchase of commodities for sale	$98,167	$112,725	$115,000
Receipts from operations (funds provided):			
Sales program: Revenue	107,811	109,000	120,000
Decrease in selected working capital	81		
Total receipts from operations	107,892	109,000	120,000
Trust expenditures	−9,725	3,725	−5,000

Revenue, Expense, and Retained Earnings

	1959 actual	1960 estimate	1961 estimate
Revenue	$107,811	$109,000	$120,000
Expense	107,811	109,000	120,000
Net operating income			
Nonoperating income: Inventory adjustment (net income for the year)	18		
Retained earnings, beginning of year	1,866	1,884	1,884
Retained earnings, end of year	1,884	1,884	1,884

Financial Condition

Assets:			
Cash with Treasury	$38,395	$34,670	$39,670
Accounts receivable, net	924	924	924
Commodities for sale	119,395	123,120	118,120
Total assets	158,714	158,714	158,714
Liabilities:			
Current	2,000	2,000	2,000
Net trust investment:			
Start and end of year	154,830	154,830	154,830
Retained earnings	1,884	1,884	1,884
Total trust investment	156,714	156,714	156,714

Object Classification

06	Printing and reproduction	$826	$1,100	$1,150
08	Supplies and materials	93,035	104,925	106,950
09	Equipment	5,823	6,700	6,900
	Total obligations	99,684	112,725	115,000

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

FREEDMEN'S HOSPITAL

GIFT FUNDS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Research		$422	
2. Conditional gifts	$721	1,188	
3. Unconditional gifts	279	6,827	
Total program (costs—obligations)	1,000	8,437	
Financing:			
Unobligated balance brought forward	8,074	8,437	
Receipts:			
Conditional gift fund	1,353		
Unconditional gift fund	10		
Unobligated balance carried forward	−8,437		
Total financing	1,000	8,437	

This trust fund is maintained to account for gifts to Freedmen's Hospital (55 Stat. 187).

Object Classification

		1959 actual	1960 estimate	1961 estimate
08	Supplies and materials	$636	$650	
09	Equipment	364	7,787	
	Total obligations	1,000	8,437	

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PUBLIC HEALTH SERVICE

PUBLIC HEALTH SERVICE TRUST FUNDS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Patients' benefits	$32,325	$25,303	$25,000
2. Unconditional gifts	2,059	20,056	5,000
3. Conditional gifts	56,913	109,856	13,000
Total program costs	91,297	155,215	43,000
4. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)		−32,215	
Obligations incurred for costs of other years (unpaid undelivered orders), net	31,494		
Total program (obligations)	122,791	123,000	43,000
Financing:			
Unobligated balance brought forward:			
Cash	143,446	173,965	141,965
U.S. securities (par)	78,400	78,000	78,000
Receipts:			
Patients' benefits	37,281	25,000	25,000
Unconditional gifts:			
Contributions	24,860	20,905	15,254
Interest	2,444	2,095	1,746
Conditional gifts:			
Contributions	86,550	41,225	12,225
Interest	1,775	1,775	1,775
Unobligated balance carried forward:			
Cash	−173,965	−141,965	−154,965
U.S. securities (par)	−78,000	−78,000	−78,000
Total financing	122,791	123,000	43,000

Gifts to the Public Health Service, some of which are limited to specific uses by the donors, are expended for the benefit of patients at Public Health Service hospitals, and for research or other activities of the Service (42 U.S.C. 219).

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $721; 1959, $32,215.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	6	8	2
Full-time equivalent of all other positions	1		
Average number of all employees	4	8	2
Number of employees at end of year	5	8	2
Average GS grade and salary	6.4 $4,900	6.3 $4,951	9.0 $6,209
01 Personal services:			
Permanent positions	$16,531	$38,859	$9,089
Positions other than permanent	3,225		
Other personal services	616	1,165	43
Total personal services	20,372	40,024	9,132
02 Travel	6,690	3,987	
03 Transportation of things	1,859	500	
04 Communication services	5,216	5,300	5,000
05 Rents and utility services	2,867	10,000	
06 Printing and reproduction	391	1,700	
07 Other contractual services	12,129	26,358	5,521
08 Supplies and materials	30,633	35,793	21,340
09 Equipment	6,572	30,072	1,200
11 Grants, subsidies, and contributions	2,829	1,281	807
13 Refunds, awards, and indemnities	1,451		
15 Taxes and assessments	288	200	
Total costs	91,297	155,215	43,000
Costs financed from obligations of other years, net (−)		−32,215	
Obligations incurred for costs of other years, net	31,494		
Total obligations	122,791	123,000	43,000

SAINT ELIZABETHS HOSPITAL

PATIENTS' BENEFIT FUNDS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Personal needs of indigent patients	$537	$600	$600
2. Conditional gift fund	1,020	9,000	9,800
Total program (costs—obligations)	1,557	9,600	10,400
Financing:			
Unobligated balance brought forward	5,857	14,471	14,171
Receipts:			
Patients benefit fund	967	300	300
Conditional gift fund	9,204	9,000	9,800
Unobligated balance carried forward	−14,471	−14,171	−13,871
Total financing	1,557	9,600	10,400

Donations are received and used for patients' benefits as provided by the donors (24 U.S.C. 165).

Object Classification

	1959 actual	1960 estimate	1961 estimate
07 Other contractual services		$8,400	$9,300
08 Supplies and materials	$537	600	600
09 Equipment	1,020	600	500
Total obligations	1,557	9,600	10,400

SOCIAL SECURITY ADMINISTRATION

LIMITATION ON SALARIES AND EXPENSES, BUREAU OF OLD-AGE AND SURVIVORS INSURANCE

LIMITATION ON CONSTRUCTION, BUREAU OF OLD-AGE AND SURVIVORS INSURANCE

NOTE.—The supporting detail of the above items are shown in the Department of Health, Education, and Welfare chapter in part II, pp. 615-617.

OFFICE OF THE SECRETARY

ADVANCES AND REIMBURSEMENTS (TRUST FUND)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Federal Council on Aging (total obligations)		$5,500	$5,500
Financing:			
Advances and reimbursements from non-Federal sources: Federal old-age and survivors insurance trust fund		5,500	5,500

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions		1	1
Average number of all employees		1	1
Number of employees at end of year		1	1
Average GS grade and salary		7.0 $5,138	7.0 $5,138
01 Personal services:			
Permanent positions		$4,365	$4,385
Other personal services		40	20
Total personal services		4,405	4,405
06 Printing and reproduction			400
07 Other contractual services		270	270
09 Equipment		540	140
11 Grants, subsidies, and contributions		285	285
Total obligations		5,500	5,500

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DEPARTMENT OF THE INTERIOR

BONNEVILLE POWER ADMINISTRATION

CONSTRUCTION OF ELECTRIC TRANSMISSION LINES AND SUBSTATIONS, CONTRIBUTIONS, BONNEVILLE POWER PROJECT

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Construction	$266,556	$479,486	$534,000
2. Returned to donor	8,818		
Total program costs	275,374	479,486	534,000
3. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (−)		−19,412	−50,000
Obligations incurred for costs of other years (unpaid undelivered orders), net	50,320		
Total program (obligations)	325,694	460,074	484,000
Financing:			
Unobligated balance brought forward	81,643	624,624	484,000
Receipts (contributions for construction)	868,675	319,450	
Unobligated balance carried forward	−624,624	−484,000	
Total financing	325,694	460,074	484,000

1. *Construction.*—Various public and private utilities advance funds to provide facilities which are not provided by the Administration under its customer service policy. These facilities are of benefit to the Government as well as to the customers and serve to promote greater efficiency on the system, reduce loads on existing facilities, and improve service to customers. Also, non-Federal groups advance funds for relocating facilities of the Administration as required for highway construction and other purposes (50 Stat. 736).

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $19,092; 1959, $69,412; 1960, $50,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	10	16	6
Full-time equivalent of all other positions		1	
Average number of all employees	10	17	6
Number of employees at end of year	10	16	6
Average GS grade and salary	8.1 $6,661	8.2 $6,731	8.2 $6,731
Average salary of ungraded positions	$6,317	$6,578	$6,584
01 Personal services:			
Permanent positions	$60,209	$106,000	$44,000
Positions other than permanent	1,831	3,000	1,000
Other personal services	2,991	4,000	
Total personal services	65,031	113,000	45,000
02 Travel	5,567	12,000	5,000
03 Transportation of things	28	1,000	1,000
05 Rents and utility services	11		
07 Other contractual services	6,430	9,000	4,000
Services performed by other agencies	66,119	14,000	15,000
08 Supplies and materials	100,030	155,074	211,000
09 Equipment	14,845		
10 Lands and structures	54,946	150,000	200,000
11 Grants, subsidies, and contributions	3,869	6,000	3,000
13 Refunds, awards, and indemnities	8,818		
Total obligations	325,694	460,074	484,000

BUREAU OF LAND MANAGEMENT

BUREAU OF LAND MANAGEMENT TRUST FUNDS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Contributed funds	$535,392	$707,000	$707,000
2. Expenses, public survey work	35,712	39,000	39,000

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
3. Trustee funds, Alaska townsites	$51,974	$84,000	$27,000
Total obligations	643,078	830,000	773,000
Financing:			
Unobligated balance brought forward	511,686	645,794	590,794
Receipts:			
Contributed funds	712,449	700,000	700,000
Expenses, public survey work	47,674	50,000	50,000
Trustee funds, Alaska townsites	17,063	25,000	25,000
Unobligated balance carried forward	−645,794	−590,794	−592,794
Total financing	643,078	830,000	773,000

1. *Contributed funds.*—Users of the Federal range contribute funds toward administration and protection of grazing districts and for construction and maintenance of range improvements. Contributions are also received for making surveys and for maintenance of access roads (43 U.S.C. 315h–i, 775).

2. *Expenses, public survey work.*—Advances are made by individuals to pay the cost incident to surveys of lands requested by them (31 U.S.C. 711; 43 U.S.C. 759, 761, and 887; Comp. Gen. Dec. of Aug. 31, 1931; 48 Stat. 1224–1236).

3. *Trustee funds, Alaska townsites.*—Amounts received from sale of Alaska town lots are available for expenses incident to the maintenance and sale of townsites (31 U.S.C. 725s; Comp. Gen. Dec. of Nov. 18, 1935).

Object Classification

	1959 actual	1960 estimate	1961 estimate
BUREAU OF LAND MANAGEMENT			
Average number of all employees	15	16	16
Number of employees at end of year	14	15	15
01 Personal services: Positions other than permanent	$63,705	$65,500	$66,000
02 Travel	6,304	6,450	6,500
03 Transportation of things	293	325	400
04 Communication services	811	875	900
05 Rents and utility services	85	100	100
06 Printing and reproduction	877	975	1,000
07 Other contractual services	158,977	225,200	248,000
08 Supplies and materials	130,662	131,911	159,500
09 Equipment	4,767	3,500	4,000
11 Grants, subsidies, and contributions	167	4,450	4,500
13 Refunds, awards, and indemnities	22,789		
15 Taxes and assessments	1,898	2,100	2,100
Total, Bureau of Land Management	391,335	441,386	493,000
ALLOCATION TO BUREAU OF PUBLIC ROADS, DEPARTMENT OF COMMERCE			
Total number of permanent positions	15	15	15
Full-time equivalent of all other positions	1	1	1
Average number of all employees	15	15	15
Number of employees at end of year	12	12	12
Average GS grade and salary	8.1 $6,598	8.2 $6,674	8.2 $6,771
01 Personal services:			
Permanent positions	$79,485	$80,000	$80,000
Positions other than permanent	2,826	4,950	4,950
Other personal services	1,621	2,050	2,050
Total personal services	83,932	87,000	87,000
02 Travel	1,476	2,000	2,000
03 Transportation of things	381	1,000	1,000
04 Communication services	66		
05 Rents and utility services	3,571	4,000	4,000
06 Printing and reproduction	8		
07 Other contractual services	343		
Services performed by other agencies	76,050	76,000	76,000
08 Supplies and materials	10,718	11,000	11,000
10 Lands and structures	69,945	202,514	93,900
11 Grants, subsidies, and contributions	5,186	5,000	5,000
15 Taxes and assessments	67	100	100
Total, Bureau of Public Roads	251,743	388,614	280,000
Total obligations	643,078	830,000	773,000

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BUREAU OF INDIAN AFFAIRS

INDIAN MONEYS, PROCEEDS OF LABOR, AGENCIES, SCHOOLS, ETC.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Support of schools	$360,832	$133,000	$114,500
2. Support of agency functions	3,243,387	2,393,000	2,502,500
3. Property or services transferred out without charge, net	447,871	499,000	339,000
Total program costs, funded	4,052,090	3,025,000	2,956,000
4. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−10,830		
Total program (obligations)	4,041,260	3,025,000	2,956,000
Financing:			
Unobligated balance brought forward	1,216,845	1,112,861	1,087,861
Receipts	3,937,276	3,000,000	3,000,000
Unobligated balance carried forward	−1,112,861	−1,087,861	−1,131,861
Total financing	4,041,260	3,025,000	2,956,000

Miscellaneous revenue derived from Indian reservations, agencies, and schools, which is not required to be otherwise disposed of, is used for the support of schools and agency functions (44 Stat. 560).

3. *Property or services transferred out without charge, net.*—Represents costs of materials and services transferred from this appropriation in support of other Bureau programs.

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	$93,819	$156,521	$156,521	$156,521
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	175,985	101,303	101,303	101,303
Advances (payments for goods and services on order not yet received)	481	792	792	792
Work in process (goods and services to be costed to activities when completed)	2,054	2,893	2,893	2,893
Total selected resources at end of year	272,339	261,509	261,509	261,509
Selected resources at start of year (−)		−272,339	−261,509	−261,509
Costs financed from obligations of other years, net (−)		−10,830		

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	350	239	238
Full-time equivalent of all other positions	74	27	26
Average number of all employees	379	248	247
Number of employees at end of year	335	275	275
Average GS grade and salary	3.8 $4,189	3.9 $4,203	3.9 $4,219
Average salary of ungraded positions	$4,472	$4,996	$4,999
01 Personal services:			
Permanent positions	$1,407,581	$1,048,000	$1,052,000
Positions other than permanent	342,176	129,000	120,000
Other personal services	86,112	72,000	70,000
Total personal services	1,835,869	1,249,000	1,242,000
02 Travel	33,338	32,400	32,600
03 Transportation of things	390,629	337,000	355,000
04 Communication services	228,290	186,000	177,000
05 Rents and utility services	348,862	179,000	175,000
06 Printing and reproduction	2,397	1,800	1,700
07 Other contractual services	311,898	226,000	192,000
08 Supplies and materials	725,762	659,000	634,000
09 Equipment	76,068	82,000	75,000
11 Grants, subsidies, and contributions	87,094	62,600	62,000
13 Refunds, awards, and indemnities	2,646	1,000	700
15 Taxes and assessments	31,349	21,500	21,000
Subtotal	4,074,202	3,037,300	2,968,000
Deduct quarters and subsistence charges	32,942	12,300	12,000
Total obligations	4,041,260	3,025,000	2,956,000

INDIAN TRIBAL FUNDS

NOTE.—The supporting detail of the above item is shown in the Department of the Interior chapter in pt. II, p. 665.

BUREAU OF RECLAMATION

RECLAMATION TRUST FUNDS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. General investigations	$86,601	$169,822	$103,987
2. Construction and operation and maintenance:			
(a) Gila project, Arizona		25,000	
(b) Colorado-Big Thompson project, Colorado	628	3,395	
(c) Boise project, Idaho	2,354	3,000	3,500
(d) Michaud Flats project, Idaho	804	1,350	
(e) Minidoka project, Idaho-Wyoming	1,876	2,000	2,000
(f) North Platte project, Nebraska-Wyoming	1,946	1,200	
(g) Middle Rio Grande project, New Mexico	88,130	150,000	150,000
(h) Rio Grande project, New Mexico-Texas	4,968	13,500	
(i) Arnold project, Oregon	358		
(j) Columbia Basin project, Washington	38,591	10,000	
(k) Yakima project, Washington	4,997	14,326	
(l) Advance planning	33,318	16,508	
(m) Missouri River Basin	122,547	122,735	
(n) Soil and moisture conservation operations	20,000	11,975	9,150
(o) Other	17,773	22,636	9,000
3. Prior year advances returned	14,563	3,432	
Total program costs	439,454	570,879	277,637
4. Relation of costs to obligations: Costs financed from obligations of other years, net (−)	−49,207	−6,852	
Total program (obligations)	390,247	564,027	277,637
Financing:			
Unobligated balance brought forward	120,514	122,956	3,574
Receipts	385,247	444,645	275,137
Advances and reimbursements from non-Federal sources	7,400		
Recovery of prior year obligations	42		
Unobligated balance carried forward	−122,956	−3,574	−1,074
Total financing	390,247	564,027	277,637

The Bureau of Reclamation makes investigations or adds construction features to its own projects when requested and financed by non-Federal entities (43 U.S.C. 395, 396).

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
Selected resources at end of year: Inventories and items on order: Unpaid, undelivered orders (appropriation balances obligated for goods and services on order not yet received)	$56,101	$6,852		
Selected resources at start of year (−)		−56,101	−$6,852	
Adjustment of selected resources at end of year		42		
Costs financed from obligations of other years, net (−)		−49,207	−6,852	

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	15	9	7
Average number of all employees	13	10	7
Number of employees at end of year	19	3	1
Average GS grade and salary	7.4 $6,168	7.5 $6,236	7.5 $6,269
Average salary of ungraded positions	$5,228	$5,412	$5,481
01 Personal services:			
Permanent positions	$79,678	$48,482	$22,048
Positions other than permanent	5,120	6,722	6,722
Other personal services	144	220	30
Total personal services	84,942	55,424	28,800
02 Travel	4,900	4,000	820
03 Transportation of things	1,569	100	40
04 Communication services	83	150	70
05 Rents and utility services	59	200	80
06 Printing and reproduction	309	500	250
07 Other contractual services	129,592	207,019	95,645
Service performed by "General investigations"	86,601	169,822	103,987
08 Supplies and materials	16,082	51,400	46,170
09 Equipment	138	400	160
10 Lands and structures	50,342	69,308	
11 Grants, subsidies, and contributions	981	1,172	515
13 Refunds, awards, and indemnities	14,563	4,432	1,000
15 Taxes and assessments	86	100	100
Total obligations	390,247	564,027	277,637

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DEPARTMENT OF THE INTERIOR—Continued

GEOLOGICAL SURVEY

ADVANCES, AUTHORIZED SERVICES

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Surveys, investigations, and research (object class 07)	$1,438,220	$1,500,000	$1,500,000
Financing:			
Unobligated balance brought forward	440,902	596,894	596,894
Receipts	1,594,212	1,500,000	1,500,000
Unobligated balance carried forward	−596,894	−596,894	−596,894
Total financing	1,438,220	1,500,000	1,500,000

Approximately 35 States or their political subdivisions advance money for cooperative surveys, investigations, and research of the Geological Survey. Such advances are used to reimburse the appropriation for Surveys, investigations, and research as work is performed (43 U.S.C. 48).

BUREAU OF MINES

CONTRIBUTED FUNDS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Bituminous coal	$199,427	$324,000	$320,000
2. Petroleum, natural gas, and oil shale	233,934	231,000	204,000
3. Ferrous metals	208,810	243,000	243,000
4. Nonferrous metals	50,543	50,000	25,000
5. Nonmetallic minerals	1,178	13,000	13,000
6. Foreign mineral activities	1,370		
7. Inspections, investigations, and rescue work	707		
8. Control of fires in coal deposits	74,458	88,000	88,000
9. General administrative expenses	1,095		
Total operating costs	771,522	949,000	893,000
10. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net	102,482		
Total program (obligations)	874,004	949,000	893,000
Financing:			
Unobligated balance brought forward	280,655	339,560	370,560
Receipts	932,909	980,000	870,000
Unobligated balance carried forward	−339,560	−370,560	−347,560
Total financing	874,004	949,000	893,000

Funds contributed by States, counties, municipalities, and private sources are used to conduct research and investigations to promote (*a*) the conservation and development of mineral resources and (*b*) health and safety in the mineral industries.

10. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $15,763; 1959, $118,245; 1960, $118,245; 1961, $118,245.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	84	94	89
Full-time equivalent of all other positions	4	5	5
Average number of all employees	80	89	83
Number of employees at end of year	88	100	100
Average GS grade and salary	8.0 $6,582	8.0 $6,594	8.0 $6,617
Average salary of ungraded positions	$5,228	$5,322	$5,346
01 Personal services:			
Permanent positions	$507,808	$543,000	$505,000
Positions other than permanent	24,336	28,000	30,000
Other personal services	4,134	7,000	5,000
Total personal services	536,278	578,000	540,000
02 Travel	$15,154	$13,000	$9,000
03 Transportation of things	1,269	1,000	1,000
04 Communication services	1,148	1,000	2,000
05 Rents and utility services	2,763	3,000	5,000
06 Printing and reproduction	590	1,000	1,000
07 Other contractual services	124,055	140,000	138,000
08 Supplies and materials	49,934	57,000	46,000
09 Equipment	7,411	10,000	9,000
10 Lands and structures	52,988	60,000	60,000
11 Grants, subsidies, and contributions	32,234	35,000	32,000
13 Refunds, awards, and indemnities	43,267	42,000	42,000
15 Taxes and assessments	6,913	8,000	8,000
Total obligations	874,004	949,000	893,000

NATIONAL PARK SERVICE

NATIONAL PARK SERVICE TRUST FUNDS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Operating costs:			
1. National Park Service, donations	$70,307	$302,000	$154,566
2. National park trust fund	−27	5,000	5,000
3. Preservation, birthplace of Abraham Lincoln	2,829	1,950	1,585
4. Jefferson National Expansion Memorial, contribution	4,597	20,843	
Total operating costs	77,706	329,793	161,151
Capital outlay:			
1. National Park Service, donations	330,974	1,548,000	345,434
4. Jefferson National Expansion Memorial, contribution		802,000	786,666
Total capital outlay	330,974	2,350,000	1,132,100
Total program costs	408,680	2,679,793	1,293,251
5. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (−)			−500,000
Obligations incurred for costs of other years (unpaid undelivered orders), net	211,450	500,000	
Total program (obligations)	620,130	3,179,793	793,251
Financing:			
Unobligated balance brought forward: Appropriated receipts:			
Cash	769,104	2,270,857	247,649
U.S. securities (par)	83,925	83,925	83,925
Receipts:			
National Park Service, donations	1,214,753	650,000	400,000
National Park trust fund	25,545	5,000	5,000
Preservation, birthplace of Abraham Lincoln	1,585	1,585	1,585
Jefferson National Expansion Memorial, contribution	880,000	500,000	286,666
Unobligated balance carried forward: Appropriated receipts:			
Cash	−2,270,857	−247,649	−147,649
U.S. securities (par)	−83,925	−83,925	−83,925
Total financing	620,130	3,179,793	793,251

1. *National Park Service, donations.*—The Secretary of the Interior accepts and uses donated moneys for purposes of the National Park and Monument System (16 U.S.C. 6). Donations amounting to $1,214,753 were received from 39 contributors during 1959. It is estimated that $650,000 will be received from a private foundation during 1960 to be matched by Federal funds for the purpose of acquiring private inholdings within the National Park system.

2. *National park trust fund.*—The National Park Trust Fund Board holds and administers gifts of personal property for the benefit of, or in connection with, the National Park Service. Interest accruals or donations to the fund are used for current needs, or invested in Treasury bonds (16 U.S.C. 6a, 19).

3. *Preservation, birthplace of Abraham Lincoln.*—This fund consists of an endowment given by the Lincoln Farm

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Association, and the interest thereon is available for preservation of the Abraham Lincoln National Historical Park, Ky. (16 U.S.C. 211, 212).

4. *Jefferson National Expansion Memorial, contribution.*—Pursuant to the act of May 17, 1954 (68 Stat. 98–100), the Secretary of the Interior is authorized to construct at St. Louis, Mo., an appropriate national memorial to those persons who made possible the territorial expansion of the United States. Contributions are accepted from the city of St. Louis or other non-Federal sources in the ratio of $1 to each $3 of Federal appropriations.

5. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, $168,572; 1959, $380,022; 1960, $880,022; 1961, $380,022.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	10	13	8
Full-time equivalent of all other positions	10	24	9
Average number of all employees	20	36	18
Number of employees at end of year	34	50	30
Average GS grade and salary	7.8 $6,197	7.8 $6,216	7.8 $6,231
Average salary of ungraded positions	$4,503	$4,635	$4,678
01 Personal services:			
Permanent positions	$50,724	$70,093	$43,708
Positions other than permanent	45,555	97,936	41,180
Other personal services	225	2,473	643
Total personal services	96,504	170,502	85,531
02 Travel	66,413	9,250	1,825
03 Transportation of things	1,874	500	1,000
04 Communication services	548	1,000	525
05 Rents and utility services	2,087	2,200	1,200
06 Printing and reproduction	5,480	10,500	5,500
07 Other contractual services	88,996	96,541	58,532
08 Supplies and materials	8,440	26,150	2,150
09 Equipment	9,328	7,900	1,900
10 Lands and structures	330,974	2,850,000	632,100
11 Grants, subsidies, and contributions	2,422	3,314	2,421
13 Refunds, awards, and indemnities	6,077		
15 Taxes and assessments	987	1,936	567
Total obligations	620,130	3,179,793	793,251

FISH AND WILDLIFE SERVICE

Bureau of Sport Fisheries and Wildlife

CONTRIBUTED FUNDS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Cooperative studies (total obligations)	$108,622	$149,961	$68,000
Financing:			
Unobligated balance brought forward	6,655	81,961	
Receipts	183,928	68,000	68,000
Unobligated balance carried forward	−81,961		
Total financing	108,622	149,961	68,000

This represents contributions from States, local organizations, individuals, etc., for the work of the Bureau of Sport Fisheries and Wildlife (5 U.S.C. 563, 564; 16 U.S.C. 661).

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	6	6	6
Full-time equivalent of all other positions		3	3
Average number of all employees	7	10	10
Number of employees at end of year	0	3	3
Average GS grade and salary	7.7 $5,935	7.9 $6,065	7.9 $6,088
Average salary of ungraded positions	$4,149	$4,202	$4,209
01 Personal services:			
Permanent positions	$44,686	$31,500	$32,000
Positions other than permanent	1,420	18,500	18,500
Total personal services	46,106	50,000	50,500
02 Travel	7,812	8,000	1,000
03 Transportation of things	745	1,000	
04 Communication services	2,439	3,500	
05 Rents and utility services	40	100	
06 Printing and reproduction	126	100	
07 Other contractual services	25,877	45,000	600
08 Supplies and materials	23,360	39,961	13,800
09 Equipment	18	100	
11 Grants, subsidies, and contributions	1,986	2,000	2,000
15 Taxes and assessments	113	200	100
Total obligations	108,622	149,961	68,000

Bureau of Commercial Fisheries

CONTRIBUTED FUNDS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Cooperative studies	$114,915	$94,000	$85,300
2. Sea lamprey control program	796,737	760,200	760,200
Total obligations	911,652	854,200	845,500
Financing:			
Unobligated balance brought forward	59,185	13,024	
Receipts	865,491	841,176	845,500
Unobligated balance carried forward	−13,024		
Total financing	911,652	854,200	845,500

1. *Cooperative studies.*—This represents contributions from States, local organizations, individuals, etc., for the work of the Bureau of Commercial Fisheries.

2. *Sea lamprey control program.*—These funds from the Great Lakes Fishery Commission, cover the costs of constructing and maintaining the sea lamprey control system on the Great Lakes (5 U.S.C. 67, 563).

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	76	71	74
Full-time equivalent of all other positions	20	22	22
Average number of all employees	98	93	94
Number of employees at end of year	120	120	120
Average GS grade and salary	7.6 $5,854	7.8 $5,959	7.8 $5,983
Average salary of ungraded positions	$4,131	$4,143	$4,031
01 Personal services:			
Permanent positions	$377,883	$370,700	$388,200
Positions other than permanent	75,955	79,000	79,000
Other personal services	12,227	5,600	4,300
Total personal services	466,065	455,300	471,500
02 Travel	52,798	76,400	72,200
03 Transportation of things	5,800	1,900	1,900
04 Communications services	4,954	6,300	6,300
05 Rents and utility services	16,976	21,100	21,000
06 Printing and reproduction	3,820	3,000	3,000
07 Other contractual services	50,833	50,000	48,500
08 Supplies and materials	240,256	159,800	139,100
09 Equipment	46,781	53,800	54,300
10 Lands and structures	2,740		
11 Grants, subsidies, and contributions	16,678	24,700	25,700
13 Refunds, awards, and indemnities	187	100	100
15 Taxes and assessments	4,084	2,100	2,200
Subtotal	911,972	854,500	845,800
Deduct quarters and subsistence charges	320	300	300
Total obligations	911,652	854,200	845,500

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DEPARTMENT OF THE INTERIOR—Continued

FISH AND WILDLIFE SERVICE—Continued

BUREAU OF COMMERCIAL FISHERIES—Continued

INSPECTION AND GRADING OF FISHERY PRODUCTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Inspection and grading of fishery products (total obligations)	$70,046	$211,300	$256,500
Financing:			
Unobligated balance brought forward		37,365	
Receipts	107,411	173,935	256,500
Unobligated balance carried forward	−37,365		
Total financing	70,046	211,300	256,500

This represents contributions from individuals and firms participating in the Bureau's program for inspection and grading of fishery products (7 U.S.C. 1621–1627).

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	32	37	43
Average number of all employees	16	35	43
Number of employees at end of year	29	33	41
Average GS grade and salary	7.6 $5,854	7.8 $5,959	7.8 $5,983
01 Personal services:			
Permanent positions	$60,107	$173,100	$220,700
Positions other than permanent	406		
Other personal services	4,528	6,300	5,800
Total personal services	65,041	179,400	226,500
02 Travel		9,800	7,400
03 Transportation of things		700	400
04 Communication services		2,700	2,700
05 Rents and utility services		800	800
06 Printing and reproduction		2,100	1,100
07 Other contractual services	1,489	1,400	1,100
08 Supplies and materials		2,600	2,100
11 Grants, subsidies, and contributions	3,483	11,800	14,400
15 Taxes and assessments	33		
Total obligations	70,046	211,300	256,500

DEPARTMENT OF JUSTICE

FEDERAL PRISON SYSTEM

COMMISSARY FUNDS, FEDERAL PRISONS (TRUST REVOLVING FUND)

Commissaries are operated to provide inmates the goal of an earned privilege. The profits received from the sale of candies, tobaccos, toiletries, and other articles, are used for general welfare and to purchase recreational items for the inmates. Sales for 1961 are estimated at $1,950,000. Adequate working capital is assured from retained earnings.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Acquisition of equipment	$56,842	$15,000	$15,000
Expense:			
Purchase of commodities for sale	1,513,473	1,531,430	1,552,000
Other expense	357,030	380,000	403,000
Total gross expenditures	1,927,345	1,926,430	1,970,000
Receipts from operations (funds provided):			
Sales and other income	1,854,828	1,900,000	1,950,000
Decrease in selected working capital	129,872		
Total receipts from operations	1,984,700	1,900,000	1,950,000
Trust expenditures	−57,355	26,430	20,000

Revenue, Expense, and Retained Earnings

	1959 actual	1960 estimate	1961 estimate
Sales program:			
Revenue	$1,854,828	$1,900,000	$1,950,000
Expense	1,860,880	1,920,930	1,964,500
Net income or loss (−) for the year	−6,052	−20,930	−14,500
Retained earnings, beginning of year	633,305	627,253	606,323
Retained earnings, end of year	627,253	606,323	591,823

Financial Condition

	1959 actual	1960 estimate	1961 estimate
Assets:			
Cash with Treasury	$246,430	$220,000	$200,000
Accounts receivable, net	4,763	4,763	4,763
Commodities for sale	209,445	209,445	209,445
Structures and equipment, net	234,280	239,780	245,280
Total assets	694,918	673,988	659,488
Liabilities:			
Current	67,665	67,665	67,665
Government investment:			
Retained earnings	627,253	606,323	591,823

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	55	60	60
Average number of all employees	53	57	57
Number of employees at end of year	52	56	56
Average GS grade and salary	6.1 $5,019	6.2 $5,032	6.2 $5,137
Average salary of ungraded positions	$6,552	$6,552	$6,872
01 Personal services:			
Permanent positions	$266,261	$288,000	$294,000
Other personal services	4,761	7,000	6,000
Total personal services	271,022	295,000	300,000
02 Travel	47	300	300
03 Transportation of things	487	2,000	2,000
04 Communication services	11,281	13,000	13,000
07 Other contractual services	29,875	30,000	30,000
08 Supplies and materials	1,579,334	1,544,430	1,582,000
09 Equipment	56,842	15,000	15,000
11 Grants, subsidies, and contributions	17,972	19,000	20,000
13 Refunds, awards, and indemnities	235	200	200
15 Taxes and assessments	6,639	7,000	7,000
16 Investments and loans	400	500	500
Total obligations	1,974,134	1,926,430	1,970,000

OFFICE OF ALIEN PROPERTY

LIMITATION ON SALARIES AND EXPENSES, OFFICE OF ALIEN PROPERTY

NOTE.—The supporting detail of the above item is shown in the Department of Justice chapter in part II, p. 739.

ALIEN PROPERTY FUND, WORLD WAR II (TRUST REVOLVING FUND)

Seized property in the United States, of the governments or nationals of Germany and Japan, vested in the name of the Attorney General, is prepared for liquidation as soon as practicable (50 U.S.C. App.). During 1959 a transfer of $3,750,000 was made to the War Claims Fund. The total transferred to date now amounts to $228.7 million. In 1959, a total of $3.4 million in claims and settlements was paid from such property operations and it is anticipated that $3 million will be paid in 1960 and $2 million in 1961. Interest in vested property is estimated to be $185.8 million at June 30, 1961, decreasing $4.8 million from 1960 and $11.7 million from 1959.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Vested property operations: Charges	$15,821,044	$9,960,000	$5,775,000
Safekeeping property operations: Charges	19,437	20,000	13,000
Increase in selected working capital	125,742	28,099	50,000
Total gross expenditures	15,966,223	10,008,099	5,838,000

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Sources and Application of Funds (Operations)—Continued

	1959 actual	1960 estimate	1961 estimate
Receipts from operations (funds provided):			
Vested property operations: Credits	$11,705,528	$11,050,000	$6,000,000
Safekeeping property operations: Credits	5,279	5,700	4,500
Total receipts from operations	11,710,807	11,055,700	6,004,500
Trust expenditures	4,255,416	−1,047,601	−166,500

Changes in U.S. Interest in Vested Property

Credits:			
Receipts from sale and liquidation of assets	$6,069,868	$6,000,000	$3,500,000
Income receipts	1,036,808	1,000,000	500,000
Administrative revenues and charges	4,489,295	4,000,000	2,000,000
Decrease in unallocated receipts account	100,408	50,000	
Adjustment in administrative expense for prior years	9,149		
Total cash credits	11,705,528	11,050,000	6,000,000
Charges:			
Administrative expense, net of reimbursements	2,564,809	1,500,000	650,000
Direct expense and taxes	1,103,537	1,000,000	900,000
Expenses recovered by charges to vested accounts	4,448,893	4,000,000	2,000,000
Claims paid	2,309,509	2,000,000	1,500,000
Transfers to War claims fund	3,750,000		
Payments under International Claims Settlement Act to—			
Treasury	418,318	400,000	200,000
Individuals	43,577	25,000	
Payments under intercustodial agreements	1,148,556	1,000,000	500,000
Other charges	33,845	35,000	25,000
Total cash charges	15,821,044	9,960,000	5,775,000
Net decrease in vested assets due to sales, liquidation and returns of property	2,674,679	8,000,000	5,000,000
Total charges	18,495,723	17,960,000	10,775,000
Net excess of charges (−)	−6,790,195	−6,910,000	−4,775,000
Balance at beginning of year	204,246,341	197,456,146	190,546,146
Balance at end of year	197,456,146	190,546,146	185,771,146

Financial Condition

Assets:			
Cash with Treasury	$141,077,800	$142,125,401	$142,291,901
Accounts receivable	24,789	15,000	5,000
Vested assets (estimated values [1])	56,838,312	48,838,312	43,838,312
Safekeeping property (estimated values)	541,167	531,167	521,167
Total assets	198,482,068	191,509,880	186,656,380
Liabilities:			
Current	137,888	100,000	40,000
Liability for safekeeping property	888,034	863,734	845,234
Total liabilities	1,025,922	963,734	885,234
Equity of U.S. Government:			
Interest in vested property [2]	197,456,146	190,546,146	185,771,146

[1] Estimated values are based on best information available at or near the dates the property was vested or acquired.
[2] Subject to return of cash and property, payment of debt claims, transfers to the War claims fund pursuant to the Trading With the Enemy Act, and the transfer of certain funds to the Treasury under sec. 202(b) of the International Claims Settlement Act.

Alien Property Fund, Philippines, World War II (Trust Revolving Fund)

Enemy-owned property in the Philippines is administered for the Philippine Government by the Office of Alien Property in the same manner as funds for World War II properties (Executive Order 10254). During 1959 no transfers were made to the Philippine Government; it is anticipated that $1 million will be transferred in 1960 and $1.2 million in 1961. The following statements include the U.S. dollar equivalent of currencies of the Philippines which become available without dollar purchase.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Vested property operations: Charges	$51,881	$1,925,000	$2,320,000
Increase in selected working capital	23,132		
Total gross expenditures	75,013	1,925,000	2,320,000
Receipts from operations (funds provided):			
Vested property operations: Credits	43,787	40,000	20,000
Decrease in selected working capital		926,866	245,000
Total receipts from operations	43,787	966,866	265,000
Trust expenditures	31,226	958,134	2,055,000

Changes in U.S. Interest in Vested Property

Credits:			
Income receipts	$43,457	$40,000	$20,000
Administrative revenue receipts	330		
Total cash credits	43,787	40,000	20,000
Charges:			
Claims paid	23,859	900,000	1,100,000
Transfers to Philippine Government		1,000,000	1,200,000
Direct expense allocated to vested properties	495		
Direct expense not allocated	27,527	25,000	20,000
Total cash charges	51,881	1,925,000	2,320,000
Net decrease in vested assets due to liquidation, returns to claimants and transfers to Philippine Government	301	25,000	50,000
Total charges	52,182	1,950,000	2,370,000
Net excess of charges (−)	−8,395	−1,910,000	−2,350,000
Balance at beginning of year	4,838,393	4,829,998	2,919,998
Balance at end of year	4,829,998	2,919,998	569,998

Financial Condition

Assets:			
Cash with Treasury	$3,250,905	$2,292,771	$237,771
Cash in banks and on hand (Philippine currency)	1,427,795	500,000	250,000
Vested assets [1]	157,227	132,227	82,227
Total assets	4,835,927	2,924,998	569,998
Liabilities:			
Current	5,929	5,000	
Equity of U.S. Government:			
Interest in vested property [2]	4,829,998	2,919,998	569,998

[1] Certain assets are carried at nominal values, while others are carried at face amounts.
[2] Subject to return of property and payment of debt claims under the provisions of the Trading With the Enemy Act, and transfer of the remainder to the Philippine Government pursuant to the Philippine Property Act of 1946.

International Claims Settlement Act, Title II Fund (Trust Revolving Fund)

Property in the United States of the governments or nationals of Bulgaria, Hungary, and Rumania, seized pursuant to title II of the International Claims Settlement Act of 1949 (22 U.S.C. 1621), has been vested in the name of the Attorney General like property seized from the governments and nationals of Germany and Japan. As of June 30, 1959, a total of $26 million had been vested and liquidated. Funds thus realized are earmarked for payment of war damages and nationalization claims assertable by U.S. nationals against Bulgaria, Hungary, and Rumania. A total of $23.6 million already has been covered into the Treasury.

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DEPARTMENT OF JUSTICE—Continued

OFFICE OF ALIEN PROPERTY—Continued

International Claims Settlement Act, Title II Fund (Trust Revolving Fund)—Continued

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Vested property operations: Charges	$2,099,261	$2,611,875	$510,000
Increase in selected working capital	10,184	6,923	5,000
Total gross expenditures	2,109,445	2,618,798	515,000
Receipts from operations (funds provided):			
Vested property operations: Credits	872,065	740,000	
Trust expenditures	1,237,380	1,878,798	515,000

Changes in U.S. Interest in Vested Property

Credits:			
Receipts from sale and liquidation of assets	$871,835	$740,000	
Income receipts	230		
Total cash credits	872,065	740,000	
Charges:			
Transfers to—			
Bulgarian claims fund	151,750	110,000	$100,000
Hungarian claims fund	229,987	1,981,875	280,000
Rumanian claims fund	1,679,472	300,000	100,000
Claims paid	10,796	200,000	20,000
Prevesting expense	1,526		
Expense	25,730	20,000	10,000
Total cash charges	2,099,261	2,611,875	510,000
Net decrease in vested assets due to sales and liquidation	788	239,334	
Total charges	2,100,049	2,851,209	510,000
Net excess of charges (−)	−1,227,984	−2,111,209	−510,000
Balance at beginning of year	3,849,193	2,621,209	510,000
Balance at end of year	2,621,209	510,000	

Financial Condition

Assets:			
Cash with Treasury	$2,393,798	$515,000	
Vested assets [1]	239,334		
Total assets	2,633,132	515,000	
Liabilities:			
Current	11,923	5,000	
Equity of U.S. Government:			
Interest in vested property [2]	2,621,209	510,000	

[1] Vested assets are stated at estimated values based on best information available at or near the dates the property was vested.

[2] Subject to return of property, payment of debt claims and expenses, and the transfer of the remainder to the Bulgarian, Hungarian, and Rumanian claims funds, pursuant to the provisions of Public Law 285, amending the International Claims Settlement Act of 1949.

Advances and Reimbursements (Trust Fund)

Operations and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Administration (total obligations)	$61,539	$25,000	
Financing:			
Advances and reimbursements from other accounts	61,539	25,000	

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of positions	7	3	
Average number of all employees	7	5	
Number of employees at end of year	4	2	
Average GS grade and salary	8.6 $7,384	9.6 $8,373	
01 Personal services: Permanent positions	$53,540	$22,300	
02 Travel	1,295		
04 Communication services	$76		
05 Rents and utility services	1,707	$700	
07 Other contractual services	154	200	
08 Supplies and materials	1,800	500	
11 Grants, subsidies, and contributions	2,967	1,300	
Total obligations	61,539	25,000	

DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

Advances and Reimbursements (Trust Fund)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Administration (total obligations)	$8,945	$3,344	
Financing:			
Unobligated balance brought forward	6,364	3,988	
Receipts from Non-Federal sources (40 U.S.C. 481(c))	6,569		
Unobligated balance carried forward	−3,988		
Unobligated balance no longer available		−644	
Total financing	8,945	3,344	

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	1	1	
Average number of all employees	1		
Number of employees at end of year	0	0	
Average GS grade and salary	12.0 $8,590	12.0 $8,590	
01 Personal services: Permanent positions	$5,770	$2,000	
02 Travel	226		
04 Communication services	96	15	
07 Other contractual services	18	5	
09 Equipment	2,767	1,319	
11 Grants, subsidies, and contributions	53		
15 Taxes and assessments	15	5	
Total obligations	8,945	3,344	

BUREAU OF EMPLOYEES' COMPENSATION

Bureau of Employees' Compensation Trust Funds

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Longshoremen's and Harbor Workers' Compensation Act, as amended:			
(a) Payment of benefits	$20,517	$20,000	$20,000
(b) Administration of rehabilitation	56,584	51,700	51,700
2. Workmen's Compensation Act, within the District of Columbia	2,516	3,000	3,000
Total obligations	79,617	74,700	74,700
Financing:			
Unobligated balance brought forward:			
Cash	6,550	1,937	9,237
U.S. securities (par)	882,125	840,125	790,125
Receipts:			
Relief and rehabilitation, Longshoremen's and Harbor Workers' Compensation Act, as amended:			
Contributions	7,000	7,000	7,000
Interest	20,096	19,000	18,000
Relief and rehabilitation, Workmen's Compensation Act, within the District of Columbia:			
Contributions	3,000	3,000	3,000
Interest	2,908	3,000	3,000
Unobligated balance carried forward:			
Cash	−1,937	−9,237	−5,537
U.S. securities (par)	−840,125	−790,125	−750,125
Total financing	79,617	74,700	74,700

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These trust funds consist of amounts received from employers for the death of an employee where no person is entitled to compensation for such death and for fines and penalty payments. In 1959 receipts were $10,000 and interest was $23,004 (33 U.S.C. 908, 944; 31 U.S.C. 725). Receipts are used to pay additional compensation for second injuries resulting in permanent total disability and to provide maintenance for employees undergoing vocational rehabilitation. In addition, under the subactivity Administration of rehabilitation, provision is made for the costs of necessary rehabilitation services not otherwise available to disabled longshoremen and harbor workers.

Object Classification

		1959 actual	1960 estimate	1961 estimate
07	Other contractual services	$48,184	$51,700	$51,700
12	Pensions, annuities, and insurance claims	23,033	23,000	23,000
16	Loans and investments	8,400		
	Total obligations	79,617	74,700	74,700

ADVANCES AND REIMBURSEMENTS (TRUST FUND)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Administration of the District of Columbia Workmen's Compensation Act (total obligations)	$233,933	$231,000	$258,300
Financing:			
Advances and reimbursements from other accounts	234,000	231,000	258,300
Unobligated balance no longer available	−67		
Total financing	233,933	231,000	258,300

Administration of the District of Columbia Workmen's Compensation Act.—Provision is made for administrative expenses involved in providing compensation for disability or death resulting from injury to certain employment in the District of Columbia (36 D.C. Code 501, 502).

WORKLOAD STATISTICS

	1958 actual	*1959 actual*	*1960 estimate*	*1961 estimate*
New injuries reported	25,223	27,968	28,000	29,000
Formal hearings	72	77	80	85
Informal conferences	1,121	1,180	1,200	1,250

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Total number of permanent positions	40	38	43
	Average number of all employees	38	37	41
	Number of employees at end of year	39	38	42
	Average GS grade and salary	5.5 $5,023	5.4 $5,060	5.6 $5,123
01	Personal services:			
	Permanent positions	$189,939	$187,604	$208,538
	Other personal services	15,515	15,996	15,362
	Total personal services	205,454	203,600	223,900
02	Travel	380	400	800
04	Communication services	4,819	5,000	5,500
06	Printing and reproduction	2,678	1,600	1,600
07	Other contractual services	4,929	5,000	8,300
08	Supplies and materials	1,454	1,500	1,700
09	Equipment	1,228	1,700	2,700
11	Grants, subsidies, and contributions	12,826	12,100	13,700
15	Taxes and assessments	165	100	100
	Total obligations	233,933	231,000	258,300

BUREAU OF LABOR STATISTICS

SPECIAL STATISTICAL WORK

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Bituminous mine supply price index	$9,524	$2,240	
2. Consumer expenditure tabulations	3,398		
3. Consumer price index for Milwaukee	10,318	10,617	
4. Department store inventory price index	22,682	22,000	$6,755
5. Survey of housing characteristics	4,797		
6. Survey of mathematicians in private industry	2,500	2,500	
7. Tabulations of data for gasoline and service stations	225		
8. Statistical training of a foreign trainee for Institute of International Education	4,662	1,200	
Total obligations	58,106	38,557	6,755
Financing:			
Unobligated balance brought forward	20,090	12,912	6,755
Receipts	50,848	32,400	
Recovery of prior year obligations	80		
Unobligated balance carried forward	−12,912	−6,755	
Total financing	58,106	38,557	6,755

Private organizations request and finance in advance special statistical studies. During 1960, the Bureau will collect and analyze store inventory prices for the American Retail Federation; maintain a consumer price index for the city of Milwaukee; complete a study of bituminous mine supply prices for the National Coal Association; complete a pilot survey of mathematicians in private industry for the Mathematical Association of America; and complete the statistical training of a foreign trainee for the Institute of International Education (29 U.S.C. 9a–b).

Object Classification

		1959 actual	1960 estimate	1961 estimate
	Average number of all employees	8	6	1
	Number of employees at end of year	4	1	1
01	Personal services:			
	Positions other than permanent	$44,517	$30,721	$4,629
	Other personal services	468		
	Total personal services	44,985	30,721	4,629
02	Travel	5,450	5,315	1,700
04	Communication services	85	205	50
07	Other contractual services	93	89	
08	Supplies and materials	130	308	75
11	Grants, subsidies, and contributions	7,229	1,867	301
13	Refunds, awards, and indemnities	25		
15	Taxes and assessments	109	52	
	Total obligations	58,106	38,557	6,755

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Payment to beneficiaries	$2,789,100	$2,989,000	$3,208,000
2. Refunds and gratuities	199,774	175,000	175,000
Total obligations (cash outgo)	2,988,874	3,164,000	3,383,000
Financing:			
Unobligated balance brought forward:			
Cash	186,475	281,266	124,666
U.S. securities (par)	24,252,000	26,416,000	29,100,000

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DEPARTMENT OF STATE—Continued

ADMINISTRATION OF FOREIGN AFFAIRS—Continued

FOREIGN SERVICE RETIREMENT AND DISABILITY FUND—Con.

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Financing—Continued			
Receipts:			
Employer's contribution	$2,025,000	$2,360,000	$2,540,000
Interest on investments	1,030,653	1,129,000	1,231,000
Employees' contributions	2,192,012	2,202,400	2,258,200
Unobligated balance carried forward:			
Cash	−281,266	−124,666	−150,866
U.S. securities (par)	−26,416,000	−29,100,000	−31,720,000
Total financing	2,988,874	3,164,000	3,383,000

The fund is maintained through (*a*) contribution of 5% of the basic annual salaries of all Foreign Service officers; (*b*) interest on investments; and (*c*) appropriated funds. It is estimated that approximately 628 annuitants will be paid retirement benefits from this fund during 1961 compared with 568 at the end of 1959 and 598 at the end of 1960. Gratuities represent payments made to officers in classes 4, 5, 6, and 7 who are selected out of the Service.

Object Classification

		1959 actual	1960 estimate	1961 estimate
11	Grants, subsidies, and contributions (gratuities)	$2,233	$25,000	$25,000
12	Pensions, annuities, and insurance claims	2,789,100	2,989,000	3,208,000
13	Refunds, awards, and indemnities	197,541	150,000	150,000
	Total obligations	2,988,874	3,164,000	3,383,000

FOREIGN SERVICE INSTITUTE UNCONDITIONAL GIFT FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Seminar on Africa (total obligations)	$4,268	$65	
Financing:			
Unobligated balance brought forward	4,333	65	
Unobligated balance carried forward	−65		
Total financing	4,268	65	

This fund was provided to the Foreign Service Institute by the Ford Foundation for holding a seminar on African affairs (22 U.S.C. 1046).

Object Classification

		1959 actual	1960 estimate	1961 estimate
02	Travel	$2,472		
03	Transportation of things	6		
04	Communication services	612		
07	Other contractual services	1,167	$65	
11	Grants, subsidies, and contributions	11		
	Total obligations	4,268	65	

INFORMATIONAL FOREIGN CURRENCY SCHEDULES

Foreign currency, payment of claims of former German prisoners of war

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Payment of claims (object class 13)	$9,251	$9,374	$9,300
Financing:			
Unobligated balance brought forward	$27,925	$18,674	$9,300
Unobligated balance carried forward	−18,674	−9,300	
Total financing	9,251	9,374	9,300

Foreign currency deposited under the bilateral agreement with Germany is available for the payment of claims of former German prisoners of war (22 U.S.C. 1512(i)), pursuant to the Geneva Prisoner of War Convention of 1929 (47 Stat. 2042).

Analysis of Expenditures

	1959 actual	1960 estimate	1961 estimate
Obligations incurred during year	$9,251	$9,374	$9,300
Expenditures	9,251	9,374	9,300

Contributions by the Government of Pakistan for construction of the United States chancery

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Local office building project costs (object class 10)	$88,660	$127,336	
Financing:			
Unobligated balance brought forward	68,535		
Receipts (foreign currency advanced from the Government of Pakistan)	20,125	127,336	
Total financing	88,660	127,336	

The Government of Pakistan has agreed to contribute rupees for local labor toward the cost of constructing an American Embassy office building at Karachi. The amount presently committed by the Government of Pakistan is equivalent to $278,737.

Analysis of Expenditures

	1959 actual	1960 estimate	1961 estimate
Obligations incurred during year	$88,660	$127,336	
Expenditures	88,660	127,336	

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

GIFTS AND BEQUESTS, NATIONAL COMMISSION ON EDUCATIONAL, SCIENTIFIC, AND CULTURAL COOPERATION

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Conduct of diplomatic relations with international organizations (object class 11)		$40,000	$40,000
Financing:			
Unobligated balance brought forward		524	
Receipts	$524	39,476	40,000
Unobligated balance carried forward	−524		
Total financing		40,000	40,000

This trust fund receives gifts or bequests of money from private individuals and organizations to be used to carry out any of the authorized educational, scientific, or cultural purposes of the United States National Commission for UNESCO. Gifts may be accepted only if the terms of gift are consistent with the purposes of the national com-

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mission, and must be disbursed as the terms of the gift or bequest may require.

EDUCATIONAL EXCHANGE

Educational Exchange Trust Funds

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Education of Iranian students in the United States		$5,663	
2. U.S. dollars advanced from foreign governments	$667,991	245,697	$234,750
Total obligations	667,991	251,360	234,750
Financing:			
Unobligated balance brought forward	398,722	404,471	353,111
Receipts (U.S. dollars advanced from foreign governments, U.S. educational exchange program)	673,346	200,000	200,000
Recovery of prior year obligations	394		
Unobligated balance carried forward	−404,471	−353,111	−318,361
Total financing	667,991	251,360	234,750

1. *Education of Iranian students in the United States.*—This account was established by the act of September 29, 1950 (20 U.S.C. 225), for the education of Iranian students in the United States.

2. *U.S. dollars advanced from foreign governments.*—Funds advanced by other governments are used to send experts abroad to perform requested services, to give foreign nationals scientific, technical, or other training, and to perform technical or other services in this country (22 U.S.C. 1431–1479).

Object Classification

	1959 actual	1960 estimate	1961 estimate
DEPARTMENT OF STATE			
11 Grants, subsidies, and contributions		$5,663	
ALLOCATION ACCOUNTS			
Total number of permanent positions	74	23	24
Average number of all employees	69	21	23
Number of employees at end of year	64	20	20
Average GS grade and salary	7.6 $6,169	7.8 $6,238	7.9 $6,265
01 Personal services:			
Permanent positions	$491,598	$160,870	$174,300
Other personal services	1,892	1,230	660
Total personal services	493,490	162,100	174,960
02 Travel	7,866	5,670	4,940
03 Transportation of things	1,487	745	740
04 Communication services	3,362	1,525	1,485
05 Rents and utility services	2,449	1,685	1,670
06 Printing and reproduction	12,475	5,260	5,155
07 Other contractual services	87,781	30,675	22,785
08 Supplies and materials	7,945	3,850	3,730
09 Equipment	5,553	3,625	3,605
11 Grants, subsidies, and contributions	45,583	30,562	15,680
Total, allocation accounts	667,991	245,697	234,750
Total obligations	667,991	251,360	234,750
Obligations are distributed as follows:			
Department of State		$5,663	
Department of the Interior	$653,455	232,685	$229,500
Department of the Army	8,892	1,867	
Department of Agriculture	5,250	9,250	5,250
Department of Commerce	302	1,895	
Housing and Home Finance Agency	92		

Informational Foreign Currency Schedule

Foreign currency advanced from foreign governments, United States Educational Exchange Program

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Financing:			
Unobligated balance brought forward	$2,886		
Unobligated balance no longer available	−2,886		
Total financing			

TREASURY DEPARTMENT

OFFICE OF THE SECRETARY

Federal Disability Insurance Trust Fund

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Benefit payments	$339,230,682	$520,000,000	$576,000,000
2. Administration	21,851,381	32,688,826	37,835,917
3. Refunds of excess taxes collected	9,750,000	10,000,000	10,000,000
Total program (costs—obligations)	370,832,063	562,688,826	623,835,917
Financing:			
Unobligated balance brought forward:			
Cash	44,487,501	59,746,612	42,878,753
U.S. securities (par)	1,054,544,000	1,607,200,000	2,124,400,000
Gain from premium or discount on investments	−86,071	−326,100	−340,000
Unappropriated receipts	27,388		
Receipts:			
Taxes	846,681,036	928,000,000	972,000,000
Deposits by States	58,064,366	60,000,000	62,000,000
Interest on investments	33,734,355	48,527,067	61,452,268
Payment from Railroad retirement account		26,480,000	2,500,000
Unobligated balance carried forward:			
Cash	−59,746,612	−42,878,753	−41,395,104
U.S. securities (par)	−1,607,200,000	−2,124,400,000	−2,600,000,000
Gain from premium or discount on investments	326,100	340,000	340,000
Total financing	370,832,063	562,688,826	623,835,917

1. *Benefit payments.*—The Social Security Act provides disability insurance benefits for certain disabled individuals and their dependents. An amount equal to one-half of 1% of wages paid and three-eighths of 1% of self-employment income is deposited to this fund for benefit payments and administrative expenses. The excess of income over outgo and annual interest are invested in Government securities.

2. *Administration.*—The Secretary of Health, Education, and Welfare determines, at the end of each year, that portion of the administrative expenses of the Department of Health, Education, and Welfare which is a proper charge to this fund. The amount shown herein for the administrative expenses includes interest on the unpaid charges and is subject to further refinement of the processes for allocating costs between the Federal old-age and survivors insurance trust fund and the Federal disability insurance trust fund (42 U.S.C. 401).

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TREASURY DEPARTMENT—Continued

OFFICE OF THE SECRETARY—Continued

FEDERAL DISABILITY INSURANCE TRUST FUND—Continued

The status of the fund is as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Unexpended balance of fund at beginning of year	$1,098,972,820	$1,666,620,512	$2,166,938,753
Cash income during year	938,479,755	1,063,007,067	1,097,952,268
Cash outgo during year:			
For benefit payments	339,230,682	520,000,000	576,000,000
Deposit to miscellaneous receipts	3,884,008	3,182,873	3,222,525
Payment to Federal old-age and survivors insurance trust fund	17,526,473	28,781,908	33,764,016
Refunds of excess taxes collected	9,750,000	10,000,000	10,000,000
Payment of interest to Federal old-age and survivors insurance fund	440,900	724,045	849,376
Total annual outgo	370,832,063	562,688,826	623,835,917
Unexpended balance of fund at end of year	1,666,620,512	2,166,938,753	2,641,055,104

Object Classification

	1959 actual	1960 estimate	1961 estimate
12 Pensions, annuities, and insurance claims	$339,230,682	$520,000,000	$576,000,000
14 Interest	440,900	724,045	849,376
Unclassified:			
Payment to Federal old-age and survivors insurance trust fund, Bureau of Old-Age and Survivors Insurance, for administrative expenses	17,526,473	28,781,908	33,764,016
Payment to miscellaneous receipts as reimbursements for administrative expenses	3,884,008	3,182,873	3,222,525
Refund of excess taxes collected	9,750,000	10,000,000	10,000,000
Total obligations	370,832,063	562,688,826	623,835,917

FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Benefit payments	$9,049,146,281	$10,346,000,000	$11,086,000,000
2. Construction	1,345,687	7,026,774	447,000
3. Administration	209,043,026	230,198,638	242,801,000
4. Refund of excess taxes collected	73,680,000	79,000,000	88,000,000
5. Payment to Railroad retirement account	124,441,000	566,548,000	277,500,000
Total program (costs—obligations)	9,457,655,994	11,228,773,412	11,694,748,000
Financing:			
Unobligated balance brought forward:			
Cash	1,014,018,649	1,045,891,478	1,035,700,273
U.S. securities (par)	21,764,964,250	20,478,466,250	19,467,000,000
Unamortized premium and interest purchased	−775,461	−4,036,363	−4,315,558
Unappropriated receipts	219,109	160,809	
Receipts:			
Taxes	7,157,673,756	9,164,000,000	10,693,000,000
Deposits by States	481,091,876	500,000,000	515,000,000
Interest on investments	542,979,330	513,000,000	512,389,275
Interest payment by Federal disability insurance trust fund	440,900	724,045	849,376
Sale of waste paper	155,935	170,000	185,000
Reimbursement from Federal disability insurance trust fund	17,526,473	28,781,908	33,764,016
Adjustment upward of prior year obligations	−156,649		
Unobligated balance carried forward:			
Cash	−1,045,891,478	−1,035,700,273	−1,062,824,382
U.S. securities (par)	−20,478,466,250	−19,467,000,000	−19,500,000,000
Gain from premium or discount on investments	4,036,363	4,315,558	4,000,000
Unappropriated receipts	−160,809		
Total financing	9,457,655,994	11,228,773,412	11,694,748,000

Under the Federal old-age and survivors insurance system, workers, employers and self-employed individuals make annual contributions in the form of taxes on earnings toward the benefits which will be payable when the worker retires or when he dies. These contributions were increased by one-half of 1% to a combined total paid by employer and employee of 4½% on January 1, 1959, and by another 1% January 1, 1960. An amount equal to the annual contributions is deposited in this trust fund for benefit payments and administrative expenses, part of which is being used for construction of a building to house the Bureau of Old-Age and Survivors Insurance. Any excess of income over outgo together with annual interest is invested in Government securities (42 U.S.C. 401).

Payments are made between this trust fund and the railroad retirement account so as to place this fund in the same position in which it would have been if railroad employment after 1936 had been included in social security coverage (45 U.S.C. 228E).

The status of the fund is as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Unexpended balance of fund at beginning of year	$22,812,600,170	$21,541,424,332	$20,523,527,897
Cash income during year	8,182,341,797	10,177,894,045	11,721,423,651
Cash outgo during year:			
For benefit payments	9,049,146,281	10,346,000,000	11,086,000,000
For administrative expenses (net of reimbursements from disability fund)	194,627,090	190,400,480	197,677,984
For construction and equipment of buildings	11,623,264	13,842,000	2,520,000
Payment to Railroad retirement account (45 U.S.C. 228E)	124,441,000	566,548,000	277,500,000
Refund of excess taxes collected	73,680,000	79,000,000	88,000,000
Total annual outgo	9,453,517,635	11,195,790,480	11,651,697,984
Unexpended balance of fund at end of year	21,541,424,332	20,523,527,897	20,592,253,564

Object Classification

	1959 actual	1960 estimate	1961 estimate
07 Other contractual services:			
Office of the Secretary of Health, Education, and Welfare	$287,000	$302,500	$315,000
Office of the General Counsel, Office of the Secretary of Health, Education, and Welfare	501,400	510,200	552,000
Office of Field Services, Office of the Secretary of Health, Education, and Welfare	871,200	926,000	942,000
Office of the Commissioner, Social Security Administration	268,500	276,000	282,000
12 Pensions, annuities, and insurance claims	9,049,146,281	10,346,000,000	11,086,000,000
Administrative expenses "Limitation on salaries and expenses, Bureau of Old-Age and Survivors Insurance"	170,086,517	191,372,250	203,200,000
Construction of building	1,345,687	7,026,774	447,000
Unclassified:			
Payment to miscellaneous receipts as reimbursements for administrative expenses	37,028,409	36,811,688	37,510,000
Payment to Railroad retirement account (45 U.S.C. 228E)	124,441,000	566,548,000	277,500,000
Payment to general fund for refunding internal revenue collections	73,680,000	79,000,000	88,000,000
Total obligations	9,457,655,994	11,228,773,412	11,694,748,000

PERSHING HALL MEMORIAL FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Payment of fund earnings (total costs—obligations) (object class 11)	$5,311	$5,467	$5,311
Financing:			
Unobligated balance brought forward:			
Cash	86	30	30
U.S. securities (par)	199,100	211,000	211,000
Receipts (interest and profits on investments)	5,311	5,467	5,311
Gain from premium or discount on investments	11,844		
Unobligated balance carried forward:			
Cash	−30	−30	−30
U.S. securities (par)	−211,000	−211,000	−211,000
Total financing	5,311	5,467	5,311

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The Secretary of the Treasury may invest the principal of the Pershing Hall memorial fund in interest-bearing U.S. bonds. Earnings are paid to the American Legion for use in the maintenance of Pershing Hall in Paris, France (49 Stat. 426).

Unemployment Trust Fund

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Withdrawals by States	$2,796,920,105	$2,100,000,000	$1,800,000,000
2. Withdrawals by Railroad Retirement Board	247,659,926	275,000,000	165,000,000
3. Administrative expenses—Railroad Retirement Board	9,273,906	9,250,000	8,241,000
Total program (costs—obligations)	3,053,853,937	2,384,250,000	1,973,241,000
Financing:			
Unobligated balance brought forward:			
Cash	51,309,850	6,005,627	9,852,102
U.S. securities (par)	7,719,944,000	6,710,565,000	6,623,000,000
Unamortized premium, discount, and interest purchased	657,562	−1,143,492	−1,274,967
Adjustment upward of prior year obligations	−750		
Receipts (cash income) from—			
Deposits by States	1,700,575,082	1,850,000,000	1,900,000,000
Interest on investments	186,907,592	189,000,000	190,000,000
Taxes	102,014,172	150,000,000	170,000,000
Transfer of receipts from Railroad unemployment insurance administration fund	7,873,564	9,400,000	9,800,000
Borrowings from Railroad retirement accounts		102,000,000	
General fund "Payment to unemployment trust fund," Treasury Department			14,535,000
Unobligated balance carried forward:			
Cash	−6,005,627	−9,852,102	−15,996,102
U.S. securities (par)	−6,710,565,000	−6,623,000,000	−6,928,000,000
Unamortized premium, discount, and interest purchased	1,143,492	1,274,967	1,324,967
Total financing	3,053,853,937	2,384,250,000	1,973,241,000

Under the Social Security Act all moneys deposited by a State agency from a State unemployment fund or by the Railroad Retirement Board to the credit of the Railroad unemployment insurance account as well as transfers to the Federal unemployment account, are held in the Unemployment trust fund. Under the provisions of 72 Stat. 1783 the Secretary of the Treasury established and maintains within the Unemployment trust fund an account known as the Railroad unemployment insurance administration fund. Amounts in the fund which are not required to meet current withdrawals are invested in Government securities (42 U.S.C. 1104).

The June 30, 1959, balance of $6,716,153,433 is distributed as follows:

State unemployment trust accounts	$6,682,173,389
Railroad unemployment insurance account:	
Benefits and refunds	26,867,598
Administrative expense account	5,915,442
Federal unemployment account	1,197,004
Total	6,716,153,433

The Federal unemployment account is maintained at $200 million in order to make loans to States whenever benefit payments made by any State seriously deplete the balance in its unemployment trust account. Interest and repayments may increase the balance above $200 million. The Federal unemployment account's financial activity for 1959 showed:

Balance brought forward July 1, 1958	$202,034,219
Outgo: Loans	−212,440,000
Administrative expenses, Bureau of Employment Security (return of unused advances)	6,773
Income:	
1958 receipts credited in 1959	6,078,600
Interest	5,517,412
Balance carried forward June 30, 1959	1,197,004

The status of funds is as follows:

	1959 actual	*1960 estimate*	*1961 estimate*
Investments in U.S. securities at beginning of year (par)	$7,719,944,000	$6,710,565,000	$6,623,000,000
Unamortized premium, discount, and interest purchased	657,562	−1,143,492	−1,274,967
Cash (unexpended balance)	52,070,238	6,731,925	10,608,400
Balance of fund at beginning of year	7,772,671,800	6,716,153,433	6,632,333,433
Cash income during year:			
Deposits by States	1,700,575,082	1,850,000,000	1,900,000,000
Interest on investments	186,907,592	189,000,000	190,000,000
Railroad unemployment insurance account	102,014,172	150,000,000	170,000,000
Transfers from—			
Borrowings from Railroad retirement accounts		102,000,000	
Federal unemployment account			14,535,000
Railroad unemployment insurance administration fund	7,873,564	9,400,000	9,800,000
Total annual income	1,997,370,410	2,300,400,000	2,284,335,000
Cash outgo during year:			
Payment of railroad retirement benefits	247,659,926	275,000,000	165,000,000
Payments to States	2,796,920,105	2,100,000,000	1,800,000,000
Railroad unemployment insurance account administrative expenses	9,308,746	9,220,000	8,260,000
Total annual outgo	3,053,888,777	2,384,220,000	1,973,260,000
Investments in U.S. securities at end of year (par)	6,710,565,000	6,623,000,000	6,928,000,000
Unamortized premium, discount, and interest purchased	−1,143,492	−1,274,967	−1,324,967
Cash (unexpended balance)	6,731,925	10,608,400	16,733,400
Balance of fund at end of year	6,716,153,433	6,632,333,433	6,943,408,433

Object Classification

	1959 actual	1960 estimate	1961 estimate
11 Grants, subsidies, and contributions	$247,659,926	$275,000,000	$165,000,000
13 Refunds, awards, and indemnities: Payments to States	2,796,920,105	2,100,000,000	1,800,000,000
Limitation on administrative expenses, Railroad Retirement Board	9,273,906	9,250,000	8,241,000
Total obligations	3,053,853,937	2,384,250,000	1,973,241,000

BUREAU OF ACCOUNTS

Bureau of Accounts, Trust Funds

Note.—The following schedules include unobligated balances for "Matured obligations of the District of Columbia" and "To promote the education of the blind (principal account)."

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Bulgarian claims fund	$70,024	$2,301,447	$200,000
2. Czechoslovakian claims fund		200,000	1,500,000
3. Hungarian claims fund		1,153,017	584,967
4. Italian claims fund	220,459	3,047,727	
5. Rumanian claims fund	313,784	19,427,930	100,000
6. Soviet claims fund	387,385	6,703,915	
7. Losses in melting gold	46	1,000	1,000
8. National defense conditional gift fund	42,427		
9. Payment of pre-1934 bonds of the Government of the Philippines	209,217	3,252,163	293,193
10. Payment of unclaimed moneys	56,243	60,000	60,000
11. Unclaimed moneys of individuals whose whereabouts are known	7,283		
Total program (costs—obligations)	1,306,868	36,147,199	2,739,160
Financing:			
Unobligated balance brought forward:			
Cash	32,257,117	33,401,013	10,457,182
Unappropriated receipts:			
Losses in melting gold	144,704,217	9,094,368	9,098,368
Payment of unclaimed moneys	13,964,458	14,143,737	14,283,737
U.S. securities (par)	5,166,300	5,068,300	1,896,700
Receipts:			
Bulgarian claims fund	144,162	200,000	200,000
Czechoslovakian claims fund		8,540,768	
Hungarian claims fund	448,329	950,000	
Rumanian claims fund	1,568,414	200,000	100,000
Losses in melting gold	6,194	5,000	5,000
National defense conditional gift fund	19,597		
Payment of pre-1934 bonds of the Government of the Philippines	109,121	80,000	40,000
Payment of unclaimed moneys	235,522	200,000	200,000
Unclaimed moneys of individuals whose whereabouts are known	6,852		
Adjustment of unappropriated receipts	−135,615,997		

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TREASURY DEPARTMENT—Continued

BUREAU OF ACCOUNTS—Continued

BUREAU OF ACCOUNTS, TRUST FUNDS—Continued

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Financing—Continued			
Unobligated balance carried forward:			
Cash	−$33,401,013	−$10,457,182	−$8,372,210
Unappropriated receipts:			
Losses in melting gold	−9,094,368	−9,098,368	−9,102,368
Payment of unclaimed moneys	−14,143,737	−14,283,737	−14,423,737
U.S. securities (par)	−5,068,300	−1,896,700	−1,643,512
Total financing	1,306,868	36,147,199	2,739,160

1–6. *Foreign claims settlement.*—The Foreign Claims Settlement Commission is authorized to adjudicate claims of American nationals against Bulgaria, Czechoslovakia, Hungary, Italy, Rumania, Soviet Union, and Yugoslavia. Upon certification by the Commission, the Secretary of the Treasury is authorized to make payments on awards.

7. *Losses in melting gold.*—Out of the receipts to be covered into the Treasury under section 7 of the Gold Reserve Act of 1934, an amount is made available sufficient to cover the difference between the volume of gold as carried in the general account of the Treasurer of the United States and the volume of such gold after melting and refining (48 Stat. 1061).

8. *National defense conditional gifts.*—The Secretary of the Treasury accepts, on behalf of the United States, conditional gifts of money or other tangible property to be used for a particular defense purpose. Intangibles other than money are converted at the best terms available. The moneys held in trust are paid to those appropriation accounts which best effectuate the intent of the donors (68 Stat. 566).

9. *Payment of pre-1934 bonds of the Government of the Philippines.*—This trust account provides for payment of principal and interest on outstanding bonds of the Philippines and its provinces, cities, and municipalities, which bonds were issued prior to May 1, 1934, under authority of acts of Congress. The value of unmatured outstanding bonds is $3,995,850 (22 U.S.C. 1393(g)(5)).

10. *Payment of unclaimed moneys.*—Payments are made to individuals who establish their right to moneys held in trust pending claims of owners.

11. *Unclaimed moneys of individuals whose whereabouts are known.*—Amounts are held in trust awaiting settlement of claims (31 U.S.C. 725).

Matured obligations of the District of Columbia.—Funds from inactive accounts are transferred to this account to meet matured obligations of the District of Columbia when and if presented (31 U.S.C. 725s). As of June 30, 1959, there was a balance of $8,176 in the fund.

To promote the education of the blind.—The $250,000 uninvested credit on the books of the Treasury is an unexpendable endowment fund established to promote the education of the blind in the United States. A permanent annual appropriation of $10,000, being equivalent to 4% on the principal, is paid to the American Printing House for the Blind (20 U.S.C. 101).

Object Classification

	1959 actual	1960 estimate	1961 estimate
11 Grants, subsidies, and contributions	$42,427		
13 Refunds, awards, and indemnities	1,055,224	$32,895,036	$2,445,967
14 Interest	184,217	145,163	43,193
Retirement of bonds	25,000	3,107,000	250,000
Total obligations	1,306,868	36,147,199	2,739,160

BUREAU OF CUSTOMS

BUREAU OF CUSTOMS TRUST FUNDS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Refunds, transfers, and expenses of operations, Virgin Islands	$456,424	$525,000	$550,000
2. Refunds, transfers, and expenses of operations, Puerto Rico	8,331,112	9,000,000	9,300,000
3. Refunds, transfers, and expenses, unclaimed, abandoned, and seized goods	355,919	325,000	325,000
Total program (costs—obligations)	9,143,455	9,850,000	10,175,000
Financing:			
Unobligated balance brought forward	974,425	1,295,318	1,295,318
Receipts:			
Customs duties, taxes, and fees collected in the Virgin Islands	489,008	525,000	550,000
Customs duties, taxes, and fees collected in Puerto Rico	8,680,407	9,000,000	9,300,000
Sale of abandoned and seized merchandise	294,933	325,000	325,000
Unobligated balance carried forward	−1,295,318	−1,295,318	−1,295,318
Total financing	9,143,455	9,850,000	10,175,000

Customs duties, taxes, and fees collected in Puerto Rico and the Virgin Islands, and all proceeds of the sale of abandoned and seized merchandise, are deposited to this account. After expenses have been provided for, available balances are transferred to the treasurer of Puerto Rico, the treasury of the municipalities of the Virgin Islands, and miscellaneous receipts, respectively (19 U.S.C. 528, 1491, 1493, 1559, 1613, 1624; 48 U.S.C. 740, 795, 1396, 1406(h)).

Object Classification

	1959 actual	1960 estimate	1961 estimate
BUREAU OF CUSTOMS			
Total number of permanent positions	245	245	245
Full-time equivalent of all other positions	1	1	1
Average number of all employees	241	241	241
Number of employees at end of year	244	244	244
Average GS grade and salary	7.0 $5,589	7.0 $5,698	7.0 $5,783
01 Personal services:			
Permanent positions	$1,219,019	$1,287,000	$1,300,000
Positions other than permanent	2,615	4,600	4,600
Other personal services	246,742	270,400	267,550
Total personal services	1,468,376	1,562,000	1,572,150
02 Travel	12,659	16,000	16,000
03 Transportation of things	10,279	10,000	10,000
04 Communication services	12,450	13,500	13,500
05 Rents and utility services	6,114	6,500	6,500
06 Printing and reproduction	25	25	25
07 Other contractual services	366,796	344,000	344,000
08 Supplies and materials	21,203	18,000	18,000
09 Equipment	14,616	21,000	16,000
11 Grants, subsidies, and contributions	79,011	82,000	83,000
Payments to—			
Treasury of municipalities of Virgin Islands	284,000	358,000	382,800
Treasurer of Puerto Rico	6,425,000	6,619,347	7,356,000
13 Refunds, awards, and indemnities	120	225	225
Refunds and drawbacks	355,673	356,000	356,000
15 Taxes and assessments	752	750	800
Total, Bureau of Customs	9,057,074	9,407,347	10,175,000
ALLOCATION TO RIVERS AND HARBORS, AND FLOOD CONTROL, ARMY—CIVIL			
Total number of permanent positions	3	7	
Average number of all employees	1	6	
Number of employees at end of year	2	0	
Average GS grade and salary	6.0 $4,805	6.7 $5,164	
01 Personal services:			
Permanent positions	$8,026	$31,019	
Other personal services	2,905	4,728	
Total personal services	10,931	35,747	
02 Travel	1,412	4,130	
07 Other contractual services	905	138,990	
08 Supplies and materials	79	375	
10 Lands and structures	72,693	261,395	
11 Grants, subsidies, and contributions	361	2,016	
Total, rivers and harbors, and flood control, Army—Civil	86,381	442,653	
Total obligations	9,143,455	9,850,000	$10,175,000

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INTERNAL REVENUE SERVICE

EXPENSES, TREASURY DEPARTMENT, ENFORCEMENT TITLE III, NATIONAL PROHIBITION ACT, AS AMENDED, PUERTO RICO AND VIRGIN ISLANDS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Enforcement of prohibition laws in Puerto Rico and Virgin Islands (total costs—obligations)	$154,252		
Financing:			
Unobligated balance brought forward	44,195		
Receipts (sale of goods and services)	110,057		
Total financing	154,252		

Prior to July 1, 1959, advances were made by the insular government of Puerto Rico to pay expenses incurred on that island in connection with the enforcement of internal revenue laws relating to industrial alcohol. (26 U.S.C. 3123; 72 Stat. 1376 (a–4)). Public Law 85–859 amended this procedure to provide that starting July 1, 1959, such expenses shall be charged to the operating appropriation which incurs them, which appropriation shall be reimbursed out of taxes collected for Puerto Rico. The estimates for 1960 and 1961 are therefore included under Advances and reimbursements, Internal Revenue Service, Treasury Department, which account is shown in part II of this document.

The law continues to provide for the handling of similar expenses incurred in behalf of the Virgin Islands through this trust fund. However, no expenses have been incurred to date, and none are anticipated.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	16		
Average number of all employees	16		
Number of employees at end of year	16		
Average GS grade and salary	7.7 $6,267		

Object Classification—Continued

		1959 actual	1960 estimate	1961 estimate
01	Personal services:			
	Permanent positions	$100,495		
	Other personal services	18,120		
	Total personal services	118,615		
02	Travel	2,553		
03	Transportation of things	63		
04	Communication services	400		
05	Rents and utility services	18		
07	Other contractual services	1,619		
08	Supplies and materials	1,535		
11	Grants, subsidies, and contributions	6,545		
13	Refunds, awards, and indemnities	22,904		
	Total obligations	154,252		

COAST GUARD

GENERAL GIFT FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Training facilities (total costs—obligations)	$4,083	$12,413	$5,000
Financing:			
Unobligated balance brought forward	6,343	7,413	
Receipts	5,153	5,000	5,000
Unobligated balance carried forward	−7,413		
Total financing	4,083	12,413	5,000

This trust fund, maintained from gifts and bequests, is used for purposes as specified by the donor in connection with the Coast Guard training program (5 U.S.C. 150q–t).

Object Classification

		1959 actual	1960 estimate	1961 estimate
07	Other contractual services	$881	$3,900	$1,500
08	Supplies and materials	2,274	7,070	3,000
09	Equipment	264	495	500
10	Lands and structures	664	948	
	Total obligations	4,083	12,413	5,000

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PART IV

SPECIAL ANALYSES

Special Analysis A. Federal Government Receipts From and Payments to the Public
Special Analysis B. Analysis of Budget Receipts (by Source)
Special Analysis C. Analysis of the Budget by Function and Agency
Special Analysis D. Investment, Operating, and Other Budget Expenditures
Special Analysis E. Foreign Currency Availabilities and Uses
Special Analysis F. Selected Investment and Interfund Transactions
Special Analysis G. Historical Comparison of Budget Receipts and Expenditures by Function

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INTRODUCTION TO PART IV

Part IV of the budget contains a limited number of special analyses of budget data, which supplement material appearing in other parts of the budget. Most of the analyses include explanatory material which expands and elaborates these introductory notes.

In addition to the special analyses appearing in this part of the budget document, the analyses listed below are being published separately and single copies of each may be obtained, upon request, from the Bureau of the Budget. The first two on the list are currently available; the others are expected to be available in about 10 days.

Federal Activities in Public Works and Other Construction.
Federal Research and Development Programs.
Federal Credit Programs.
Federal Aid to State and Local Governments.
Principal Federal Statistical Programs.

FEDERAL GOVERNMENT RECEIPTS FROM AND PAYMENTS TO THE PUBLIC

Special analysis A presents information on the flow of money between the public and the Federal Government as a whole, including both Federal funds and trust (and deposit) funds. In addition, certain transactions of five Government-sponsored enterprises are included. Major intragovernmental and noncash transactions are excluded in this consolidation. This analysis also presents a reconciliation with Treasury cash deposits and withdrawals as reported in the Daily Statement of the U.S. Treasury. The information here provides one measure of the impact of Government activities on the economy, and it serves as the basis for table 5 of part I, which summarizes the data for fiscal year 1961 only.

ANALYSIS OF BUDGET RECEIPTS

Special analysis B presents details on the budget receipts summarized in table 1 of part I. It includes a statement explaining the receipt estimates, together with a table giving a classification of receipts by source. Data for all 3 years is presented on the basis of a revised classification adopted in July 1959. The figures include receipts of *both* the general fund and the special funds. The text pertaining to taxes, customs, and refunds is prepared by the Treasury Department.

ANALYSIS OF THE BUDGET BY FUNCTION AND AGENCY

Special analysis C gives the details for the functional classification of new obligational authority and expenditures used in the budget message and in certain tables of part I. It is compiled by regrouping the figures found in the chapter summaries of part II. The code numbers listed in the chapter summaries are the key to the grouping found in this analysis.

CHARACTER ANALYSIS OF BUDGET EXPENDITURES

Special analysis D analyzes budget expenditures in terms of the duration and nature of the benefits derived. Expenditures of an *investment* type are shown in two major categories—one for acquisition and improvement of Federal assets, and the other for developmental purposes such as additions to State, local, and private assets, and expenditures for research, education, and health. Expenditures yielding *current* benefits are also grouped in two major categories—one for aids and special services to various groups, and the other for the remaining current operating expenses. No adjustments are made for depreciation, obsolescence, allowances for potential losses on loans, and other items not reflected in current expenditure data.

FOREIGN CURRENCY AVAILABILITIES AND USES

Special analysis E presents information on the foreign currencies accruing to the United States without purchase with dollars, and the disposition of such currencies. It covers currencies both for "country uses" (grants to and loans in the country from which the currencies are obtained) and for "U.S. uses." For 1959 and 1960 currencies were in many cases made available to various agencies for U.S. uses without being reflected in the budget accounts; for 1961, it is proposed to adopt a system of budget control which will also automatically bring the transactions into the budget accounts. The special analysis coordinates and supplements the information presented elsewhere in the budget on this subject.

SELECTED INVESTMENTS AND INTERFUND TRANSACTIONS

Special analysis F sets forth certain investments and interfund transactions which are not reflected in the expenditures or receipts shown elsewhere in the budget. The first two groups of these are the investments by revolving and trust funds in U.S. Government securities (both Treasury issues and the securities of wholly owned Government enterprises), and the net borrowing or repayment of debt by wholly owned enterprises (other than their debt to the Treasury). The totals of these transactions, while not a part of budget expenditures or receipts, affect the financing requirements of the Government as a whole, and therefore are included in computations shown in table 4 of part I. The other group of transactions included in this table constitutes transfers by the revolving funds to the general fund, representing the return of capital and the distribution of earnings; such transfers are excluded from budget expenditures and budget receipts.

HISTORICAL COMPARISON OF BUDGET RECEIPTS AND EXPENDITURES

Special analysis G presents a 10-year comparison of budget receipts and expenditures. The receipts are classified by source and the expenditures by function. A technical note sets forth the change in classifications since the 1960 budget. As in special analysis C, the code numbers appearing in the chapter summaries of part II are the key to the grouping of items in the expenditure section of this analysis.

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Special Analysis A

FEDERAL GOVERNMENT RECEIPTS FROM AND PAYMENTS TO THE PUBLIC

The transactions of the Federal Government on a consolidated cash basis are expected to result in an excess of Federal receipts from the public of $5.9 billion in the fiscal year 1961 as compared with an excess of payments of $0.5 billion in the current year. This concept of Federal income and outgo is described in detail on pages 899–900 of this analysis. In general, in addition to consolidating budget, trust fund, and other transactions, it eliminates certain intragovernmental payments and transactions which do not represent cash flows between the Federal Government and the public.

The shift to an excess of receipts between 1960 and 1961 is explained primarily by the improved budget outlook, and also by the change to a net accumulation of trust fund receipts of $1.3 billion in 1961, from an estimated excess of payments of $0.8 billion in 1960. (For trust fund receipts and expenditures, see part III of this document, especially pp. 843–844.

Receipts from the public are expected to rise to $102.2 billion in 1961, which is $7.4 billion higher than in the current fiscal year. Payments are estimated at $96.3 billion, an increase of $0.9 billion above the current fiscal year.

FEDERAL GOVERNMENT RECEIPTS FROM THE PUBLIC BY MAJOR SOURCE AND PAYMENTS TO THE PUBLIC BY MAJOR FUNCTION

EXCLUDES MAJOR INTRAGOVERNMENTAL AND NONCASH TRANSACTIONS

[In millions]

Description	1948 actual	1949 actual	1950 actual	1951 actual	1952 actual	1953 actual	1954 actual	1955 actual	1956 actual	1957 actual	1958 actual	1959 actual	1960 estimate	1961 estimate
FEDERAL RECEIPTS FROM THE PUBLIC														
Individual income taxes	$19,305	$15,548	$15,745	$21,643	$27,913	$30,108	$29,542	$28,747	$32,188	$35,620	$34,724	$36,719	$40,306	$43,706
Corporation income taxes	9,678	11,195	10,448	14,106	21,225	21,238	21,101	17,861	20,880	21,167	20,074	17,309	22,200	23,500
Excise taxes	7,356	7,502	7,549	8,648	8,851	9,868	9,945	9,131	9,929	10,534	10,728	10,675	11,727	12,473
Employment taxes	2,388	2,476	2,881	3,928	4,563	4,980	5,423	6,217	7,294	7,578	8,641	8,850	11,055	12,665
Estate and gift taxes	890	780	698	708	818	881	934	924	1,161	1,365	1,393	1,333	1,470	1,620
Customs	403	367	407	609	533	596	542	585	682	735	782	925	1,176	1,376
Deposits by States, unemployment insurance	1,007	985	1,098	1,363	1,439	1,371	1,246	1,146	1,330	1,542	1,501	1,701	1,850	1,900
Veterans life insurance premiums	434	431	440	520	473	428	426	441	441	452	485	477	494	510
Other budget and trust receipts	3,895	2,293	1,673	1,865	2,196	2,027	2,468	2,783	3,183	3,115	3,565	3,671	4,518	4,427
Total Federal receipts from the public	**45,357**	**41,576**	**40,940**	**53,390**	**68,012**	**71,498**	**71,626**	**67,835**	**77,087**	**82,106**	**81,892**	**81,660**	**94,796**	**102,178**
FEDERAL PAYMENTS TO THE PUBLIC														
Major national security	12,998	13,093	13,155	22,639	44,186	50,507	47,056	40,782	40,771	43,345	44,460	46,616	45,912	45,898
International affairs and finance	5,542	6,213	4,539	3,703	2,915	2,175	1,594	2,006	1,646	2,626	2,666	2,388	1,774	2,192
Veterans services and benefits	6,904	7,054	9,299	5,994	5,755	4,883	4,962	5,057	5,283	5,382	5,682	5,815	5,814	6,125
Labor and welfare	3,149	3,993	5,275	5,068	5,915	6,920	8,442	9,890	10,608	12,494	16,140	18,552	19,755	20,281
Agriculture and agricultural resources	531	2,532	2,848	628	1,129	2,949	2,596	4,403	4,983	4,603	4,320	6,996	5,135	5,475
Natural resources	755	1,062	1,220	1,279	1,377	1,487	1,330	1,217	1,123	1,324	1,570	1,698	1,820	1,970
Commerce and housing	449	1,407	1,795	2,346	2,148	2,327	219	1,449	2,186	3,138	2,996	6,859	7,105	5,565
General government	1,385	1,033	1,056	1,228	1,344	1,360	1,470	1,396	1,578	1,494	1,622	1,923	2,077	2,293
Interest [1]	3,909	3,977	4,316	4,134	4,134	4,711	4,620	4,664	5,115	5,265	5,883	5,351	7,554	7,958
Deposit funds, net [2]	73	463	77	−544	−160	−471	−115	57	229	225	−97	−3	−135	−111
Allowance for contingencies													75	200
Expenditures by agencies, as employers, for Federal employees retirement (−)[3]											−586	−756	−724	−771
Deduction from Federal employees' salaries for retirement (−)	−236	−327	−358	−378	−411	−420	−430	−439	−574	−644	−666	−751	−724	−724
Increase (−) or decrease in clearing account for outstanding checks, etc.[4]	507	−366	−483	214	401	250	115	55	−335	753	−579	116	−99	−95
Adjustment to daily Treasury statement basis	527	437	409	−515	−769	95								
Total Federal payments to the public	**36,493**	**40,570**	**43,147**	**45,797**	**67,963**	**76,772**	**71,859**	**70,537**	**72,616**	**80,007**	**83,412**	**94,804**	**95,338**	**96,257**
Excess of Federal payments to (−) or receipts from the public	**8,864**	**1,006**	**−2,207**	**7,593**	**49**	**−5,274**	**−232**	**−2,702**	**4,471**	**2,099**	**−1,520**	**−13,144**	**−542**	**5,921**

[1] Since 1954, includes adjustment for change in public debt interest checks, coupons, and accruals outstanding.

[2] Excludes deposit funds of Government-sponsored enterprises which are allocated by major function.

[3] In 1957 and prior years the Government's payment as employer was made in a lump sum to the Civil Service Commission and was not included in any functional category as a payment to the public. From 1958, the individual agency payments are included in the applicable functional category, but the total is deducted from payments in a lump sum.

[4] Since 1954, excludes that part of clearing account which is for public debt interest checks, coupons, and accruals outstanding.

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Special Analysis A—Continued

FEDERAL GOVERNMENT RECEIPTS FROM AND PAYMENTS TO THE PUBLIC—Continued

Federal receipts from the public by major source and payments to the public by major function: 1948–61.—Since 1948, receipts from and payments to the public have both increased at a faster rate than budget receipts and expenditures, with the growth of existing trust fund programs accompanied by employment tax increases (particularly old-age and survivors insurance) and the creation of new trust funds (principally the Highway trust fund). Both receipts from and payments to the public in 1961 will be more than double the comparable amount in any of the years 1948–50.

Income taxes have provided most of the increase in receipts from the public, and have more than doubled since 1948. Individual income taxes in 1961 will have risen by $24.4 billion and corporate income taxes by $13.8 billion during this period. Employment tax receipts are estimated to be $12.7 billion in 1961, over 5 times the 1948 level. This growth is accounted for by (1) increases in both the rates and income bases of these taxes, (2) the wider extension of social security coverage, and (3) generally higher incomes.

FEDERAL RECEIPTS FROM AND PAYMENTS TO THE PUBLIC COMPARED WITH BUDGET RECEIPTS AND EXPENDITURES FOR 1961

[Estimates. In millions]

Description	Receipts from and payments to the public	Budget receipts and expenditures	Difference
Receipts:			
Individual income taxes	$43,706	$43,706	
Corporation income taxes	23,500	23,500	
Excise taxes	12,473	9,523	$2,950
Employment taxes	12,665	340	12,325
Estate and gift taxes	1,620	1,620	
Customs	1,376	1,376	
Other receipts	6,838	3,935	2,903
Total receipts	102,178	84,000	18,178
Payments:			
Major national security	45,898	45,568	330
International affairs and finance	2,192	2,242	−50
Veterans services and benefits	6,125	5,471	654
Labor and welfare	20,281	4,569	15,712
Agriculture and agricultural resources	5,475	5,623	−148
Natural resources	1,970	1,938	32
Commerce and housing	5,565	2,709	2,856
General government	2,293	1,911	382
Interest	7,958	9,585	−1,627
Allowance for contingencies	200	200	
Undistributed	−1,700		−1,700
Total payments	96,257	79,816	16,441
Excess of receipts	5,921	4,184	1,737

With two exceptions, payments for each major governmental function will be higher in 1961 than in 1948. The exceptions are international affairs and finance, and veterans services and benefits; and in both of these cases expenditures in 1948 were very high because of special post-World War II conditions. In absolute amounts, the largest increases since 1948 are $32.9 billion for major national security, and $17.1 billion for labor and welfare. The largest relative changes since 1948 are for commerce and housing programs and for agriculture and agricultural resources. Outlays for commerce and housing programs (including highways) in 1961 are estimated to be 12 times the 1948 total, while payments for agriculture will have increased 10 times from the exceptionally low 1948 amount.

Comparison with the budget.—The estimated excess of receipts from the public in 1961 exceeds the budget surplus primarily because trust fund receipts exceed trust fund expenditures. A much smaller contributing factor will be the expected unpaid interest accruals on savings bonds, which are included in budget expenditures but not in cash payments. As in the budget, income taxes provide the largest portion of receipts from the public, and payments to the public for major national security exceed payments for any other function.

Federal payments to the public for commerce and housing exceed comparable budget totals considerably, primarily because of the expenditures from the Highway trust fund. Payments for labor and welfare also exceed budget totals substantially, because of the benefit payments of the social security trust funds. On the other hand, cash payments to the public for interest are considerably smaller than budget outlays, mainly because a large amount of interest on the public debt is paid by the Treasury to trust funds on their holdings of public debt securities, and does not go to the public directly.

Federal net cash borrowing from the public.—The amount of Federal net cash borrowing from the public (or net repayment of such borrowing) is determined primarily by the excess of payments to (or receipts from) the public, and also varies with changes made in the Treasury's cash balances. Receipts from the exercise of monetary authority, not included in receipts from the public, provide a relatively small additional amount of available revenue.

FEDERAL GOVERNMENT NET CASH BORROWING FROM THE PUBLIC

[In millions]

Description	1959 actual	1960 estimate	1961 estimate
Excess of Federal payments to (−) or receipts from the public	−$13,144	−$542	$5,921
Receipts from exercise of monetary authority	44	40	48
Increase (−) or decrease in cash balances	4,422	88	
Federal cash borrowing (−) or repayment of cash borrowing	−8,678	−414	5,969

The figures shown in the preceding table for net cash borrowing from the public include not only the change in the amount of publicly held U.S. Government securities issued by the Treasury, but also the change in securities of various kinds issued to the public by other Government agencies and by Government-sponsored enterprises. Changes in the public debt that do not represent direct cash borrowing or repayment of borrowing from the public are excluded. Major examples of such noncash debt transactions are the issuance of U.S. Government notes and securities to the International Monetary Fund and

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Special Analysis A—Continued

FEDERAL GOVERNMENT RECEIPTS FROM AND PAYMENTS TO THE PUBLIC—Continued

to the trust funds, which hold about one fifth of the public debt.

CHANGE IN PUBLIC DEBT RECONCILED WITH FEDERAL GOVERNMENT NET CASH BORROWING FROM THE PUBLIC

[In millions]

Description	1959 actual	1960 estimate	1961 estimate
Increase (−) or decrease in public debt [1]	−$8,363	$206	$4,500
Cashings of (−) or investments in U.S. securities, net:			
Trust funds [2]	−1,215	208	1,769
Public enterprise funds	102	161	185
Government-sponsored enterprises	−68	258	240
Increase (−) or decrease in obligations of Government enterprises held by the public, net:			
Trust funds [2]	−67	−980	−800
Public enterprise funds	−3	−5	−106
Government-sponsored enterprises	−1,222	−885	57
Decrease (−) or increase in public debt from noncash adjustments, net [3]	2,160	623	124
Federal cash borrowing (−) or repayment of cash borrowing	−8,678	−414	5,969

[1] From table 4 in part I of this document.
[2] Includes the Federal National Mortgage Association secondary market operations and (until Jan. 1, 1959) the Federal intermediate credit banks.
[3] Includes accrued interest and noncash adjustments other than the change in the clearing account.

Coverage.—This analysis presents information on the flow of money between the public and the Federal Government as a whole, representing, in effect, a consolidated cash statement of Federal transactions—other than borrowing—with the public. For purposes of this analysis, the public is defined to include individuals, banks, other private corporations and associations, unincorporated businesses, the Federal Reserve System, the Postal Savings System, State and local governments, foreign governments, and international organizations. Included in consolidated cash receipts and expenditures are the transactions of trust and deposit funds (which are not fully owned by the Federal Government), and net expenditures of Government-sponsored enterprises, as well as the Federal funds included in budget receipts and expenditures. (For a description of the differences between budget, trust, and other types of funds, see the introductions to part I and part III, pp. 1 and 841.) In consolidating these funds, major intragovernmental transactions which are reported as both expenditures and receipts are eliminated. Transactions so eliminated are: (1) Payments between Federal funds, such as interest paid to the general fund by the Commodity Credit Corporation on its borrowing from the Treasury; (2) payments between Federal funds and trust funds, such as interest paid to the Unemployment trust fund by the general fund on its holdings of public debt securities; and (3) payments between trust funds, such as payments by the Old-age and survivors insurance fund to the Railroad retirement account.

Receipts of the Government from the exercise of monetary authority (mainly seigniorage) do not represent cash received from the public and are therefore deducted in making this consolidation. The bulk of these receipts represent the difference between acquisition cost to the Treasury and the monetary value of silver and other metals minted into coins.

DERIVATION OF FEDERAL GOVERNMENT RECEIPTS FROM AND PAYMENTS TO THE PUBLIC

[In millions]

Description	1959 actual	1960 estimate	1961 estimate
FEDERAL RECEIPTS FROM THE PUBLIC			
Budget receipts [1]	$68,270	$78,600	$84,000
Trust fund receipts [2]	17,084	20,696	22,547
Less—			
Intragovernmental transactions	3,650	4,460	4,321
Receipts from exercise of monetary authority	44	40	48
Equals: Federal receipts from the public	81,660	94,796	102,178
FEDERAL PAYMENTS TO THE PUBLIC			
Budget expenditures [1]	80,697	78,383	79,816
Trust fund expenditures [2]	18,597	21,510	21,278
Government-sponsored enterprise expenditures, net	1,290	627	−297
Less—			
Intragovernmental transactions	3,650	4,460	4,321
Accrued interest and other noncash expenditures, net	2,131	722	219
Equals: Federal payments to the public	94,804	95,338	96,257
Excess of Federal payments to (−) or receipts from the public	−13,144	−542	5,921

[1] From table 1 in part I of this document.
[2] From table 10 in part III of this document.

This analysis also includes on a net basis the estimated expenditures of five Government-sponsored enterprises which are exempt from the budgeting requirements of the Government Corporation Control Act of 1945, as amended—The Federal Deposit Insurance Corporation; the Federal home loan banks; the Federal land banks; the banks for cooperatives; and since January 1, 1959, the Federal intermediate credit banks. The expenditures of these enterprises are estimated from their security transactions in the following manner: both net investment by an enterprise in U.S. securities and net redemption by the enterprise of its own obligations are used as a measure of net receipts from operations; net cashing by the enterprise of U.S. securities and net sales of its own obligations are used as a measure of net expenditures. Also included on a net basis in this analysis, but as part of trust fund expenditures, are the transactions of the Federal National Mortgage Association secondary market operations (a mixed-ownership enterprise).

Budget expenditures are for the most part on a "checks issued" basis but also include a few noncash transactions of three types, as described later in this paragraph. In calculating total Federal payments to the public, these noncash items are excluded. On the other hand, actual cash outlays are included in payments to the public even though they are not part of budget expenditures for the year in question. The three main transactions of this type are: (1) U.S. securities issued in payment of obligations and the redemption of these securities for cash at a later date. This is the case with the U.S. Treasury notes used to pay the U.S. subscription to the International Monetary Fund in 1959—notes which will be redeemed in later years as the International Monetary Fund needs the

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SPECIAL ANALYSIS A—Continued

FEDERAL GOVERNMENT RECEIPTS FROM AND PAYMENTS TO THE PUBLIC—Continued

money; (2) interest on savings bonds, which is a budget expenditure at the time of accrual and a payment to the public when the bonds are redeemed; and (3) net changes in the clearing accounts for outstanding checks and similar items. In any given year the aggregate of the accruals may be larger or smaller than total disbursements for previously accrued items.

Use and limitations.—Because the totals of Federal Government receipts from and payments to the public are more comprehensive than the budget totals, they are of particular importance in evaluating the impact of Federal transactions on the economy. For example, Federal receipts from the public classified by source indicate the sectors of the economy or the kinds of transactions other than borrowing which provide funds for the Government. Federal payments to the public by function indicate the relative importance of the major Government programs in terms of total cash outlays. The excess of receipts from the public or payments to the public tends to reflect the net impact of Federal financial transactions on the income of the public as a whole.

Federal receipts from and payments to the public tend to understate the scope of Federal transactions, because the totals include only the net expenditures of wholly owned and of Government-sponsored enterprises. Receipts from operations of these enterprises, such as postal receipts or interest on and repayment of loans, are deducted from disbursements, such as postal expenditures or new loans, in measuring net expenditures. Since this netting reduces receipts and payments by equal amounts, the excess of Federal receipts from or payments to the public is not affected.

This measure of Federal transactions differs from the national income account treatment in two major respects—coverage and timing. With respect to coverage, capital (financing) transactions, such as loans and loan repayments and sales and purchases of existing assets, are excluded from receipts and expenditures on national income and product account but are included in the consolidated cash statement. With respect to timing, the national account treatment records many transactions on an accrual basis, while in cash receipts from and payments to the public an effort is made to record only cash transactions.

Users of the data in this analysis should recognize that no single measure can describe completely the economic impact of the Federal Government. Since the various receipt and expenditure transactions have different economic effects, a given aggregate will have an economic impact which depends on the composition of the total. In addition, many Government activities besides receipts and expenditures have a bearing on the economy. For example, a rapid expansion in new appropriations and in Government orders could stimulate a rise in business activity long before the authorized funds were paid to the public. Likewise, the enactment of a tax measure or even the expectation of a change in tax rates may affect business planning or activity well before the cash flows between the Federal Government and the public occur. Federal guarantees and insurance of private loans may also affect activity in the economy, even though they normally entail relatively small Government expenditures. Aside from the significance of interest payments to the public, the management of the public debt is a further important factor which has particular impact in the money and credit markets of the economy.

Reconciliation with Treasury cash deposits and withdrawals.—The daily statement of the Treasury presents a consolidated cash statement of Treasury operating transactions similar in general concept to Federal receipts from and payments to the public. However, it is limited in coverage to those transactions affecting the accounts of the Treasurer of the United States.

RECONCILIATION OF FEDERAL GOVERNMENT RECEIPTS FROM THE PUBLIC WITH TREASURY CASH DEPOSITS

[In millions]

Description	1959 actual	1960 estimate	1961 estimate
Federal receipts from the public	$81,660	$94,796	$102,178
Receipts from exercise of monetary authority	44	40	48
Net difference in actual year due to reporting method	−93		
Equals: Treasury cash deposits	81,612	94,836	102,226

RECONCILIATION OF FEDERAL GOVERNMENT PAYMENTS TO THE PUBLIC WITH TREASURY CASH WITHDRAWALS

[In millions]

Description	1959 actual	1960 estimate	1961 estimate
Federal payments to the public	$94,804	$95,338	$96,257
Less—			
Payments to the public not reflected in accounts of the Treasurer of the United States (net):			
From cash held outside Treasury [1]	23	88	
From proceeds of sales in the market of agency obligations and U.S. securities [2]	646		
Net difference in actual year due to reporting method	−93		
Equals: Cash withdrawals from Treasury	94,042	95,250	96,257

[1] Represents increase (−) or decrease in Government agencies' balances outside Treasury.

[2] Includes only net sales by Government agencies and trust funds which were not reflected in the accounts of the Treasurer of the United States.

Receipts from exercise of monetary authority, since they constitute funds available to the Treasurer, are included in Treasury cash deposits.

The adjustment "net difference in actual year due to reporting method," which appears in both preceding reconciliation tables, is necessary because of the method used by the Treasury in reconciling its accounts for checks being cleared and the corresponding adjustment made in the preparation of the receipts from and payments to the public data. This adjustment is applied to payments instead of adjusting receipts and payments separately, and is used to change the Treasury "checks issued" data to a "checks paid" basis.

A further adjustment is necessary in the reconciliation of "payments" with "withdrawals" since the concept of payments to the public is more inclusive than Treasury cash withdrawals and includes payments by Government agencies from their own cash balances or from accounts in commercial banks. These payments are measured by net changes in cash held outside the Treasury and by net proceeds realized by Government agencies and trust funds from sales of securities in the open market that were not reflected in the Treasurer's account.

NOTE.—A detailed reconciliation of the differences between the budget totals, Federal Government receipts from and payments to the public, and Treasury cash deposits and withdrawals is available on request from the Bureau of the Budget.

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Special Analysis B

ANALYSIS OF BUDGET RECEIPTS

Estimates based on existing and proposed legislation

This special analysis provides supporting detail for the figures on budget receipts by source which are included in the tables of the budget message and in table 1 of part I.

The estimates of receipts from taxes and customs for the current and coming fiscal years are prepared by the Treasury Department. In general, the estimates of miscellaneous receipts are prepared by the agencies depositing these receipts in the Treasury.

The estimates are based on the assumption of a continued rise in the level of economic activity through the period underlying fiscal year 1961 receipts. The revenue estimates are consistent with an increase in the gross national product from about $480 billion in calendar year 1959 to about $510 billion in calendar year 1960. It is also assumed for fiscal year 1961 that legislation will be enacted extending present corporation income and excise tax rates for a year beyond June 30, 1960; that aviation gas taxes will be increased and a new tax imposed on jet fuels, and both credited to the general fund; and that adequate fees and charges will be established for special services or benefits, as recommended by the President.

Detailed estimates of budget receipts under both existing and proposed legislation are contained on pages 904 to 906.

BUDGET RECEIPTS

Receipts in the fiscal year 1959 were adversely affected by the 1957–58 recession. The recovery and growth in business activity and profits which commenced in the middle of calendar year 1958 are expected to result in an increase of $10.3 billion in receipts in the fiscal year 1960 as compared to 1959 and a further rise in receipts of $5.4 billion for 1961. The amounts estimated for 1960 and 1961—$78.6 billion and $84 billion, respectively—are substantially higher than the level attained in any past year.

RECEIPTS BY MAJOR SOURCES

Actual receipts for 1959 and estimated receipts for 1960 and 1961 are compared by major sources in the following table. The amount shown for each receipt source is the net amount after deduction of refunds and transfers to trust funds.

Net budget receipts

[In millions]

Source	1959 actual	1960 estimate	1961 estimate	Increase (+) or decrease (−), 1961 over 1960
Individual income taxes	$36,719	$40,306	$43,706	+$3,400
Corporation income taxes	17,309	22,200	23,500	+1,300
Excise taxes	8,504	9,100	9,523	+423
Employment taxes	321	333	340	+7
Estate and gift taxes	1,333	1,470	1,620	+150
Taxes not otherwise classified	5	5	5	
Customs	925	1,176	1,376	+200
Miscellaneous receipts	3,155	4,010	3,930	−80
Net budget receipts	68,270	78,600	84,000	+5,400

The individual income tax is estimated to remain, by far, the most important tax source in 1960 and 1961. Revenues from individual income taxes are about double the corporation income tax; together, the two income taxes are estimated to account for 80% of receipts in 1961.

Substantial increases are estimated for all major tax sources for the fiscal year 1961, with the largest share of the increase provided by the individual income tax. Another significant increase is provided by the corporation income tax.

Individual income taxes.—Individual income tax receipts are estimated to increase by $3.4 billion in fiscal year 1961. The rise of $7 billion in receipts from this source since 1959 reflects the growth in personal income which was resumed in mid-1958 and is estimated to continue through the fiscal year 1961.

Corporation income taxes.—Receipts from corporation income taxes in each fiscal year are determined primarily by corporate profits of the calendar year ending in the fiscal year. Thus, receipts in fiscal year 1960 largely reflect calendar year 1959 profits and receipts in fiscal year 1961, calendar year 1960 profits. Substantial gains have been reported for profits following the depressed first half of calendar year 1958. Although restrained somewhat by the steel strike in the fall, profits for calendar year 1959 will average substantially above those for calendar year 1958. As a result, corporation income tax receipts are estimated to rise from $17.3 billion in 1959 to $22.2 billion in 1960. It is expected that profits will show a further rise for calendar year 1960 as compared with calendar year 1959 and will result in a rise of $1.3 billion in corporation income taxes to a total of $23.5 billion for 1961.

Comparisons of receipts in these years are affected by (1) the completion with fiscal year 1960 of the accelerated schedule of corporation income tax payments, and (2) the postponement from June to September 1959 of the payment of a substantial portion of life insurance liabilities for calendar year 1958 as a result of the Life Insurance Company Income Tax Act of 1959.

Excise taxes.—The yield of the excise taxes is shown in the following table:

Excise tax receipts

[In millions]

Source	1959 actual	1960 estimate	1961 estimate	Increase (+) or decrease (−), 1961 over 1960
Alcohol taxes	$3,002	$3,142	$3,243	+$101
Tobacco taxes	1,807	1,892	1,957	+65
Taxes on documents, other instruments, and playing cards	134	138	143	+5
Manufacturers' excise taxes	3,959	4,821	5,332	+511
Retailers' excise taxes	356	377	395	+18
Miscellaneous excise taxes	1,436	1,395	1,487	+92
Undistributed depositary receipts and unapplied collections	66	46		−46
Gross excise taxes	10,760	11,811	12,557	+746
Deduct—				
Refunds of receipts	84	84	84	
Transfer to Highway trust fund	2,171	2,627	2,950	+323
Net excise taxes	8,504	9,100	9,523	+423

Gross excise tax receipts are estimated to increase $1,051 million in 1960 and to rise further by $746 million in 1961. However, receipts transferred to the Highway trust fund are estimated to increase by $456 million in 1960 and by $323 million in 1961. Consequently, the increase

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Special Analysis B—Continued

ANALYSIS OF BUDGET RECEIPTS—Continued

Estimates based on existing and proposed legislation—Continued

in net excise taxes remaining as general fund receipts is reduced to $596 million in 1960 and $423 million in 1961.

Receipts transferred to the Highway trust fund will be augmented in 1960 and 1961 by an estimated increase in sales of taxable products, but the major reason for the much higher transfers is the increase of 1 cent per gallon in the tax rates on gasoline and diesel fuel effective October 1, 1959, and continuing until June 30, 1961. The increase in rates affects year-to-year comparisons since it is only partly effective in 1960 but fully operative in 1961. The amount transferred in 1961 is reduced by the retention in general fund receipts of the revenue from the tax on aviation gasoline under proposed legislation.

Net excise tax receipts in 1960 and 1961 are expected to increase because of the much higher volume of sales of taxable goods and services estimated to accompany higher consumer incomes. The increase is much larger for 1960 than for 1961 primarily because of the difference in the rate of increase in receipts from the tax on passenger automobiles. Receipts from this tax in 1960 are estimated to increase $346 million because of the sharp rise in production from the reduced level in the calendar year 1958. In 1961, a much more moderate increase of $65 million in receipts from this tax is estimated. However, increases in 1960 are generally greater than in 1961 because receipts in 1959 were adversely affected by the leveling off of personal incomes which lasted for about 1 year until the middle of the calendar year 1958.

Part of the rise in sales of excise receipts which is estimated to occur in 1960 because of the rise in taxable goods and services is offset by the effect of the repeal of taxes on the transportation of property and oil by pipeline.

The estimate for excise tax receipts in 1961 includes the effect of the proposed legislation for aviation fuels. Under this proposal receipts from the tax on aviation gasoline will be credited to the general fund, the net rate will be increased from 2 to 4½ cents per gallon, and a new tax at the 4½-cent rate will be imposed on jet fuel.

Employment taxes.—Receipts from the Federal Insurance Contributions Act and the Self-Employment Contributions Act are estimated to increase by $2,088 million in 1960 and $1,573 million in 1961. These increases are expected to occur partly because of growing levels of taxable wages, but principally because of changes in law effective January 1, 1959, and January 1, 1960. The January 1, 1959, changes consisted of an increase of one-fourth of 1% each in the tax rate on employers and employees and an increase in the maximum amount taxable from $4,200 to $4,800. These changes were partially reflected, therefore, in fiscal year 1959 receipts but fully reflected in fiscal year 1960 receipts. A further increase of one-half of 1% each on employers and employees was effective on January 1, 1960, partially affecting 1960 receipts but wholly effective in fiscal year 1961.

Increases in fiscal years 1960 and 1961 are also estimated for receipts from the Railroad Retirement Tax Act and the Federal Unemployment Tax Act.

The yield of the employment taxes is shown in the following table:

Employment tax receipts

[In millions]

Source	1959 actual	1960 estimate	1961 estimate	Increase (+) or decrease (−), 1961 over 1960
Federal Insurance Contributions Act and Self-Employment Contributions Act	$8,004	$10,092	$11,665	+$1,573
Railroad Retirement Tax Act	525	630	660	+30
Federal Unemployment Tax Act	324	335	342	+7
Gross employment taxes	8,854	11,057	12,667	+1,610
Deduct—				
Refunds of receipts	3	2	2	
Transfers to—				
Federal old-age and survivors insurance trust fund	7,158	9,164	10,693	+1,529
Federal disability insurance trust fund	847	928	972	+44
Railroad retirement account	525	630	660	+30
Net employment taxes	321	333	340	+7

Estate and gift taxes.—Receipts from the estate and gift taxes are expected to increase by about the same amounts in fiscal years 1960 and 1961. Because of the length of time after date of death permitted in the filing of estate tax returns, and because estate taxes represent the bulk of these receipts, the income from this source does not immediately reflect changes in security and other asset values.

Customs.—Customs receipts are estimated to increase appreciably in both 1960 and 1961 as taxable imports rise with expanded business activity.

Miscellaneous receipts.—The estimated increase of $855 million in 1960 is attributable for the most part to larger collections of interest on loans and of dividends and other earnings. Because of the nonrecurring nature of some of the collections in 1960, a small decrease is forecast for 1961. The 1961 estimate includes amounts under proposed legislation to increase charges for government services which provide special benefits to identifiable individuals or groups.

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Special Analysis B—Continued

ANALYSIS OF BUDGET RECEIPTS—Continued

Estimates based on existing and proposed legislation—Continued

REFUNDS

The net budget receipts by source in the first table of this analysis are shown after deduction of transfers to trust funds and refunds of receipts. Details on the transfers to trust funds are shown in the preceding tables on excise and employment tax receipts. Refunds of receipts are summarized in the following table:

Refunds of receipts

[In millions]

Type	1959 actual	1960 estimate	1961 estimate	Increase (+) or decrease (−), 1961 over 1960
Individual income taxes	$4,016	$4,394	$4,694	+$300
Corporation income taxes	782	800	800	
Excise taxes	84	84	84	
Employment taxes	3	2	2	
Estate and gift taxes	20	30	30	
Taxes not otherwise classified	1	1	1	
Customs	23	24	24	
Miscellaneous receipts	3	3	2	−1
Total refunds of receipts	4,933	5,337	5,637	+300

Budget receipts by source before deduction of refunds of receipts and transfers to trust funds are shown below:

Budget receipts by source before deducting transfers to trust funds and refunds of receipts

[In millions]

Source	1959 actual	1960 estimate	1961 estimate	Increase (+) or decrease (−), 1961 over 1960
Individual income taxes	$40,735	$44,700	$48,400	+$3,700
Corporation income taxes	18,092	23,000	24,300	+1,300
Excise taxes	10,760	11,811	12,557	+746
Employment taxes	8,854	11,057	12,667	+1,610
Estate and gift taxes	1,353	1,500	1,650	+150
Taxes not otherwise classified	5	6	6	
Customs	948	1,200	1,400	+200
Miscellaneous receipts	3,158	4,013	3,932	−81
Subtotal	83,904	97,286	104,912	+7,626
Deduct—				
Refunds of receipts	4,933	5,337	5,637	+300
Transfers to trust funds	10,701	13,349	15,275	+1,926
Net budget receipts	68,270	78,600	84,000	+5,400

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Special Analysis B—Continued

BUDGET RECEIPTS

BY SOURCE

Estimates based on existing and proposed legislation

[In thousands]

Source	1959 actual	1960 estimate	1961 estimate
Individual income taxes:			
Withheld	$29,001,375	$32,100,000	$35,200,000
Other	11,733,369	12,600,000	13,200,000
Gross individual income taxes	40,734,744	44,700,000	48,400,000
Less refunds	4,016,080	4,394,000	4,694,000
Net individual income taxes	36,718,664	40,306,000	43,706,000
Corporation income taxes:			
Under existing legislation	18,091,509	23,000,000	23,100,000
Under proposed legislation			1,200,000
Gross corporation income taxes under existing and proposed legislation	18,091,509	23,000,000	24,300,000
Less refunds	782,465	800,000	800,000
Net corporation income taxes under existing and proposed legislation	17,309,044	22,200,000	23,500,000
Excise taxes:			
Alcohol taxes:			
Under existing legislation:			
Distilled spirits (domestic and imported)	2,098,496	2,220,000	2,152,000
Beer	767,205	785,000	709,000
Rectification tax	22,037	21,000	21,000
Wines (domestic and imported)	90,918	91,000	84,000
Special taxes in connection with liquor occupations	23,440	25,000	25,000
Total alcohol taxes under existing legislation	3,002,096	3,142,000	2,991,000
Under proposed legislation			252,000
Total alcohol taxes under existing and proposed legislation	3,002,096	3,142,000	3,243,000
Tobacco taxes:			
Under existing legislation:			
Cigarettes (small)	1,738,045	1,825,000	1,672,000
Manufactured tobacco (chewing, smoking, and snuff)	16,916	16,500	16,000
Cigars (large)	50,696	49,700	50,200
Cigarette papers and tubes	749	700	700
All other	410	100	100
Total tobacco taxes under existing legislation	1,806,816	1,892,000	1,739,000
Under proposed legislation			218,000
Total tobacco taxes under existing and proposed legislation	1,806,816	1,892,000	1,957,000
Taxes on documents, other instruments, and playing cards:			
Issues of securities, stock and bond transfers, and deeds of conveyance	126,225	130,200	135,200
Playing cards	7,558	7,700	7,700
Silver bullion sales or transfers	34	100	100
Total taxes on documents, other instruments, and playing cards	133,817	138,000	143,000
Manufacturers' excise taxes:			
Under existing legislation:			
Gasoline	1,700,253	2,075,000	2,404,000
Lubricating oils	73,685	78,000	80,000
Passenger automobiles	1,039,272	1,385,000	1,100,000
Automobile trucks, buses, and trailers	215,279	258,000	262,000
Parts and accessories for automobiles	166,234	170,000	122,000
Tires, inner tubes, and tread rubber	278,911	306,000	318,000

Source	1959 actual	1960 estimate	1961 estimate
Excise taxes—Continued			
Manufacturers' excise taxes—Continued			
Under existing legislation—Continued			
Electric, gas, and oil appliances	$62,373	$69,000	$72,000
Electric light bulbs	29,401	33,000	36,000
Radio and television receiving sets, phonographs, phonograph records, and musical instruments	187,697	223,000	239,000
Mechanical refrigerators, quick freeze units, and self-contained air-conditioning units	40,593	48,000	52,000
Business and store machines	93,894	100,000	108,000
Photographic equipment	24,288	26,000	28,000
Matches	5,262	5,000	5,000
Sporting goods, including fishing rods, creels, etc	17,265	19,000	21,000
Firearms, shells and cartridges	13,909	15,000	16,000
Pistols and revolvers	2,028	2,000	2,000
Fountain and ball-point pens, mechanical pencils	8,444	9,000	9,000
Total manufacturers' excise taxes under existing legislation	3,958,789	4,821,000	4,874,000
Under proposed legislation			458,000
Total manufacturers' excise taxes under existing and proposed legislation	3,958,789	4,821,000	5,332,000
Retailers' excise taxes:			
Jewelry	156,382	163,000	168,000
Furs	29,909	31,000	32,000
Toilet preparations	107,968	120,000	130,000
Luggage, handbags, wallets, etc	61,468	63,000	65,000
Total retailers' excise taxes	355,728	377,000	395,000
Miscellaneous excise taxes:			
Under existing legislation:			
Toll telephone service, telegraph and teletypewriter service, wire mileage service, etc	292,412	319,000	335,000
General telephone service	398,023	435,000	113,000
Transportation of oil by pipeline	7,962		
Transportation of persons	227,044	246,000	155,000
Transportation of property	143,250	3,000	
Diesel fuel, including special motor fuels	52,528	81,000	93,000
Use tax on certain vehicles	32,532	36,000	38,000
Admissions, exclusive of cabarets, roof gardens, etc	49,977	35,000	35,000
Cabarets, roof gardens, etc	45,117	47,000	49,000
Wagering taxes, including occupational taxes	6,787	7,000	7,000
Club dues and initiation fees	64,813	67,000	70,000
Leases of safe deposit boxes	6,142	6,000	6,000
Coconut and other vegetable oils, processed	1,689	1,000	17,000
Sugar tax	86,378	88,000	89,000
Coin-operated amusement and gaming devices	16,894	19,000	20,000
Bowling alleys and billiard and pool tables	3,403	4,000	4,000
All other miscellaneous excise taxes	1,000	1,000	925
Total miscellaneous excise taxes under existing legislation	1,435,953	1,395,000	1,031,925
Under proposed legislation			455,000
Total miscellaneous excise taxes under existing and proposed legislation	1,435,953	1,395,000	1,486,925

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Special Analysis B—Continued

BUDGET RECEIPTS—Continued

BY SOURCE—Continued

Estimates based on existing and proposed legislation—Continued

[In thousands]

Source	1959 actual	1960 estimate	1961 estimate
Excise taxes—Continued			
Undistributed depositary receipts and unapplied collections	$66,351	$45,650	
Gross excise taxes under existing legislation	10,759,549	11,810,650	$11,173,925
Less refunds	84,370	83,650	298,925
Less transfer to Highway trust fund	2,171,016	2,627,000	2,984,000
Net excise taxes under existing legislation	8,504,163	9,100,000	7,891,000
Rate extensions and increases under proposed legislation			1,383,000
Reduction in refunds under proposed legislation			215,000
Decrease in transfer to Highway trust fund under proposed legislation			34,000
Net excise taxes under existing and proposed legislation	8,504,163	9,100,000	9,523,000
Employment taxes:			
Federal Insurance Contributions Act and Self-Employment Contributions Act	8,004,355	10,092,000	11,665,000
Railroad Retirement Tax Act	525,369	630,050	660,050
Federal Unemployment Tax Act	324,020	335,000	342,000
Gross employment taxes	8,853,744	11,057,050	12,667,050
Less refunds	3,492	2,050	2,050
Less transfers to—			
Federal old-age and survivors insurance trust fund	7,157,674	9,164,000	10,693,000
Federal disability insurance trust fund	846,681	928,000	972,000
Railroad retirement account	525,220	630,000	660,000
Net employment taxes	320,677	333,000	340,000
Gross estate and gift taxes	1,352,982	1,500,000	1,650,000
Less refunds	20,073	30,000	30,000
Net estate and gift taxes	1,332,910	1,470,000	1,620,000
Gross taxes not otherwise classified	5,444	5,700	5,700
Less refunds	678	700	700
Net taxes not otherwise classified	4,765	5,000	5,000
Gross customs	948,412	1,200,000	1,400,000
Less refunds	23,221	24,000	24,000
Net customs	925,192	1,176,000	1,376,000
Miscellaneous receipts:			
Under existing legislation:			
Miscellaneous taxes	4,228	4,250	4,250
Seigniorage	44,132	40,300	48,550
Bullion charges	2,846	2,835	2,835
Fees for permits and licenses:			
Admission permits and fees	4,806	5,082	5,347
Business concessions	8,009	7,115	7,892
Immigration, passport, and consular fees	16,487	17,724	18,519
Patent and copyright fees	8,325	8,604	8,829
Registration and filing fees	3,345	3,439	5,533
Landing fees, airports	438	425	425
Miscellaneous fees for permits and licenses	12,205	14,555	14,775
Total fees for permits and licenses	53,614	56,944	61,320

Source	1959 actual	1960 estimate	1961 estimate
Miscellaneous receipts—Continued			
Under existing legislation—Continued			
Fines, penalties, and forfeitures:			
Fines, penalties, and forfeitures, agricultural laws	$12,748	$12,501	$12,581
Fines, penalties, and forfeitures, economic stabilization laws	64	70	70
Fines, penalties, and forfeitures, immigration and labor laws	269	268	268
Fines, penalties, and forfeitures, customs, commerce, and anti-trust laws	2,676	2,653	2,684
Fines, penalties, and forfeitures, narcotic, prohibition, and alcohol laws	75	124	124
Forfeitures of unclaimed money and property	540	453	553
Fines, penalties, and forfeitures, not otherwise classified	6,727	2,766	2,785
Total fines, penalties, and forfeitures	23,099	18,835	19,065
Gifts and contributions:			
Contributions to "conscience fund"	419	258	228
Gifts	237	96	84
Total gifts and contributions	656	354	312
Interest:			
Interest on loans to Government-owned enterprises	342,272	724,682	766,332
Interest on loans to Government-sponsored enterprises	969	3,100	3,100
Interest on loans to States, municipalities, and other public bodies	337	353	470
Interest on domestic loans to individuals and private organizations	82,190	94,223	104,994
Interest on foreign loans and deferred payments	149,259	150,418	145,705
Interest on public deposits	3,328	3,015	1,667
Miscellaneous interest collections	22,586	30,925	30,635
Total interest	600,941	1,006,716	1,052,903
Dividends and other earnings:			
Surplus from liquidated enterprises	2	1	1
Earnings from Government-sponsored enterprises	502,987	1,039,338	838,887
Gain by exchange	121	222	132
Miscellaneous dividends and earnings	3,043	3,294	3,797
Total dividends and other earnings	506,154	1,042,855	842,817
Rents:			
Rent of land	13,074	13,283	13,736
Rent on Outer Continental Shelf lands	1,146	2,000	3,000
Rent of real property, not otherwise classified	30,070	39,173	49,436
Rent of equipment and other personal property	48,622	51,133	50,197
Total rents	92,912	105,589	116,369
Royalties:			
Royalties on Outer Continental Shelf lands	2,266	98,000	117,000
Miscellaneous royalties on natural resources	90,709	98,516	103,516

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Special Analysis B—Continued

BUDGET RECEIPTS—Continued

BY SOURCE—Continued

Estimates based on existing and proposed legislation—Continued

[In thousands]

Source	1959 actual	1960 estimate	1961 estimate
Miscellaneous receipts—Continued			
Under existing legislation—Continued			
Royalties—Continued			
Royalties on patents and copyrights	$7	$15	$15
Total royalties	92,981	196,531	220,531
Sale of products:			
Sale of agricultural products, livestock and livestock products	205	201	202
Sale of timber, wildlife and other natural land products	157,306	178,580	180,706
Sale of minerals and mineral products	8,910	10,010	10,010
Sale of power and other utilities	174,270	173,051	181,717
Sale of publications and reproductions	4,492	4,605	4,777
Sale of miscellaneous products and byproducts	4,414	5,259	5,257
Total sale of products	349,598	371,706	382,669
Fees and other charges for services and special benefits:			
Fees and other charges for administrative, professional, and judicial services	8,312	8,841	8,798
Fees and other charges for communication and transportation services	8,408	8,220	8,225
Charges for subsistence, laundry, and health services	3,627	3,789	3,826
Charges for testing, inspection, and grading services	3,280	2,556	2,559
Fees and other charges for services provided to the District of Columbia	3,725	4,416	4,271
Fees and other charges for special benefits	613	797	1,523
Fees and other charges for general governmental services	11,113	10,539	11,511
Charges under intergovernmental defense agreements	46,458	23,100	
Fees and other charges for miscellaneous services	6,180	6,801	6,928
Total fees and other charges for services and special benefits	91,716	69,059	47,641
Sale of Government property:			
Sale of public domain	5,763	5,577	5,883
Sale of other real property	20,403	22,564	24,742
Sale of equipment and other personal property	174,297	225,876	228,504
Sale of scrap and salvage materials	124,342	167,382	191,039
Total sale of Government property	324,805	421,399	450,168

Source	1959 actual	1960 estimate	1961 estimate
Miscellaneous receipts—Continued			
Under existing legislation—Continued			
Realization upon loans and investments:			
Repayment of capital investment, Government-owned enterprises		$10,000	
Repayment of investment in liquidated enterprises and special funds	$2,485	2,800	$2,900
Repayment of capital investment, Government-sponsored enterprises	4,697	3	3
Repayment of loans to States, municipalities, and other public bodies	783	618	926
Repayment of domestic loans to individuals and private organizations	319,771	325,278	347,425
Repayment of foreign loans	248,678	123,203	97,414
Repayment on miscellaneous recoverable costs	8,705	7,479	7,474
Miscellaneous repayment on loans and investments	1,598	1,616	1,647
Total realization upon loans and investments	586,717	470,997	457,789
Recoveries and refunds:			
Compensation for Government property lost or damaged	6,891	7,189	6,884
War reparations and recoveries under military occupation	1,344	30	30
Recoveries of excess profits and costs	23,152	22,045	25,654
Recoveries under foreign aid programs	111,631	81,091	79,699
Recoveries on guarantees and indemnities	167		
Refunds of erroneous payments	20,808	20,791	20,791
Miscellaneous recoveries and refunds	219,489	73,084	80,348
Total recoveries and refunds	383,482	204,230	213,406
Gross miscellaneous receipts under existing legislation	3,157,881	4,012,600	3,920,625
Under proposed legislation			11,700
Gross miscellaneous receipts under existing and proposed legislation	3,157,881	4,012,600	3,932,325
Less refunds	3,043	2,600	2,325
Net miscellaneous receipts under existing and proposed legislation	3,154,838	4,010,000	3,930,000
Net budget receipts	68,270,253	78,600,000	84,000,000

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Special Analysis C

ANALYSIS OF BUDGET BY FUNCTION AND AGENCY

This special analysis gives the details for the functional breakdown of new obligational authority and budget expenditures used in the budget message and in some of the tables of part I.

For each function and subfunction, data are listed by agencies. In order to find the appropriation items which make up the amounts shown for the agency, it is necessary to look in the chapter summary for that agency. Each entry in the chapter summary is coded to indicate the subfunction in which it is classified.

For purposes of this classification each appropriation account and each revolving and management fund is treated as a unit. Exceptions are made, and accounts are split into two or more categories, in only selected cases. This necessarily involves some close decisions in borderline cases, and it means that programs with secondary significance for some major functions will be included in another category because another objective predominates in the particular appropriation. Thus, to secure a comprehensive total of all Government programs related to education, for example, it would be necessary to provide a special tabulation, counting in this category some appropriations which might also be relevant to other categories.

Whereas this special analysis presents both authorizations and expenditures for major functions, subfunctions, and agencies over a 3-year period, special analysis G shows expenditures for the major functions and subfunctions over a 10-year period. Special analysis A shows Federal Government payments to the public, classified by major function.

The allowance for contingencies constitutes an additional entry in the tabulations for the years 1960 and 1961.

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Special Analysis C—Continued

ANALYSIS OF THE BUDGET

BY FUNCTION AND AGENCY

Based on existing and proposed legislation

[In thousands]

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
MAJOR NATIONAL SECURITY						
061 Military defense:						
Department of Defense—Military	$41,167,937	$40,647,125	$40,577,000	$41,232,707	$40,945,000	$40,995,000
066 Development and control of atomic energy:						
Independent offices: Atomic Energy Commission	2,723,325	2,801,983	2,665,800	2,541,060	2,675,121	2,689,000
067 Stockpiling and defense production expansion:						
Funds appropriated to the President	108,000			239,119	169,582	89,145
General Services Administration	3,000		39,132	73,293	60,000	45,000
Total, stockpiling and defense production expansion	111,000		39,132	312,412	229,582	134,145
068 Military assistance:						
Department of Defense—Military	1,515,000	1,300,000	2,000,000	2,340,278	1,800,000	1,750,000
Total, major national security	45,517,262	44,749,108	45,281,932	46,426,457	45,649,703	45,568,145
Enacted or recommended in this document	45,517,262	44,724,108	45,257,932	46,426,457	45,626,703	45,544,145
Proposed for later transmission		25,000	24,000		23,000	24,000
INTERNATIONAL AFFAIRS AND FINANCE						
151 Conduct of foreign affairs:						
Independent offices: Tariff Commission	1,959	2,135	2,455	2,004	2,108	2,420
General Services Administration	3,750			363	2,750	637
Department of State	214,211	199,300	253,604	234,986	205,377	246,443
Total, conduct of foreign affairs	219,920	201,435	256,059	237,353	210,235	249,500
152 Economic and technical development:						
Funds appropriated to the President	1,933,092	1,925,813	2,175,000	1,524,365	1,550,001	1,700,000
Independent offices: Export-Import Bank of Washington				390,398	−56,087	−7,310
General Services Administration				−1,018	1,011	267
Department of Agriculture	119,270	104,508	115,000	97,928	115,000	120,000
Department of Commerce	10,000			15,938	22,999	10,000
Department of Defense—Civil				−99		
Department of State		1,000	1,000	706	1,002	1,000
Treasury Department	4,550,000	280,000		1,375,000	80,000	
Total, economic and technical development	6,612,362	2,311,321	2,291,000	3,403,218	1,713,926	1,823,957
153 Foreign information and exchange activities:						
Funds appropriated to the President	6,410	6,146	8,600	8,010	6,700	8,100
Independent offices: United States Information Agency	118,924	118,234	123,793	109,454	110,300	124,400
Department of State	23,997	59,788	35,560	21,688	24,417	36,336
Total, foreign information and exchange activities	149,331	184,168	167,953	139,152	141,417	168,836
Total, international affairs and finance	6,981,613	2,696,924	2,715,012	3,779,723	2,065,578	2,242,293
Enacted or recommended in this document	6,981,613	2,647,468	2,666,012	3,779,723	2,058,208	2,180,277
Proposed for later transmission		[1] 49,456	49,000		7,370	62,016
VETERANS SERVICES AND BENEFITS						
101 Veterans education and training:						
Independent offices: Veterans Administration	547,174	470,480	285,912	573,793	445,480	315,949
102 Other veterans readjustment benefits:						
Independent offices: Veterans Administration	133,326	114,520	124,088	133,338	114,872	124,105
Department of Labor	44,000	8,000		44,000	8,000	
Total, other veterans readjustment benefits	177,326	122,520	124,088	177,338	122,872	124,105
103 Veterans compensation and pensions:						
Independent offices: Veterans Administration	3,273,300	3,405,000	3,840,000	3,274,568	3,407,050	3,840,000
104 Veterans insurance and servicemen's indemnities:						
Independent offices: Veterans Administration	51,787	53,690	49,485	35,256	35,780	31,322
105 Veterans hospitals and medical care:						
Independent offices: Veterans Administration	898,922	945,279	1,008,471	920,587	965,692	990,450

[1] Includes amounts for special foreign currency programs recommended in this document.

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Special Analysis C—Continued

ANALYSIS OF THE BUDGET—Continued

BY FUNCTION AND AGENCY—Continued

Based on existing and proposed legislation—Continued

[In thousands]

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
VETERANS SERVICES AND BENEFITS—Continued						
106 Other veterans services and administration:						
Independent offices:						
American Battle Monuments Commission	$1,268	$1,295	$1,320	$3,562	$3,070	$2,785
Veterans Administration	166,882	168,442	156,574	181,175	167,936	155,975
Department of Defense—Civil	7,450	8,964	9,400	7,284	8,500	9,560
Department of Labor	586	592	596	596	597	589
Total, other veterans services and administration	176,186	179,293	167,890	192,617	180,103	168,909
Total, veterans services and benefits	5,124,695	5,176,262	5,475,846	5,174,159	5,156,977	5,470,735
Enacted or recommended in this document	5,124,695	5,062,085	5,475,846	5,174,159	5,042,800	5,470,735
Proposed for later transmission		114,177			114,177	
LABOR AND WELFARE						
211 Labor and manpower:						
Independent offices:						
Federal Coal Mine Safety Board of Review	70	70	70	51	69	70
Federal Mediation and Conciliation Service	3,879	3,905	4,093	3,990	3,894	4,082
National Labor Relations Board	13,257	15,480	17,300	12,580	15,170	16,970
National Mediation Board	1,432	1,437	1,555	1,393	1,421	1,545
Selective Service System	29,557	29,278	32,950	30,308	28,221	32,275
Department of the Interior	6,363	6,387	6,782	6,596	6,400	6,700
Department of Labor	363,070	360,542	374,764	789,118	359,512	358,812
Treasury Department			14,535			14,535
Total, labor and manpower	417,628	417,099	452,049	844,036	414,687	434,989
212 Public assistance:						
Department of Health, Education, and Welfare	1,960,468	2,046,182	2,086,772	1,969,012	2,055,703	2,086,563
213 Promotion of public health:						
Independent offices: Interstate Commission on the Potomac River Basin	5	5	5	5	5	5
General Services Administration	1,020			3,579	2,500	1,500
Department of Health, Education, and Welfare	823,330	910,973	847,342	700,327	847,792	902,089
Total, promotion of public health	824,355	910,978	847,347	703,911	850,297	903,594
214 Promotion of education:						
Legislative branch	1,368	1,619	1,718	1,265	1,531	1,681
Independent offices: National Science Foundation	64,356	66,735	69,675	50,947	53,930	58,584
Department of Health, Education, and Welfare	400,982	450,774	411,032	356,474	435,293	444,683
Department of the Interior	57,899	60,986	63,669	58,815	58,000	60,500
Total, promotion of education	524,605	580,114	546,094	467,501	548,754	565,448
215 Promotion of science, research, libraries, and museums:						
Legislative branch	10,975	11,297	14,490	10,290	12,039	13,578
Funds appropriated to the President	5,100				1,480	1,280
Independent offices:						
National Science Foundation	74,144	88,038	121,925	55,496	71,070	101,043
Smithsonian Institution	9,378	9,552	23,116	11,605	16,373	27,793
Department of Commerce	40,089	129,389	78,895	35,786	112,827	69,152
Department of Health, Education, and Welfare	6,000	6,103	7,300	5,362	7,113	7,300
Total, promotion of science, research, libraries, and museums	145,686	244,379	245,726	118,539	220,902	220,146
216 Correctional and penal institutions:						
Department of Justice	43,044	51,075	56,520	38,959	45,857	47,733
217 Other welfare services and administration:						
Department of Agriculture	202,045	220,388	224,668	218,461	233,544	234,119
Department of Health, Education, and Welfare	64,634	72,929	78,910	60,540	70,884	76,143
Total, other welfare services and administration	266,679	293,317	303,578	279,001	304,428	310,262
Total, labor and welfare	4,182,465	4,543,144	4,538,086	4,420,959	4,440,628	4,568,735
Enacted or recommended in this document	4,182,465	4,520,814	4,538,086	4,420,959	4,423,897	4,563,136
Proposed for later transmission		22,330			16,731	5,599

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SPECIAL ANALYSIS C—Continued

ANALYSIS OF THE BUDGET—Continued

BY FUNCTION AND AGENCY—Continued

Based on existing and proposed legislation—Continued

[In thousands]

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
AGRICULTURE AND AGRICULTURAL RESOURCES						
351 Stabilization of farm prices and farm income:						
Department of Agriculture	$3,854,084	$3,573,651	$3,046,032	$5,126,336	$3,499,255	$3,949,620
352 Financing farm ownership and operation:						
Independent offices: Farm Credit Administration	1,997	2,335	2,480	4,551	5,602	7,650
Department of Agriculture	279,425	239,445	216,098	245,942	235,507	221,478
Total, financing farm ownership and operation	281,422	241,780	218,578	250,493	241,109	229,128
353 Financing rural electrification and rural telephones:						
Department of Agriculture	419,101	249,632	199,632	314,840	334,421	354,595
354 Conservation and development of agricultural land and water resources:						
Department of Agriculture	559,128	709,647	772,015	546,657	739,533	764,563
355 Research and other agricultural services:						
Department of Agriculture	307,311	324,610	333,321	291,138	298,198	324,889
Total, agriculture and agricultural resources	5,421,046	5,099,320	4,569,578	6,529,464	5,112,516	5,622,795
Enacted or recommended in this document	5,421,046	4,395,706	4,537,578	6,529,464	5,110,849	4,905,795
Proposed for later transmission		[1] 703,614	32,000		1,667	717,000
NATURAL RESOURCES						
401 Conservation and development of land and water resources:						
Independent offices:						
Federal Power Commission	6,991	7,275	7,856	6,967	7,379	7,800
River Basin Study Commissions	320	1,540	2,900	89	1,440	2,700
Saint Lawrence Seaway Development Corporation				15,357	7,200	3,800
Tennessee Valley Authority	16,850	764,904	20,520	7,130	34,533	72,957
Department of Defense—Civil	815,816	873,172	936,422	778,544	860,000	910,000
Department of the Interior	421,913	393,201	432,488	369,960	372,220	436,621
Department of State	4,679	4,583	6,560	5,122	5,049	6,442
Total, conservation and development of land and water resources	1,266,569	2,044,675	1,406,746	1,183,169	1,287,821	1,440,320
402 Conservation and development of forest resources:						
Department of Agriculture	185,465	210,839	174,636	189,506	207,606	205,877
Department of the Interior	11,112	14,899	16,052	11,112	14,899	16,052
Total, conservation and development of forest resources	196,577	225,738	190,688	200,618	222,505	221,929
403 Conservation and development of mineral resources:						
Department of the Interior	74,743	60,443	63,122	70,971	65,561	64,288
404 Conservation and development of fish and wildlife:						
Department of Defense—Civil	21	26	26	21	30	30
Department of the Interior	59,748	66,697	66,055	66,625	67,733	69,208
Department of State	1,664	1,780	1,925	1,675	1,825	1,925
Total, conservation and development of fish and wildlife	61,433	68,503	68,006	68,321	69,588	71,163
405 Recreational use of natural resources:						
Independent offices:						
Historical and memorial commissions	20	20		20	20	1
Outdoor Recreation Resources Review Commission	150	850	1,180	61	815	1,130
Department of the Interior	84,073	85,590	52,462	85,428	85,744	85,762
Total, recreational use of natural resources	84,243	86,460	53,642	85,509	86,579	86,893
409 General resource surveys and administration:						
Department of the Interior	58,379	52,212	53,377	60,308	53,240	53,186
Total, natural resources	1,741,944	2,538,031	1,835,581	1,668,896	1,785,294	1,937,779
Enacted or recommended in this document	1,741,944	2,505,954	1,835,581	1,668,896	1,758,926	1,932,570
Proposed for later transmission		32,077			26,368	5,209

[1] Includes amounts for special foreign currency programs recommended in this document.

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Special Analysis C—Continued

ANALYSIS OF THE BUDGET—Continued

BY FUNCTION AND AGENCY—Continued

Based on existing and proposed legislation—Continued

[In thousands]

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
COMMERCE AND HOUSING						
510 Promotion of water transportation:						
Department of Commerce	$288,897	$310,930	$298,600	$200,058	$257,301	$263,283
Department of Defense—Civil	19,250			6,924	4,391	14,466
Treasury Department	241,150	258,050	285,115	229,310	275,789	281,017
Total, promotion of water transportation	549,297	568,980	583,715	436,292	537,481	558,766
511 Provision of highways:						
Department of Commerce	36,000	36,000		29,515	45,449	3,352
512 Promotion of aviation:						
Independent offices:						
Civil Aeronautics Board	52,398	66,408	71,640	52,548	60,395	68,984
Federal Aviation Agency	564,981	573,495	717,000	441,400	567,000	681,000
Department of Commerce					−20	−1
Total, promotion of aviation	617,379	639,903	788,640	493,948	627,375	749,983
513 Space exploration and flight technology:						
Independent offices: National Aeronautics and Space Administration	305,364	523,575	802,000	145,491	325,000	600,000
514 Postal service:						
Post Office Department	625,238	656,410	[1] 49,000	773,887	604,400	[1] 49,000
515 Community development and facilities:						
General Services Administration				49		
Housing and Home Finance Agency	110,250	359,725	331,750	102,260	231,092	203,073
Department of Health, Education, and Welfare				25		
Department of the Interior	5,300	350	300	6,087	5,639	477
Total, community development and facilities	115,550	360,075	332,050	108,421	236,731	203,550
516 Public housing programs:						
Independent offices: National Capital Housing Authority	38	40		35	43	−6
Housing and Home Finance Agency	128,074	143,830	159,200	97,280	129,964	147,699
Total, public housing programs	128,112	143,870	159,200	97,315	130,007	147,693
517 Other aids to housing:						
Independent offices:						
Federal Home Loan Bank Board				−41,009	−49,692	−84,839
Veterans Administration	150,000	250,000		113,227	230,496	−12,153
Housing and Home Finance Agency	19,548	289,782	160,637	952,689	−168	149,702
Department of Agriculture				60,552	42,900	25,700
Total, other aids to housing	169,548	539,782	160,637	1,085,459	223,536	78,410
518 Other aids to business:						
Legislative branch	1,397	1,450	1,487	1,429	1,450	1,476
Independent offices:						
Alaska International Rail and Highway Commission	240			31	155	60
Atomic Energy Commission				−61	−23	−2
Small Business Administration	231,271	153,940	65,725	106,674	101,628	120,143
General Services Administration				−2,327	−4,116	−2,356
Department of Commerce	48,073	48,719	119,600	51,171	50,997	67,168
Department of Defense—Civil				−9,573	5,521	−437
Department of the Interior				2,937	2,205	500
Treasury Department				−11,349	−8,591	−8,279
Total, other aids to business	280,981	204,109	186,812	138,932	149,226	178,273
519 Regulation of commerce and finance:						
Independent offices:						
Civil Aeronautics Board	6,438	6,925	7,600	6,601	6,828	7,555
Federal Communications Commission	9,781	10,550	13,500	9,920	10,177	12,110
Federal Trade Commission	6,488	6,840	7,600	6,687	6,789	7,525
Interstate Commerce Commission	18,748	19,650	20,500	19,341	19,561	20,687
Securities and Exchange Commission	7,705	8,100	8,900	7,898	8,003	8,800
Department of Commerce	3,173	2,800	2,800	3,230	2,814	2,799
Department of Health, Education, and Welfare				−150	−105	−84
Department of Justice	4,138	4,500	4,760	4,227	4,182	4,628
Total, regulation of commerce and finance	56,471	59,365	65,660	57,754	58,249	64,020

[1] Includes proposed postal rate increases of $554,000 thousand.

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SPECIAL ANALYSIS C—Continued

ANALYSIS OF THE BUDGET—Continued

BY FUNCTION AND AGENCY—Continued

Based on existing and proposed legislation—Continued

[In thousands]

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
COMMERCE AND HOUSING—Continued						
520 Civil and defense mobilization:						
Executive Office of the President: Office of Civil and Defense Mobilization	$45,285	$55,885	$76,350	$45,784	$56,500	$68,000
Treasury Department				−150	−140	−134
Total, civil and defense mobilization	45,285	55,885	76,350	45,634	56,360	67,866
521 Disaster insurance, loans, and relief:						
Funds appropriated to the President				4,678	8,000	8,000
Independent offices: Small Business Administration		1,000		3,186	315	313
Total, disaster insurance, loans, and relief		1,000		7,864	8,315	8,313
Total, commerce and housing	2,929,225	3,788,954	3,204,064	3,420,512	3,002,129	2,709,226
Enacted or recommended in this document	2,929,225	3,717,920	3,701,064	3,420,512	2,895,597	3,262,357
Proposed for later transmission		71,034	[2] −497,000		106,532	[2] −553,131
GENERAL GOVERNMENT						
601 Legislative functions:						
Legislative branch	102,880	96,969	94,854	101,818	120,787	146,314
602 Judicial functions:						
Legislative branch	30	30	35	31	30	35
The judiciary	47,862	49,444	52,502	47,074	49,372	52,428
Independent offices: Indian Claims Commission	178	180	196	169	183	196
General Services Administration				30		
Total, judicial functions	48,070	49,654	52,733	47,304	49,585	52,659
603 Executive direction and management:						
Executive Office of the President	10,012	10,256	10,977	10,005	10,104	10,882
Funds appropriated to the President	1,000	1,125	1,350	514	1,414	1,252
General Services Administration		200	250		195	245
Treasury Department	1,218	1,318	1,338	1,275	1,319	1,339
Total, executive direction and management	12,230	12,899	13,915	11,794	13,032	13,718
604 Federal financial management:						
Independent offices:						
General Accounting Office	39,020	41,800	41,150	40,034	40,266	41,000
Renegotiation Board	3,026	2,850	2,870	3,082	2,881	2,874
Tax Court of the United States	1,522	1,535	1,583	1,485	1,531	1,562
Treasury Department	506,544	517,224	549,766	521,587	515,275	545,591
Total, Federal financial management	550,112	563,409	595,369	566,188	559,953	591,027
605 General property and records management:						
Independent offices: Central Intelligence Agency				6,252	16,000	19,200
General Services Administration	489,363	283,892	468,970	284,794	367,529	412,584
Total, general property and records management	489,363	283,892	468,970	291,046	383,529	431,784
606 Central personnel management and employment costs:						
Independent offices: Civil Service Commission	22,357	21,570	71,175	22,668	21,588	70,893
Department of Labor	189,108	181,280	180,127	182,737	176,253	180,112
Total, central personnel management and employment costs	211,465	202,850	251,302	205,405	197,841	251,005
607 Civilian weather services:						
Department of Commerce	45,248	51,355	63,100	46,410	51,586	57,642

[2] Includes proposed postal rate increases of $554,000 thousand.

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Special Analysis C—Continued

ANALYSIS OF THE BUDGET—Continued

BY FUNCTION AND AGENCY—Continued

Based on existing and proposed legislation—Continued

[In thousands]

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
GENERAL GOVERNMENT—Continued						
608 Protective services and alien control:						
Independent offices:						
Civil Service Commission	$450	$400	$467	$379	$441	$466
Commission on Civil Rights	777	780	995	655	800	990
Subversive Activities Control Board	375	380	395	324	380	395
Department of Justice	206,148	210,835	219,620	206,879	208,657	218,639
Treasury Department	7,808	8,096	8,227	7,908	8,130	8,229
Total, protective services and alien control	215,558	220,491	229,704	216,145	218,408	228,719
609 Territories and possessions, and the District of Columbia:						
Independent offices: National Capital Planning Commission	243	2,686	2,833	1,596	2,445	4,706
Department of Defense—Civil	24,630	45,052	32,354	23,929	27,773	37,943
Department of the Interior	11,090	11,834	16,049	11,793	11,885	15,439
Treasury Department	21,004	20,000	20,000	20,964	20,226	20,000
District of Columbia	33,361	61,518	53,233	31,111	33,918	47,733
Total, territories and possessions, and the District of Columbia	90,328	141,090	124,469	89,393	96,247	125,821
610 Other general government:						
Legislative branch	3,463	3,520	3,620	3,012	−339	−712
Funds appropriated to the President		10,500	6,000		10,500	6,000
Independent offices:						
Advisory Commission on Intergovernmental Relations		50	175		45	175
Commission on International Rules of Judicial Procedure	25				25	
Foreign Claims Settlement Commission	611	414	260	619	416	258
Historical and memorial commissions	499	424	140	357	464	304
Permanent Committee for the Oliver Wendell Holmes Devise	13	26	24	52	85	88
Department of Defense—Civil	244			420	905	710
Department of the Interior	201	293	220	523	410	414
Treasury Department	25,113	7,060	5,002	25,094	7,514	5,002
Total, other general government	30,169	22,287	15,441	30,077	20,025	12,239
Total, general government	1,795,423	1,644,896	1,909,857	1,605,580	1,710,993	1,910,928
Enacted or recommended in this document	1,795,423	1,637,448	1,909,682	1,605,580	1,703,706	1,910,599
Proposed for later transmission		7,448	175		7,287	329
INTEREST						
651 Interest on the public debt:						
Treasury Department	7,592,769	9,300,000	9,500,000	7,592,769	9,300,000	9,500,000
652 Interest on refunds of receipts:						
General Services Administration			100	431	100	75
Treasury Department	69,480	75,200	75,200	69,480	75,200	75,200
Total, interest on refunds of receipts	69,480	75,200	75,300	69,911	75,300	75,275
653 Interest on uninvested funds:						
Treasury Department	8,808	9,364	9,609	8,808	9,364	9,609
Total, interest (enacted or recommended in this document)	7,671,057	9,384,564	9,584,909	7,671,488	9,384,664	9,584,884
ALLOWANCE FOR CONTINGENCIES		100,000	300,000		75,000	200,000
Total, new obligational authority and expenditures	81,364,729	79,721,202	79,414,866	80,697,239	78,383,481	79,815,520
Enacted or recommended in this document	81,364,729	78,596,066	79,506,691	80,697,239	78,005,349	79,354,498
Proposed for later transmission		1,125,136	−91,825		378,132	461,022

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Special Analysis D

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES

INTRODUCTION

This special analysis is designed to contribute to a general understanding of the Federal budget by dividing Government expenditures into two major categories: (1) expenditures yielding benefits primarily in the current year and (2) expenditures yielding benefits primarily beyond the year in which they are made.

Expenditures yielding benefits over a period of years, that is, those of an investment type, are shown in two main classes—the first for acquisition of assets by the Federal Government, and the second for other broad developmental purposes. Additions to Federal assets include loans, outlays for public works, additions to major commodity inventories, expenditures for major equipment such as military missiles, ships, and aircraft, and expenditures for other physical assets. Expenditures for other developmental purposes are defined as those which add to State, local, and private assets or otherwise contribute to the general productivity of the economy. Included in this category are outlays for research and development, education and health, and other programs which add to the Nation's fund of knowledge and technical skills.

Expenditures which yield mainly current benefits are also grouped in two main classes—the first for aids and services to specific groups, and the second for current operating expenses of a more general nature.

In each category of this analysis, major national security expenditures are reported separately from those for all other (civil) programs. Such a distinction is especially helpful in appraising Federal expenditures for assets and other developmental purposes, since military outlays generally have different objectives from civil outlays in comparable categories. Similarly, expenditures for direct Federal programs are separated from grants-in-aid or loans to States and local governments.

Comparison with a capital budget.—The present analysis is not intended to be a capital budget. A capital budget as prepared by some foreign governments and some State and local governments usually provides separate financing for major capital outlays. Capital outlays of these governments may be entirely excluded from the current budget or they may be amortized over a period of years by annual charges to the budget. In the United States Federal Budget, however, investment items are ordinarily treated in the same way as outlays for other purposes; both types are considered as expenditures in determining the budget surplus or deficit.

A capital budget would also call for annual allowances for depreciation and obsolescence on existing physical assets, allowances for anticipated losses on loan programs, recognition of assets received as gifts or donated to others, and cognizance of profit or loss on sales of assets at figures different from their book values. This analysis makes no such provision for depreciation or other changes in the value of assets. Hence, it does not indicate the extent to which annual new investment is offset by changes in the value of existing assets.

Recovery of certain types of expenditures.—Certain expenditures for assets are offset in whole or in part by receipts to the Treasury in the form of sales, specific charges, or recoveries. This is the case with respect to many loans, investment in commodity inventories, construction of powerplants, and outlays for range and forest improvements on the public domain. Where such activities are accounted for on a revolving fund basis, receipts are credited directly against the expenditures, and the expenditure amounts in the budget and in special analysis D are net of receipts. In other cases, the receipts are counted as miscellaneous receipts to the Treasury rather than as offsets to expenditures.

Federal expenditures for most investment type programs are not generally expected to be recovered by specific revenues. Nonetheless, these and other developmental expenditures increase the wealth and income of the Nation, both directly and indirectly, thus expanding potential Federal revenues over a period of years.

SUMMARY

Expenditures for the acquisition of assets and for other developmental purposes are estimated to be $30 billion in 1961, compared to $29.3 billion in 1960. Current expenses for aids, services, and operations will total about $49.6 billion, compared to $49 billion for 1960.

Table 1.—*Summary of investment, operating, and other budget expenditures*

[In millions]

	1959 actual	1960 estimate	1961 estimate
Additions to Federal assets:			
Civil	$7,494	$3,814	$4,668
Major national security	16,509	15,905	15,296
Expenditures for other developmental purposes:			
Civil	2,346	2,976	3,411
Major national security	5,692	6,565	6,615
Current expenses for aids and special services:			
Civil	14,338	14,032	13,701
Major national security	2,358	1,788	1,719
Other services and current operating expenses:			
Interest	7,671	9,385	9,585
Other civil	2,420	2,454	2,684
Major national security	21,868	21,392	21,937
Allowance for contingencies		75	200
Total	80,697	78,383	79,816
Civil	34,269	32,736	34,249
Major national security	46,427	45,650	45,567

ADDITIONS TO FEDERAL ASSETS

Expenditures representing direct investment by the Federal Government in loans and federally owned physical assets are expected to amount to $20 billion in 1961, compared to $19.7 billion in 1960. As in other recent years, the bulk of the total (77% in 1961) is for major national security programs, mostly for military equipment. Public works account for under half ($2.1 billion) of estimated additions to civil assets in 1961; the remainder consists mostly of civil loans ($1.5 billion) and additions to inventories of farm commodities ($0.9 billion).

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Special Analysis D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Table 2.—*Additions to Federal assets*

[In millions]

	1959 actual	1960 estimate	1961 estimate
Loans:			
Civil	$5,087	$648	$1,451
Major national security	−25	−18	−16
Public works—sites and direct construction:			
Civil	1,506	1,875	2,131
Major national security	2,150	1,911	1,632
Major commodity inventories—net change:			
Civil	754	1,132	904
Major national security	253	192	110
Major equipment:			
Civil	61	89	93
Major national security	12,615	12,298	12,103
Other physical assets—acquisition and improvement:			
Civil	86	70	89
Major national security	1,516	1,522	1,467
Total additions to Federal assets	24,003	19,718	19,965

Loans.—Direct loans by Federal agencies consist primarily of loans to farmers and homeowners, to public and private agencies serving these two groups, and to foreign governments and private businesses. Although a few loan programs are on a nonrevolving basis, such as the Rural Electrification Administration and the Farmers Home Administration, most direct loan programs in the budget and in this special analysis are financed on a revolving fund basis so that net expenditures for loans as reported in this analysis reflect only a fraction of total direct Government lending activity. Although the 1961 budget proposes that some additional lending programs be placed on a revolving fund basis, the budget estimates for these programs are presented on the basis of existing law.

Net budget expenditures for loans in 1961 are estimated to be $1.4 billion, compared to $630 million in 1960. The largest single change by far reflects decreased loan repayments to the Commodity Credit Corporation. Loan repayments to this Corporation are expected to exceed disbursements by $1 billion in 1960, but by only $208 million in 1961. CCC loans are secured by agricultural commodities. Forfeitures of such collateral are regarded as loan repayments, but result in additions to CCC inventories shown elsewhere in this special analysis. Housing loans by the Veterans Administration are scheduled to decline sharply from net disbursements of $253 million in 1960 to $13 million in 1961, reflecting the end of the direct loan program on July 25, 1960. Other loans for housing programs, including mortgage purchases, will increase in 1961. Loans to foreign borrowers by the Export-Import Bank will increase by $53 million and by the mutual security program by $122 million in 1961. The Treasury, which paid $1.4 billion in 1959 to increase the U.S. subscription to the International Monetary Fund, will pay $80 million in 1960 for the first installment on the U.S. investment in the Inter-American Bank. These expenditures are nonrecurring.

Loans are classified in this special analysis as "additions to assets" because they are expected to result in receipts or recoveries to the Federal Government in future years. For the Nation as a whole, however, Government loan activities may represent either current or future benefits depending on the character and purpose of the loan.

Public works—sites and direct construction.—Included in this category are Federal expenditures for sites, for Federal civil public works projects, and for military installations and other national security facilities, including those outside the continental United States. Estimated expenditures in 1961 for direct Federal public works are $3.8 billion, about the same as in 1960. Civil public works expenditures will be about $2.1 billion, which is $257 million higher than in 1960, reflecting mainly increases for water resources projects, civilian space research facilities, Federal aviation facilities, and construction of office buildings for several executive agencies and the House of Representatives. Expenditures for water resources and related projects in 1961 will amount to approximately $1.2 billion. Total outlays will be mostly for work already underway; starts on proposed new projects will entail estimated expenditures of $258 million in 1961.

Major national security construction, which accounts for 43% of 1961 Federal public works, will decrease by $279 million. Payments for airfield construction will decline by more than enough to offset increases for atomic energy construction, underground missile bases, and other military construction.

Major commodity inventories.—Net expenditures for major purchases of commodities held for resale or in stockpiles are expected to be $1 billion in 1961, about $310 million less than in 1960. Net additions to the inventory of farm commodities held by the Commodity Credit Corporation under its farm price-support program are estimated to amount to $895 million, compared to $1.1 billion in 1960. Expenditures for the stockpiling of strategic and critical materials (other than fissionable) and for purchases of defense materials are expected to decline from $192 million in 1960 to $110 million in 1961.

Major equipment.—Expenditures for major equipment are estimated at over $12 billion in both 1960 and 1961. These expenditures are almost entirely for aircraft, missiles, ships, and other major national security equipment. Although expenditures for aircraft procurement will decline from the 1960 level, expenditures for tanks, vehicles, guns, and electronics devices will increase. Shipbuilding and missile procurement will call for about the same amount of expenditures as in 1960. While military missiles have many of the characteristics of expendable supplies such as ammunition, their acquisition cost is included in this analysis under "additions to assets" because they are in many cases replacing aircraft or other durable assets.

Expenditures for civilian space research equipment will increase by $10 million in 1961. Purchases of office equipment, furniture, fixtures, automobiles, and similar items are not included in this category, but are treated as current operating expenses.

Other physical assets—acquisition and improvement.—Expenditures for other physical assets are estimated to be $1.6 billion in 1961, about the same as in 1960. Of this amount, the major national security portion, which provides for the procurement of uranium concentrates and production of special nuclear materials and weapons by the Atomic Energy Commission, will decline. Civil expenditures in this category, which include reforestation and range improvements on Federal lands and real property acquired as collateral on defaulted loans, will increase.

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Special Analysis D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

EXPENDITURES FOR OTHER DEVELOPMENTAL PURPOSES

This category includes Federal expenditures which add to the productivity of the economy over a period of years but which do not directly augment Federal physical and financial assets. Disbursements which appear to yield the bulk of their benefits in the current year are excluded, even though they may also contribute to the longer run economic development of the Nation.

Table 3.—*Expenditures for other developmental purposes*

[In millions]

	1959 actual	1960 estimate	1961 estimate
State and local physical assets	$291	$340	$331
Private physical assets	643	825	914
Education, training, and health:			
Civil	690	826	830
Major national security	11	13	14
Research and development:			
Civil	672	931	1,276
Major national security	5,681	6,552	6,601
Engineering and natural resource surveys	50	54	60
Total expenditures for other developmental purposes	8,039	9,540	10,025

State and local physical assets.—In 1961 the Federal Government will spend an estimated $331 million for additions to physical assets of State and local governments, primarily through grants-in-aid for the construction of schools in federally affected areas, hospitals, airports, waste-treatment works, watershed protection projects, and other facilities. This amount excludes grants of $2.7 billion in 1961 for the Federal-aid highway system, which are to be made from the separately financed Highway trust fund rather than from the budget.

Private physical assets.—Federal expenditures which directly augment privately owned physical assets consist predominantly of (1) payments and technical assistance for conservation and improvement of private farms, including cost sharing payments under the conservation reserve program and the agricultural conservation program; (2) grants to States for the building of private hospitals and other health facilities; and (3) construction subsidies for merchant ships. Total outlays in this category are estimated at $914 million in 1961, compared to $825 million in 1960.

Education, training, and health.—In 1961 an estimated $844 million of budget expenditures will be devoted to education, training, and health. Most of these programs are conducted through grants to State and local governments. These include school operating aid to local school districts affected by the presence of Federal Government installations, grants under the National Defense Education Act of 1958, and grants to States for public health, vocational education, maternal and child welfare, and agricultural extension work. A number of programs classified elsewhere in this special analysis also have developmental aspects which are, however, secondary to their principal purposes. Examples are the veterans educational activities, the operating expenses of hospital services and medical care programs, and the training of military and civilian personnel in Government service.

Research and development.—The Federal Government also contributes to technological progress through the conduct of varied programs of research and development. Expenditures for these programs are estimated at $7.9 billion in 1961, $394 million more than in 1960, not including expenditures for research and development equipment and facilities shown elsewhere in this special analysis. Most of the 1961 total will be devoted to the research and development activities of the Department of Defense and the Atomic Energy Commission, where the emphasis will be on missiles, nuclear propulsion systems, and civilian electric power reactors. The support of nonmilitary space projects carried on by the National Aeronautics and Space Administration will require estimated expenditures of $503 million in 1961, nearly double the 1960 amount. Other research and development programs include—but are not limited to—health research, research in new uses of farm products, basic research in agriculture and science, and research on production and utilization of mineral products.

Engineering and natural resource surveys.—An estimated $60 million of expenditures in 1961 will be devoted to investigations and surveys for public works programs, topographic mapping, geologic and mineral resource surveys, land classification, forest investigations, and other basic surveys. The largest programs of these types are administered by the Geological Survey, the Bureau of Reclamation, the Coast and Geodetic Survey, and the Corps of Engineers.

CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES

Included in this category are expenditures which provide aids or special services to specific economic groups primarily in the current year, including administrative and other operating expenses attributable to the investment-type programs discussed previously and the costs of maintaining the related physical assets. Benefits accruing to various groups through tax provisions or other Government aids which do not call for expenditures are not included in this analysis.

Significant amounts of expenditures from certain of the trust funds might also be considered as yielding current aid to specific economic groups. For example, trust fund payments in 1961 are expected to include $11.1 billion in old-age and survivors insurance benefits, $576 million in disability insurance benefits, $970 million in railroad retirement benefits, and $1.8 billion in withdrawals by States to pay unemployment benefits. (See part III, especially pages 842–844, for a more complete treatment of trust fund transactions.) However, these amounts are excluded from special analysis D, which is confined to an analysis of budget expenditures. Budget expenditures for aids and special services are estimated at $15.4 billion in 1961, compared to $15.8 billion in 1960.

Table 4.—*Current expenses for aids and special services*

[In millions]

	1959 actual	1960 estimate	1961 estimate
Agriculture	$3,484	$3,568	$3,433
Business:			
Civil	1,451	1,343	865
Major national security	42	9	−1
Labor	761	327	337
Homeowners and tenants	−4	64	40
Veterans	4,972	4,947	5,247
International:			
Civil	1,437	1,380	1,400
Major national security	2,316	1,779	1,720
Other aids and special services	2,237	2,403	2,379
Total current expenses for aids and special services	16,697	15,820	15,420

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Special Analysis D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Agriculture.—Budget expenditures for current aids and services to farmers are estimated at $3.4 billion in 1961, compared to $3.6 billion in 1960. These expenditures consist chiefly of costs and losses stemming from the price support program and the sale of surplus commodities for foreign currencies.

Farmers also derive particular benefits from major expenditures classified elsewhere in this analysis, such as expenditures for loans, conservation payments, water development projects, the school lunch program, and various international and other programs not designed primarily for the support of agriculture.

Business.—Expenditures primarily benefiting private business are estimated at $864 million in 1961 and $1.4 billion in 1960. The decrease reflects mainly the proposed increase in postal rates designed to eliminate the postal service deficit now covered by budgetary expenditures. The major expenditures in this category are for aids to air and sea navigation and for maritime operating subsidies.

Labor.—The largest current Federal expenditure benefiting labor in 1961 is for the Federal-State program of unemployment insurance and public employment offices. The Federal Government, through the Department of Labor, makes grants to the States to cover the full cost of administering these services; in 1961 these grants are estimated at $303 million, which is 90% of the total estimated expenditures of $337 million benefiting labor. Other expenses for aids and special services to labor include the mine safety work of the Bureau of Mines and certain administrative expenses of the Department of Labor.

Homeowners and tenants.—Loans and mortgage purchases for the benefit of homeowners and tenants are classified in this analysis as additions to Federal assets; expenditures classified as yielding current benefits to these groups consist chiefly of (1) annual contributions to local authorities for low-rent public housing projects; (2) grants for the capital losses of slum clearance and urban renewal projects; and (3) administrative expenses for all housing programs. Receipts from the insurance of mortgages and saving and loan share accounts and the earnings from holdings of mortgages and other housing loans offset most current expenditures for housing in both 1960 and 1961.

Veterans.—Expenditures for current aids and services to veterans are estimated at $5.2 billion in 1961, an increase of $300 million over 1960; practically all the increase results from higher pension payments. Compensation and pension benefits combined account for more than 70% of estimated total expenditures in this category in 1961. Compensation payments made for disabilities or deaths resulting from service will be at about the same level in 1961 as in 1960; expenditures for non-service-connected pensions will increase by $438 million.

Other aids to veterans include hospital and medical care for veterans of all wars and readjustment benefits, which in 1961 will be mainly for those who served in the Korean conflict. The readjustment benefits include education and training for veterans who enroll in schools and colleges, vocational training on the job or farm, and veterans loan-guarantee programs.

International.—Almost all the estimated expenditures in this category in 1961 will be for grants under the mutual security program. Expenditures of $1.7 billion are estimated in 1961 for the military assistance portion of the program, under which military equipment and training is furnished to friendly nations. Expenditures of $1.3 billion are expected in 1961 for the economic portion of the program, under which friendly nations are helped to develop their economies so as to maintain political and economic stability and meet the economic burdens imposed by the maintenance of adequate defense forces. The amounts in the present category are in addition to loans to foreign countries, which were included above as additions to Federal assets.

Other aids and special services.—Many other Federal programs involve budget expenditures for current aids and special services for more than one of the above groups or for other groups. The bulk of these expenditures consists of grants to help provide public assistance to the needy, including the aged, the blind, the permanently and totally disabled, and dependent children. Other major programs include grants to States to help finance low-priced school lunches, hospital operation and medical care by the Public Health Service, and various aids to Indians. Expenditures in this category are expected to amount to $2.4 billion in 1961, about the same as in 1960.

OTHER SERVICES AND CURRENT OPERATING EXPENSES

Expenses for operation and maintenance of military facilities and for pay and subsistence of military personnel comprise about 65% of the total spending estimated for this category in 1961. By far the largest component of civil expenditures is interest, which accounts for about 30% of the total.

Table 5.—*Other services and current operating expenses*

[In millions]

	1959 actual	1960 estimate	1961 estimate
Repair, maintenance, and operation of physical assets:			
Civil	$308	$324	$336
Major national security	10,249	9,614	9,983
Regulation and control	571	588	622
Operation and administration of other civil activities	1,541	1,542	1,726
Other major national security operation and administration	11,619	11,778	11,954
Interest	7,671	9,385	9,585
Total other services and current operating expenses	31,959	33,230	34,206

Repair, maintenance, and operation of physical assets.—Expenditures to repair, maintain, and operate physical assets are predominantly for the national military establishment and for general purpose public buildings. Also included in this category are expenses for operating and maintaining atomic energy facilities, flood control reservoirs, irrigation works, power facilities, public lands, and national forests. Total outlays for these purposes are estimated at $9.9 billion in 1960 and $10.3 billion in 1961. Where special groups are the main beneficiaries, such as veterans in the case of veterans hospitals, repair

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SPECIAL ANALYSIS D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

and maintenance outlays are not included in the present category but as "aids and special services" discussed above.

Regulation and control.—Most of the major departments and agencies and many smaller agencies have regulatory or law-enforcement responsibilities. These include the law-enforcement activities of the Department of Justice, the Treasury Department, and the judiciary, as well as the operations of the independent regulatory agencies. Expenditures for regulation and control are estimated to total $622 million in 1961, compared to $588 million in 1960.

Operation and administration of other civil activities.—All other governmentwide or multipurpose expenditures for civil programs are estimated to total $1.5 billion in 1960 and $1.7 billion in 1961. These cover expenditures for the legislative branch; the conduct of foreign affairs; tax collection, public debt management, and other financing activities; central procurement and recordkeeping; accident and unemployment compensation payments for Federal employees; and various other direct Federal programs not elsewhere classified. Federal Government contributions as employer to the Civil service retirement and disability fund, formerly included in this category, are now allocated along with other employee compensation costs among the various disbursing agencies and programs. Such payments total an estimated $0.8 billion in 1961.

Other major national security operation and administration.—These expenditures are estimated to increase from $11.8 billion in 1960 to $12 billion in 1961. They represent mainly pay and subsistence for military personnel together with smaller but substantial expenditures for civilian reserve components, industrial mobilization, and various departmentwide activities of the Department of Defense.

Interest.—Interest expenditures consist almost entirely of interest payments on the public debt. A minor proportion is for interest on refunds of receipts and on certain uninvested funds deposited with the Treasury. Because of the higher interest rates on new securities issued to refund maturing obligations, expenditures for interest are expected to rise from $9.4 billion in 1960 to $9.6 billion in 1961.

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Special Analysis D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Based on existing and proposed legislation

[In millions]

	1959 actual	1960 estimate	1961 estimate
ADDITIONS TO FEDERAL ASSETS			
Loans:			
Civil:			
To domestic private borrowers:			
Small Business Administration	$104	$94	$105
Veterans Administration:			
Housing loans	129	253	13
Other	90	100	102
Housing and Home Finance Agency:			
Federal National Mortgage Association	858	136	83
College housing loans	72	73	60
Federal Housing Administration	20	24	18
Other	−21	−166	−3
Department of Agriculture:			
Commodity Credit Corporation: Price support and grain storage loans	1,082	−1,005	−208
Farmers Home Administration	275	247	215
Rural Electrification Administration	305	325	345
Department of Health, Education, and Welfare:			
Defense educational activities	31	38	51
Treasury Department	−10	−7	−7
Other agencies	−7	9	2
Total to domestic private borrowers, civil	2,928	121	776
To State and local governments:			
For public works:			
Housing and Home Finance Agency:			
College housing loans	108	110	89
Public facility loans	21	25	24
Other	1	13	9
Department of the Interior	8	13	20
District of Columbia	3	7	13
Other agencies	2	2	9
For other than public works:			
Housing and Home Finance Agency	2	56	19
Other agencies	(1)	1	4
Total to State and local governments, civil	144	227	187
To foreign borrowers:			
Funds appropriated to the President: Mutual security—economic	127	225	347
Export-Import Bank of Washington	467	31	84
Treasury Department:			
International Monetary Fund	1,375		
Inter-American Development Bank		80	
Total to foreign borrowers, civil	1,969	337	431
To quasi-public institutions and trust funds	46	−37	57
Total loans, civil	5,087	648	1,451
Major national security:			
To domestic private borrowers: Funds appropriated to the President: Expansion of defense production	−21	−14	−11
To foreign borrowers	−4	−4	−4
Total loans, major national security	−25	−18	−16
Total loans	5,062	630	1,435
Public works—sites and direct construction:			
Civil:			
Research and development facilities:			
National Aeronautics and Space Administration	25	45	75
Department of Agriculture	7	12	8
Other agencies	14	25	31
Total research and development facilities	46	82	114

	1959 actual	1960 estimate	1961 estimate
ADDITIONS TO FEDERAL ASSETS—Continued			
Public works—sites and direct construction—Continued			
Civil—Continued			
Other than research and development facilities:			
Legislative branch	$13	$29	$54
Central Intelligence Agency	6	16	19
Federal Aviation Agency	97	138	160
Saint Lawrence Seaway Development Corporation	14	7	3
Smithsonian Institution	3	7	19
Tennessee Valley Authority	104	135	179
Veterans Administration: Hospitals	45	58	60
General Services Administration: Public buildings	89	148	171
Department of Agriculture:			
Commodity Credit Corporation: Grain storage facilities	1	30	30
Forest roads and protective facilities	44	44	44
Other	1	1	1
Department of Commerce	4	10	6
Department of Defense—Civil:			
Rivers and harbors and flood control, Department of the Army	620	694	742
The Panama Canal	13	19	27
Other	2	2	1
Department of Health, Education, and Welfare:			
Assistance for school construction	10	10	10
Indian health facilities	4	12	6
Other	2	4	6
Department of the Interior:			
Bureau of Reclamation	197	181	233
National Park Service	53	51	51
Bureau of Indian Affairs	30	33	31
Power transmission agencies	19	24	22
Other	19	19	16
Post Office Department	31	72	80
Department of State:			
State Department building	22	17	3
Other	13	6	13
Treasury Department	−3	16	12
Other agencies	6	10	18
Total other than research and development facilities	1,459	1,793	2,017
Total public works, civil	1,506	1,875	2,131
Major national security:			
Research and development facilities:			
Atomic Energy Commission	135	169	173
Department of Defense—Military: Military construction	88	111	111
Total research and development facilities	223	280	284
Other than research and development facilities:			
Atomic Energy Commission	72	80	105
Department of Defense—Military: Military construction (excluding infrastructure)	1,853	1,551	1,243
Other agencies	1	(1)	(1)
Total other than research and development facilities	1,926	1,631	1,348
Total public works, major national security	2,150	1,911	1,632
Total public works—sites and direct construction	3,655	3,786	3,762

[1] Less than one-half million dollars.

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Special Analysis D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Based on existing and proposed legislation—Continued

[In millions]

	1959 actual	1960 estimate	1961 estimate
ADDITIONS TO FEDERAL ASSETS—Continued			
Major commodity inventories:			
Civil:			
Executive Office of the President: Office of Civil and Defense Mobilization	$10	$13	$9
Department of Agriculture: Commodity Credit Corporation: Agricultural commodities	740	1,120	895
Other agencies	4	−2	
Total major commodity inventories, civil	754	1,132	904
Major national security:			
Funds appropriated to the President: Expansion of defense production	221	178	106
General Services Administration: Stockpiling of strategic and critical materials	32	14	4
Total major commodity inventories, major national security	253	192	110
Total major commodity inventories	1,007	1,324	1,014
Major equipment:			
Civil:			
Research and development facilities:			
National Aeronautics and Space Administration	6	12	22
Other agencies	3	5	6
Total research and development facilities	9	17	28
Other than research and development facilities:			
Department of Commerce:			
Merchant ships	22	27	26
Other	5	4	6
Federal Aviation Agency	10	7	11
Treasury Department: Coast Guard	6	25	15
Other agencies	9	9	7
Total other than research and development facilities	52	72	65
Total major equipment, civil	61	89	93
Major national security:			
Research and development facilities: Atomic Energy Commission	42	48	45
Other than research and development facilities:			
Funds appropriated to the President	(1)	−1	(1)
Atomic Energy Commission	31	33	35
Department of Defense—Military	12,542	12,218	12,024
Total other than research and development facilities, major national security	12,573	12,250	12,058
Total major equipment, major national security	12,615	12,298	12,103
Total major equipment	12,676	12,387	12,196
Other physical assets—acquisition and improvement:			
Civil:			
Veterans Administration:			
Readjustment benefits	32	4	12
Other	(1)	(1)	(1)
Housing and Home Finance Agency	10	16	22
Department of the Interior:			
Bureau of Land Management	20	20	20
Other	12	14	17
Other agencies	12	16	18
Total other physical assets, civil	86	70	89

	1959 actual	1960 estimate	1961 estimate
ADDITIONS TO FEDERAL ASSETS—Continued			
Other physical assets—acquisition and improvement—Continued			
Major national security:			
Atomic Energy Commission	$1,500	$1,490	$1,425
Department of Defense—Military: Working capital (revolving) funds	16	32	42
Total other physical assets, major national security	1,516	1,522	1,467
Total other physical assets—acquisition and improvement	1,602	1,591	1,557
Total additions to Federal assets	24,003	19,718	19,965
EXPENDITURES FOR OTHER DEVELOPMENTAL PURPOSES			
State and local physical assets:			
Grants-in-aid:			
For public works, research and development facilities: Department of Health, Education, and Welfare	8	11	13
For public works, other than research and development facilities:			
Federal Aviation Agency	57	72	81
Department of Agriculture: Flood prevention and watershed protection	23	32	36
Department of Commerce: Forest and public lands highways [2]	25	35	
Department of Health, Education, and Welfare:			
School construction in federally affected areas	66	62	61
Hospital construction	61	64	72
Waste treatment works construction	36	45	45
Other	(1)		
Other agencies	6	7	6
Total other than research and development facilities	274	317	301
Total for public works	282	328	313
For other than public works other than research and development facilities:			
Office of Civil and Defense Mobilization	8	12	16
Other	(1)	(1)	1
Total for other than public works	9	12	17
Total State and local physical assets, grants-in-aid [3]	291	340	331
Private physical assets, civil:			
Direct Federal programs:			
Research and development facilities:			
Department of Health, Education, and Welfare	15	15	16
National Science Foundation	5	7	16
Total research and development facilities	20	21	32
Other than research and development facilities:			
Department of Agriculture:			
Agricultural conservation assistance	239	243	245
Soil Conservation Service	95	90	94
Commodity Stabilization Service: Conservation reserve	171	335	394
Commodity Credit Corporation: Loans to Secretary of Agriculture for agricultural conservation purposes	7	1	−12

[1] Less than one-half million dollars.

[2] Expenditures for these programs are included in Highway trust fund expenditures in 1961.

[3] Excludes highway construction grants of $2,584 million in 1959, $2,998 million in 1960, and $2,698 million in 1961 made from the Highway trust fund.

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Federal Reserve Bank of St. Louis

Special Analysis D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Based on existing and proposed legislation—Continued

[In millions]

	1959 actual	1960 estimate	1961 estimate
EXPENDITURES FOR OTHER DEVELOPMENTAL PURPOSES—Continued			
Private physical assets, civil—Continued			
Direct Federal programs—Continued			
Other than research and development facilities—Continued			
Department of Commerce: Merchant ships	$28	$50	$68
Other agencies	6	4	4
Total other than research and development facilities	546	723	793
Total direct Federal programs	566	745	825
Grants-in-aid: Other than research and development facilities:			
Department of Health, Education, and Welfare:			
Private hospital construction	74	79	88
Other agencies	3	1	1
Total grants-in-aid	77	80	89
Total private physical assets, civil	643	825	914
Education, training, and health:			
Civil:			
Direct Federal programs:			
National Science Foundation	51	54	59
Department of Health, Education, and Welfare:			
Public Health Service	132	182	175
Office of Education	17	34	48
Other	13	15	17
Department of the Interior: Bureau of Indian Affairs	44	44	46
Other agencies	19	20	20
Total direct Federal programs	276	349	365
Grants-in-aid:			
Department of Agriculture: Cooperative extension work	61	62	65
Department of Health, Education, and Welfare:			
School operation in federally affected areas	132	151	126
Defense educational activities	44	73	83
Vocational and other education and training	95	103	103
Health and child care	77	81	81
Other ageciens	5	7	6
Total grants-in-aid	414	477	464
Total education, training, and health, civil	690	826	830
Major national security: Atomic Energy Commission	11	13	14
Total education, training, and health	701	839	844
Research and development:			
Civil:			
Direct Federal programs:			
Federal Aviation Agency	21	37	52
National Aeronautics and Space Administration	115	268	503
National Science Foundation	47	58	79
Veterans Administration	16	18	16
Department of Agriculture:			
Agricultural Research Service	62	64	75
Forest Service	11	11	12
Other	10	10	10
Department of Commerce:			
National Bureau of Standards	10	14	17
Other	10	12	14
Department of Health, Education, and Welfare:			
Public Health Service	216	279	314
Other	9	10	25

	1959 actual	1960 estimate	1961 estimate
EXPENDITURES FOR OTHER DEVELOPMENTAL PURPOSES—Continued			
Research and development—Continued			
Civil—Continued			
Direct Federal programs—Continued			
Department of the Interior:			
Bureau of Mines	$23	$23	$23
Geological Survey	41	40	40
Fish and Wildlife Service	11	11	11
Other	2	2	3
Post Office Department	6	8	12
Other agencies	20	23	28
Total direct Federal programs	630	888	1,234
Grants-in-aid:			
Department of Agriculture:			
Agricultural Research Service	31	31	32
Other	1	1	1
Other agencies	10	11	9
Total grants-in-aid	42	43	42
Total research and development, civil	672	931	1,276
Major national security:			
Atomic Energy Commission	700	790	836
Department of Defense—Military:			
Military personnel: Research and development	224	227	233
Procurement: Test and evaluation support	1,867	1,824	1,580
Research, development, test, and evaluation	2,859	3,680	3,917
Mutual security—Military, research	31	30	35
Total research and development, major national security	5,681	6,552	6,601
Total research and development	6,354	7,483	7,877
Engineering and natural resource surveys:			
Direct Federal programs:			
Department of Commerce: Coast and Geodetic Survey	12	13	17
Department of the Interior	17	16	17
Other agencies	19	22	21
Total direct Federal programs	48	51	55
Grants-in-aid	2	2	5
Total engineering and natural resource surveys	50	54	60
Total expenditures for other developmental purposes	8,039	9,540	10,025
CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES			
Agriculture:			
Direct Federal programs:			
Department of Agriculture:			
Commodity Credit Corporation:			
Sales for foreign currency	1,022	1,055	1,172
Price support, supply, and related programs	872	1,589	1,487
Transfer to supplemental stockpile	315	237	127
National Wool Act	20	94	70
Soil bank programs	68	35	----------
International Wheat Agreement	48	49	68
Other	33	6	−2
Commodity Stabilization Service:			
Acreage reserve	609	----------	----------
Sugar Act	67	74	78
Other	−3	3	----------

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Special Analysis D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Based on existing and proposed legislation—Continued

[In millions]

	1959 actual	1960 estimate	1961 estimate
CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES—Continued			
Agriculture—Continued			
Direct Federal programs—Continued			
Department of Agriculture—Continued			
Agricultural Research Service	$46	$40	$41
Agricultural Marketing Service	42	34	36
Farmers Home Administration	32	31	32
Federal Crop Insurance Corporation	−15	−7	1
Foreign Agricultural Service	4	6	17
Rural Electrification Administration	10	9	10
Other	19	19	17
Other agencies	3	5	5
Total direct Federal programs	3,192	3,279	3,159
Grants-in-aid: Department of Agriculture:			
Removal of surplus agricultural commodities	127	105	105
Commodity Credit Corporation	154	173	158
Forest Service	11	11	11
Total grants-in-aid	292	289	274
Total agriculture	3,484	3,568	3,433
Business:			
Civil:			
Direct Federal programs:			
Civil Aeronautics Board: Payments to air carriers	53	60	69
Federal Aviation Agency	228	283	341
Small Business Administration	6	3	11
Department of Commerce:			
Maritime activities: Ship operating subsidies and administration	133	165	153
Patent Office	21	21	22
Other	29	28	29
Department of Defense—Civil:			
Rivers and harbors and flood control, Department of the Army: Maintenance and operation	72	83	86
Panama Canal Company	−6	−13	−11
Other	−2	−1	−1
Post Office Department	736	525	−43
Treasury Department: Coast Guard: Navigation aids	177	184	201
Other agencies	4	4	5
Total civil, direct Federal programs	1,451	1,343	861
Grants-in-aid: Department of Commerce			4
Total civil	1,451	1,343	865
Major national security: Funds appropriated to the President: Expansion of defense production: Administrative expenses and losses on transactions	42	9	−1
Total business	1,493	1,352	864
Labor:			
Direct Federal programs:			
Department of Labor:			
Temporary unemployment compensation	447	−7	
Other	12	13	14
Other agencies	5	5	20
Total direct Federal programs	464	11	34
Grants-in-aid: Department of Labor: Administration of unemployment compensation and employment service	297	315	303
Total labor	761	327	337

	1959 actual	1960 estimate	1961 estimate
CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES—Continued			
Homeowners and tenants:			
Direct Federal programs:			
Federal Home Loan Bank Board	−$41	−$50	−$85
Housing and Home Finance Agency:			
Federal National Mortgage Association	−58	−39	−22
Federal Housing Administration	−98	−128	−163
Other	7	13	11
Other agencies	(1)	(1)	(1)
Total direct Federal programs	−190	−204	−259
Grants-in-aid: Housing and Home Finance Agency:			
Public housing	111	120	146
Urban renewal fund	76	140	150
Other		8	3
Total grants-in-aid	186	268	299
Total homeowners and tenants	−4	64	40
Veterans:			
Direct Federal programs:			
Veterans Administration:			
Readjustment benefits	585	456	325
Compensation and pensions	3,275	3,407	3,840
Hospital and medical care	852	873	903
Insurance	35	36	31
Other	163	150	130
Department of Labor:			
Unemployment compensation for veterans	44	8	
Other	3	1	1
Other agencies	7	8	9
Total direct Federal programs	4,964	4,939	5,238
Grants-in-aid: Veterans Administration	8	8	8
Total veterans	4,972	4,947	5,247
International:			
Civil:			
Funds appropriated to the President:			
Mutual security—economic	1,390	1,318	1,347
Other	(1)	(1)	
Export-Import Bank of Washington	−77	−87	−91
Department of Agriculture: Commodity Credit Corporation: Emergency famine relief to friendly peoples	98	115	120
Department of Commerce: Inter-American Highway	16	23	10
Other agencies	10	11	14
Total international, civil	1,437	1,380	1,400
Major national security: Department of Defense—Military:			
Military assistance	2,309	1,770	1,715
Military construction (infrastructure)	7	8	5
Total international, major national security	2,316	1,779	1,720
Total international	3,753	3,159	3,120
Other aids and special services:			
Direct Federal programs:			
Department of Health, Education, and Welfare:			
Public Health Service	48	49	49
Other	15	16	16
Department of the Interior: Bureau of Indian Affairs	37	30	30
Department of Commerce: Bureau of the Census	8	76	25

[1] Less than one-half million dollars.

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Special Analysis D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Based on existing and proposed legislation—Continued

[In millions]

	1959 actual	1960 estimate	1961 estimate
CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES—Continued			
Other aids and special services—Continued			
Direct Federal programs—Continued			
Department of Labor: Bureau of Labor Statistics	$7	$9	$10
Other agencies	7	8	8
Total direct Federal programs	122	189	138
Grants-in-aid:			
Department of Agriculture: School lunch program	142	152	149
Department of Health, Education, and Welfare:			
Public assistance	1,966	2,053	2,083
Other	1	2	1
Other agencies	5	8	8
Total grants-in-aid	2,114	2,214	2,240
Total other aids and special services	2,237	2,403	2,379
Total current expenses for aids and special services	16,697	15,820	15,420
OTHER SERVICES AND CURRENT OPERATING EXPENSES			
Repair, maintenance, and operation of physical assets (excluding special services):			
Civil:			
Tennessee Valley Authority	−109	−114	−119
General Services Administration	152	166	178
Department of Agriculture: Forest Service	89	99	92
Department of Defense—Civil: Rivers and harbors and flood control, Department of the Army	58	54	54
Department of the Interior:			
Bureau of Reclamation	35	34	37
National Park Service	28	29	29
Fish and Wildlife Service	10	11	12
Power marketing agencies	14	16	18
Other	2	1	1
Other agencies	29	27	33
Total repair, maintenance, and operation, civil	308	324	336
Major national security:			
Atomic Energy Commission	50	53	56
Department of Defense—Military:			
Operation and maintenance	10,384	10,137	10,321
Working capital (revolving) funds	−185	−576	−394
Total repair, maintenance, and operation, major national security	10,249	9,614	9,983
Total repair, maintenance, and operation of physical assets	10,556	9,938	10,318
Regulation and control:			
The judiciary	47	49	52
Federal Aviation Agency	18	22	25
Federal Communications Commission	10	10	11
Interstate Commerce Commission	19	20	21
National Labor Relations Board	13	15	17
Department of Agriculture:			
Commodity Stabilization Service: Acreage allotments and marketing quotas	41	41	40
Agricultural Research Service	28	27	31
Other	4	3	3

	1959 actual	1960 estimate	1961 estimate
OTHER SERVICES AND CURRENT OPERATING EXPENSES—Continued			
Regulation and control—Continued			
Department of Health, Education, and Welfare:			
Food and Drug Administration	$10	$13	$15
Other	(1)	(1)	(1)
Department of Justice:			
Federal Bureau of Investigation	111	114	118
Legal activities and general administration	45	44	47
Immigration and Naturalization Service	55	55	58
Federal prisons	35	39	40
Other	(1)	(1)	(1)
Department of Labor: Wage and Hour Division and Solicitor	10	13	15
Treasury Department:			
Bureau of Customs	54	54	55
Coast Guard	20	20	22
Other	10	9	9
Other agencies	41	41	43
Total regulation and control	571	588	622
Operation and administration of other civil activities:			
International activities:			
Funds appropriated to the President	8	7	8
United States Information Agency	103	103	111
Department of State:			
Salaries and expenses, Foreign affairs administration	115	118	124
International organizations and conferences	51	59	54
Educational exchange	22	24	36
Payment to the Philippine Government	24		49
Other	6	2	3
Total international activities	329	313	385
Federal financial activities:			
General Accounting Office	40	40	41
Renegotiation Board and Tax Court of the United States	5	4	4
Treasury Department:			
Internal Revenue Service	367	361	390
Bureau of Accounts	24	26	27
Bureau of the Public Debt	49	47	47
Office of the Treasurer	18	17	17
Other	9	10	8
Total Federal financial activities	511	506	535
Other direct Federal programs:			
Legislative branch	94	92	96
Executive Office of the President:			
Office of Civil and Defense Mobilization	22	27	34
Other	10	10	10
Civil Service Commission	20	19	20
Selective Service System	30	28	32
General Services Administration	44	57	61
Department of Commerce:			
Weather Bureau	40	43	47
Other	1	4	1
Department of Defense—Civil:			
Canal Zone Government	18	18	19
Rivers and harbors and flood control, Department of the Army	12	12	12
Other	(1)	1	1
Department of the Interior	15	12	13

[1] Less than one-half million dollars.

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SPECIAL ANALYSIS D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Based on existing and proposed legislation—Continued

[In millions]

	1959 actual	1960 estimate	1961 estimate
OTHER SERVICES AND CURRENT OPERATING EXPENSES—Continued			
Operation and administration of other civil activities—Continued			
Other direct Federal programs—Continued			
Treasury Department: Claims, judgments, and relief acts	$25	$8	$5
Other agencies	6	7	6
Total other direct Federal programs	337	337	357
Retirement, unemployment, and accident compensation for Federal employees:			
Civil Service Commission	2	2	51
Department of Labor:			
Employees' compensation claims and expenses	69	61	65
Unemployment compensation for Federal employees	110	112	112
Other	7	7	7
Treasury Department: Coast Guard retired pay and Secret Service annuities	28	30	30
Other agencies	4	4	4
Total retirement, unemployment, and accident compensation for Federal employees	220	217	270
Shared revenue and grants-in-aid:			
Funds appropriated to the President: Grants to Alaska		10	6
Department of Agriculture: Forest Service	23	30	35
Department of the Interior:			
Bureau of Land Management	45	52	56
Fish and Wildlife Service	13	13	13
Other	9	11	9
Treasury Department: Internal revenue collections for Puerto Rico	21	20	20
District of Columbia: Federal payment	25	25	32
OTHER SERVICES AND CURRENT OPERATING EXPENSES—Continued			
Operation and administration of other civil activities—Continued			
Shared revenue and grants-in-aid—Continued			
Other agencies	$7	$8	$8
Total shared revenue and grants-in-aid	143	170	179
Total operation and administration of other civil activities	1,541	1,542	1,726
Other major national security operation and administration:			
General Services Administration: Strategic and critical materials	41	46	41
Department of Defense—Military: Military personnel (excluding research and development)	11,578	11,732	11,913
Total other major national security operation and administration	11,619	11,778	11,954
Interest:			
On the public debt	7,593	9,300	9,500
Other interest:			
On refunds	69	75	75
On uninvested funds	9	9	10
Total other interest	79	85	85
Total interest	7,671	9,385	9,585
Total other services and current operating expenses	31,959	33,230	34,206
ALLOWANCE FOR CONTINGENCIES		75	200
Grand total	80,697	78,383	79,816

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Special Analysis E

FOREIGN CURRENCY AVAILABILITIES AND USES

Many agencies of the Government are engaged in activities throughout the world which may be financed with foreign currencies. From some governmental activities, particularly the sale on concessional terms of surplus agricultural commodities, foreign currencies accrue to the Government without purchase with dollars. In many instances these currencies are restricted in their use by the terms of international agreements. This analysis presents in summary form data on foreign currency availabilities and uses, with special emphasis on those under the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480), the largest source of currencies with the most complex provisions for their use.

Need for foreign currencies.—The U.S. Government carries on extensive activities abroad, involving almost every country in the world. In the normal course of these worldwide operations, it has need for and it acquires large amounts of currencies of many countries. Some of these currencies are acquired through Government agencies' activities; others must be purchased.

Recent estimates indicate that Government agencies will require about $2.3 billion of foreign currencies in 1961 to perform their regular operations abroad, as indicated in table 1. The approximate supply of currencies available in the Treasury for sale to agencies in 1961 to meet these regular needs is estimated to approximate $474 million. However, only about $130 million of this amount can be used to meet 1961 needs because the availability of currencies of individual countries does not match the needs for the currencies of those countries. This leaves a total of over $2.1 billion of foreign currencies which will need to be purchased commercially by our disbursing officers.

In 66 of the 83 countries listed in table 1 the approximate supply of currencies available in 1961 is less than our anticipated needs for regular operations, with the result that the United States will have to purchase the currencies of these 66 countries. With respect to total value, over four-fifths of the U.S. agency requirements are concentrated in five countries in which the United States receives foreign currencies in much smaller amounts; namely, Germany, Canada, Japan, France, and the United Kingdom. The preponderance of currencies available to the Treasury for sale to agencies for regular operations is in countries such as India, Israel, Pakistan, Poland, Spain, and Yugoslavia, where our needs are much less.

Table 1.—*Requirements and availability of foreign currencies for the payment of U.S. obligations*

[In millions of dollar equivalents]

Country	Estimated requirements, 1961	Approximate supply, 1961 [1]	Residual amounts available for use after 1961	Residual requirements for purchase of currencies in 1961
Afghanistan	$1.3	$0.5		$0.8
Argentina	1.3	3.3	$2.0	
Australia	2.4	.1		2.3
Austria	3.0	.7		2.3
Belgium	5.9	.1		5.8
Belgian oversea territories	.3			.3
Bolivia	.5	(*)		.4
Brazil	3.9	8.1	4.2	
Burma	1.1	4.1	3.0	
Cambodia	1.5	(*)		1.5

Table 1.—*Requirements and availability of foreign currencies for the payment of U.S. obligations*—Continued

[In millions of dollar equivalents]

Country	Estimated requirements, 1961	Approximate supply, 1961 [1]	Residual amounts available for use after 1961	Residual requirements for purchase of currencies in 1961
Canada	$368.4	$0.6		$367.8
Ceylon	.9	3.0	$2.0	
Chile	1.0	.6		.4
China, Republic of	11.7	1.8		9.9
Colombia	.7	5.2	4.5	
Costa Rica	1.3	(*)		1.2
Cuba	.7	.3		.4
Czechoslovakia	.3	(*)		.3
Denmark	1.5	(*)		1.5
Dominican Republic	.4	(*)		.4
Ecuador	.8	.6		.2
El Salvador	.6	(*)		.6
Ethiopia	5.4			5.4
Finland	.8	.5		.3
France	136.9	1.9		135.0
French oversea territories	.3			.3
Germany	917.5	16.9		900.6
Ghana	.7			.7
Greece	8.1	3.8		4.3
Guatemala	.6	(*)		.6
Haiti	.1	(*)		(*)
Honduras	.5	.1		.4
Hungary	.2	.7	.6	
Iceland	3.6	.3		3.3
India	7.2	139.9	132.6	
Indonesia	.8	10.4	9.7	
Iran	5.0	(*)		5.0
Iraq	1.6	(*)		1.6
Ireland	.3	.2		.1
Israel	1.7	27.3	25.6	
Italy	63.2	6.0		57.1
Japan	314.9	5.4		309.4
Jordan	.5	(*)		.5
Korea	35.8	4.1		31.8
Laos	.8			.8
Lebanon	4.3	(*)		4.3
Liberia	(*)			(*)
Libya	2.3	.2		2.1
Luxembourg	.2			.2
Malaya	.9			.9
Mexico	4.4	2.4		2.0
Morocco	12.1	3.7		8.4
Netherlands	6.3	3.9		2.4
New Zealand	1.3	(*)		1.3
Nicaragua	.2	(*)		.2
Norway	2.0	.1		2.0
Okinawa	2.8			2.8
Pakistan	5.9	28.2	22.3	
Paraguay	.2	.2		.1
Peru	.8	2.3	1.5	
Philippines	62.1	12.3		49.8
Poland	1.2	10.2	9.1	
Portugal	1.5	.1		1.5
Portuguese oversea territories	3.6	.1		3.5
Rumania	.1			.1

[1] Excludes restricted currencies which are available only for loans and grants in foreign countries or for specific U.S. agency programs, estimated in total at $2,935.7 million.

* Less than $50,000.

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Special Analysis E—Continued

FOREIGN CURRENCY AVAILABILITIES AND USES—Continued

Table 1.—*Requirements and availability of foreign currencies for the payment of U.S. obligations*—Continued

[In millions of dollar equivalents]

Country	Estimated requirements, 1961	Approximate supply, 1961 [1]	Residual amounts available for use after 1961	Residual requirements for purchase of currencies in 1961
Saudi Arabia	$0.5			$0.5
Somaliland	.2	(*)		.2
Spain	25.8	$70.2	$44.4	
Sudan	.4	.3		.1
Sweden	1.1	.1		1.0
Switzerland	1.4	.1		1.3
Thailand	3.7	(*)		3.7
Tunisia	.5	.1		.4
Turkey	3.9	33.7	29.8	
Union of South Africa	.6	(*)		.6
U.S.S.R.	.7	.1		.6
United Kingdom	183.2	1.6		181.6
United Kingdom oversea territories	12.8	(*)		12.8
United Arab Republic:				
(Egypt)	1.8	13.0	11.2	
(Syria)	.4	1.1	.7	
Uruguay	.4	4.2	3.8	
Venezuela	1.4	.1		1.3
Vietnam	4.5	1.5		3.1
Yugoslavia	.9	37.9	36.9	
Total	2,271.8	474.5	344.2	2,141.6

[1] Excludes restricted currencies which are available only for loans and grants in foreign countries or for specific U.S. agency programs, estimated in total at $2,935.7 million.

*Less than $50,000.

Sources of foreign currencies without purchase with dollars.—Within the limits established by title I of Public Law 480, any agricultural commodity found by the Secretary of Agriculture to be in surplus supply may be sold for foreign currencies, so long as precautions are taken that such sales do not displace normal trade (i.e., regular sales for dollars) or unduly disrupt world market prices. Such sales are covered by intergovernmental agreements which govern the terms of sale including the value of commodities to be purchased, the exchange rate at which payment will be made, the amounts of the sales proceeds which will be reinvested in the purchasing country on a loan or grant basis for economic or common defense purposes, and the amounts which the U.S. Government may use in the country, or possibly elsewhere, for other purposes. The shipment of the commodities is financed by the Commodity Credit Corporation as an extension of its agricultural price support operations. Any dollars received through sale of the currencies to agencies for programs covered by appropriations return to the CCC and reduce the size of the appropriation needed to cover its costs for the commodities shipped.

The Mutual Security Act of 1954, as amended, also includes several provisions under which foreign currencies accrue to the credit of the United States. Section 402 of that act specifies that a certain amount of the mutual security appropriations shall be used only to purchase surplus agricultural commodities for sale to foreign countries for their currencies. Section 505(a) of the act authorizes the sale of any commodities or services for foreign currencies, and section 103(c) of the act authorizes the sale of military equipment, materials, and services for foreign currencies. These sales are also covered by intergovernmental agreements. However, since the commodities or services sold are supplied as part of the mutual security program and financed by that appropriation, the currency proceeds may be used only for the purposes of that program. These are generally economic development or common defense in the purchasing country, or sometimes in a different, aid recipient country when the purchasing country agrees and can supply needed exports.

The Mutual Security Act also requires a country receiving aid to deposit in a special account an amount of its currency equal to either the local sales value of the nonmilitary commodity aid it receives or to the commensurate value of our dollar aid expenditures. These deposits are called counterpart. Generally, a share of this counterpart, which is usually 10% or less, must be transferred to U.S. Treasury accounts and is available for general United States use. The remaining 90% portion of counterpart funds is owned by the foreign country and remains in its custody for use only for mutual security purposes agreed to by the United States. None of these country-owned currencies is included in the tables herein.

Section 142(a)(9) of the Mutual Security Act also authorizes the receipt of currencies contributed by the foreign government for the local expenses of U.S. military assistance advisory groups abroad.

Other collections of foreign currencies arise from various governmental activities. Under an intergovernmental defense agreement, Japan has agreed to bear a part of the cost of our forces defending that country by contributing yen to assist in meeting some local costs. Sales of U.S. Government surplus property and settlement of World War II lend-lease debts for foreign currencies are authorized under several laws and international agreements. Under the Information and Educational Exchange Act of 1948 (Public Law 402), the U.S. Government (informational media guarantee fund) contracts with American exporters of books, periodicals, and motion pictures to exchange for dollars certain foreign currencies received from sale of such materials. Other currencies are also received in payment for consular services, interest on deposits of currencies in foreign banks, etc.

In addition to the above, some foreign currencies are acquired as loan repayments. Beginning in 1955, for example, the Mutual Security Act authorized repayment of mutual security loans in foreign currencies. Interest and principal repayments are now also beginning on economic development loans made to foreign countries and on loans to private enterprises under Public Law 480. Development Loan Fund loans and interest often may be repaid in the currency of the borrowing country.

In summary, most currencies accruing to the credit of the United States result from past or current international agreements authorized under several laws. In most cases, these international agreements reflect either sales arrangements, wherein commodities (usually surplus agricultural commodities) are sold to a foreign purchaser for currencies, or they reflect loan agreements, wherein dollars or foreign currencies themselves are lent to foreign borrowers and may be repaid in the currency of the borrower. Currencies also become available in much smaller amounts under special international agreements and the normal operations of the U.S. Government abroad.

Table 2 summarizes for 1959, 1960, and 1961 the collections, expenditures, and balances of foreign currencies.

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SPECIAL ANALYSIS E—Continued

FOREIGN CURRENCY AVAILABILITIES AND USES—Continued

This table reflects the inflow and outflow of all U.S.-owned foreign currencies. (It excludes foreign currencies held in trust, of which $35.9 million were on hand at the end of 1959, and currencies obtained by dollar purchase.)

The cash balances carried forward at the end of 1961 are estimated to total $2.2 billion. Of this amount, approximately $1.1 billion is estimated to be available for U.S. agency purposes—either for special programs or for general United States use. The remainder is expected to be available under international agreement or under law only for loans and grants in foreign countries.

TABLE 2.—*Summary of collections, expenditures, and balances of foreign currencies*

[Fiscal years. In millions of dollar equivalents [1]]

	1959 actual	1960 estimate	1961 estimate
Cash balances brought forward (in Treasury and agency accounts):			
Public Law 480, sales of agricultural commodities (title I)	$1,412.4	$1,661.4	$1,738.1
Mutual security proceeds of sales of agricultural and other commodities	318.9	276.9	266.8
Development Loan Fund		.3	11.1
Other	51.8	105.2	132.9
Subtotal	1,783.0	2,043.8	2,149.4
Collections:			
Public Law 480, sales of agricultural commodities (title I)	836.9	840.5	912.5
Mutual security:			
Proceeds of sales of agricultural and other commodities	220.1	150.0	160.0
U.S. portion of counterpart deposits	19.9	12.7	12.7
Other mutual security collections	37.6	5.6	27.2
Other nonloan collections:			
Contributions for support of U.S. forces abroad	46.5	23.1	
Surplus property and lend-lease	61.7	60.7	35.7
Informational media guarantees	7.5	7.5	7.5
Miscellaneous	31.5	51.5	47.2
Loan repayments (principal and interest):			
Development Loan Fund	.3	11.8	25.1
Public Law 480 loans	1.2	5.4	17.0
Mutual security loans	6.7	12.0	16.0
Subtotal	1,269.9	1,180.9	1,260.8
Deduct—			
Sales for dollars to appropriations and funds:			
For credit to miscellaneous receipts	150.2	128.2	73.5
For credit to appropriations and funds	89.8	92.6	154.3
Expenditures in agency accounts (see table 4)	729.0	814.5	960.2
Adjustment due to changes in exchange rates	−42.3	−40.0	−40.0
Other adjustments	2.3		
Cash balances carried forward (in Treasury and agency accounts)	2,043.8	2,149.4	2,182.2
Estimated availability for use of these balances is as follows:			
Available only for loans or grants in foreign countries	$1,156.2	$1,150.4	$1,068.3
Available for U.S. purposes	887.7	999.0	1,113.9

[1] Collections at rates specified in loan and sales agreements, except nonloan collections. Nonloan collections, sales, and expenditures at Treasury selling rates.

Table 3 by contrast is not on a cash basis. It indicates amounts owed to the United States at the beginning and end of each of the 3 years 1959–61, which are payable in foreign currencies, even though the payment may not be due until some future year. Loan agreements, for example, provide for repayment over periods up to 40 years. As shown in the table, uncollected balances totaled $2.1 billion at the end of 1959, and are estimated to rise to $2.9 billion by the end of 1960 and further to $3.8 billion by June 30, 1961. The estimated increase reflects largely the effects of loans and other agreements under Public Law 480, and the expanding loan activity of the Development Loan Fund.

TABLE 3.—*Potential availability of foreign currencies (currencies receivable, earnings, and collections)*

[Fiscal years. In millions of dollar equivalents [1]]

	1959 actual	1960 estimate	1961 estimate
Uncollected balances, beginning of year:			
Outstanding loans:			
Development Loan Fund	$1.5	$41.6	$172.8
Mutual security program	428.7	579.4	669.4
Public Law 480	303.2	629.3	1,038.5
Other agreements:			
Mutual security program	186.0	141.8	187.6
Public Law 480	699.0	706.5	831.0
Surplus property and lend-lease	29.4	29.9	29.0
Total	1,647.8	2,128.6	2,928.5
Additions (accruals and earnings) during the year:			
New loans and interest accrued:			
Development Loan Fund	40.5	142.9	260.8
Mutual security program	157.4	102.0	75.0
Public Law 480	327.3	414.6	528.3
Other new agreements:			
Mutual security program	225.9	208.6	112.0
Public Law 480	899.8	1,000.0	1,100.0
Surplus property and lend-lease	62.8	59.8	36.2
Earnings other than under agreements	93.1	87.8	60.3
Total	1,806.8	2,015.8	2,172.6
Deduct—			
Collections during the year (see table 2)	1,269.9	1,180.9	1,260.8
Other reductions in amounts due	56.1	35.0	35.0
Uncollected balances, end of year	2,128.6	2,928.5	3,805.3
Estimated availability for use of these balances is as follows:			
Available only for loans and grants in foreign countries	$793.4	$1,047.7	$1,298.1
Available for U.S. purposes	1,335.2	1,880.8	2,507.2

[1] At rates specified in loan and sales agreements, except surplus property and lend-lease at Treasury selling rates.

Limits on uses of foreign currencies.—The amount of foreign currencies accruing to the credit of the United States is large and is increasing, as tables 2 and 3 illustrate. However, international agreements, and in many cases the nature of the economy on which they are a claim, restrict the use of the greater part of these currencies.

First, sales of agricultural commodities, through which most of the currencies are acquired, are often largely concessional. In these transactions the purchasing country seeks to minimize the real cost of the sales to itself in terms of export of its resources. This practice comes about in part because the sales are generally over and above the amount of exports the United States could sell in the international market on commercial terms (for dollars), and in part because U.S. foreign policy usually has the objective of aiding the economic development of the country involved. As a result, large amounts of currencies acquired by the United States from the sale of farm commodities are restricted by the purchase agreement so they can only be loaned or granted back to the buying country for its economic development. This is true of most of the currency received under the Mutual Security Act and Public Law 480, the two largest sources.

Second, virtually all of the currencies are inconvertible under the laws and regulations of the purchasing country. This means they cannot be freely used to buy goods in third countries. Neither can they be exchanged for another currency which we may be able to use. Similarly, a country which limits convertibility of its currency is

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Special Analysis E—Continued

FOREIGN CURRENCY AVAILABILITIES AND USES—Continued

usually unwilling to accept its own currency in payment, in any large amount, for exports, which represent a net drain on the country. Indeed the largest amounts of currency accrue in less developed countries where the use of large amounts of local currency for programs which are not of mutual interest might significantly drain scarce resources and result in pressure for increased U.S. aid.

Third, various provisions of law authorize the use of some of these currencies for special U.S. programs without charge to agency appropriations. During the negotiation of international sales agreements, these special uses for U.S. programs sometimes have been indicated to the foreign government, resulting in an informal understanding about their use. Some of the currencies collected must therefore be husbanded and then allocated for these specially authorized programs. In many countries this results in a reduction in currencies that might otherwise have been available to sell to agencies to meet their regular local expenses. This in turn means the United States foregoes Treasury receipts, and in currency shortage countries has the same effect on the Treasury as spending dollars for these specially authorized programs. Wherever possible such restrictions will not be included in future sales agreements.

In large part because of these limitations, the greater part of currency use is not reflected in the budget totals. These transactions, most of which are loans and grants in the foreign country, are summarized in table 4.

Almost all the extra-budgetary expenditures for 1961 projected in table 4 are for loans and grants in foreign countries. Of this amount $100 million equivalent is for loans by the Export-Import Bank to American enterprises and certain foreign firms for the expansion of private enterprise overseas. These loans derive from the sale of surplus agricultural commodities under title I of Public Law 480, as do $650 million equivalent of the loans and grants for economic development and the common defense administered by the ICA. In addition, the ICA will use, for similar purposes, $175 million equivalent derived mainly from the sale of surplus agricultural commodities financed by the mutual security appropriation.

In this regard, it should be pointed out that granting or lending a country its own currency under Public Law 480 and the Mutual Security Act does not provide it with additional external resources as dollar payments do. No labor, capital equipment, and materials are provided which the country did not have before. Additional economic resources from outside a country's borders can only be furnished in the form of goods or dollars or other convertible currencies to be used for the purchase of goods. Thus, a country's own currencies are not a substitute for dollars in the mutual security or other assistance program for that country.

As indicated below, it is proposed that U.S. agency foreign currency programs be covered by appropriations, starting in 1961. However, $34.9 million equivalent of the estimated expenditures for 1961 indicated in table 4 for U.S. agency programs outside appropriations derive from funds allocated in 1960 and previous years under permanent authority for such use without further congressional action for mutual security exports and military family housing.

TABLE 4.—*Summary of transactions in agency accounts for use of currencies without dollar appropriation*

[Fiscal years. In thousands of dollar equivalents]

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Programs:			
1. Loan and grant programs under Public Law 480:			
Mutual security program	$857,371	$750,000	$800,000
Export-Import Bank of Washington	23,403	80,200	135,200
2. U.S. agency programs under Public Law 480:			
Mutual security program exports	11,940	13,578	----
United States Information Agency	3,273	5,042	----
Department of Agriculture	6,554	30,794	----
Department of Defense	16,515	24,734	----
Department of State	5,870	7,337	----
3. Mutual security program	258,682	146,579	165,000
4. Development Loan Fund	----	500	5,000
5. Department of State	400	----	----
Total obligations	1,184,008	1,058,764	1,105,200
Financing:			
Unobligated balance brought forward (−)	−1,459,957	−1,227,488	−1,318,270
Recoveries of prior year obligations (−)	−137	----	----
Adjustment due to changes in exchange rates	10,019	137	----
Unobligated balance carried forward	1,227,488	1,318,270	1,322,777
Unobligated balance no longer available	11,542	1,781	----
Unobligated balance transferred to appropriations	----	35,076	----
Dollar value credited to appropriations or funds	1,261	5,561	2,693
Authorizations to expend foreign currency receipts	974,224	1,192,096	1,112,400
Authorizations are distributed as follows:			
For loans and grants in foreign countries	$921,850	$1,123,000	$1,112,000
For U.S. purposes	52,374	69,096	400

Analysis of Expenditures

Obligated balance, start of year	$216,898	$669,789	$880,677
Obligations incurred during year (net)	1,183,871	1,058,764	1,105,200
Adjustment of prior year obligations	−1,378	----	----
Adjustment due to changes in exchange rates	−610	−416	----
Obligated balance, end of year, transferred to appropriations	----	−32,978	----
Obligated balance, end of year	−669,789	−880,677	−1,025,676
Expenditures	728,991	814,482	960,200
Expenditures are distributed as follows:			
1. Loan and grant programs under Public Law 480:			
Mutual security program	$421,736	$550,000	$650,000
Export-Import Bank of Washington	11,189	45,000	100,000
2. U.S. agency programs under Public Law 480:			
Mutual security program exports	7,350	6,380	11,821
United States Information Agency	1,215	4,009	----
Department of Agriculture	4,836	12,315	5
Department of Defense	14,891	28,800	23,084
Department of State	5,303	7,766	----
3. Mutual security program	262,071	160,062	174,690
4. Development Loan Fund	----	150	600
5. Department of State	400	----	----

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SPECIAL ANALYSIS E—Continued

FOREIGN CURRENCY AVAILABILITIES AND USES—Continued

Informational tables on currency uses which are not reflected in the budget totals are included in the budget document accompanying the information on related programs.

Congressional review of foreign currency uses.—Currencies received by the United States in the course of its operations are available for general sale by the Treasury to Federal agencies for meeting any foreign currency costs of agency programs, unless there is a specific provision of law or international agreement prohibiting or limiting the use of the currencies. Normally, when an agency requires foreign currencies to carry out its activities, it must, by Treasury regulation, seek to buy such currencies from the Treasury Department. If that Department has the specifically requested currencies available, it sells them to the agency by charging the agency's appropriations accordingly. If the particular foreign currencies required are not available, they must be purchased through banking channels.

The currencies sold by the Treasury come from many sources including the U.S. share of mutual security counterpart funds and of Public Law 480 sales proceeds, contributions of foreign governments to the administrative expenses of the military advisory assistance groups, the receipts of the informational media guarantee fund derived from the sale of U.S. publications abroad, interest on deposits of currency funds, the disposal of surplus property, and similar operations.

All currencies purchased by agencies from the Treasury with their regular dollar appropriations or with special appropriations provided to purchase the currencies are reflected in the budget as dollar receipts and expenditures. The dollar proceeds from Treasury sales are either credited to the miscellaneous receipts of the Treasury, or to various revolving funds or appropriations as authorized by law. Public Law 480 requires the dollar proceeds from sale of Public Law 480 currencies to be credited to the Commodity Credit Corporation. Sales of currencies received from the operations of the informational media guarantee fund are credited to that fund, and currencies obtained through the sale of military equipment under the Mutual Security Act are credited to the military assistance appropriation.

Prior to July 1953, except for a relatively small amount in the custody of the Treasury Department, most currencies were held by the Federal agencies administering the intergovernmental agreements under which the currencies were obtained. These currencies generally were not subject to the same fiscal and budgetary controls which govern the dollar funds of the Government, i.e., use of the currencies was not subject to regular appropriation processes and there was some doubt as to the applicability of the usual rules for accountability.

The Congress recognized the need for a better system of control over the foreign currencies. This led to the enactment of section 1415 of the Supplemental Appropriation Act of 1953, which provides that "foreign credits owed to or owned by the U.S. Treasury will not be available for expenditure after June 30, 1953, except as may be provided for annually in appropriation acts." A general appropriation act provision, which has been annually enacted since 1954, states that U.S.-owned currencies may be used for program purposes carried on by an appropriation if such use is charged to the appropriation. Under this provision, expenditure of foreign currencies has been controlled by including in the regular dollar appropriations of Federal agencies sums sufficient for the purchase from Treasury of foreign currencies needed for their programs.

Major exceptions to section 1415 have been authorized by the Congress in recent years. Most of the currencies derived from the sale of surplus agricultural commodities abroad have been made available by statute for expenditure for particular purposes without reimbursement to the Treasury from agency dollar appropriations. This is the situation with respect to those currencies received under section 402 of the Mutual Security Act and most of those received under title I of Public Law 480. In addition, currencies obtained under sections 505(a) and 103(c) of the Mutual Security Act of 1954 may be used for mutual security purposes.

Repayments of Development Loan Fund loans in foreign currencies are available for relending by the Development Loan Fund. Public Law 480 loan repayments may be used for educational exchange programs and agricultural market development abroad. Amounts not so used may be made available to sell to agencies to meet their regular program needs in accordance with section 1415.

There is always a cost to the American taxpayer of specially authorized programs which tends to be hidden by extra budgetary authorizations. In the relatively few countries where currencies are available considerably in excess of regular program needs, the cost to the United States is no more than the value of the goods and services for which the currencies were obtained. This may also be true where the use of the currencies has been restricted by international agreement, e.g., proceeds from the sale of surplus farm commodities available only for loans, grants, or other specified purposes. In currency shortage countries, the disbursing officer must purchase currencies to meet regular agency needs. To the extent that specially authorized uses of these same currencies drain off amounts otherwise available to reduce the requirement for commercial purchases these uses cost dollars.

Also, so long as specially authorized currency programs remain outside the budget, the agency's program is expanded without any apparent increase in its budget and

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FOREIGN CURRENCY AVAILABILITIES AND USES—Continued

the Commodity Credit Corporation or other agency which financed the source of the currencies remains charged with the cost of another agency's program supplementation.

Recommendations for 1961.—It is proposed that beginning in 1961 all currency uses for U.S. agency operations be covered by appropriations. These would generally be unrestricted dollar appropriations under which needed currencies could be purchased from the Treasury if available, from outside sources if not. This is now the case for the salaries and expenses of regular departmental programs overseas which use currencies. For those situations where currencies are available in the Treasury in excess of amounts needed for regular operations, or where the use of currencies is restricted by international agreement or understanding, special appropriations are proposed for foreign currency programs. These special appropriations are limited to the purchase of excess or restricted currencies. It is expected in future years, as restrictions in international agreements are avoided on U.S. uses of foreign currencies, that these special foreign currency programs will generally be limited to the few countries where excess currencies are available.

Table 5.—*Planned uses in 1961 of uncommitted proceeds of title I, Public Law 480, sales agreements signed or approved for negotiation through Sept. 15, 1959, under proposed special appropriations*

[In thousands of dollar equivalents at Treasury selling rates]

	Legislative branch: Library of Congress (sec. 104(n))	National Science Foundation: Scientific information (sec. 104(k))	United States Information Agency		Department of Agriculture				Department of Commerce: Research (sec. 104(k))
			Publications (sec. 104(i))	Binational centers (sec. 104(j))	Market development (sec. 104(a))	Agricultural fairs (sec. 104(m))	Utilization research (sec. 104(a))	Research (sec. 104(k))	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Excess currencies:									
India	$754	$100	$787	$300	$1,398		$50	$1,660	$1,812
Israel	375	730	300		140		140	1,080	1,320
Pakistan	31				789			710	367
Poland	263	500		50	240		150	1,901	743
United Arab Republic (Egypt)	217	100	175		145			202	
Yugoslavia	410	170	400		203		184	866	275
Undistributed					1,485		720		
Total excess currencies	2,051	1,600	1,662	350	4,400		1,244	6,419	4,517
Nonexcess currencies:									
Argentina					15				
Austria									
Brazil					522		325	761	83
Burma					338			255	17
Ceylon					53		200	150	
China, Republic of	100								
Colombia			25	702	443		350	900	
Ecuador					19				
France					596				
Greece					234		112		
Indonesia				500	362			314	23
Italy					858				
Korea					79				
Mexico					1,077				
Peru					310		20		
Philippines					76				
Portugal					32				
Spain	515				1,221		50	1,382	328
Turkey					79			100	
United Kingdom									12
Uruguay			24	130	73		510	1,760	20
Vietnam				100					
Undistributed					2,835	$1,000	280		
Total nonexcess currencies	615		49	1,432	9,222	1,000	1,847	5,622	483
Total	2,666	1,600	1,711	1,782	13,622	1,000	3,090	12,041	5,000

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Special Analysis E—Continued

FOREIGN CURRENCY AVAILABILITIES AND USES—Continued

It is also proposed that unexpended balances of previous authorizations to spend foreign currencies for U.S. programs for which new authorizations are recommended in 1961 be converted to appropriations as of June 30, 1960, except for military family housing. It is estimated that these balances will total $68.1 million, of which $33.2 million represents balances of previous allocations and determinations by the Secretary of State for educational exchange.

No change is recommended in the authorizations for use without regard to section 1415 of currencies committed by international agreement to loans or grants in the country. These uses do not add to the resources of the country and do not substitute for dollars in any sense. They are similar to the country-owned counterpart funds not covered by this analysis.

Table 5 shows by country the proposed new appropriations for special foreign currency programs for 1961. $39.3 million are proposed for use of excess currencies in India, Israel, Pakistan, Poland, the United Arab Republic (Egypt), and Yugoslavia. $33.6 million are proposed for use of restricted currencies in 23 other countries.

Table 5.—*Planned uses in 1961 of uncommitted proceeds of title I, Public Law 480, sales agreements signed or approved for negotiation through Sept. 15, 1959, under proposed special appropriations*—Continued

[In thousands of dollar equivalents at Treasury selling rates]

Department of Defense: Military family housing (Public Law 765) (11)	Department of Health, Education, and Welfare: Research (sec. 104(k)) (12)	Department of the Interior: Research (sec. 104(k)) (13)	Department of State: Buildings (sec. 104(l)) (14)	Department of State: Educational and cultural development (sec. 104(k)) (15)	Department of State: Educational exchange under Public Law 402 (sec. 104(h)) (16)	Department of State: American sponsored schools (sec. 104(o)) (17)	Department of State: Workshops and chairs (sec. 104(p)) (18)	Total (19)	
									Excess currencies:
	$2,135	$876	$2,050	$330	$309	$700	$195	$13,456	India.
	290	238					55	4,668	Israel.
	758	631	200	150	116		120	3,872	Pakistan.
	212	1,131	950		97			6,237	Poland.
									United Arab Republic (Egypt).
	370	456			36	500	120	2,321	
	500	1,076			60		75	4,219	Yugoslavia.
$2,242		114						4,562	Undistributed.
2,242	4,266	4,522	3,200	480	618	1,200	565	39,335	Total excess currencies.
									Nonexcess currencies:
								15	Argentina.
							152	152	Austria.
	226		600		25		195	2,737	Brazil.
	50			120	145	250	69	1,244	Burma.
					30		63	496	Ceylon.
								100	China, Republic of.
	3				28	997	189	3,637	Colombia.
								19	Ecuador.
						214		810	France.
								346	Greece.
	148		300	150	30	200	69	2,096	Indonesia.
								858	Italy.
								79	Korea.
								1,077	Mexico.
								330	Peru.
								76	Philippines.
								32	Portugal.
2,408		435			28	220	75	6,662	Spain.
3,692						360		4,231	Turkey.
658					10		24	704	United Kingdom.
			750		29	324	57	3,677	Uruguay.
					28		18	146	Vietnam.
								4,114	Undistributed.
6,758	427	435	1,650	270	353	2,565	911	33,639	Total nonexcess currencies.
9,000	4,693	4,957	4,850	750	970	3,764	1,476	72,973	Total.

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Special Analysis E—Continued

FOREIGN CURRENCY AVAILABILITIES AND USES—Continued

All of these currencies are proceeds of the sale of surplus agricultural commodities under Public Law 480.

It is generally difficult to predict the size and the location of future sales of surplus agricultural commodities covering these currencies, as well as the share of the proceeds to be available for U.S. uses, due to the uncertainties of agricultural production, both here and abroad, and the often unforeseeable results of sales negotiations. Therefore, it is not feasible to develop programs on the basis of a forecast of future sales agreements.

The programs proposed, as shown in table 5, have been developed on the basis of the actual and anticipated proceeds of sales agreements signed or approved for negotiation through September 15, 1959. Generally, the early deposits under a sales agreement are made available for U.S. uses. Thus, it is anticipated that sales proceeds will be on hand under these sales agreements in sufficient amount to cover these proposed programs prior to the time the obligations need to be made.

All of the amounts shown on table 5 and subsequent tables are the dollar equivalents of actual and anticipated foreign currency sums. In table 5, the dollar equivalents are computed at the June 30, 1959, exchange rates at which the Treasury was selling foreign currencies to agencies for their use abroad. These rates are generally the most advantageous rates at which the currencies may be legally obtained, and thus provide a valuation which is on a comparable basis with dollar expenditures for U.S. programs in the country. The sales agreements, however, provide for the payment of foreign currencies at a rate specified in the agreement (usually based on rates applicable to that country's imports). The total payment is equal to the dollar value at world market prices of the agricultural commodities and ocean freight involved. The dollar equivalents for the value of the sales agreements and for the past uses are included in tables 6, 7, 8, and 9 at the exchange rates indicated in the agreements. The necessary adjustment between these two sets of exchange rates for the balances which are available for programing purposes ($102 million equivalent) is indicated on table 6. Table 7 shows the balances by country at both rates.

In arriving at the amounts shown in table 5, the share of sales proceeds which could be used for the payment of U.S. obligations abroad was identified. Generally this was the maximum amount which could be used for this purpose under the sales agreements and the informal understandings accompanying them. These amounts, together with agreement commitments for loans and grants and past allocations, were then subtracted from agreement totals, as indicated in table 6. Eligible agencies were then notified of the remaining amounts of foreign currencies to be available in each country, and were requested to prepare budget submissions indicating the currencies that could advantageously be used for authorized programs. These submissions were reviewed in a manner similar to the review of regular agency dollar budgets. The recommendations developed are indicated in table 5. The country amounts are based on the best information currently available. While some modifications may become necessary, it is not expected that the availability of currencies will permit carrying out programs in countries other than those indicated. The proposed amounts for agricultural market development which are undistributed by country are in anticipation of amounts to be derived from future sales agreements which may be used in third countries.

Availability of Public Law 480 currencies.—As indicated in table 6, sales agreements from the inception of title I (Public Law 480) through September 15, 1959, totaled

Table 6.—*Amounts available and proposed authorizations of sales proceeds of title I, Public Law 480, sales agreements signed or approved for negotiation through Sept. 15, 1959*

[In thousands of dollar equivalents]

Value of sales agreements (table 7)	$4,001,289
Less amount of sales proceeds committed for—	
Loans and grants in purchasing country (table 8)	2,790,586
Treasury sales to appropriations and funds (table 7):	
For section 104(k) scientific activities [1]	6,063
For general expenses of the United States	594,321
Other purposes (table 9)	286,320
Unallocated balance as of June 30, 1960, at rates specified in sales agreements	323,999
Less adjustment due to exchange rate differentials	102,092
Unallocated balance at Treasury selling rates	221,907
Less proposed appropriations to purchase foreign currencies (table 5)	72,973
Remaining unallocated balance for use after 1961	148,934

[1] At Treasury selling rates, the dollar equivalent of these currencies is equal to the 1959 appropriation of $5.1 million.

$4 billion, adjusted in several cases for shortfalls in deliveries of the commodities. Commitments of $2.8 billion for loans and grants under these agreements and authorizations for other uses, including Treasury sales, have reduced the amount available for 1961 programs to the equivalent of $324 million at the exchange rate specified in the sales agreements, or $222 million at Treasury selling rates.

The tables which follow are designed to provide greater detail on the activities in various countries involving the use of foreign currencies under Public Law 480. Tables 7 and 8 show by country the value of the sales agreements signed or approved for negotiation through September 15, 1959, the amounts allocated to the Treasury for sale to appropriations and funds for the payment of U.S. obligations and the amounts committed for loans and grants. Table 9 shows by country the amounts allocated, or to be allocated, to other agencies for authorized programs.

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Special Analysis E—Continued

FOREIGN CURRENCY AVAILABILITIES AND USES—Continued

TABLE 7.—*Cumulative sales agreements by country under title I, Public Law 480, signed or approved for negotiation through Sept. 15, 1959, uses by major category, and estimated balances available*

[In thousands of dollar equivalents]

Country	At rates specified in sales agreements					Estimated unallocated balances June 30, 1960, available for U.S. agency programs	
	Total value of sales agreements	Commitments for loans and grants in purchasing country	Allocations and reservations for Treasury sale (and credit to CCC) through June 30, 1960		Estimated authorizations for other U.S. agency programs through June 30, 1960	At rates specified in sales agreements	At Treasury selling rates
			For general expenses	For sec. 104(k) scientific activities			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Argentina	$29,331	$18,231	$9,850		$1,146	$104	$22
Austria	40,940	26,328	2,095		12,313	204	206
Brazil	178,407	148,072	21,478		5,226	3,631	3,015
Burma	58,700	46,050	6,638		2,372	3,640	3,666
Ceylon	21,000	16,380	2,462		975	1,183	1,189
Chile	38,863	30,961	5,831		2,071		
China, Republic of	34,819	24,419	8,750		1,549	100	100
Colombia	69,874	51,434	10,172		4,144	4,124	4,124
Ecuador	9,337	7,230	1,067		1,018	22	19
Finland	37,323	24,730	2,989	$712	8,329	563	566
France	33,245	7,824	5,285		13,131	7,005	6,037
Germany	1,197		120		1,077		
Greece	65,857	47,770	14,480		3,151	456	458
Iceland	8,045	6,451	1,364		209	21	14
India	897,000	750,450	89,702	516	28,670	27,662	28,175
Indonesia	137,000	111,600	19,104		2,621	3,675	2,664
Iran	12,415	8,267	2,817		1,331		
Israel	130,176	110,930	10,421	1,285	2,261	5,279	5,279
Italy	152,900	106,750	18,254		25,343	2,553	2,569
Japan	146,332	105,581	305		32,872	7,574	7,574
Korea	164,871	136,490	23,391		3,151	1,839	1,839
Mexico	28,200	20,700	2,900		3,520	1,080	1,080
Netherlands	253		25		228		
Pakistan	271,450	212,040	27,238	324	5,569	26,279	26,652
Paraguay	3,000	2,250	559		191		
Peru	21,980	15,706	3,536		2,317	421	349
Philippines	14,400	9,300	2,993		1,781	326	326
Poland	182,000		18,200	1,730	7,710	154,360	67,357
Portugal	7,081	3,400	1,601		2,043	37	38
Spain	392,594	206,208	144,214	204	34,198	7,770	6,662
Thailand	4,600	2,050	971	10	1,569		
Turkey	186,508	98,436	74,598	150	8,635	4,689	4,232
United Arab Republic (Egypt)	125,117	80,167	15,326	153	4,403	25,068	26,039
United Kingdom	48,596		221	326	47,347	702	704
Uruguay	47,200	35,450	4,740		1,443	5,567	4,051
Vietnam	10,900	8,100	1,870		597	333	333
Yugoslavia	389,778	310,831	38,754	653	11,809	27,731	16,569
Total	4,001,289	2,790,586	594,321	6,063	286,320	323,999	221,907

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Special Analysis E—Continued

FOREIGN CURRENCY AVAILABILITIES AND USES—Continued

Table 8.—*Cumulative commitments for loans and grants in purchasing country in title I, Public Law 480, sales agreements signed or approved for negotiation through Sept. 15, 1959*

[In thousands of dollar equivalents at rates specified in sales agreements]

Country	Common defense assistance grants (sec. 104(c))	Economic development grants (sec. 104(e))	Private enterprise loans (sec. 104(e))	Economic development loans (sec. 104(g))	Total
(1)	(2)	(3)	(4)	(5)	(6)
Argentina				$18,231	$18,231
Austria				26,328	26,328
Brazil				148,072	148,072
Burma		$6,000	$1,800	38,250	46,050
Ceylon		3,060	5,260	8,060	16,380
Chile				30,961	30,961
China, Republic of	$13,000		6,000	5,419	24,419
Colombia			11,270	40,164	51,434
Ecuador			460	6,770	7,230
Finland			2,059	22,670	24,729
France			7,824		7,824
Greece		7,470	2,900	37,400	47,770
Iceland			765	5,686	6,451
India		185,300	85,850	479,300	750,450
Indonesia	14,280	14,200	10,000	73,120	111,600
Iran	5,763			2,503	8,267
Israel			19,827	91,103	110,930
Italy			6,250	100,500	106,750
Japan				105,581	105,581
Korea	134,490		2,000		136,490
Mexico			7,100	13,600	20,700
Pakistan	79,260	12,860	29,260	90,660	212,040
Paraguay				2,250	2,250
Peru			1,963	13,744	15,706
Philippines	3,100		1,000	5,200	9,300
Portugal				3,400	3,400
Spain	9,910			196,298	206,208
Thailand				2,050	2,050
Turkey	62,714		12,980	22,742	98,436
United Arab Republic (Egypt)			26,500	53,667	80,167
Uruguay			11,750	23,700	35,450
Vietnam	5,400		2,700		8,100
Yugoslavia		106,010		204,821	310,831
Total	327,917	334,900	255,518	1,872,250	2,790,586
Loans			255,518	1,872,250	2,127,768
Grants	327,917	334,900			662,817

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Special Analysis E—Continued

FOREIGN CURRENCY AVAILABILITIES AND USES—Continued

TABLE 9.—*Cumulative authorizations, other than appropriations, through June 30, 1960, for U.S. agency programs overseas under title I, Public Law 480, sales agreements signed or approved for negotiation through Sept. 15, 1959*

[In thousands of dollar equivalents at rates specified in sales agreements]

Country	Mutual security program: Exports to third countries (sec. 104(d))	United States Information Agency		Department of Agriculture				Department of Defense		Department of State			Total authorizations
		Publications programs (sec. 104(i))	Binational centers (sec. 104(j))	Market development (sec. 104(a))	Utilization research (sec. 104(a))	Special obligations (sec. 104(f))	Agricultural fairs (sec. 104(m))	Joint projects (sec. 104(c))	Military family housing (Public Law 765)	Expenses under sec. 502(b) Mutual Security Act, 1954 (sec. 104(f))	Educational exchange (sec. 104(h))	American-sponsored schools (sec. 104(j))	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Argentina				$436						$10	$700		$1,146
Austria	$806	$75	$40	1,040					$9,702		200	$450	12,313
Brazil		330	186	1,519				$1,106		10	1,765	310	5,226
Burma		251	500	529							1,092		2,372
Ceylon		100		127							748		975
Chile				773				88		10	1,200		2,071
China, Republic of											1,549		1,549
Colombia		111	242	1,208				61		10	2,031	480	4,143
Ecuador			125	298						5	315	275	1,018
Finland	3,691	789		256	$750	$104			1,350	5	1,384		8,329
France	4,744	250		2,349	1,190						3,898	700	13,131
Germany				1,077									1,077
Greece		250	500	1,401								1,000	3,151
Iceland						61					148		209
India	15,383	1,675	115	2,502	1,685	50	$1,114				6,146		28,670
Indonesia		1,101		339	690						491		2,621
Iran		140	250	196							745		1,331
Israel	100			1,459	680					22			2,261
Italy	10,000	501	155	2,949	2,503				7,937		298	1,000	25,343
Japan	10,589			3,264					17,000	10	2,009		32,872
Korea		100	23	128					2,000		900		3,151
Mexico			400	1,270			150				1,200	500	3,520
Netherlands				228									228
Pakistan		397	150	861	604	50					3,506		5,568
Paraguay					41						150		191
Peru		100	123	989				100		10	787	208	2,317
Philippines				428							753	600	1,781
Poland				626	6,969	115							7,710
Portugal				240					1,500	3	300		2,043
Spain		97	500	3,184	1,249				26,721		2,448		34,199
Thailand		100	270	604						7	589		1,570
Turkey		400	874	779	820				1,306		2,521	1,935	8,635
United Arab Republic (Egypt)		173		110	630						2,990	500	4,403
United Kingdom				303	3,120				43,924				47,347
Uruguay			194	36							1,213		1,443
Vietnam		199	99								299		597
Yugoslavia		300		1,825	6,302				2,000		1,382		11,809
Total	45,313	7,439	4,746	33,333	27,233	380	1,264	1,355	113,440	102	43,757	7,958	286,320

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Special Analysis F

SELECTED INVESTMENTS AND INTERFUND TRANSACTIONS

BY AGENCY AND ACCOUNT TITLE

[In thousands]

Description	1959 actual	1960 estimate	1961 estimate
PUBLIC ENTERPRISE FUNDS			
Investments in Government securities:			
Independent offices:			
Federal Home Loan Bank Board: Federal Savings and Loan Insurance Corporation fund	$16,650	$50,000	$57,000
Veterans Administration: Veterans special-term insurance fund	17,897	18,836	20,200
Housing and Home Finance Agency:			
Federal National Mortgage Association: Management and liquidating functions fund (debentures issued and redeemed by Federal Housing Administration, net)	14,260	----------	[a] 6,000
Federal Housing Administration fund	53,083	92,300	113,433
Total investments in Government securities	101,890	161,136	184,633
Issuance (−) and redemption (+) of debt to the public:			
Independent offices:			
Farm Credit Administration: Federal Farm Mortgage Corporation fund	+26	+25	+25
Federal Home Loan Bank Board: Home Owners' Loan Corporation fund	+44	+40	+40
Tennessee Valley Authority: Tennessee Valley Authority fund	----------	----------	−115,000
Housing and Home Finance Agency:			
Federal Housing Administration fund [1]	−9,864	−5,440	+9,379
Federal National Mortgage Association: Management and liquidating functions fund	+6,420	+21	----------
Total issuance (−) and redemption (+) of debt to the public	−3,374	−5,354	−105,556
Net increase (−) or decrease (+) in cash balances due to debt and investment transactions of public enterprise funds	+98,516	+155,782	+79,077
TRUST FUNDS			
Investments in Government securities:			
Legislative branch: Library of Congress trust fund principal accounts	----------	[a] $16	----------
The judiciary: Judicial survivors annuity fund	$104	236	$170
Independent offices:			
Civil Service Commission:			
Civil service retirement and disability fund	956,229	811,000	771,538
Employees health benefits fund	----------	----------	7,477
Employees life insurance fund	57,978	43,312	42,800
Farm Credit Administration: Operating fund, Federal intermediate credit banks	[2] [a] 99,520	----------	----------
National Capital Housing Authority: Operation and maintenance, etc	3,977	[a] 3,027	----------
Railroad Retirement Board: Railroad retirement account	[a] 35,349	244,396	71,146
Veterans Administration:			
General post fund	[a] 669	[a] 64	----------
National service life insurance fund	76,229	85,000	104,000
U.S. Government life insurance fund	[a] 16,881	[a] 16,950	[a] 14,400
General Services Administration: National archives trust fund	102	----------	----------
Housing and Home Finance Agency: Federal National Mortgage Association: Secondary market operations (trust revolving fund)	[a] 1	----------	----------
Department of Agriculture: Farmers Home Administration: State rural rehabilitation funds	2,594	[a] 616	[a] 500
Department of Commerce:			
Bureau of Public Roads: Highway trust fund	[a] 393,012	[a] 429,214	----------
Maritime activities:			
United States Merchant Marine Academy, donations for chapel and library funds	[a] 45	[a] 542	----------
Federal ship mortgage insurance escrow fund	----------	60,027	35,886
Department of Defense—Military:			
Army trust funds	1	----------	----------
Navy trust funds	63	----------	----------
Air Force general gift fund	----------	5	----------
Department of the Interior: Bureau of Indian Affairs trust funds	100	----------	----------
Department of Labor: Bureau of Employees' Compensation trust funds	[a] 42	[a] 50	[a] 40
Department of State: Foreign Service retirement and disability fund	2,164	2,684	2,620
Treasury Department:			
Office of the Secretary:			
Federal disability insurance trust fund	552,416	517,186	475,600
Federal old-age and survivors' insurance trust fund	[a] 1,289,759	[a] 1,011,745	[a] 33,316
Unemployment trust fund	[a] 1,011,180	[a] 87,696	304,950
Pershing Hall memorial fund	12	----------	----------
Bureau of Accounts trust funds	[a] 98	[a] 3,172	[a] 253
District of Columbia:			
Miscellaneous trust fund deposits	3	7	5
Redevelopment program, Redevelopment Land Agency	1,148	[a] 4,165	----------
Teachers' retirement and annuity fund	2,166	1,734	1,474
Investment accounts	[a] 24,069	----------	----------
Total investments or redemptions in Government securities	[a] 1,215,339	208,330	1,769,157

[a] Deduct, excess of sales and redemptions over investments.

[1] Includes net issuances of debentures to Federal National Mortgage Association of $14,260 thousand in 1959 and estimated net redemptions of $6,000 thousand in 1961.

[2] Includes redemption of $99,935 thousand due to reclassification to a deposit fund on January 1, 1959.

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SPECIAL ANALYSIS F—Continued

SELECTED INVESTMENTS AND INTERFUND TRANSACTIONS—Continued

BY AGENCY AND ACCOUNT TITLE—Continued

[In thousands]

Description	1959 actual	1960 estimate	1961 estimate
TRUST FUNDS—Continued			
Issuance (−) and redemption (+) of debt to the public:			
Independent offices: Farm Credit Administration: Operating fund, Federal intermediate credit banks	+$57,540		
Housing and Home Finance Agency: Federal National Mortgage Association: Secondary market operations (trust revolving fund)	−124,940	−$979,875	−$800,000
Total issuance (−) and redemption (+) of debt to the public	−67,400	−979,875	−800,000
Net decrease (+) or increase (−) in cash balances due to trust fund debt and investment transactions	−1,282,739	−771,545	969,157
CAPITAL TRANSFERS FROM REVOLVING FUNDS TO THE GENERAL FUND			
Legislative branch: Government Printing Office: Government Printing Office revolving fund: Payment of earnings to Treasury	$4,539	$3,700	$3,725
Independent offices:			
Civil Service Commission: Investigations (revolving fund): Payment of earnings and repayment of capital to Treasury	5	7	
Export-Import Bank of Washington:			
Export-Import Bank of Washington fund: Payment of dividend to Treasury	22,500	22,500	22,500
Liquidation of certain Reconstruction Finance Corporation assets:			
Payment of profits to Treasury	1		
Repayment of investment to Treasury	9	6	1,256
Farm Credit Administration: Federal Farm Mortgage Corporation fund: Payment of dividend to Treasury	2,100	1,700	1,700
Federal Home Loan Bank Board: Federal Savings and Loan Insurance Corporation fund:			
Payment of return on capital stock to Treasury	765		
Repayment of capital stock to Treasury	24,801		
National Capital Housing Authority: Operation and maintenance of properties revolving fund: Payment of rental receipts to Treasury			2
Small Business Administration: Reconstruction Finance Corporation liquidation fund: Repayment of investment to Treasury	6,000	4,500	1,300
Tennessee Valley Authority:			
Power program:			
Dividend return to Treasury on appropriation investment			39,000
Repayment of investment to Treasury			10,000
Nonpower programs: Repayment of investment to Treasury	1,915		2,000
Veterans Administration:			
Canteen service revolving fund: Payment of profits to Treasury	851	465	26
Rental, maintenance, and repair of quarters: Payment of profits to Treasury	7	6	1
Supply fund: Payment of earnings to Treasury	33		
General Services Administration:			
Real property activities:			
Cost of maintenance, repair, etc., of improvements, public buildings: Payment of profits to Treasury	662		
Maintenance, etc., Lafayette Building, Washington, D.C., public buildings: Payment of profits to Treasury	40		
Buildings management fund: Payment of earnings to Treasury	398	1,100	1,000
Personal property activities: General supply fund: Payment of earnings to Treasury	2,172	2,532	2,500
Defense materials activities: Abaca fiber program: Repayment of investment to Treasury	3,500	3,255	
General activities:			
Federal Facilities Corporation fund: Repayment of investment to Treasury	5,000	1,600	1,700
Reconstruction Finance Corporation liquidation fund: Repayment of investment to Treasury	1,392	3,600	
Working capital fund: Payment of earnings to Treasury	10	10	5
Housing and Home Finance Agency:			
Office of the Administrator:			
Revolving fund (liquidating programs): Repayment of investment to Treasury	28,000	180,000	2,000
Community disposal operations fund: Repayment of investment to Treasury	20,000	12,000	7,000
Public Housing Administration: Low rent public housing program fund: Payment of property receipts to Treasury	521	153	478
Department of Commerce:			
General administration:			
Aviation war risk insurance revolving fund: Payment of profits to Treasury			21
Defense production guarantees: Payment of profits to Treasury		6	
Working capital fund: Payment of earnings to Treasury		42	
National Bureau of Standards: Working capital fund: Payment of earnings to Treasury	20	248	35
Department of Defense—Military:			
Defense housing, Army: Payment of profits to Treasury	750	450	275
Defense housing, Navy:			
Payment of profits to Treasury	75	150	125
Repayment of investments to Treasury	375		
Air Force industrial fund: Payment of earnings to Treasury	8,000	1,644	
Army management fund: Payment of profits to Treasury		800	800
Department of Health, Education, and Welfare: Social Security Administration: Operating fund, Bureau of Federal Credit Unions:			
Repayment of investment to Treasury	50	50	
Department of the Interior:			
Bureau of Reclamation:			
Continuing fund for emergency expenses, Fort Peck project, Montana: Repayment of investment to Treasury	1,129	1,885	2,151
Upper Colorado River Basin fund: Payment of profits to Treasury	3	3	2
Office of Territories: Loans to private trading enterprises, Trust Territory of the Pacific Islands: Repayment of investment to Treasury	200		
Department of Justice: Federal Prison Industries, Inc.: Payment of dividend to Treasury	4,000	4,000	4,000
Treasury Department: Reconstruction Finance Corporation liquidation fund: Repayment of investment to Treasury	12,375	9,198	9,955
Total, capital transfers from revolving funds to the general fund	152,198	255,610	113,557

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Special Analysis G

HISTORICAL COMPARISON OF BUDGET RECEIPTS AND EXPENDITURES BY FUNCTION

FISCAL YEARS 1952 THROUGH 1961

Based on existing and proposed legislation

[In millions]

Description	Actual								Estimate	
	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961
BUDGET RECEIPTS										
Individual income taxes	$27,913	$30,108	$29,542	$28,747	$32,188	$35,620	$34,724	$36,719	$40,306	$43,706
Corporation income taxes	21,225	21,238	21,101	17,861	20,880	21,167	20,074	17,309	22,200	23,500
Excise taxes	8,851	9,868	9,945	9,131	9,929	9,055	8,612	8,504	9,100	9,523
Employment taxes [1]	256	274	283	579	322	328	333	321	333	340
Estate and gift taxes	818	881	934	924	1,161	1,365	1,393	1,333	1,470	1,620
Customs	533	596	542	585	682	735	782	925	1,176	1,376
Miscellaneous receipts [2]	1,794	1,859	2,309	2,562	3,004	2,700	3,200	3,160	4,015	3,935
Total, budget receipts	61,391	64,825	64,655	60,390	68,165	71,029	69,117	68,270	78,600	84,000
BUDGET EXPENDITURES										
Major national security:										
061 Military defense	38,899	43,611	40,336	35,532	35,791	38,439	39,062	41,233	40,945	40,995
066 Development and control of atomic energy	1,670	1,791	1,895	1,857	1,651	1,990	2,268	2,541	2,675	2,689
067 Stockpiling and defense production expansion	966	1,008	1,045	944	588	490	625	312	230	134
068 Military assistance	2,442	3,954	3,629	2,292	2,611	2,352	2,187	2,340	1,800	1,750
Total, major national security	43,976	50,363	46,904	40,626	40,641	43,270	44,142	46,426	45,650	45,568
International affairs and finance:										
151 Conduct of foreign affairs	142	150	130	121	120	157	173	237	210	250
152 Economic and technical development	2,584	1,960	1,511	1,960	1,613	1,683	1,910	3,403	1,714	1,824
153 Foreign information and exchange activities	99	106	91	100	111	133	149	139	141	169
Total, international affairs and finance	2,826	2,216	1,732	2,181	1,843	1,973	2,231	3,780	2,066	2,242
Veterans services and benefits:										
101 Veterans education and training	1,326	659	546	664	767	774	699	574	445	316
102 Other veterans readjustment benefits	122	138	158	150	123	126	168	177	123	124
103 Veterans compensation and pensions	2,178	2,420	2,482	2,681	2,798	2,870	3,104	3,275	3,407	3,840
104 Veterans insurance and servicemen's indemnities	216	102	100	57	105	47	43	35	36	31
105 Veterans hospitals and medical care	784	757	782	727	788	801	856	921	966	990
106 Other veterans services and administration	238	223	188	178	176	175	156	193	180	169
Total, veterans services and benefits	4,863	4,298	4,256	4,457	4,756	4,793	5,026	5,174	5,157	5,471
Labor and welfare:										
211 Labor and manpower	275	281	277	328	475	400	458	844	415	435
212 Public assistance	1,180	1,332	1,439	1,428	1,457	1,558	1,797	1,969	2,056	2,087
213 Promotion of public health	330	318	290	275	351	469	546	704	850	904
214 Promotion of education	177	291	274	325	281	292	319	468	549	565
215 Promotion of science, research, libraries, and museums	39	34	33	53	56	71	72	119	221	220
216 Correctional and penal institutions	21	27	26	28	31	32	34	39	46	48
217 Other welfare services and administration	146	143	146	136	169	201	221	279	304	310
Total, labor and welfare	2,168	2,426	2,485	2,575	2,821	3,022	3,447	4,421	4,441	4,569
Agriculture and agricultural resources:										
351 Stabilization of farm prices and farm income	46	2,125	1,689	3,486	3,900	3,430	3,151	5,126	3,499	3,950
352 Financing farm ownership and operation	272	109	256	236	231	227	239	250	241	229
353 Financing rural electrification and rural telephones	243	239	217	204	217	267	297	315	324	355
354 Conservation and development of agricultural land and water resources	340	319	252	290	305	374	448	547	740	765
355 Research, and other agricultural services	144	142	142	173	215	227	255	291	298	325
Total, agriculture and agricultural resources	1,045	2,936	2,557	4,388	4,867	4,525	4,389	6,529	5,113	5,623
Natural resources:										
401 Conservation and development of land and water resources	1,140	1,234	1,056	935	803	925	1,138	1,183	1,288	1,440
402 Conservation and development of forest resources	95	107	117	119	139	163	174	201	223	222
403 Conservation and development of mineral resources	35	38	37	37	38	62	59	71	66	64
404 Conservation and development of fish and wildlife	30	34	38	43	45	51	60	68	70	71
405 Recreational use of natural resources	33	30	33	35	44	59	69	86	87	87
409 General resource surveys and administration	32	34	35	34	35	38	43	60	53	53
Total, natural resources	1,366	1,477	1,316	1,202	1,105	1,297	1,544	1,669	1,785	1,938

[1] Includes Railroad Unemployment Insurance Act receipts in 1952.

[2] Includes taxes not otherwise classified.

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SPECIAL ANALYSIS G—Continued

HISTORICAL COMPARISON OF BUDGET RECEIPTS AND EXPENDITURES BY FUNCTION—Continued

FISCAL YEARS 1952 THROUGH 1961—Continued

Based on existing and proposed legislation—Continued

[In millions]

Description	Actual								Estimate	
	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961
BUDGET EXPENDITURES—Continued										
Commerce and housing:										
510 Promotion of water transportation	$420	$455	$370	$349	$420	$365	$392	$436	$537	$559
511 Provision of highways	470	572	586	647	783	40	31	30	45	3
512 Promotion of aviation	169	161	186	179	180	219	315	494	627	750
513 Space exploration and flight technology	67	79	90	74	71	76	89	145	325	600
514 Postal service	740	659	312	356	463	518	674	774	604	49
515 Community development and facilities	15	45	37	56	4	49	78	108	237	204
516 Public housing programs	148	29	−401	−115	31	60	51	97	130	148
517 Other aids to housing	511	413	−142	270	19	−60	228	1,085	224	78
518 Other aids to business	−169	−111	−330	−404	−83	59	115	139	149	178
519 Regulation of commerce and finance	190	137	45	38	41	45	49	58	58	64
520 Civil and defense mobilization	34	53	63	45	58	65	66	46	56	68
521 Disaster insurance, loans, and relief	28	12	1	12	43	21	21	8	8	8
Total, commerce and housing	2,624	2,504	817	1,504	2,030	1,455	2,109	3,421	3,002	2,709
General government:										
601 Legislative functions	50	49	49	60	77	90	88	102	121	146
602 Judicial functions	30	29	29	31	38	40	44	47	50	53
603 Executive direction and management	13	9	8	10	9	9	10	12	13	14
604 Federal financial management	438	442	449	431	475	476	502	566	560	591
605 General property and records management	232	185	155	164	164	194	239	291	384	432
606 Central personnel management and employment costs	368	387	93	115	334	627	140	205	198	251
607 Civilian weather services	26	28	26	25	34	38	39	46	52	58
608 Protection services and alien control	176	147	160	157	188	187	199	216	218	229
609 Territories and possessions, and the District of Columbia	50	55	53	67	72	77	75	89	96	126
610 Other general government	79	140	213	139	238	51	20	30	20	12
Total, general government	1,463	1,472	1,235	1,199	1,630	1,790	1,359	1,606	1,711	1,911
Interest:										
651 Interest on the public debt	5,853	6,504	6,382	6,370	6,787	7,244	7,607	7,593	9,300	9,500
652 Interest on refunds of receipts	76	75	83	62	54	57	74	70	75	75
653 Interest on uninvested funds	5	5	5	5	6	6	8	9	9	10
Total, interest	5,934	6,583	6,470	6,438	6,846	7,308	7,689	7,671	9,385	9,585
Allowance for contingencies									75	200
Adjustment to daily Treasury statement basis	−857									
Total, budget expenditures	65,408	74,274	67,772	64,570	66,540	69,433	71,936	80,697	78,383	79,816
Budget surplus (+) or deficit (−)	−4,017	−9,449	−3,117	−4,180	+1,626	+1,596	−2,819	−12,427	+217	+4,184
MEMORANDUM										
Capital transfers from revolving funds to the general fund	$268	$265	$364	$695	$391	$225	$143	$152	$256	$114
Investments of revolving funds in U.S. securities	101	79	−77	126	101	36	91	102	161	185

NOTE.—Special analysis C identifies agencies with expenditures currently included in each category; the chapter summary for each agency shows the functional classification for each account.

Changes made in the functional classification from the 1960 budget are set forth on the following page.

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Changes in the functional classification from the 1960 budget to the 1961 budget

1. CHANGES IN CATEGORIES

Classification in 1960 budget	Classification in 1961 budget	Description of change
Commerce and housing:		
511 Promotion of water transportation	510 Promotion of water transportation	Renumbered.
512 Provision of highways	511 Provision of highways	Renumbered.
513 Promotion of aviation and space flight	512 Promotion of aviation 513 Space exploration and flight technology	Former subfunction divided into two subfunctions to provide a separate category for activities of the National Aeronautics and Space Administration.

2. CHANGES IN CLASSIFICATION OF ACCOUNTS

Account	Classification in 1960 budget	Classification in 1961 budget
Housing and Home Finance Agency: Liquidating programs revolving fund, Office of Administrator (change made only for 1959, 1960, and 1961).	516 Public housing programs	517 Other aids to housing.
Department of Defense—Civil: All accounts for Ryukyu Islands, Army.	152 Economic and technical development	609 Territories and possessions, and the District of Columbia.
Legislative branch: Books for the blind, Library of Congress. Department of Health, Education, and Welfare: All accounts for Gallaudet College, Education of the blind, American Printing House for the Blind.	217 Other welfare services and administration	214 Promotion of education.
Department of Agriculture: Payments due counties, submarginal land program, Farm Tenant Act, Forest Service.	354 Conservation and development of agricultural land and water resources.	402 Conservation and development of forest resources.
Department of State: Administrative expenses, mutual security.	151 Conduct of foreign affairs	152 Economic and technical development.

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