

**THE BUDGET
OF THE
UNITED STATES GOVERNMENT
FOR THE FISCAL YEAR ENDING JUNE 30
1964**



**U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1963**

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A NOTE ON THE FORMAT OF THE BUDGET

The Budget of the United States Government is again presented this year in a compact volume containing the Budget Message of the President and other significant data to place before the Congress the President's budgetary recommendations. This volume contains the facts and figures that most users of the budget would normally need or desire.

Additional information used by the Appropriations Committees of the Congress, and reference materials useful to those concerned with details, will be found in a further volume, entitled *The Budget of the United States Government—Appendix*. The *Appendix* contains the text of appropriation language, schedules, and narrative statements on program and performance for the individual appropriations and funds. It also contains those supplementary schedules required by law with respect to details of personnel compensation.

The budget for the District of Columbia is printed separately as usual.

Budget documents for the fiscal year 1964, available from the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C. (Paper covers only.)

1. The Budget of the United States Government, 1964 (\$1.50).
2. The Budget of the United States Government, 1964—
Appendix (\$6.00).
3. The Budget of the United States Government, 1964—
The District of Columbia (40 cents).
4. The Budget in Brief, 1964 (25 cents).

Note.—The first three volumes named above constitute the official budget of the United States Government.

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GENERAL NOTES

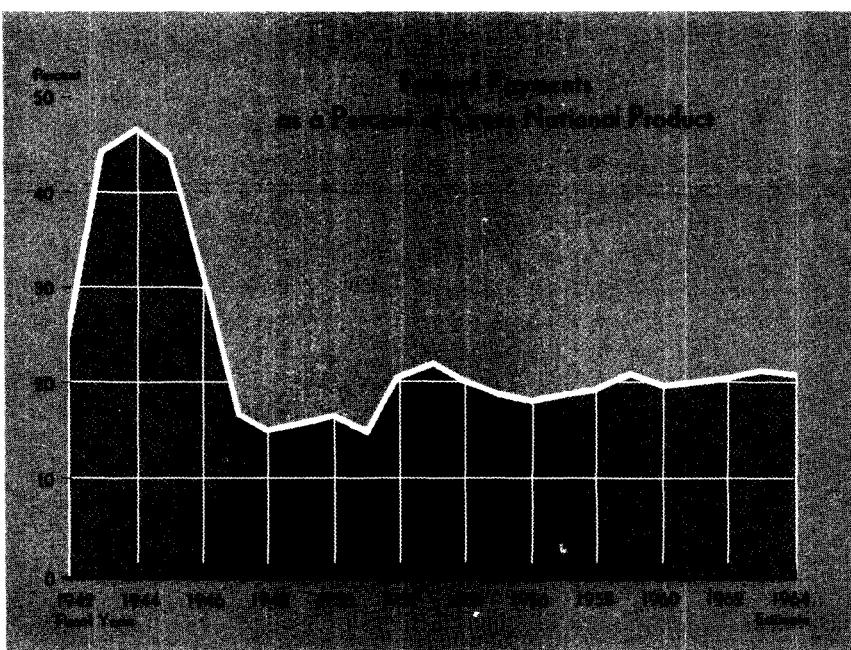
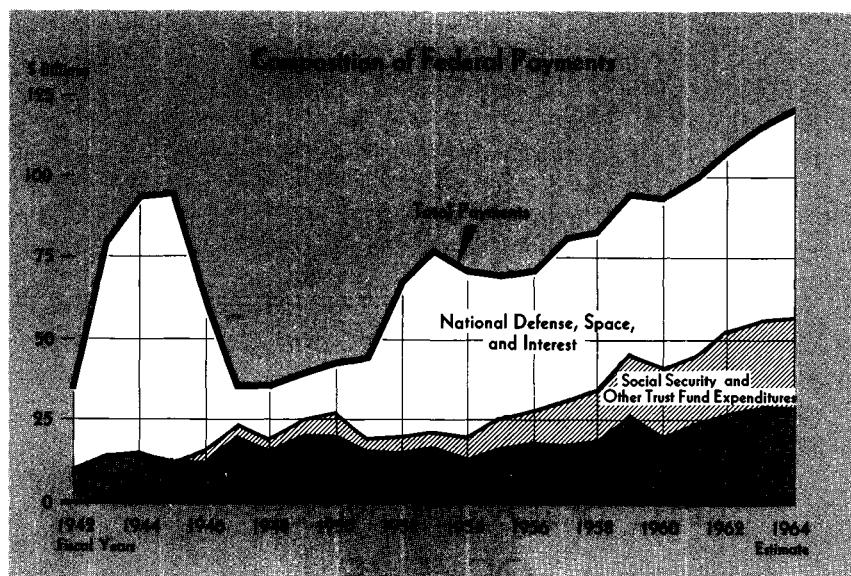
The estimates in the budget cover requirements under existing legislation and under legislation which is proposed for enactment by the Congress. While the details of most requests for new obligational authority are contained in the budget appendix, the details of some items will be transmitted later as supplemental estimates. A further explanation of this point is included on pages 126 and 127.

Unless otherwise indicated, all references to years in this volume are to fiscal years ending June 30.

Details in the tables and charts may not add to the totals because of rounding.

PART 1

**THE BUDGET MESSAGE
OF THE
PRESIDENT**



BUDGET MESSAGE OF THE PRESIDENT

To the Congress of the United States:

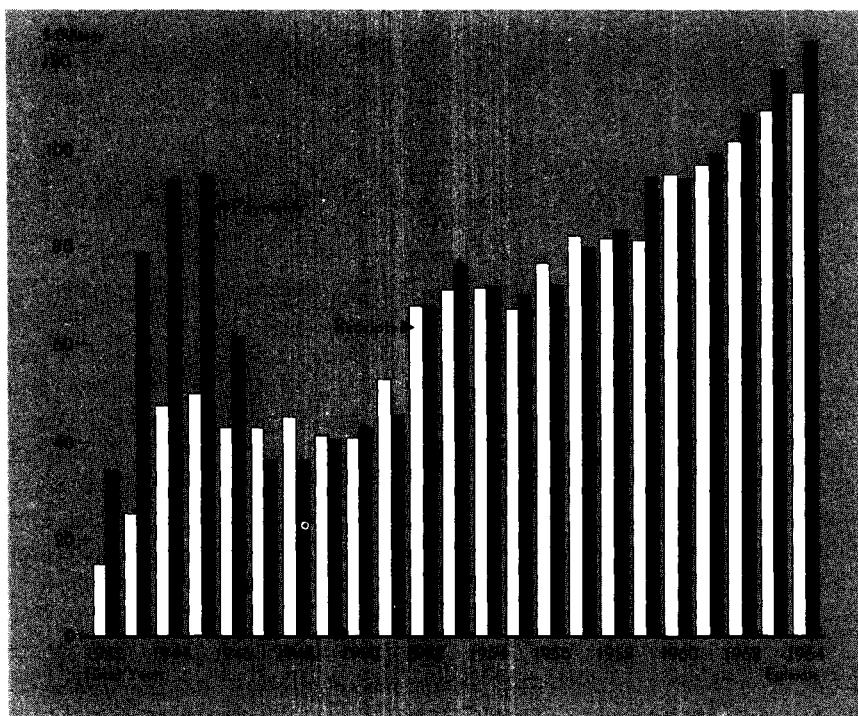
With this message I present the budget of the United States for the fiscal year ending June 30, 1964.

The Federal budget has a double importance: It is an agenda of our purposes and priorities in the form of a plan for the conduct and financing of the public business. It is also the most powerful single tool the Nation possesses for linking the private and public sectors of our economy in a common effort to achieve and maintain national prosperity. This budget presents a financial plan for the efficient and frugal conduct of the public business, and it proposes measures to set the United States firmly on the road to maximum production, employment, and purchasing power.

This budget is presented in a national economic climate which is greatly improved over that of two years ago, but which is capable of substantial further improvement. In the last two years, our total real output of goods and services has increased by 9%; total wage payments have risen by 10%; corporate profits have gone up by 18%; and well over a million additional nonfarm jobs have been created. At the same time, the price level of the United States has been one of the most stable in the world, and we have substantially reduced the deficit in our balance of payments.

Nevertheless, we cannot rest on this record. The performance of the economy in 1962 fell below our expectations. The gap between economic performance and potential which opened up in 1957 has not yet been closed. Unutilized productive capacity remains too large, and unemployment remains too high. Our rate of economic growth lags behind our capability. We must not allow the progress of the last 2 years to blunt the recognition that our economy can produce both more jobs and greater abundance than it is now doing.

Our economy has been falling short of its productive potential for more than 5 years because total demand for goods and services by consumers and business firms has been insufficient to keep the economy operating at capacity. Yet, in the face of this persistent inadequacy of overall demand, the purchases of consumers and business firms have

Federal Receipts and Payments

been restrained by tax and other collections—Federal, State, and local—which now total over \$150 billion a year.

The checkrein of taxes on private spending and productive incentives must be loosened if our economy is to perform at maximum efficiency. To that end—as I pledged last year—the 1964 budget incorporates a major program of tax reduction and reform, designed to help speed the economy toward full employment and a higher rate of growth with price stability.

Although, with the passage of time, the economic expansion induced by reduction in tax rates may be expected to yield a higher level of Government revenues than the present tax system affords, the initial effect of the proposed tax program will be a revenue loss. In this setting, I have felt obliged to limit severely my 1964 expenditure proposals. In national defense and space programs—where false economy would seriously jeopardize our national interest or even our national survival—I have proposed expenditure increases. Fixed interest charges on the debt will also rise. But total 1964 expenditures for all other programs in the administrative budget, taken together, have been held to this year's level, and even reduced somewhat. Within this total, increases have been confined to those areas most important

SUMMARY OF FEDERAL RECEIPTS AND PAYMENTS

[Fiscal years. In billions]

Description	1962 actual	1963 estimate	1964 estimate
FEDERAL RECEIPTS			
Administrative budget receipts.....	\$81.4	\$85.5	\$86.9
Trust fund receipts.....	24.3	26.9	29.5
Deduct: Intragovernmental transactions.....	3.8	3.9	4.2
Total cash receipts from the public.....	101.9	108.4	112.2
Add: Adjustment from cash to accrual basis.....	2.5	1.4	-0.1
Deduct: Receipts from loans, property sales, and other adjustments.....	0.4	1.0	0.7
National income account receipts—Federal sector.....	104.0	108.8	111.4
FEDERAL PAYMENTS			
Administrative budget expenditures.....	87.8	94.3	98.8
Trust fund expenditures (including Government-sponsored enterprises).....	25.2	27.3	28.4
Deduct: Intragovernmental transactions and other adjustments.....	5.3	4.8	4.7
Total cash payments to the public.....	107.7	116.8	122.5
Add: Adjustment from cash to accrual basis.....	0.9	0.3	-0.1
Deduct: Disbursements for loans, land purchases, and other adjustments.....	2.9	3.9	3.4
National income account expenditures—Federal sector.....	105.7	113.2	119.0
EXCESS OF RECEIPTS (+) OR PAYMENTS (-)			
Administrative budget.....	-6.4	-8.8	-11.9
Receipts from and payments to the public.....	-5.8	-8.3	-10.3
National income accounts—Federal sector.....	-1.7	-4.3	-7.6

Note.—Receipts, including those on a national income account basis, reflect retroactively to January 1, 1962, revenue losses occasioned by both the Revenue Act of 1962 and the 1962 administrative depreciation reform. To this extent, receipts shown for fiscal 1962 differ from those published to date by the Department of Commerce in the national income accounts.

to the Nation's current welfare and future growth, and these will be offset—indeed, slightly more than offset—by the reductions I am recommending in expenditures under other programs.

In presenting this budget as the Government's financial plan for 1964, I am giving major emphasis to a consolidated cash presentation, covering not only the administrative budget but also other Federal activities—mainly the social security, highway, and other trust funds.

This provides a much more complete picture of governmental activities and finances than the administrative budget. It is in accord with recommendations made by nongovernmental groups and independent scholars that a more meaningful and comprehensive budgetary concept be used.

On this basis, after taking into account the revenue loss associated with my tax recommendations, total receipts from the public in fiscal year 1964 are estimated at \$112.2 billion, total payments to the public at \$122.5 billion, with a resulting excess of payments of \$10.3 billion.

This step toward consideration of the Government's program and budget in more complete form than heretofore entails no change in the legal status of the trust funds; the assets of these funds will be held inviolate as always. Moreover, the administrative budget, which has received the most attention in the past, continues to be identified. Using this older concept, which covers only Government-owned funds and thus excludes trust fund transactions, the outlook is for receipts of \$86.9 billion in 1964, expenditures of \$98.8 billion, and an excess of expenditures totaling \$11.9 billion.

A third concept of Federal finances, which is used in our national income accounts, provides an important measure of the economic impact of the Government's fiscal activities; Federal fiscal data in these terms are estimated on an accrual rather than a cash basis, including the trust funds but eliminating transactions not directly affecting production and income. These data indicate an excess of expenditures over receipts of \$7.6 billion in fiscal year 1964.

Whichever measure is used, the immediate effect of my proposed tax program will be to increase the deficit which would otherwise be incurred in the coming fiscal year. In accepting this prospect, I have considered both the lessons of the recent past and the outlook for the future.

The sluggish rate of economic growth in recent years has not produced the revenues required to obtain budget surpluses under our present tax system. During the past 5 fiscal years, on an administrative budget basis, the Government's cumulative deficits totaled \$24.3 billion, in marked contrast with the original budget estimates of cumulative surpluses totaling \$8.0 billion. The major reason for the shortfall was the continued failure of the economy to reach the levels which had been assumed as reasonable. It is now clear that the restraining effects of the tax system on the economy were not adequately recognized.

This issue must be faced squarely. Our present choice is not between a tax cut and a balanced budget. The choice, rather, is between chronic deficits arising out of a slow rate of economic growth, and

temporary deficits stemming from a tax program designed to promote fuller use of our resources and more rapid economic growth. Considerations of sound fiscal policy as well as concern for the Nation's economic well-being have led me to the conviction that the latter choice is the only sensible one. Unless we release the tax brake which is holding back our economy, it is likely to continue to operate below its potential, Federal receipts are likely to remain disappointingly low, and budget deficits are likely to persist. Adoption of the tax program I am proposing will strengthen our Nation's economic vitality, and by so doing, will provide the basis for sharply increased budget revenues in future years.

Nevertheless, the prospect of expanding economic activity and rising Federal revenues in the years ahead does not mean that Federal outlays should rise in proportion to such revenue increases. As the tax cut becomes fully effective and the economy climbs toward full employment, a substantial part of the revenue increases must go toward eliminating the transitional deficit. Although it will be necessary to increase certain expenditures, we shall continue, and indeed intensify, our effort to include in our fiscal program only those expenditures which meet strict criteria of fulfilling important national needs. Federal outlays must be incurred only where the resulting benefits to the security and well-being of the American people are clearly worth the costs.

Furthermore, we shall maintain pressure on each department and agency to improve its productivity and efficiency. Through improved management techniques, installation of modern equipment, and better coordination of agency programs, important productivity gains have already been realized, and further advances will be forthcoming. I mean to insure that in each of the various Federal programs, objectives are achieved at the lowest possible cost.

The Federal deficit which will be incurred in fiscal year 1964 should neither raise fears of inflation nor cause increased concern about our balance of international payments. With the tools of monetary policy and debt management always available, our program for sustained economic expansion with increasing productivity is an objective quite compatible with continuance of the relative price stability we have known in recent years; this is of importance not only at home but also for our foreign trade. Moreover, the favorable effects of a strong economic expansion on the profitability of domestic investment and on the productivity of American industry, in combination with all of our efforts to achieve balance of payments equilibrium, will contribute to the strength of the dollar—as our friends abroad increasingly recognize.

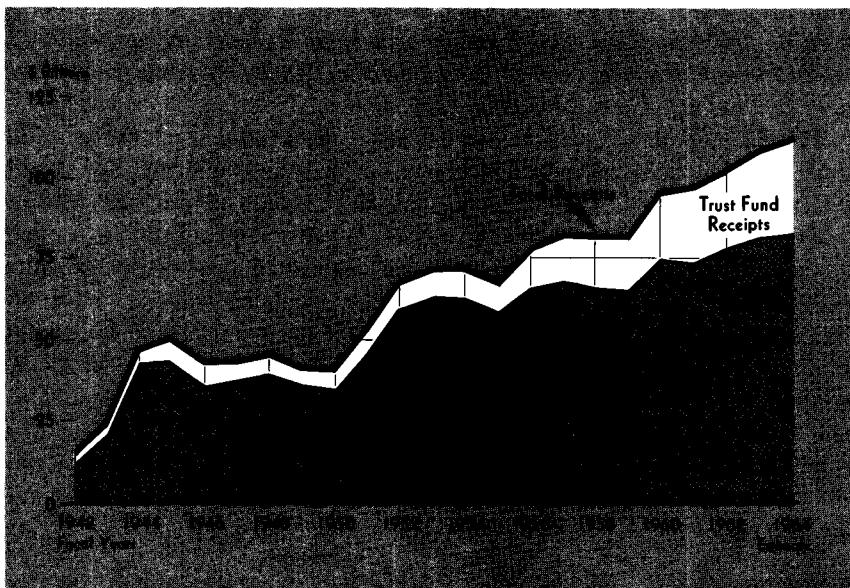
TAX RECOMMENDATIONS AND RECEIPTS

My tax proposals include substantial permanent reductions in individual and corporation income tax rates as well as a number of important structural changes designed to encourage economic growth, increase the equity of our tax system, and simplify our tax laws and administration. Some reductions in rates would start in the calendar year 1963. The remainder of the program, including additional income tax rate reductions for both individuals and corporations, together with structural reforms and other revisions, would become effective in 1964 and 1965. The entire tax program, which I will shortly recommend to the Congress as a single comprehensive measure, is a major step in the effort to strengthen and improve our tax system.

The recommended tax rate reductions extend over every bracket of individual income tax rates. The largest proportionate tax reductions, measured as a percentage of tax liability and in relation to the total revenue loss to the Government, are proposed for those with the lowest incomes. The recommendations also provide for more equitable tax treatment through changes affecting the tax base and remove certain tax concessions that will no longer be appropriate. In every respect, the proposals are consistent with generally accepted American standards of fair play, while at the same time they are designed to provide needed economic incentives.

The proposed corporation income tax reductions are supplemented by recommended structural changes to strengthen the position of small

Federal Receipts



Note.—Budget receipts are shown net of intragovernmental adjustments made to derive the total of Federal receipts.

business and to correct distortions in the existing structure which result in the misallocation of energy and resources. Part of the loss in Treasury tax collections attributable to rate reductions would be offset by the introduction of a gradual program to place payment of income tax liabilities of large corporations on a more current basis.

The proposed tax program, when fully effective, would reduce tax liabilities by about \$10 billion compared to the present tax system, when both calculations are based on the same calendar year 1963 levels of income. Incomes, however, will not be the same under the new tax program. Because my proposals incorporate lower rates of taxation as well as tax reform measures, they will stimulate economic activity and so raise the levels of personal and corporate income as to yield within a few years an increased—not a reduced—flow of revenues to the Federal Government.

Revenue estimates.—Estimates of Federal receipts must be based upon specific economic assumptions. The revenue estimates in this budget assume a gross national product in the calendar year 1963 of \$578 billion. This figure is the midpoint of a range of expectation

RECEIPTS FROM THE PUBLIC

[Fiscal years. In billions]

Source	1962 actual	1963 estimate	1964 estimate
Administrative budget receipts:			
Individual income taxes.....	\$45.6	\$47.3	\$45.8
Corporation income taxes.....	20.5	21.2	23.8
Excise taxes.....	9.6	9.9	10.4
Other.....	5.7	7.1	6.9
Total, administrative budget receipts.....	81.4	85.5	86.9
Trust fund receipts:			
Employment taxes.....	12.6	14.8	16.6
Deposits by States, unemployment insurance.....	2.7	2.8	2.8
Excise taxes.....	2.9	3.2	3.3
Federal employee and agency payments for retirement.....	1.8	1.8	1.9
Interest on trust investments.....	1.4	1.5	1.6
Veterans life insurance premiums.....	0.5	0.5	0.5
Other.....	2.4	2.3	2.9
Total, trust fund receipts.....	24.3	26.9	29.5
Intragovernmental transactions (deduct).....	3.8	3.9	4.2
Total receipts from the public.....	101.9	108.4	112.2

which extends \$5 billion on each side. The anticipated rise in the gross national product from the calendar 1962 level of \$554 billion takes into account some initial economic stimulus expected from adoption of my tax recommendations.

That part of the proposed reductions in tax rates becoming effective in calendar 1963 would, by itself, reduce fiscal 1964 tax revenues by some \$5.3 billion. Placing the payment of corporate income taxes on a more current basis, however, will reduce this revenue loss, as will the initial spur provided by the tax program to private production and incomes. Taking account of these factors, the net revenue loss in fiscal 1964 from my tax program is estimated at \$2.7 billion. Despite this revenue loss, administrative budget receipts are estimated to rise by \$1.4 billion in fiscal year 1964 because of the anticipated expansion in economic activity.

As we learned again this past year, there are many uncertainties in estimating economic developments and Federal revenues so far ahead. If the economy grows more strongly and quickly than we now foresee, revenues would be higher than now estimated. On the other hand—although I consider this unlikely if my proposals are approved promptly by the Congress—slower growth in the economy would be accompanied by smaller revenues. This would indeed be unfortunate, both because of the effect on Government finances, and because of the lost opportunities and the human misfortune that would accompany a sluggish economy and growing unemployment.

Tax extension.—Legislation is needed to extend certain excise tax rates for another year. Without such legislation, these tax rates would be reduced or would expire on July 1, 1963, resulting in a revenue loss in fiscal year 1964 of \$1.6 billion.

Under present law, the maximum corporation income tax rate would be reduced from 52% to 47% on July 1, 1963. My legislative proposals include an extension of the 52% maximum rate for six months, but provide, in accordance with my tax program, for certain changes in the tax treatment of corporations which will also be applicable to that period.

User charges.—I am renewing the recommendations I made last year for the enactment of a series of user charges for commercial and general aviation and for transportation on inland waterways. The purpose of the recommendations is to assure that passengers and shippers who benefit from special Government programs will bear a more equitable share of the costs of these programs. Appropriate fees should also be assessed in other areas in which the Government provides special benefits or conveys special privileges to the users and

beneficiaries. Where new legislation is needed to carry out this policy—such as to update the schedule of fees for issuing patents, established in 1932—the necessary proposals will be sent to the Congress.

GOVERNMENT PROGRAMS AND EXPENDITURES

The expenditure program which I am proposing in this budget is, I believe, the minimum necessary to meet the essential needs of our complex and growing society in an era of cold war.

All levels of Government have been subject to sharp pressures for increased expenditures during the postwar period as our population has grown, as wages and prices have risen, and as demands for improved governmental services have expanded. Since 1948, State and local government expenditures have more than trebled and Federal expenditures for nondefense purposes, including a rapidly expanding level of grants-in-aid to State and local governments, have more than doubled. The Federal Government has also borne a sharply increased burden in the areas of national defense, international affairs, and space.

In this budget for 1964, most of the increase in expenditures over the current year is also for national security and space programs, carrying forward efforts already begun to strengthen our defenses and to participate more actively in man's attempt to explore outer space. Expenditures for fixed interest charges and for activities financed through trust funds will also increase, chiefly reflecting continued expansions in the self-financed social security and highway programs.

The total of administrative budget expenditures for all other programs, combined, has been held slightly below the 1963 level, despite the fact that we face such rising costs as the second step of the civilian employee pay reform enacted last year and various increases under program commitments already made, such as urban renewal and public assistance grants.

Other moderate expenditure increases being proposed within the reduced total represent a necessary payment on future progress and should not be postponed. They include new programs and increases in present programs for education and health, which are investments in our human resources; retraining for those whose present skills are no longer in strong demand; enlargement of employment opportunities for young people who have left school; redevelopment of depressed areas, including the program enacted last year for accelerating public works in these areas; improvement of urban areas through better transportation and more adequate housing, especially for moderate-income families; and encouragement of science and technology important to our civilian industries.

These increases are offset by decreases in other administrative budget expenditures. For example, lower expenditures are esti-

mated for the postal service, as a result of a full year's return on the rate increases enacted last year; for certain housing, international, and other lending programs, through substitution of private for public credit; and for agricultural price supports.

PAYMENTS TO THE PUBLIC

[Fiscal years. In billions]

Function	1962 actual	1963 estimate	1964 estimate
Administrative budget expenditures:			
National defense.....	\$51.1	\$53.0	\$55.4
Space research and technology.....	1.3	2.4	4.2
Interest.....	9.2	9.8	10.1
Subtotal.....	61.6	65.2	69.7
All other functions:			
International affairs and finance.....	2.8	2.9	2.7
Agriculture and agricultural resources.....	5.9	6.7	5.7
Natural resources.....	2.1	2.4	2.5
Commerce and transportation.....	2.8	3.3	3.4
Housing and community development.....	0.3	0.5	0.3
Health, labor, and welfare.....	4.5	4.9	5.6
Education.....	1.1	1.4	1.5
Veterans benefits and services.....	5.4	5.5	5.5
General government.....	1.9	2.0	2.2
Subtotal, all other functions.....	26.9	29.7	29.4
Allowances:			
Comparability pay adjustment.....			0.2
Contingencies.....		0.1	0.2
Interfund transactions (deduct).....	0.6	0.6	0.7
Total, administrative budget expenditures.....	87.8	94.3	98.8
Trust fund expenditures:			
Health, labor, and welfare.....	20.4	21.8	22.8
Commerce and transportation.....	2.7	2.9	3.2
Housing and community development.....	1.5	0.5	1.0
Veterans benefits and services.....	0.7	0.9	0.6
All other.....	0.4	1.7	1.2
Interfund transactions (deduct).....	0.5	0.5	0.5
Total, trust fund expenditures.....	25.2	27.3	28.4
Intragovernmental transactions and other adjustments (deduct).....			
	5.3	4.8	4.7
Total payments to the public.....	107.7	116.8	122.5

National defense.—There is no discount price on defense. The free world must be prepared at all times to face the perils of global nuclear war, limited conventional conflict, and covert guerrilla activities.

The 1964 budget carries forward this administration's policies to develop and strengthen the flexible and balanced forces needed to guard against each of these hazards, and to equip and operate these forces at the lowest possible cost. For the coming year, total expenditures for national defense are estimated at \$56.0 billion, of which \$55.4 billion are administrative budget expenditures. This is about \$10 billion more than the level of expenditures in 1960 and, together with the growth in the space program, accounts for the major part of the increase in the budget since this administration took office.

The 1964 budget proposals for national defense continue the emphasis which in recent years we have placed on:

- A strong strategic retaliatory force capable of surviving a surprise attack and responding effectively in a controlled and flexible manner against the aggressor. Additional numbers of land-based Minuteman missiles will be procured and placed in hardened and dispersed sites. Six more Polaris submarines will be procured, and further work done on improved versions of the Minuteman and Polaris missiles.
- Improved air and missile defense forces. Our antibomber defense system and our ballistic missile warning systems will be strengthened. High levels of effort will continue on developing a defense against missiles, including further testing of the Nike-Zeus anti-missile missile and initial development of the more advanced Nike-X surface-to-air missile.
- More powerful and flexible conventional forces—ground, sea, and air—to increase the range of nonnuclear response to aggression. Procurement of conventional weapons, equipment, ammunition, helicopters, and Air Force tactical fighter and reconnaissance aircraft for more effective support of ground units will be speeded. Provision is made for 16 combat-ready Army divisions, 3 divisions and air wings in the Marine Corps, further modernization of the naval fleet, and an additional 15,000 men for the Army to test the concept of an air assault division and other new air units.
- A civil defense fallout shelter program to improve the chances that a large portion of our population would survive a possible nuclear attack.
- Strengthened counter-insurgency forces to help our allies deal with Communist subversion and covert armed aggression within their frontiers.

In this era of increasingly complex weapons and military systems, a large part of the effectiveness of our defense establishment depends on the retention of well-trained and devoted personnel in the Armed Forces. General military pay was last increased 4½ years ago. Since then, higher wages and salaries in private industry have provided strong inducement for highly trained military personnel to leave the service for better paying jobs in civilian life. To help meet this serious problem, and in fairness to the dedicated personnel in our Armed Forces, I will shortly submit to the Congress specific recommendations for increases in military compensation rates effective October 1, 1963.

Space research and technology.—The accelerated programs for exploration and use of outer space moved ahead vigorously during the past year, and further significant advances are anticipated in the year ahead. This budget provides for an increase of \$2 billion in appropriations for the National Aeronautics and Space Administration to proceed with the top priority manned lunar landing program and with its wide range of programs of scientific investigation and development of useful applications such as communications and meteorological satellites. Expenditures in 1964 are estimated to rise to \$4.2 billion, which is \$1.8 billion over the current year's level—an increase of 75%.

Efforts are being concentrated on the continued development of the complex Apollo spacecraft and the large Advanced Saturn launch vehicle needed to boost the Apollo to the moon. A lunar orbit rendezvous approach will be used to accomplish during this decade the first manned lunar landing. Under this technique the Apollo spacecraft will be boosted directly into orbit around the moon, where a small manned lunar excursion module will be detached and descend to the surface of the moon. It will later return to the orbiting Apollo which will return to the earth.

The recent Mariner flight past Venus attests to the progress we are making in unmanned space investigations. Development of geo-physical, astronomical, meteorological, and communications satellites will also continue. This budget provides for strong research efforts aimed at developing the technology needed for advanced space missions, including future manned space flight and unmanned explorations of Venus and Mars.

International affairs and finance.—We are steadfast in our determination to promote the security of the free world, not only through our commitment to join in the defense of freedom, but

also through our pledge to contribute to the economic and social development of less privileged, independent peoples. The attack on India by Communist China, and Vietnam's continuing struggle against massive armed subversion supported from without, are current reminders of the need and importance of our assistance. The increasing pace of modernization and the mounting efforts at reform and self-help in many nations merit our support and encouragement.

I am convinced that the budgetary amounts proposed are essential to meet our commitments and achieve our purposes. The basic objective of these international military and economic expenditures is to serve the security interests of the United States. Because these programs are often addressed to complex problems in distant lands, their contribution to our security objectives is not always directly apparent, but it is nonetheless vital. And because the problems we encounter are grave and complex, they present us with a constant challenge to improve content, administrative efficiency, and overall effectiveness.

Fundamental to our efforts is recognition that we are dealing with a combination of military, political, and economic measures which must be complementary and reinforcing. Our overseas military assistance program is vital to assure the continued survival of independent states so situated that they are prime targets for open aggression or subversion. While direct military assistance greatly enhances the ability of these less developed countries to defend themselves and thus contributes to the peace and security of the free world, their contribution depends ultimately upon the strength of their economic and social structures. The economic and social development process is long and arduous, primarily dependent upon the efforts of the less developed nations themselves. We must assist and accelerate this process by providing critical increments of material and human resources which, along with measures of self-help and reform, will ultimately spell success for these efforts.

Expenditures in fiscal year 1964 for military and economic assistance, combined, are estimated at \$3,750 million, \$100 million less than in the current year. In providing these sums, we will be highly selective, stressing projects and programs crucial to the rapid development of countries which are important to the maintenance of free world security and which demonstrate willingness and ability to marshall their own resources effectively.

Of special concern are the Latin American Republics, with whom we have joined in the Alliance for Progress. As our neighbors to

the south undertake far-reaching economic and social reforms, we are pledged to provide a critical margin of resources necessary for the achievement of our common goals. In the fiscal year 1964 I am recommending a program which will provide a total of over \$1 billion for these countries through the Agency for International Development, the Inter-American Development Bank, the Export-Import Bank, and the Food for Peace program. We shall also be according priority in this area to the highly successful program of the Peace Corps.

We are not alone in seeing the relationship between free world security and rapid economic and social development. Other free world countries, particularly the European countries and Japan, are increasing their overseas programs, and we will continue to encourage these nations to increase them further in both size and scope. Similarly, we must support and encourage development programs carried out under international auspices. Negotiations are now underway for replenishing and enlarging the resources of the International Development Association. After these negotiations are completed, I expect to ask the Congress to authorize U.S. agreement, thereby enabling the operations of this important international organization to be continued and expanded. I also expect to request an authorization for the United States to join in providing additional resources for the Inter-American Development Bank.

The authority of the Export-Import Bank to exercise its functions expires on June 30, 1963. I shall shortly propose legislation to extend the life of the Bank for five years and to increase its resources by \$2 billion, so that its significant contribution to the expansion of our foreign trade can continue. Without a further increase in the Bank's resources, the legislation will also increase by \$1 billion the Bank's authorization for the highly successful programs of guarantees and insurance of exporter credits.

Agriculture and agricultural resources.—To realize for the Nation as a whole the benefits of our increasingly efficient agriculture, farm production must be brought into line with domestic and export requirements, the incomes of persons engaged in farming must be maintained and increased, and constructive use must be made of the current agricultural abundance to raise the level of living of the Nation's low-income families and meet international needs through the Food for Peace program. As part of this effort, we must use the opportunities opened up by the Trade Expansion Act of 1962 to expand foreign markets for our farm products.

The temporary wheat and feed grain programs, as modified by legislation enacted in the last session of Congress, are continuing to supplement farm income and to reduce storage costs by achieving reductions of our excess stocks of these grains. However, new programs are needed for cotton and dairy products as well as for feed grains to enable us to utilize more effectively the benefits of increasing productive efficiency in agriculture and to reduce budgetary expenditures for farm programs. I shall be presenting to the Congress specific legislative proposals relating to these farm commodities.

Legislation is recommended to continue the food stamp program and funds are included to operate the program in 1964 at the same level as in 1963. In addition, the 1964 budget provides for a start on the broad land-use adjustment program and the enlarged loan program of the Farmers Home Administration authorized in the Food and Agriculture Act of 1962. These programs, along with some shifts in emphasis in existing programs of the Department of Agriculture, are an essential part of our rural areas development program—a significant undertaking to cope with problems of unemployment, underemployment, and poverty in rural areas.

Federal payments in 1964 for all agricultural programs are estimated at \$5.8 billion, a reduction of \$1.1 billion from the 1963 level. This reduction results largely from anticipated substantial sales by the Commodity Credit Corporation in 1964 of cotton expected to be placed under price support in 1963. In addition, legislation is being proposed to increase the role of private financing in the rural housing program.

Natural resources.—Orderly conservation and development of our natural resources are required to meet our future needs and to promote long-run economic growth. Expenditures of \$2.6 billion are estimated in 1964 for these purposes.

The budget provides for continued water resources development through projects for flood control, navigation, irrigation, water supply, hydroelectric power, and related recreational and wildlife development. Funds are included for the Corps of Engineers, the Bureau of Reclamation, the Bureau of Indian Affairs, and the Tennessee Valley Authority to initiate construction on 43 new water resources projects with an estimated total Federal cost to completion of \$792 million.

Major emphasis is being given within the Federal Government to coordinated planning of river-basin development and research on water resources. In addition, legislation is again recommended to provide for comprehensive and coordinated water resources planning

by Federal and State agencies and to authorize limited Federal grants to strengthen State planning.

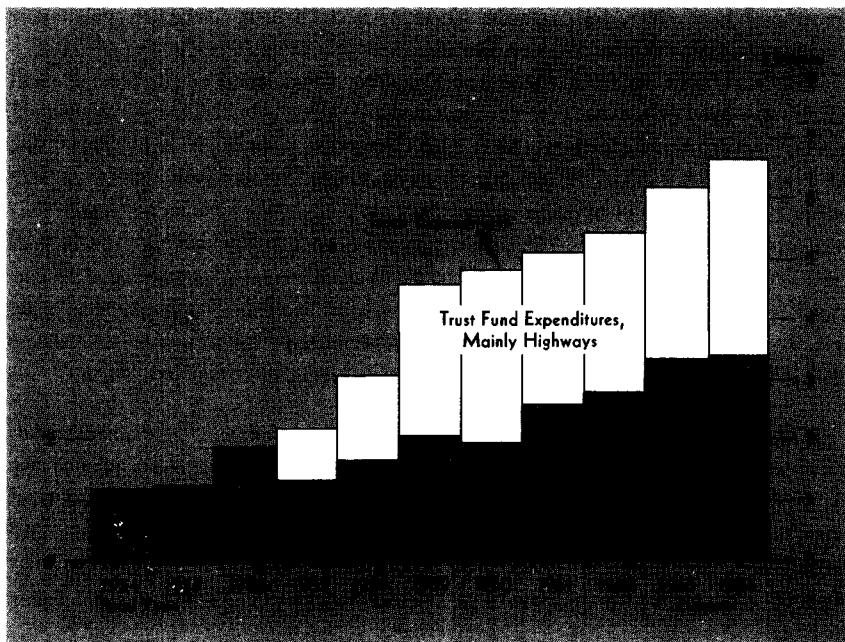
I am requesting funds to start construction of major extra-high-voltage interconnections linking the electric systems of the Pacific Northwest and Pacific Southwest. The interconnections will provide for the sale and exchange of power between California and the Northwest, resulting in substantial economies to both regions. Prompt action is expected on legislation proposed last year to reserve necessary power supplies for the Pacific Northwest.

The provision of adequate outdoor recreational opportunities for our growing population continues to be a pressing problem. Legislation will shortly be transmitted to the Congress to assist the States in the solution of this problem and to provide for Federal acquisition of certain lands to be devoted to recreational and conservation uses.

Commerce and transportation.—I am gratified that the Congress enacted higher postal rates last year, permitting a reduction in net expenditures for the postal service in 1964. Expenditures for maritime operating subsidies are also estimated to be less in 1964 than in 1963. Despite these decreases, total Federal payments for commerce and transportation programs are expected to increase by \$444 million to \$6.7 billion in 1964. An estimated increase in grants to States for highway construction through the self-financed highway trust fund amounts to almost nine-tenths of the total rise; the remainder covers such recently enacted programs as area redevelopment, trade promotion, and acceleration of capital improvements in areas of substantial unemployment, as well as as such older activities as small business loans and weather services.

To achieve a higher long-run rate of economic growth, and to take full advantage of the Trade Expansion Act of 1962 by competing successfully in the great markets of Europe and the developing nations of Africa and Asia, it is essential that we retain our current position of technological leadership in many industries. Accordingly, the Secretary of Commerce is undertaking a new program with the specific aim of stimulating through industrial research and development innovation in our civilian industrial technology. As an immediate step to help improve our balance of payments, I am recommending a substantial increase in the export expansion program.

Studies are progressing on the economic and technical feasibility of developing a supersonic air transport. I have directed that these studies be expedited and the results evaluated as soon as practicable.

Commerce and Transportation

The national transportation policy which I proposed last year is based upon greater reliance on competitive free enterprise, with less Federal regulation and subsidies. Under this approach, the Government would emphasize equal opportunity for all types of transportation. I hope that the new Congress will act promptly along the lines recommended previously to authorize the basic changes needed in existing law.

Housing and community development.—The development and rehabilitation of urban areas and the provision of adequate housing for all our citizens stand high among the Nation's objectives. To this end the new and broader housing and community development programs authorized in the Housing Act of 1961 will be carried forward at an accelerated pace in 1964. Commitments made in earlier years will result in increased expenditures for urban renewal grants and for mortgage purchases and loans to help provide adequate housing for low and moderate income families as well as for elderly persons. Several possible methods for improving the provision of housing for low-income groups are currently being tested. Moreover, Federal loans are being made to improve public facilities in smaller communities and in areas of substantial unemployment.

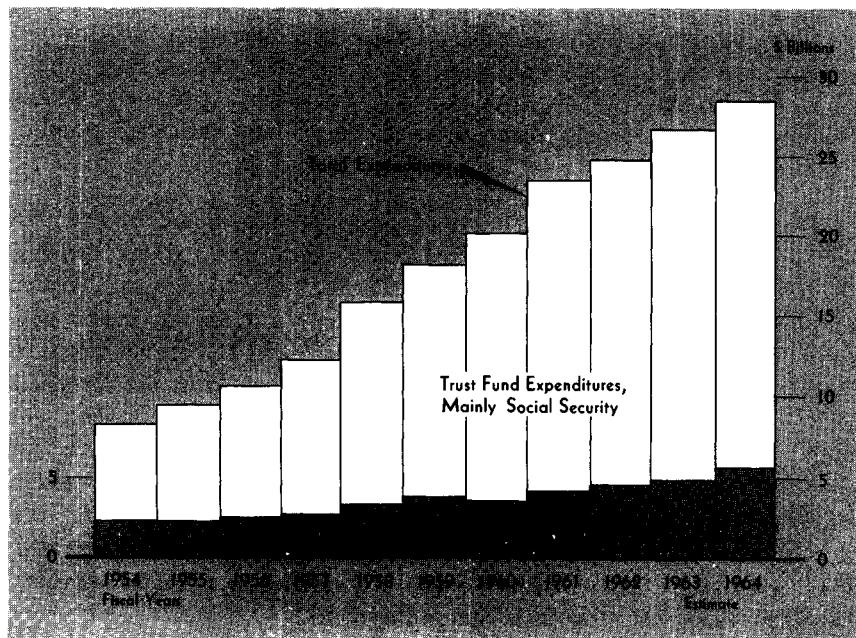
I urge the Congress to enact promptly legislation, along the lines I proposed last year, to provide Federal aid to help urban areas solve their mass transportation problems.

The Federal Government is not properly organized at present to deal efficiently and effectively with the pressing problems of urban areas. I again recommend strongly that the Congress establish a Department of Urban Affairs and Housing to give urgently needed leadership in the solution of these problems.

Federal expenditures for housing and community development will rise from the current year's level of \$874 million to \$1.1 billion in fiscal year 1964. The substantial progress which will be made in this area will be financed in part through the substitution of private for public credit in a number of mortgage insurance and purchase programs.

Health, labor, and welfare.—One of our most important national purposes must continue to be the strengthening of human resources. A strong defense and a revitalized economy require a trained and productive labor force, relentless warfare on illness and disease, and continued progress in extending economic security to those in our society who lack the means to provide adequately for their own basic needs.

Health, Labor, and Welfare



Under existing health programs, the budget provides for strengthening the National Institutes of Health and the Food and Drug Administration, for improving community and environmental health protection, and for combating mental illness and mental retardation. In addition, new legislation is proposed: to expand further the fight against mental illness and mental retardation; to broaden the scope and enlarge the authorization provided for construction of medical facilities in the Hill-Burton Act; and to authorize a new program to assist in the construction of medical schools.

I am also again proposing health insurance for aged persons, to be financed mainly through the social security system, but with benefits for those not covered by social security to be paid from regular appropriations.

To strengthen further the Government's labor and manpower activities, the budget includes funds to improve the Federal-State employment service, and I am again recommending legislation to revise the Federal-State unemployment insurance program so that the needs of the unemployed will be more fully met in both good and bad times. Under the Manpower Development and Training Act of 1962, funds are included to provide training services to 140,000 unemployed workers in the coming fiscal year, and legislation is proposed to provide urgently needed opportunities for training and employment to the youth of our Nation.

Legislation is recommended to create a National Service Corps to help by example to strengthen the volunteer spirit in the provision of social services in our local communities.

Federal payments for health, labor, and welfare programs in 1964 are estimated to rise by \$1.6 billion to \$27.4 billion, of which over 80% will be paid from trust funds.

Education.—A strong educational system is necessary for the maintenance of a free society and a growing economy. Inadequacies in our educational system present serious obstacles to the achievement of important national objectives and prevent able individuals from obtaining the high quality training to which they should have ready access.

In these circumstances Federal action becomes imperative, but the Federal Government can provide only a small part of the funds in an area where outlays from all sources approximate \$30 billion annually. Accordingly, I am recommending a program carefully designed to provide a major impetus to the solution of a selected number of critical educational problems.

This program, which will be outlined more fully in a special message, proposes significant new activities and greater utilization of the

existing authority of the Office of Education. It also proposes greater use of the authority of the National Science Foundation to support science and engineering education. It is designed, first, to obtain improved quality in all levels and types of education; second, to help break crucial bottlenecks in the capacity of our educational system by providing funds for building expansion; and third, to increase opportunities for individuals to obtain education and training by broadening and facilitating access to colleges and universities and by providing an expanded range of technical, vocational, and professional training opportunities for teachers and students.

A recommended substantial augmentation of basic research by the National Science Foundation—necessary to progress in science and technology—will also contribute materially to graduate education.

This budget provides new obligational authority of \$3 billion for education programs in fiscal year 1964, of which \$1.5 billion is under proposed legislation. Expenditures are estimated to rise by \$165 million to \$1.5 billion.

Veterans benefits and services.—This country has recognized that the Government's primary obligation for veterans benefits is to those who incurred disabilities in the defense of our Nation and to the dependents of those who died as a result of military service. In keeping with this principle, the 87th Congress enacted a new program of vocational rehabilitation for servicemen disabled while in the Armed Forces and a cost-of-living increase in disability compensation rates. I recommend that the Congress enact a similar increase in benefits for the children and dependent parents of veterans who died as a result of military service.

Emphasis in veterans programs should continue to be placed on benefits and care for the service-disabled. This policy recognizes that veterans are increasingly benefited by the rapidly expanding general health, education, and welfare programs of the Government. Excluding these general benefits, total Federal payments for veterans programs in 1964 are estimated at \$6 billion.

EXPENDITURES OF AN INVESTMENT NATURE

Success in achieving a higher rate of economic growth in the future depends, in large part, on our willingness to devote current resources to enlarging the Nation's capacity to produce goods and services in future years. About one-seventh of the expenditures proposed for

1964 are for activities which will promote increased productivity and economic growth, yielding substantial benefits in the future.

For example, the fiscal year 1964 program includes \$10.8 billion of budget and trust fund expenditures for Federal civil public works; for highways, hospitals, and other additions to State, local, and private assets; for loans for such activities as rural electrification, education, and small business operations; and for other additions to Federal assets.

The Federal Government will also contribute directly and indirectly to economic growth through its support of more than two-thirds of all the scientific research and development undertaken in the Nation. Expenditures for research and development other than for national defense and space are expected to rise to \$1.6 billion in fiscal year 1964. Moreover, the additional \$8.8 billion devoted to defense research and development, including atomic energy, and the \$3.6 billion devoted to space research and development, will produce many collateral benefits to the civilian sector of the economy as well.

Furthermore, during fiscal year 1964 an estimated \$1.6 billion will be spent for nondefense education, training, and health programs, in addition to the amounts for facilities and loans. Apart from the intrinsic merits of these programs, helping to provide individuals with the opportunity to obtain the best medical care available and to maximize the development of their intellectual capacities and occupational skills improves the quality of the labor force. Indeed, growth in the Nation's education and skills has been a major factor in the long-run rise in the Nation's economic productivity.

FEDERAL EXPENDITURES ABROAD

The United States continues to face a deficit in its international payments as we enter the calendar year 1963. As one part of the administration's program to reduce this deficit, the Federal Government, during the past year, has instituted a system of continuing review of all its activities affecting the balance of payments. This process is intended to insure that expenditures abroad for the Federal Government's activities are kept to the minimum consistent with our defense and other responsibilities at home and abroad.

In the preparation of the 1964 budget, all proposed expenditures which affect the balance of payments have received particular attention and review. Special efforts are being made to reduce Federal expenditures overseas without jeopardizing the defense of the free world. Measures already taken to assure maximum expenditure of

foreign economic assistance funds in the United States will continue to reduce the portion of these funds spent abroad. We will continue to press ahead in the effort to encourage other nations, particularly European countries and Japan, to accept a greater share of the costs of economic aid to developing countries and to increase support for military defenses within their own borders.

The Federal Government is also seeking to increase receipts in the United States from foreign countries by obtaining advance repayments of loans previously made to them by this country and by promoting the purchase by foreign governments of military equipment in the United States. Continuing success is expected in these efforts during the coming year.

NEW OBLIGATIONAL AUTHORITY

To carry out the program I am recommending for fiscal year 1964, the Congress is being requested to enact new appropriations and other obligational authority totaling \$96.5 billion. This amount includes substantial increases for the Department of Defense, the National Aeronautics and Space Administration, and the Department of Health, Education, and Welfare, a large part of which will not be spent until later years. A sizable increase is also required for the Commodity Credit Corporation, to make up for losses incurred in past years under the price support and special export programs.

NEW OBLIGATIONAL AUTHORITY

[Fiscal years. In billions]

Description	1962 actual	1963 estimate	1964 estimate
Total authorizations requiring current action by Congress:			
Administrative budget funds.....	\$81.6	\$91.8	\$96.1
Trust funds.....	0.3	0.4	0.4
Total authorizations not requiring current action by Congress:			
Administrative budget funds.....	11.2	11.4	11.8
Trust funds.....	25.6	27.8	30.4
Total new obligational authority:			
Administrative budget funds.....	92.9	103.2	107.9
Trust funds.....	26.0	28.1	30.8

In addition, \$42.2 billion will become available under permanent authorization without action by the Congress this year. Of this amount, \$30.4 billion is for the trust funds, representing primarily the auto-

matic appropriation to these funds of their own revenues. The largest permanent authorization in 1964 in the administrative budget is \$10.0 billion for interest on the public debt.

The Congress is also requested to enact new obligational authority for the current fiscal year, 1963, in addition to the amounts already provided, largely to finance legislation enacted last year for which no appropriations were enacted or for which only partial provision was made—such as employee pay reform, revisions in the grant formula for public assistance, and the program of accelerated public works in depressed areas. These and other supplementary requirements which the Congress is requested to enact, such as \$2.0 billion for the Export-Import Bank, are now estimated to total \$3.9 billion.

PUBLIC DEBT

Under present law, a temporary debt limitation of \$308 billion is now in effect. However, this limit will revert to \$305 billion on April 1, 1963, and to \$300 billion on June 25, 1963. After June 30, 1963, the permanent debt ceiling of \$285 billion again becomes effective.

PUBLIC DEBT AT END OF YEAR

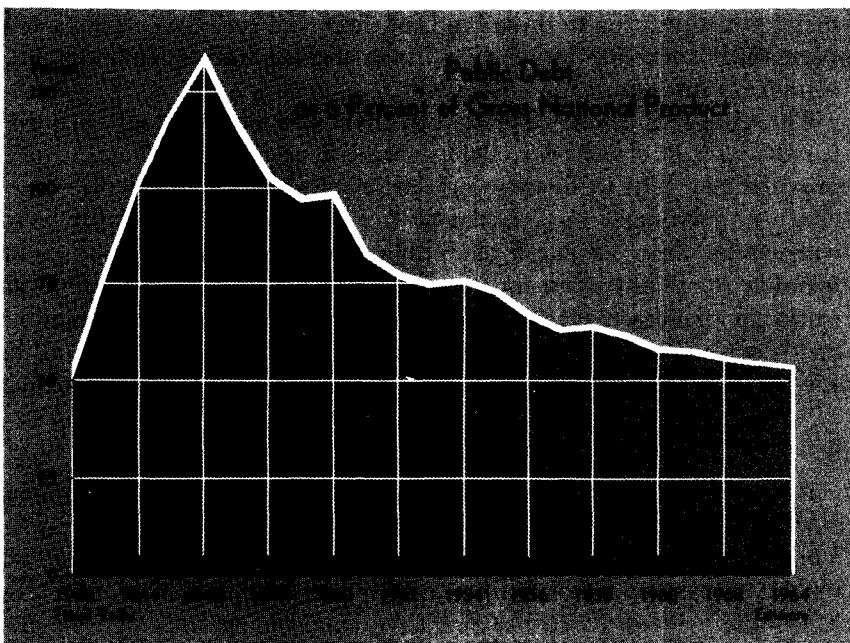
[Fiscal years. In billions]

Description	1961 actual	1962 actual	1963 estimate	1964 estimate
Owned by Federal agencies and trust funds.....	\$55.3	\$55.7	\$56.7	\$59.0
Owned privately and by Federal Reserve banks.....	233.7	242.5	246.8	256.6
Total.....	289.0	298.2	303.5	315.6

Note.—For further details, see table II in part 2 of this document.

The present temporary debt limit was enacted last July on the assumption, clearly stated in the report of the House Committee on Ways and Means, that the expansion in the economy and in tax revenues would be sufficient to produce a balanced budget for fiscal year 1963. It is now evident that receipts will not reach the level hoped for at that time. As a consequence, the pending step reductions in the temporary limit on the public debt would render impossible the sound management of Government finances during the April-June quarter of 1963.

Although the total public debt subject to limitation is expected to decline to about \$304 billion after the receipt of tax payments due in June 1963, the pattern of receipts and expenditures will tend to cause



the debt to rise substantially above the \$305 billion level at various times during those 3 months. Moreover, if the debt has to be held below this level, the Treasury would have little or no flexibility for taking advantage of favorable market conditions, or for dealing with any untoward developments in short-term interest rates which might complicate balance of payments problems. I therefore urge prompt extension of the temporary \$308 billion debt limit through the remainder of this fiscal year.

Seasonal variations in revenue will, as usual, cause the public debt to increase substantially from its June 30th level during the first half of fiscal 1964. The deficit foreseen for fiscal 1964 will add to this increase, and it will prevent a seasonal decrease in the debt from taking place during the final months of the fiscal year. The debt subject to limit as of June 30, 1964, is estimated at about \$316 billion. To meet our financial requirements and to provide a margin of flexibility, I will request a further increase in the debt limit for fiscal 1964. The exact amount and nature of the increase required depends not only on the total amount of the deficit but also on the particular time pattern of receipts and expenditures. For this reason, the debt limit to be requested for fiscal year 1964 will be determined later this year when a more reliable estimate can be made of the requirements.

The financing of the cash deficits in fiscal years 1963 and 1964 can and will be accomplished without contributing to the development of inflationary pressures. During the past 2 calendar years, a basic aim of debt management policy has been to help assure that an adequate supply of credit would be available to support domestic expansion, while at the same time helping to maintain interest rates on short-term securities at levels that would deter flows to the other major money markets abroad. This policy has been successfully carried out. In the future, as in the past, debt management policies will be directed toward assuring that any increase in the debt will be so distributed in its ownership and composition as to promote continued price stability in the economy.

EFFICIENCY AND ECONOMY IN GOVERNMENT

In our society, Government expects continuing scrutiny and criticism of its efficiency. The search for greater efficiency is never finished. What was an efficient practice a few years ago may be obsolete today. New approaches to work practices, to information handling, and even to decisionmaking itself are the order of the day throughout Government as well as private industry.

In striving for greater efficiency, we are pressing forward on three major fronts: Management improvement, cost reduction, and the reform of our public salary systems.

Management improvement and cost reduction.—This budget has been prepared with special attention to employment trends in the Federal Government. Requests for additional jobs have been reduced or denied wherever possible. Moreover, I have directed the heads of departments and agencies to join in a Governmentwide program to improve manpower controls and increase productivity. This will be done by a continuing review of personnel needs, eliminating low-priority work, and adopting more efficient practices. A system of inspections and reviews will be carried on to measure the effectiveness and results of our efforts, and to help uncover new ways to economize.

As evidence of improved productivity and cost reduction in Government, I offer these examples:

- In the Veterans Administration's insurance program, 6 million insurance policies were handled in 1950 by over 17,000 employees; now the same number of policies is being handled by 3,000 employees.
- In the Treasury Department, nearly three times as many checks and bonds are now being issued per employee as were issued 10

years ago and management improvements have made it possible to close and consolidate a number of field offices.

- In the Farmers Home Administration, a 35% increase has been achieved in 2 years in the number of loans processed per employee.
- In the Bureau of Old-Age and Survivors Insurance, output per worker will increase during the current year by 5.5%. Had this not been achieved, the agency would have required 1,700 more employees at a cost of about \$10 million. Further productivity gains are expected in the coming year.
- In the Patent Office, a vigorous program to improve efficiency led to an increase in productivity of 13% in processing patent applications in fiscal year 1962 compared with the previous year.
- Actions taken by the Department of Defense will produce savings of \$750 million this year alone in the cost of logistical operations. The Department's goal is to reduce these costs by at least \$3 billion annually within a 5-year period without affecting combat strength.
- In the Corps of Engineers, improvements in organization completed in 1962 have eliminated 1,600 jobs and reduced annual costs by \$13 million.
- Despite a steady rise in mail volume, the Post Office is hiring fewer new employees than in previous years, and more efficient practices are being instituted. Savings this fiscal year are expected to reach \$40 million.
- Energetic management and employee cooperation in the Internal Revenue Service have brought a wide range of efficiency gains which translate into fiscal year 1963 savings of about \$4.2 million.
- In the Bonneville Power Administration, new design standards for power transmission facilities will effect savings of \$7.5 million in costs of facilities started in 1963 and 1964.
- In the Tennessee Valley Authority, a new system for handling coal at the Bull Run plant will save about \$1 million in plant investment.
- The Federal Aviation Agency, by consolidating traffic control centers, will save \$7 million over a period of years. In addition, the discontinuance of nonstandard distance-measuring equipment will save \$1.4 million this year.
- The Department of Agriculture expects to achieve an annual saving of \$1.3 million after consolidating payroll functions and effecting efficiencies in certain personnel and fiscal management areas.
- In the Atomic Energy Commission, greater efficiency in producing special nuclear material will save \$7 million this year.
- In the Veterans Administration, conversion of insurance accounting and benefit payment operations to electronic computer equip-

ment will reduce operating costs by \$1.7 million this year. A decision to buy rather than rent computers will lead to savings of \$1.6 million annually. The closing of some nonessential field offices will produce annual savings of \$1.2 million.

These are heartening examples of cost reduction. They are representative of the effort that is being made throughout the Federal Government, and they bring credit to the officials and employees who are responsible.

We will continue to give priority to the cost reduction program in all Federal operations.

Salary reform.—As I requested, the Congress last year enacted major legislation in the field of pay administration. The Congress accepted the sound principle that I had strongly urged: namely, that Federal salaries should be determined by comparisons with rates paid by private employers for similar levels of work. The comparability principle for the first time provides a reasonable and objective formula for judging the adequacy of Government salary levels. Moreover, this single reform will go far toward enabling the Federal Government to secure and retain the high quality personnel it needs.

Significant elements of my proposals for pay adjustments have not yet been acted on, however. Salaries of upper-level career personnel are still too low when measured by the compensation provided outside of Government. In addition, the pay rates scheduled to take effect on January 1, 1964, will need to be improved moderately to maintain comparability with pay in the private economy, in the light of data recently reported by the Bureau of Labor Statistics. I shall ask the Congress to take appropriate action on these matters at an early date.

Having taken a major step toward establishment of a proper system of compensation for career employees, we must wait no longer to initiate a review of the salaries of department and agency heads and their deputies. Existing salaries for these officials are inadequate by any reasonable standard of comparison. Taxpayers gain rather than lose when pay is adequate to attract and hold able people. When the Congress enacted the Federal Salary Reform Act of 1962, it requested that recommendations be submitted to the next session for appropriate increases in Federal executive salaries at all levels. Accordingly, I intend to establish an advisory panel, made up of distinguished private citizens, to examine the present compensation for top positions in the executive, legislative, and judicial branches, and to suggest appropriate adjustment in the pay for these positions. After the panel concludes its study, I will make recommendations to the Congress.

CONCLUSION

The budget and fiscal policies I am proposing will serve the most urgent needs of our people, promote efficient performance of Government functions, and help release the brake on the rate of growth of our economy.

Our practical choice is not between a deficit and a budgetary surplus. It is instead between two kinds of deficits: a chronic deficit of inertia due to inadequate economic growth—or a temporary deficit resulting from a tax and expenditure program designed to provide for our national security, boost the economy, increase tax revenue, and achieve future budget surpluses. The first type of deficit is a sign of waste and weakness. The second is an investment in the future.

It is of great importance for the years ahead that we act boldly now if we are to assure more jobs for an ever growing labor force, if we are to achieve higher standards of living, and if we are to continue to provide the leadership required of us in the free world community. I am convinced that the program encompassed in this budget represents a proper use of fiscal tools for achieving these important goals.

JOHN F. KENNEDY.

JANUARY 17, 1963.

PART 2

SUMMARY TABLES

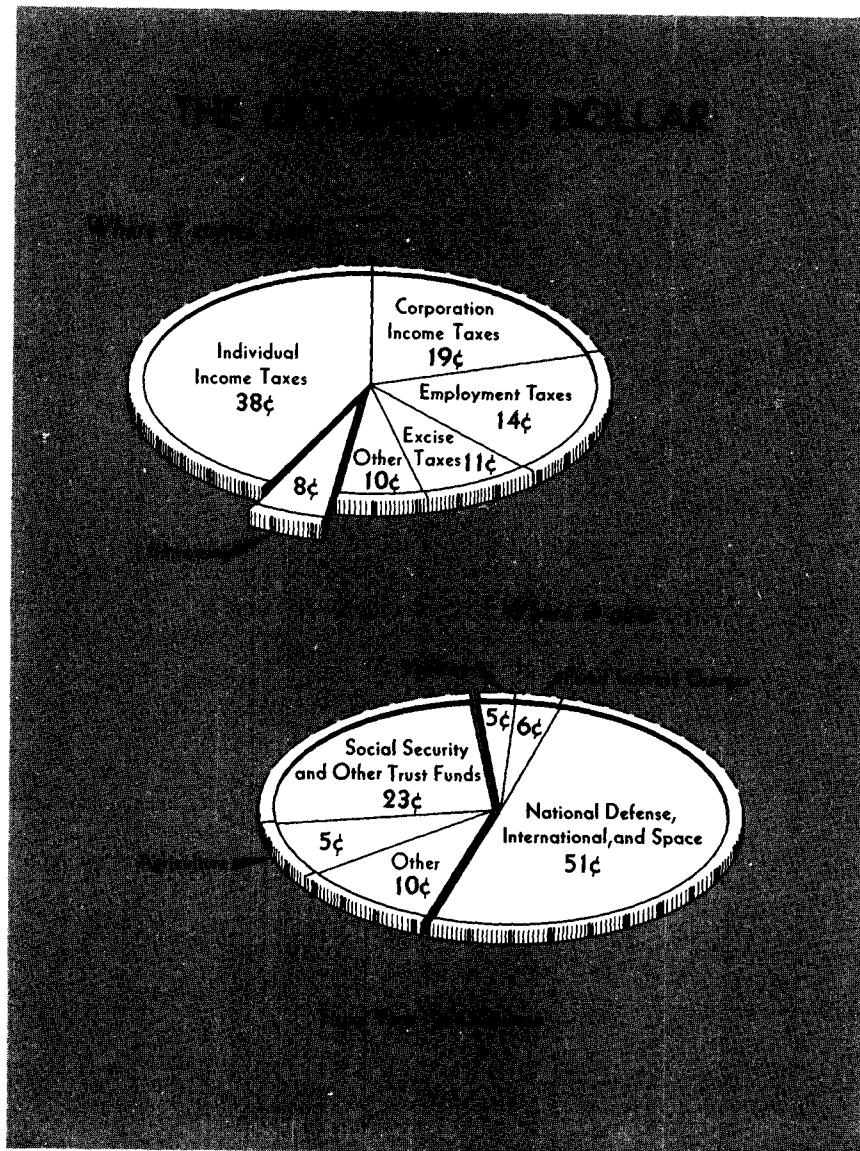


Table 1. BUDGET RÉSUMÉ (in billions of dollars)

ADMINISTRATIVE BUDGET AND TRUST FUND RECEIPTS AND EXPENDITURES

Description	ADMINISTRATIVE BUDGET FUNDS			TRUST FUNDS		
	1962 actual	1963 estimate	1964 estimate	1962 actual	1963 estimate	1964 estimate
RECEIPTS						
Individual income taxes.....	45.6	47.3	45.8	.....	.....	.....
Corporation income taxes.....	20.5	21.2	23.8	.....	.....	.....
Employment taxes.....	.....	.....	.....	12.6	14.8	16.6
Excise taxes.....	9.6	9.9	10.4	2.9	3.2	3.3
Unemployment tax deposits by States.....	.....	.....	.....	2.7	2.8	2.8
Estate and gift taxes.....	2.0	2.1	2.1	.....	.....	.....
Customs.....	1.1	1.3	1.4	.....	.....	.....
Federal employees retirement.....	.....	.....	.....	1.8	1.8	1.9
Interest on trust fund investments.....	.....	.....	.....	1.4	1.5	1.6
Veterans life insurance premiums.....	.....	.....	.....	.5	.5	.5
Miscellaneous receipts.....	3.2	4.4	4.0	2.9	2.8	3.3
Interfund transactions (-).....	-.6	-.6	-.7	-.5	-.5	-.5
Total receipts.....	81.4	85.5	86.9	24.3	26.9	29.5
EXPENDITURES						
National defense.....	51.1	53.0	55.4	.4	.4	.6
International affairs and finance.....	2.8	2.9	2.7	*	*	.1
Space research and technology.....	1.3	2.4	4.2	.....	.....	.....
Agriculture and agricultural resources.....	5.9	6.7	5.7	.4	.4	.4
Natural resources.....	2.1	2.4	2.5	.1	.1	.1
Commerce and transportation.....	2.8	3.3	3.4	2.7	2.9	3.2
Housing and community development.....	.3	.5	.3	1.5	.5	1.0
Health, labor, and welfare.....	4.5	4.9	5.6	20.4	21.8	22.8
Education.....	1.1	1.4	1.5	*	*	*
Veterans benefits and services.....	5.4	5.5	5.5	.7	.9	.6
Interest.....	9.2	9.8	10.1	.....	.....	.....
General government.....	1.9	2.0	2.2	*	*	*
Deposit funds (net).....	.....	.....	.....	-.5	.6	*
Allowances, undistributed:						
Comparability pay adjustment.....	.....	.....	.2	.....	.....	.....
Contingencies.....	.....	.1	.2	.....	.....	.....
Interfund transactions (-).....	-.6	-.6	-.7	-.5	-.5	-.5
Total expenditures.....	87.8	94.3	98.8	25.2	27.3	28.4

CONSOLIDATED SUMMARY

Description	1962 actual	1963 estimate	1964 estimate
Cash receipts:			
Administrative budget receipts.....	81.4	85.5	86.9
Trust fund receipts.....	24.3	26.9	29.5
Intragovernmental transactions (-).....	-.3.8	-.3.9	-.4.2
Total receipts from the public.....	101.9	108.4	112.2
Cash expenditures:			
Administrative budget expenditures.....	87.8	94.3	98.8
Trust fund expenditures.....	25.2	27.3	28.4
Intragovernmental and other noncash transactions (-).....	-.5.3	-.4.8	-.4.7
Total payments to the public.....	107.7	116.8	122.5
Excess of receipts from (+) or payments to (-) the public.....	-5.8	-8.3	-10.3

* Less than \$50 million. Note.—Detail may not add to totals due to rounding.

Table 2. RECEIPTS FROM AND PAYMENTS TO THE PUBLIC
(CONSOLIDATED CASH BASIS) (in billions of dollars)

Description	1962 actual	1963 estimate	1964 estimate
RECEIPTS FROM THE PUBLIC			
Individual income taxes.....	45.6	47.3	45.8
Corporation income taxes.....	20.5	21.2	23.8
Employment taxes.....	12.6	14.8	16.6
Excise taxes.....	12.5	13.1	13.7
Unemployment tax deposits by States.....	2.7	2.8	2.8
Estate and gift taxes.....	2.0	2.1	2.1
Customs.....	1.1	1.3	1.4
Veterans life insurance premiums.....	.5	.5	.5
Other receipts.....	4.3	5.4	5.5
Total receipts from the public.....	101.9	108.4	112.2
PAYMENTS TO THE PUBLIC			
National defense.....	51.5	53.4	56.0
International affairs and finance.....	2.5	2.5	2.7
Space research and technology.....	1.3	2.4	4.2
Agriculture and agricultural resources.....	6.0	6.8	5.8
Natural resources.....	2.2	2.5	2.6
Commerce and transportation.....	5.5	6.2	6.7
Housing and community development.....	1.7	.9	1.1
Health, labor, and welfare.....	24.0	25.8	27.4
Education.....	1.1	1.3	1.5
Veterans benefits and services.....	6.1	6.4	6.0
Interest.....	6.9	7.5	7.7
General government.....	1.9	2.0	2.2
Deposit funds, net.....	-.5	.6	*
Allowances, undistributed:			
Comparability pay adjustment.....			.2
Contingencies.....		.1	.2
Other undistributed adjustments:			
Agency payments for employee retirement (−).....	-.9	-.9	-1.0
Deduction from employees' salaries for retirement (−).....	-.8	-.9	-.9
Increase (−) or decrease in outstanding checks, etc.....	-.5	.1	.1
Total payments to the public.....	107.7	116.8	122.5
Excess of receipts (+) or payments (−).....	-5.8	-8.3	-10.3

*Less than \$50 million.

Note.—This table shows the flow of money between the Government and the public on a cash (collections and checks paid) basis. For fuller explanation, see special analysis A (pages 324 to 331).

Table 3. NEW OBLIGATIONAL AUTHORITY BY TYPE AND FUNCTION
(In billions of dollars)

Description	ADMINISTRATIVE BUDGET FUNDS			TRUST FUNDS		
	1962 actual	1963 estimate	1964 estimate	1962 actual	1963 estimate	1964 estimate
TYPE						
Authorizations requiring current action by Congress:						
Appropriations ¹	80.4	89.0	95.8	0.3	0.4	0.4
Reappropriations.....	.1	*	*			
Authorizations to expend from debt receipts.....	1.1	2.5	.4			
Contract authorizations.....		.2	*			
Total authorizations requiring current action by Congress.....	81.6	91.8	96.1	.3	.4	.4
Authorizations not requiring current action by Congress (permanent):						
Appropriations ¹	9.8	10.5	10.8	21.2	23.3	25.8
Authorizations to expend from debt receipts.....	.7	.7	.5	.3	.2	.2
Contract authorizations.....	.7	.3	.5	4.1	4.3	4.4
Total authorizations not requiring current action by Congress (permanent).....	11.2	11.4	11.8	25.6	27.8	30.4
Total new obligational authority.....	92.9	103.2	107.9	26.0	28.1	30.8
FUNCTION						
National defense.....	52.4	54.5	56.7	.9	.9	1.0
International affairs and finance.....	3.4	7.7	4.5	*	*	*
Space research and technology.....	1.8	3.7	5.7			
Agriculture and agricultural resources.....	6.4	5.8	7.3	*	*	*
Natural resources.....	2.2	2.4	2.6	.1	.1	.1
Commerce and transportation.....	3.1	4.0	3.0	3.4	3.6	3.7
Housing and community development.....	.6	.6	.6	.6	.5	.6
Health, labor, and welfare.....	5.0	5.4	6.0	20.2	22.2	24.6
Education.....	1.3	1.4	3.0	*	*	*
Veterans benefits and services.....	5.5	5.6	5.6	.7	.7	.7
Interest.....	9.2	9.8	10.1			
General government.....	2.0	2.2	2.3	*	*	*
Allowances, undistributed:						
Comparability pay adjustment.....			.2			
Contingencies.....		.1	.2			
Total new obligational authority.....	92.9	103.2	107.9	26.0	28.1	30.8

*Less than \$50 million.

¹ Excludes appropriations to liquidate contract authorizations:

 Administrative budget funds, 1962, \$0.7 billion; 1963, \$0.8 billion; 1964, \$0.7 billion.

 Trust funds, 1962, \$3.2 billion; 1963, \$3.7 billion; 1964, \$3.8 billion.

Note.—New obligational authority is the amount becoming available by act of Congress for the incurring of obligations which will result in expenditures. The various types of new obligational authority are explained on pages 124 to 125. For detailed information on new obligational authority by agency and account see pages 128 to 321.

Table 4. NEW OBLIGATIONAL AUTHORITY BY AGENCY (in millions of dollars)

Description	1962 enacted	1963 estimate			1964 estimate		
		Enacted	Supple- men-tal needed	Total	Trans- mitted herein	Later trans- mittal	Total
ADMINISTRATIVE BUDGET FUNDS							
Legislative Branch	129	157	4	161	149	-----	149
The Judiciary	59	64	2	66	69	-----	69
Executive Office of the President	27	23	1	24	33	-----	33
Funds appropriated to the President	4,170	6,513	525	7,038	5,189	-----	5,189
Department of Agriculture	7,410	6,714	38	6,753	8,135	9	8,144
Department of Commerce	827	798	10	809	981	-----	981
Department of Defense:							
Military functions	48,170	49,566	395	49,961	51,281	900	52,181
Civil functions	1,016	1,088	4	1,093	1,146	-----	1,146
Department of Health, Education, and Welfare	4,629	5,117	276	5,393	5,538	1,619	7,158
Department of the Interior	929	1,093	37	1,130	1,254	25	1,279
Department of Justice	297	307	12	318	355	-----	355
Department of Labor	644	334	17	351	427	100	527
Post Office Department	874	653	153	806	565	-----	565
Department of State	309	415	11	427	374	-----	374
Treasury Department	10,204	10,793	28	10,821	11,297	-----	11,297
Atomic Energy Commission	2,547	3,135	-----	3,135	2,893	-----	2,893
Federal Aviation Agency	729	746	9	756	810	-----	810
General Services Administration	606	579	53	631	659	-----	659
Housing and Home Finance Agency	861	752	46	798	729	100	829
National Aeronautics and Space Administration	1,825	3,673	-----	3,673	5,712	-----	5,712
Veterans Administration	5,447	5,453	141	5,595	5,580	-----	5,580
Other independent agencies	1,088	1,243	2,053	3,296	1,532	-50	1,481
District of Columbia	65	60	-----	60	43	24	67
Allowances, undistributed:							
Comparability pay adjustment	-----	-----	100	100	-----	200	200
Contingencies	-----	-----	-----	-----	-----	250	250
Total administrative budget	92,862	99,276	3,916	103,192	104,750	3,177	107,927
TRUST FUNDS							
Funds appropriated to the President	870	864	-----	864	956	-----	956
Department of Commerce	3,366	3,593	-----	3,593	3,715	-----	3,715
Department of Health, Education, and Welfare	13,087	14,922	-----	14,922	16,683	63	16,746
Department of Labor	3,985	4,042	-----	4,042	4,286	2	4,288
Veterans Administration	720	737	-----	737	730	-----	730
Civil Service Commission	2,075	2,152	-----	2,152	2,331	-----	2,331
Railroad Retirement Board	1,081	1,111	-----	1,111	1,157	62	1,219
Other agencies	767	719	7	726	787	31	818
Total trust funds	25,952	28,140	7	28,147	30,645	158	30,803

Note.—For explanation of the columnar headings for 1963 and 1964, see pages 126 and 127. For detailed information on new obligational authority by agency and account, see pages 128 to 321.

Table 5. EXPENDITURES BY AGENCY (in millions of dollars)

Description	1962 actual	1963 estimate			1964 estimate		
		Enacted	Supple- men- tal needed	Total	Trans- mitted herein	Later trans- mittal	Total
ADMINISTRATIVE BUDGET FUNDS							
Legislative Branch	153	154	5	159	155	*	155
The Judiciary	57	64	1	65	69	*	69
Executive Office of the President	29	24	1	25	31	*	31
Funds appropriated to the President	3,443	4,308	50	4,359	4,237	138	4,375
Department of Agriculture	6,669	7,450	44	7,493	6,606	-41	6,565
Department of Commerce	594	733	12	745	892	3	895
Department of Defense:							
Military functions	46,815	47,974	326	48,300	50,063	937	51,000
Civil functions	999	1,102	4	1,106	1,140	*	1,140
Department of Health, Education, and Welfare	4,215	4,777	270	5,048	5,350	392	5,742
Department of the Interior	908	1,023	31	1,054	1,153	12	1,165
Department of Justice	294	306	11	317	336	1	337
Department of Labor	620	222	17	239	373	61	433
Post Office Department	797	658	144	802	545	9	554
Department of State	307	451	6	457	356	5	361
Treasury Department	10,173	10,786	25	10,811	11,230	3	11,232
Atomic Energy Commission	2,806	2,870	-----	2,870	2,850	-----	2,850
Federal Aviation Agency	698	782	9	791	800	1	801
General Services Administration	445	499	33	532	581	14	594
Housing and Home Finance Agency	739	1,087	1	1,088	685	10	695
National Aeronautics and Space Administration	1,257	2,400	-----	2,400	4,200	-----	4,200
Veterans Administration	5,392	5,393	139	5,532	5,468	2	5,470
Other independent agencies	937	561	46	607	401	-46	355
District of Columbia	72	83	-----	83	65	21	86
Allowances, undistributed	-----	-----	75	75	375	-----	375
Subtotal	88,419	93,708	1,249	94,957	97,584	1,898	99,482
Interfund transactions (-)	-633	-----	-----	-646	-----	-----	-679
Total administrative budget	87,787			94,311			98,802
TRUST FUNDS							
Funds appropriated to the President	363	437	-----	437	574	-----	574
Department of Commerce	2,822	3,023	-----	3,023	3,401	-----	3,401
Department of Health, Education, and Welfare	14,359	15,765	-----	15,765	16,650	-----	16,650
Department of Labor	3,906	3,750	-----	3,750	3,600	170	3,770
Veterans Administration	724	871	-----	871	548	-----	548
Civil Service Commission	976	1,177	-----	1,177	1,275	-----	1,275
Railroad Retirement Board	1,135	1,112	-----	1,112	1,099	-----	1,099
Other agencies	1,443	1,629	-----	1,629	1,500	18	1,518
Subtotal	25,729	27,766	-----	27,766	28,647	188	28,835
Interfund transactions (-)	-528	-----	-----	-491	-----	-----	-454
Total trust funds	25,201			27,275			28,382

*Less than one-half million dollars.

Note.—For explanation of the columnar headings for 1963 and 1964, see pages 126 and 127. For detailed information on expenditures by agency and account, see pages 128 to 321.

Table 6. INVESTMENT, OPERATING, AND OTHER EXPENDITURES
(In millions of dollars)

Description	1962 actual	1963 estimate	1964 estimate
ADMINISTRATIVE BUDGET FUNDS			
Additions to Federal assets:			
Civil:			
Loans and investments.....	2,807	2,734	1,280
Public works—sites and direct construction.....	2,046	2,575	2,856
Other.....	537	791	429
National defense.....	17,315	18,063	18,854
Total, additions to Federal assets.....	21,631	24,162	23,419
Additions to State, local, and private assets:			
Civil.....	1,305	1,519	1,756
National defense.....	16	25	72
Total, additions to State, local, and private assets.....	1,322	1,544	1,828
Expenditures for other developmental purposes:			
Civil:			
Research and development.....	2,045	3,196	4,973
Other.....	1,157	1,362	1,756
National defense:			
Research and development.....	7,747	8,174	8,755
Other.....	13	15	17
Total, other developmental expenditures.....	10,963	12,747	15,501
Current aids, special services, and operations:			
Civil.....	28,492	29,700	30,622
National defense.....	26,011	26,727	27,736
Total, current aids, special services, and operations.....	54,504	56,428	58,359
Allowances, undistributed.....		75	375
Interfund transactions (—).....	—633	—646	—679
Total, administrative budget.....	87,787	94,311	98,802
TRUST FUNDS			
Additions to Federal assets:			
Loans and investments.....	655	594	826
Public works.....	40	48	37
Other.....	*	*	1
Total, additions to Federal assets.....	695	643	864
Additions to State, local, and private assets.....	3,783	3,031	3,611
Expenditures for other developmental purposes.....	46	50	76
Retirement and social insurance benefits:			
Social security and unemployment benefits.....	17,040	17,897	18,754
Other.....	2,558	2,858	2,688
Total, retirement and social insurance benefits.....	19,598	20,755	21,442
Current aids, special services, and operations.....	1,291	1,326	1,628
District of Columbia, deposit funds, and other unclassified items.....	317	1,962	1,215
Interfund transactions (—).....	—528	—491	—454
Total, trust funds.....	25,201	27,275	28,382

*Less than one-half million dollars.

Note.—For more information on this classification see special analysis D (pages 346 to 364).

Table 7. FEDERAL RECEIPTS AND EXPENDITURES IN THE NATIONAL INCOME ACCOUNTS (in billions of dollars)

Description	1962 actual	1963 estimate	1964 estimate
RECEIPTS, NATIONAL INCOME BASIS			
Personal tax and nontax receipts.....	47.6	50.1	48.8
Corporate profits tax accruals.....	21.9	21.7	23.3
Indirect business tax and nontax accruals.....	14.6	15.3	15.8
Contributions for social insurance.....	19.8	21.8	23.4
Total receipts, national income basis.....	104.0	108.8	111.4
EXPENDITURES, NATIONAL INCOME BASIS			
Purchases of goods and services.....	59.8	64.4	68.2
Transfer payments.....	27.8	29.7	30.9
Grants-in-aid to State and local governments.....	7.3	7.8	8.8
Net interest paid.....	6.6	7.3	7.5
Subsidies less current surplus of Government enterprises.....	4.2	4.0	3.6
Total expenditures, national income basis.....	105.7	113.2	119.0
Surplus (+) or deficit (-), national income basis.....	-1.7	-4.3	-7.6

**RELATION OF THE FEDERAL SECTOR IN THE NATIONAL INCOME ACCOUNTS
TO RECEIPTS FROM AND PAYMENTS TO THE PUBLIC**

RECEIPTS	1962 actual	1963 estimate	1964 estimate
Total receipts, national income accounts.....	104.0	108.8	111.4
Receipts not included in Federal receipts in the national income accounts:			
Realization on loans and other assets.....	.8	1.4	1.0
District of Columbia government receipts.....	.3	.4	.4
Interest and other earnings.....	1.0	1.1	1.2
Receipts adjustments to consolidated cash basis:			
Employee contributions to Federal retirement funds (-).....	-.9	-.9	-1.0
Employer contributions to Federal retirement funds (-).....	-.9	-.9	-1.0
Accrual to cash and other adjustments (-).....	-2.5	-1.4	-1.1
Total Federal receipts from the public.....	101.9	108.4	112.2
EXPENDITURES			
Total expenditures, national income accounts.....	105.7	113.2	119.0
Expenditures not included in Federal activities in the national income accounts:			
Loans, purchase of land, deposit funds, etc.....	3.4	4.0	3.7
District of Columbia government expenditures.....	.3	.4	.4
Portion of interest and other expenditures offset by receipts in the national income accounts.....	.9	1.4	1.3
Expenditure adjustments to consolidated cash basis:			
Employee contributions to Federal retirement funds (-).....	-.9	-.9	-1.0
Employer contributions to Federal retirement funds (-).....	-.9	-.9	-1.0
Accrual to cash and other adjustments (-).....	-1.8	-1.3	-1.9
Commodity Credit Corporation expenditures offset by foreign currency receipts in the national income accounts.....	.9	1.0	1.0
Total Federal payments to the public.....	107.7	116.8	122.5

Note.—This table shows Federal receipts and expenditures on the basis used in the national income and gross national product statistics of the Department of Commerce. For a fuller explanation, see special analysis A (pages 324 to 331).

Table 8. RELATION OF AUTHORIZATIONS TO EXPENDITURES
(In millions of dollars)

Description	1962 actual	1963 estimate	1964 estimate
ADMINISTRATIVE BUDGET FUNDS			
New obligational authority (tables 3 and 4):¹			
Current authorizations.....	81,627	91,785	96,147
Permanent authorizations.....	11,236	11,407	11,781
Total new obligational authority.....	92,862	103,192	107,927
Unobligated balances brought forward, start of year (table 10).....	39,532	39,163	40,930
Appropriations available in prior year (—).....	—569	—641	—780
Appropriations available from subsequent year.....	639	780	780
Balances no longer available:			
Unobligated balances rescinded (—).....	—514		
Unobligated balances lapsing (—).....	—587	—308	—482
Capital transfers from revolving funds to general fund (—).....	—188	—171	—141
Unobligated balances carried forward, end of year (—) (table 10).....	—39,163	—40,930	—39,092
Obligations incurred, net (table 9).....	92,011	101,086	109,143
Obligated balances brought forward, start of year (table 10).....	36,913	40,102	46,227
Adjustments of obligated balances in expired accounts.....	—403	—4	—5
Obligated balances carried forward, end of year (—) (table 10).....	—40,102	—46,227	—55,883
Subtotal.....	88,419	94,957	99,482
Interfund transactions (—) (see note to table 14).....	—633	—646	—679
Total administrative budget expenditures (tables 1 and 5).....	87,787	94,311	98,802
From new obligational authority.....			56,450
From balances of prior obligational authority.....			42,353
TRUST FUNDS			
New obligational authority (tables 3 and 4):¹			
Current authorizations.....	323	351	392
Permanent authorizations.....	25,628	27,796	30,410
Total new obligational authority.....	25,952	28,147	30,803
Unexpended balances brought forward, start of year (table 10).....	62,721	64,037	64,527
Balances no longer available (—).....	—34	—26	—28
Adjustments of balances in expired accounts.....	35		
Unexpended balances carried forward, end of year (—) (table 10).....	—64,037	—64,527	—66,819
Subtotal.....	24,637	27,631	28,483
Government-sponsored enterprise expenditures.....	1,092	135	352
Interfund transactions (—) (see note to table 14).....	—528	—491	—454
Total trust fund expenditures (tables 1 and 5).....	25,201	27,275	28,382

Note.—This table summarizes and brings into relationship totals from the various other tabulations. The types of new obligational authority and the considerations involved in the various means of financing agency activities are explained on pages 124 to 127.

¹ Excludes appropriations to liquidate contract authorizations:

	1962	1963	1964
Administrative budget funds.....	724	802	747
Trust funds.....	3,223	3,656	3,810

Table 9. OBLIGATIONS INCURRED, NET (in millions of dollars)

Description	1962 actual	1963 estimate	1964 estimate
ADMINISTRATIVE BUDGET FUNDS			
Legislative Branch.....	130	153	151
The Judiciary.....	59	65	69
Executive Office of the President.....	25	24	33
Funds appropriated to the President.....	4,736	5,455	4,970
Department of Agriculture.....	7,016	6,645	7,177
Department of Commerce.....	623	905	1,008
Department of Defense:			
Military functions.....	47,685	50,563	52,971
Civil functions.....	1,032	1,153	1,154
Department of Health, Education, and Welfare.....	4,529	5,546	7,220
Department of the Interior.....	898	1,184	1,278
Department of Justice.....	296	314	353
Department of Labor.....	626	262	524
Post Office Department.....	836	806	565
Department of State.....	312	447	385
Treasury Department.....	10,197	10,841	11,296
Atomic Energy Commission.....	2,690	3,306	2,913
Federal Aviation Agency.....	656	803	871
General Services Administration.....	420	764	703
Housing and Home Finance Agency.....	1,237	1,408	1,594
National Aeronautics and Space Administration.....	1,644	3,723	5,666
Veterans Administration.....	5,411	5,594	5,520
Other independent agencies.....	878	942	2,186
District of Columbia.....	72	83	86
Allowances, undistributed:			
Comparability pay adjustment.....			200
Contingencies.....		100	250
Total administrative budget.....	92,011	101,086	109,143
TRUST FUNDS			
Funds appropriated to the President.....	496	750	844
Department of Commerce.....	3,064	3,887	3,809
Department of Health, Education, and Welfare.....	14,373	15,809	16,670
Department of Labor.....	3,908	3,750	3,785
Veterans Administration.....	738	891	557
Civil Service Commission.....	977	1,156	1,276
Railroad Retirement Board.....	1,138	1,112	1,121
Other agencies.....	767	789	1,156
Total trust funds.....	25,461	28,145	29,218

Note.—This table reflects the net obligations incurred, as explained on pages 124 to 126. For administrative budget funds, obligations are determined by deducting from the gross obligations the applicable receipts of public enterprise funds and intragovernmental funds, and the reimbursements to general fund and special fund appropriations. For trust funds, net obligations are determined by deducting from the gross obligations the applicable receipts of trust revolving funds and the reimbursements to trust fund appropriations.

Table 10. BALANCES OF OBLIGATIONAL AUTHORITY (in millions of dollars)

Description	Start 1962		Start 1963 End 1962		Start 1964 End 1963		End 1964	
	Obligated	Un-obligated	Obligated	Un-obligated	Obligated	Un-obligated	Obligated	Un-obligated
ADMINISTRATIVE BUDGET FUNDS								
Legislative Branch.....	72	41	45	33	36	36	28	28
The Judiciary.....	4		5		5		5	
Executive Office of the President.....	41	1	3	*	2		4	
Funds appropriated to the President.....	3,500	7,020	4,793	6,498	5,889	8,376	6,484	8,404
Department of Agriculture.....	2,179	1,144	2,525	1,379	1,676	1,366	2,288	2,135
Department of Commerce.....	493	478	522	538	682	437	796	409
Department of Defense:								
Military functions.....	20,554	9,879	21,102	9,806	23,365	8,837	25,336	8,195
Civil functions.....	248	106	279	77	326	17	340	8
Department of Health, Education, and Welfare.....	1,237	242	1,519	313	2,017	263	3,495	190
Department of the Interior.....	288	152	279	172	408	111	522	109
Department of Justice.....	20	18	21	15	19	15	35	14
Department of Labor.....	7	223	14	216	37	298	127	302
Post Office Department.....	326	7	366	7	370	7	381	7
Department of State.....	87	44	90	40	81	20	105	8
Treasury Department.....	115	278	138	278	167	253	232	252
Atomic Energy Commission.....	1,129	334	1,013	191	1,449	20	1,512	
Federal Aviation Agency.....	396	164	352	233	365	185	435	124
General Services Administration.....	188	201	162	371	394	226	502	178
Housing and Home Finance Agency.....	3,084	9,762	3,582	9,283	3,901	8,596	4,800	7,590
National Aeronautics and Space Administration.....	437	154	824	334	2,147	284	3,613	330
Veterans Administration.....	278	527	295	555	357	531	407	565
Other independent agencies.....	2,230	8,646	2,171	8,727	2,506	10,984	4,338	10,194
District of Columbia.....		111		96		70		50
Allowances, undistributed.....					25		100	
Total administrative budget.....	36,913	39,532	40,102	39,163	46,227	40,930	55,883	39,092
Recapitulation by type of balance:								
Appropriations.....	28,377	10,237	30,192	9,747	35,654	10,587	41,144	9,768
Authorizations to expend from debt receipts.....	5,934	21,022	6,517	20,893	6,115	22,468	8,575	21,917
Contract authorizations.....	1,133	2,979	1,530	2,649	1,444	2,366	1,817	1,717
Revolving and management funds.....	1,469	5,294	1,862	5,874	3,014	5,509	4,347	5,691
Total administrative budget.....	36,913	39,532	40,102	39,163	46,227	40,930	55,883	39,092
TRUST FUNDS								
Funds appropriated to the President.....	668		1,320		1,746		2,128	
Department of Commerce.....	7,802		8,320		8,864		9,150	
Department of Health, Education, and Welfare.....	23,408		22,137		21,294		21,389	
Department of Labor.....	5,754		5,832		6,124		6,642	
Veterans Administration.....	6,928		6,924		6,789		6,971	
Civil Service Commission.....	11,388		12,487		13,462		14,517	
Railroad Retirement Board.....	3,843		3,789		3,788		3,909	
Other agencies.....	2,929		3,228		2,458		2,111	
Total trust funds.....	62,721		64,037		64,527		66,819	
Recapitulation by type of balance:								
Appropriations.....	53,242		53,702		53,665		55,561	
Contract authorizations.....	8,053		8,901		9,497		10,163	
Revolving funds.....	1,426		1,435		1,364		1,095	
Total trust funds.....	62,721		64,037		64,527		66,819	

*Less than one-half million dollars.

Note.—For explanation of balances carried forward see page 126.

Table 11. THE PUBLIC DEBT (in millions of dollars)

Description	1962 actual	1963 estimate	1964 estimate
PUBLIC DEBT HELD BY THE PUBLIC			
Public debt held by public, start of year.....	233,714	242,546	246,777
Change in public debt held by public during the year:			
Consolidated cash deficit or surplus (—) (tables 1 and 2).....	5,822	8,343	10,281
Receipts from exercise of monetary authority (—).....	—58	—39	—49
Increase or decrease (—) in debt issued in lieu of checks (table A-3).....	923	1,019	612
Increase or decrease (—) in cash on hand.....	3,854	—4,310	.....
Net borrowing from or repayments to (—) the public.....	10,542	5,013	10,844
Deduct net borrowing of Government enterprises from the public (included on preceding line) (table B-5).....	1,710	781	1,022
Net increase in public debt held by the public.....	8,832	4,232	9,822
Public debt held by the public, end of year.....	242,546	246,777	256,600
PUBLIC DEBT HELD BY GOVERNMENT-ADMINISTERED FUNDS			
Public debt held by Government-administered funds, start of year.....	55,257	55,655	56,717
Change in public debt held by Government-administered funds during the year (table B-6).....	398	1,061	2,288
Public debt held by Government-administered funds, end of year.....	55,655	56,717	59,004
COMPARISON OF PUBLIC DEBT WITH STATUTORY LIMITATION AT END OF YEAR			
Public debt:			
Held by the public.....	242,546	246,777	256,600
Held by Government-administered funds.....	55,655	56,717	59,004
Total public debt.....	298,201	303,494	315,604
Portion of Government enterprise debt subject to the public debt limitation.....	444	600	514
Portion of public debt not subject to limitation (—).....	—433	—370	—360
Debt subject to limitation, end of year.....	298,212	303,724	315,758
Statutory limitation on public debt, end of year:			
Under existing legislation.....	300,000	300,000	285,000
Under proposed legislation.....	308,000	(1)	

Note.—The first portion of this table reflects borrowing (or repayment thereof) through the issuance of U.S. securities to the public by both the Treasury and by certain "Government enterprises," a term used here to refer to activities which have authority to issue their own securities. The borrowing by such enterprises is then deducted to arrive at the changes in the public debt (a term which relates to securities issued by the Treasury). "Government-administered funds" in this table refers to activities which have authority to buy U.S. securities for investment purposes.

¹ To be determined later, when more reliable estimate of requirements may be possible.

Table 12. CIVILIAN EMPLOYMENT IN THE EXECUTIVE BRANCH

Description	As of June 30		
	1962 actual	1963 estimate	1964 estimate
Executive Office of the President.....	1,673	1,681	1,769
Department of Agriculture.....	110,511	116,268	121,583
Department of Commerce.....	31,417	32,802	36,299
Department of Defense:			
Military functions.....	1,034,186	1,029,247	1,019,111
Military assistance.....	3,946	3,492	3,501
Civil functions ¹	31,411	32,260	32,553
Department of Health, Education, and Welfare.....	77,242	83,306	89,237
Department of the Interior.....	64,078	70,721	74,720
Department of Justice.....	32,056	32,607	33,372
Department of Labor.....	8,951	9,620	10,913
Post Office Department.....	588,477	598,609	608,259
Department of State.....	23,937	24,633	25,368
Agency for International Development.....	15,495	16,588	16,540
Peace Corps.....	784	1,051	1,251
Treasury Department.....	83,036	87,494	91,643
Atomic Energy Commission.....	6,863	7,152	7,330
Federal Aviation Agency.....	44,396	48,040	48,666
General Services Administration.....	31,519	34,349	37,557
Housing and Home Finance Agency.....	13,469	14,235	15,037
National Aeronautics and Space Administration.....	23,686	29,147	33,100
Veterans Administration.....	176,562	176,881	177,290
Other independent agencies:			
Tennessee Valley Authority.....	18,660	17,962	17,554
The Panama Canal.....	14,509	14,858	14,832
United States Information Agency.....	11,132	11,838	12,524
Miscellaneous independent agencies.....	36,658	39,200	40,524
Total.....	2,484,654	2,534,041	2,570,533

Note.—Although most of the employees shown here are paid from administrative budget funds, some are paid from trust funds; and in the case of some agencies, the table includes employees who are paid from other funds outside the scope of the budget document. The figures include tentative estimates for employment under appropriations proposed for later transmittal. In accordance with definitions of the Civil Service Commission, the figures cover both those employees who are working on June 30, and also part-time and intermittent employees who work at any time during the month of June.

¹ Employment of the Panama Canal and the U.S. Soldiers' Home is included under "Other independent agencies" below.

² Excludes project employees for the public works acceleration program which are estimated to total approximately 35,000 by June 1963, and are estimated to be nominal by June 1964 under the existing program.

PART 3

RECEIPTS

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650000 O—63—4

ANALYSIS OF RECEIPTS BY SOURCE

This section of the budget provides additional information on the proposed tax changes and revenue estimates described in the budget message.

Economic base of estimates.—The estimates of receipts in this budget are based on the assumption that the Nation's total output of goods and services in calendar year 1963 will amount to \$578 billion, which is \$24 billion more than in calendar year 1962. This value of the gross national product is the midpoint of a range of expectation which extends about \$5 billion on each side.

The economic assumptions are summarized in the following table:

ECONOMIC ASSUMPTIONS

[Calendar years. In billions]

	1961 actual	1962 preliminary	1963 estimate
Gross national product.....	\$519	\$554	\$578
Personal income.....	416	440	459
Corporate profits before taxes ¹	45.6	50.9	53.0

¹ To maintain comparability with the currently published statistics of the Department of Commerce, these estimates have not been adjusted for the effect of the recently revised depreciation guidelines which will eventually reduce the reported level of pretax profits.

Although estimates of tax revenues are derived from the assumed levels of aggregate economic performance, they cannot be estimated simply and directly. The definitions of taxable income in the tax statutes, which determine tax liabilities, differ from the statistical or economic definitions used to measure economic performance. In addition, tax payments are received by the Treasury after the period in which the tax liabilities are incurred; for example, corporation income tax collections now lag 6 months behind the period when the taxable income was earned.

Estimated changes in revenues.—It is estimated that total receipts from the public will increase by \$3.8 billion between fiscal years 1963 and 1964. Receipts from individual income taxes are expected to fall, while corporation income tax receipts will increase. Employment taxes will be higher, and moderate rises are expected in receipts from other sources, except for miscellaneous budget receipts which are expected to decline from the 1963 level.

The estimates of receipts incorporate the effects of the proposed tax legislation on revenues in fiscal year 1964.

Individual income tax receipts in fiscal 1964 are estimated to total \$45.8 billion, a decrease of \$1.5 billion from 1963. The reduction reflects the impact of the proposed cut in tax rates in fiscal 1964, offset in part by the prospective rise in personal income.

RECEIPTS FROM THE PUBLIC

[Fiscal years. In millions]

Source	1962 actual	1963 estimate	1964 estimate
Administrative budget receipts:			
Individual income taxes.....	\$45,571	\$47,300	\$45,800
Corporation income taxes.....	20,523	21,200	23,800
Excise taxes.....	9,585	9,900	10,430
Estate and gift taxes.....	2,016	2,060	2,125
Customs.....	1,142	1,278	1,390
Miscellaneous budget receipts.....	2,572	3,762	3,355
Subtotal, administrative budget receipts.....	81,409	85,500	86,900
Trust fund receipts:			
Employment taxes.....	12,561	14,805	16,630
Deposits by States, unemployment insurance.....	2,729	2,775	2,770
Excise taxes.....	2,949	3,212	3,306
Federal employee and agency payments for retirement.....	1,756	1,799	1,909
Interest on trust investments.....	1,433	1,470	1,555
Veterans life insurance premiums etc.....	501	516	513
Other trust fund receipts.....	2,396	2,286	2,857
Subtotal, trust fund receipts.....	24,325	26,863	29,540
Deduct intragovernmental transactions.....	3,847	3,932	4,244
Total, receipts from the public.....	101,887	108,431	112,196

Revenues from corporation income taxes are estimated to increase by \$2.6 billion in fiscal year 1964, based on the assumed rise in corporate income, before taxes, to \$53 billion in calendar 1963 from \$50.9 billion in calendar 1962. The effect on receipts of the proposed change in corporation income tax rates in fiscal 1964 will be more than offset by the proposed acceleration of tax payments.

An increase of \$624 million is estimated in excise tax receipts, including the highway trust fund excises, raising the fiscal year 1964

total to \$13.7 billion. For fiscal 1963, these revenues are estimated at \$13.1 billion, in comparison with actual receipts of \$12.5 billion in fiscal 1962. The increase estimated in 1964 extends across the entire range of excises.

Employment taxes in fiscal 1964, estimated at \$16.6 billion, are larger than in fiscal 1963, primarily because of the full-year effect of the increase in the combined social security tax rate from 6½% to 7½% on January 1, 1963.

Miscellaneous budget receipts, estimated at \$3.4 billion in 1964, show a decline from fiscal year 1963. The decrease is primarily the result of \$389 million of nonrecurring prepayments to the general fund of the Treasury in 1963 on French and Italian loans.

Proposed legislation.—The legislative proposals reflected in the estimates of receipts are presented below.

Income tax proposals.—A comprehensive income tax program will be presented for enactment as a single legislative measure. One bill is being proposed because of the interdependence of the recommendations for tax reduction and structural change and the need for a coordinated program to provide the best balance of economic incentives to businesses and consumers, with maximum encouragement to economic growth.

The specific, detailed recommendations will be described in a special tax message to the Congress. They include structural changes in the tax system designed to provide more equitable tax treatment and to correct distortions in the existing structure. They also incorporate across the board reductions in the income tax rates that apply to individuals and corporations. Corporation income tax collections will be rescheduled with the objective of placing them more nearly on a current basis by reducing the lag between the accrual of tax liabilities and their payment.

Only part of the new tax program will affect fiscal 1964 revenues. The tax reductions becoming effective this calendar year, by themselves, would reduce budget receipts in fiscal 1964 by some \$5.3 billion. Taking account of the proposed speedup in the payment of corporate taxes and the initial stimulus to the economy provided by the tax program, the net revenue loss in fiscal 1964 is estimated to be \$2.7 billion. Despite this revenue loss, administrative budget re-

ceipts are estimated to rise by \$1.4 billion because of the anticipated expansion in economic activity.

Excise taxes.—Under present law, the excise rates on distilled spirits, beer, wines, cigarettes, passenger automobiles and automobile parts and accessories will decline on July 1, 1963, and the tax on general telephone service will expire on July 1, 1963. The revenue estimates are based on the assumption that legislation extending the present rates of these taxes for 1 year beyond June 30, 1963, will be enacted as recommended. If these rates were not extended, receipts in fiscal 1964 would be \$1.6 billion less than the present estimate.

User charges for transportation.—Extension of the 5% tax on air-passenger transportation beyond its expiration date of June 30, 1963, will be requested, and recommendations will be presented for a series of other user charges for commercial and general aviation and for transportation on inland waterways. The objective of these recommendations is to assure that passengers and shippers who benefit from special Government programs bear a fair share of the costs of these programs.

Specifically the following additional user charges, effective January 1, 1964, are proposed: (a) a 5% tax on airfreight; (b) a 2-cents-per-gallon tax on all fuels used in commercial air transportation, including jet fuels; and (c) a 3-cents-per-gallon tax on all fuels used in general aviation. Further, the principle of user charges should be extended to the inland waterways, with a tax of 2-cents-per-gallon on all fuels used in transportation on these waterways, also effective January 1, 1964. The receipts are to be retained in the general fund of the Treasury. Enactment of the transportation user tax proposals will add \$0.1 billion in receipts in fiscal 1964.

ESTIMATED EFFECT OF PROPOSED TAX LEGISLATION ON ADMINISTRATIVE BUDGET RECEIPTS

[In billions]

Proposal	Fiscal year 1964
Extension of present tax rates:	
Corporation income tax.....	\$1.2
Excise taxes.....	1.6
New tax proposals:	
Income tax rate and structure proposals (net) ¹	-2.7
Transportation user tax proposals.....	0.1

¹ Amounts are shown after allowance for the estimated economic stimulus resulting from the proposed tax program. More detail will be presented in a special message.

Table 13. SOURCES OF RECEIPTS (in millions of dollars)

Description	1962 actual	1963 estimate	1964 estimate
ADMINISTRATIVE BUDGET FUNDS			
Individual income taxes:			
Withheld.....	36,246	38,400	36,700
Other.....	14,403	14,200	14,400
Gross individual income taxes.....	50,650	52,600	51,100
Less refunds.....	5,079	5,300	5,300
Net individual income taxes.....	45,571	47,300	45,800
Corporation income taxes.....	21,296	22,000	24,600
Less refunds.....	773	800	800
Net corporation income taxes.....	20,523	21,200	23,800
Excise taxes:			
Alcohol taxes:			
Distilled spirits (domestic and imported).....	2,386	2,500	2,650
Beer.....	813	832	870
Rectification tax.....	23	23	23
Wines (domestic and imported).....	98	100	104
Special taxes in connection with liquor occupations.....	20	22	22
Total alcohol taxes.....	3,341	3,477	3,669
Tobacco taxes:			
Cigarettes (small).....	1,957	2,017	2,100
Manufactured tobacco (chewing, smoking, and snuff).....	17	17	17
Cigars (large).....	50	50	50
Cigarette papers and tubes.....	1	1	1
All other.....	2	3	3
Total tobacco taxes.....	2,026	2,088	2,171
Taxes on documents, other instruments, and playing cards:			
Issues of securities, stock and bond transfers, and deeds of conveyance.....	151	155	165
Playing cards.....	9	9	10
Silver bullion sales or transfers.....	*	*	*
Total taxes on documents, other instruments, and playing cards.....	159	164	175
Manufacturers' excise taxes:			
Gasoline.....	2,406	2,457	2,528
Lubricating oils.....	73	75	80
Passenger automobiles.....	1,300	1,525	1,600
Automobile trucks, buses, and trailers.....	256	293	305
Parts and accessories for automobiles.....	197	210	225
Tires, inner tubes, and tread rubber.....	360	396	407
Electric, gas, and oil appliances.....	66	67	70
Electric light bulbs.....	34	35	38
Radio and television receiving sets, phonographs, phonograph records, and musical instruments.....	215	237	265
Mechanical refrigerators, quick-freeze units, and self-contained air-conditioning units.....	55	59	63
Business and store machines.....	82	75	70
Photographic equipment.....	25	26	28
Matches.....	5	5	5
Sporting goods, including fishing rods, creels, etc.....	21	23	27

See footnotes at end of table.

Table 13. SOURCES OF RECEIPTS (in millions of dollars)—Continued

Description	1962 actual	1963 estimate	1964 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued			
Excise taxes—Continued			
Manufacturers' excise taxes—Continued			
Firearms, shells and cartridges.....	15	16	18
Pistols and revolvers.....	2	2	2
Fountain and ballpoint pens, mechanical pencils.....	8	8	8
Total manufacturers' excise taxes.....	5,120	5,509	5,739
Retailers' excise taxes:			
Jewelry.....	174	179	190
Furs.....	31	31	33
Toilet preparations.....	143	155	172
Luggage, handbags, wallets, etc.....	69	71	74
Total retailers' excise taxes.....	416	436	469
Miscellaneous excise taxes:			
Toll telephone service, telegraph and teletypewriter service, wire mileage service, etc.....	345	385	415
General telephone service.....	489	525	570
Transportation of persons.....	260	190	72
Transportation of persons by air.....			33
Transportation of freight by air.....			3
Fuel used on inland waterways.....			3
Jet fuel.....			15
Diesel fuel used on highways.....	104	112	123
Use tax on certain vehicles.....	80	88	90
Admission, exclusive of cabarets, roof gardens, etc.....	38	40	43
Cabarets, roof gardens, etc.....	35	36	38
Wagering taxes, including occupational taxes.....	6	6	6
Club dues and initiation fees.....	68	70	76
Leases of safe deposit boxes.....	7	7	7
Sugar tax.....	95	97	100
Coin-operated amusement and gaming devices.....	20	23	26
Bowling alleys and billiard and pool tables.....	4	5	5
All other miscellaneous excise taxes.....	2	2	2
Total miscellaneous excise taxes.....	1,552	1,586	1,627
Undistributed depository receipts and unapplied collections.....	137	81	114
Gross excise taxes.....	12,752	13,341	13,964
Less refunds.....	218	229	228
Less transfer to Highway trust fund.....	2,949	3,212	3,306
Net excise taxes.....	9,585	9,900	10,430
Estate and gift taxes.....	2,035	2,079	2,144
Less refunds.....	19	19	19
Net estate and gift taxes.....	2,016	2,060	2,125
Customs.....	1,171	1,307	1,419
Less refunds.....	29	29	29
Net customs.....	1,142	1,278	1,390

See footnotes at end of table.

Table 13. SOURCES OF RECEIPTS (in millions of dollars)—Continued

Description	1962 actual	1963 estimate	1964 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued			
Miscellaneous receipts:			
Miscellaneous taxes.....	5	5	5
Seigniorage.....	58	39	49
Bullion charges.....	8	1	1
 Fees for permits and licenses:			
Admission permits and fees.....	5	7	7
Business concessions.....	6	6	6
Immigration, passport, and consular fees.....	21	22	23
Patent and copyright fees.....	9	10	10
Registration and filing fees.....	7	5	6
Miscellaneous fees for permits and licenses.....	14	18	23
 Total fees for permits and licenses.....	62	68	75
 Fines, penalties, and forfeitures:			
Fines, penalties, and forfeitures, customs, commerce, and antitrust laws.....	4	4	4
Other fines, penalties, and forfeitures.....	7	64	36
 Total fines, penalties, and forfeitures.....	11	68	40
 Interest:			
Interest on loans to Government-owned enterprises.....	620	631	663
Interest on domestic loans to individuals and private organizations.....	80	92	96
Interest on foreign loans and deferred payments.....	161	138	141
Miscellaneous interest collections.....	16	16	18
 Total interest.....	877	877	918
 Dividends and other earnings:			
Deposits of earnings, Federal Reserve System.....	718	825	845
Payment equivalent to income taxes.....	15	22	19
Miscellaneous dividends and earnings.....	10	9	9
 Total dividends and other earnings.....	743	856	873
 Rents:			
Rent of land.....	12	13	15
Rent on Outer Continental Shelf lands.....	6	370	350
Rent of real property, not otherwise classified.....	32	29	29
Rent of equipment and other personal property.....	40	41	41
 Total rents.....	89	453	435
 Royalties:			
Royalties on Outer Continental Shelf lands.....	6	10	12
Miscellaneous royalties on natural resources.....	115	120	121
Royalties on patents and copyrights.....	*	*	*
 Total royalties.....	121	130	133

See footnotes at end of table.

Table 13. SOURCES OF RECEIPTS (in millions of dollars)—Continued

Description	1962 actual	1963 estimate	1964 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued			
Miscellaneous receipts—Continued			
Sale of products:			
Sale of timber and other natural land products.....	150	159	178
Sale of minerals and mineral products.....	9	10	10
Sale of power and other utilities.....	173	200	208
Sale of publications and reproductions.....	5	5	6
Sale of miscellaneous products and byproducts.....	5	6	6
Total sale of products.....	342	380	407
Fees and other charges for services and special benefits:			
Fees and other charges for administrative, professional, judicial services.....	15	17	19
Fees and other charges for communication and transportation services.....	10	6	3
Charges for subsistence, laundry, and health services.....	4	4	5
Fees and other charges for services provided to the District of Columbia.....	5	6	5
Fees for general governmental services.....	12	15	15
Other fees and charges.....	55	65	70
Total fees and other charges for services and special benefits.....	101	113	117
Sale of Government property:			
Sale of real property.....	63	64	71
Sale of equipment and other personal property.....	180	181	193
Sale of scrap and salvage materials.....	20	50	52
Total sale of Government property.....	263	295	316
Realization upon loans and investments:			
Repayment from States and other public bodies.....	2	469	410
Repayments of domestic loans to individuals and private organizations.....	154	160	32
Repayment of foreign loans.....	183	367	73
Repayment on miscellaneous recoverable costs.....	13	12	12
Miscellaneous repayments on loans and investments.....	19	19	12
Total realization upon loans and investments.....	371	1,026	539
Recoveries and refunds:			
Recoveries under military occupation.....	1	10	32
Recoveries of excess profits and costs.....	5	6	6
Recoveries under foreign aid programs.....	104	44	52
Refunds of erroneous payments.....	15	10	10
Miscellaneous recoveries and refunds.....	29	29	28
Total recoveries and refunds.....	154	99	128
Gross miscellaneous receipts.....	3,206	4,410	4,036
Less refunds.....	1	2	2
Net miscellaneous receipts.....	3,204	4,408	4,034
Interfund transactions (—).....	-633	-646	-679
Total administrative budget.....	81,409	85,500	86,900

See footnotes at end of table.

Table 13. SOURCES OF RECEIPTS (in millions of dollars)—Continued

Description	1962 actual	1963 estimate	1964 estimate
TRUST FUNDS			
Employment taxes:			
Federal old-age and survivors insurance trust fund.....	10,730	12,411	14,018
Federal disability insurance trust fund.....	956	1,002	1,040
Railroad retirement account.....	564	580	620
Unemployment trust fund.....	458	953	1,106
Less refunds.....	147	141	154
Net employment taxes.....	12,561	14,805	16,630
Unemployment tax deposits by States:			
Unemployment trust fund.....	2,729	2,775	2,770
Excise taxes:			
Highway trust fund.....	3,080	3,346	3,439
Less refunds.....	131	134	133
Net excise taxes.....	2,949	3,212	3,306
Federal employees and agency payments for retirement:			
Federal employees retirement funds.....	1,756	1,799	1,909
Interest on trust fund investments:			
Federal old-age and survivors insurance trust fund.....	539	516	519
Federal disability insurance trust fund.....	70	69	66
Unemployment trust fund.....	173	196	216
Railroad retirement account.....	107	108	112
Federal employees retirement funds.....	317	349	418
Highway trust fund.....	7	12	4
Veterans life insurance funds.....	210	209	207
Other trust funds.....	10	11	12
Interest on trust fund investments.....	1,433	1,470	1,555
Veterans life insurance premiums etc.:			
Veterans life insurance funds.....	501	516	513
Miscellaneous trust fund receipts:			
Foreign Assistance Act, advances.....	355	568	718
Indian tribal funds.....	81	57	60
District of Columbia.....	324	371	407
Other trust fund receipts.....	2,164	1,781	2,126
Net miscellaneous trust fund receipts.....	2,924	2,777	3,311
Subtotal, trust fund receipts.....	24,853	27,354	29,994
Interfund transactions (—)	—528	—491	—454
Total trust fund receipts	24,325	26,863	29,540

*Less than one-half million dollars.

Note.—Estimates include effect of proposed legislation.

PART 4

THE FEDERAL PROGRAM
BY FUNCTION

ANALYSIS OF FEDERAL ACTIVITIES BY FUNCTION

This section of the budget presents the recommended program for the Government in fiscal year 1964 in greater detail than the budget message. Current activities and proposals for new activities are described in terms of the 12 major functions served, including programs carried out through trust funds as well as those in the regular administrative budget.

Total Federal payments to the public are estimated at \$122.5 billion in the fiscal year 1964. This amount is about 24% greater than the \$98.8 billion total of administrative budget expenditures. Most of the difference between the two totals consists of payments from the trust funds—notably for social security and other retirement benefits, for unemployment compensation, and for grants to States from the highway trust fund. In addition, transactions taking place entirely within the Government are eliminated, and a few other adjustments are made—mainly to place on a cash basis expenditures which are otherwise recorded when accrued or when a debt instrument is issued.

Expenditures devoted to national security needs, to space exploration, and to meeting the continuing costs of past wars amount to 79% of the administrative budget total. The comparable proportion of Federal cash payments is substantially smaller, 63%, because most of the trust fund payments to the public are for other purposes.

National defense, international, and space programs in 1964 will require an estimated \$62.9 billion of Federal cash payments to the public. Veterans benefits and interest, expenditures which stem largely from past wars, are expected to require \$13.7 billion.

The remaining Federal payments to the public, accounting for 37% of the total, are estimated at \$45.8 billion in 1964. Of this amount, \$27.4 billion is for health, labor, and welfare programs, four-fifths of which represents benefit payments under old-age and survivors insurance, unemployment insurance, and the other retirement systems which are financed through trust funds.

For commerce and transportation activities, payments to the public will total \$6.7 billion in 1964, about double the amount recorded in the administrative budget, mainly reflecting the expenditures of the highway trust fund. Payments to the public for housing and community development—including net expenditures of the Federal National Mortgage Association trust fund and of the Federal home loan banks—are estimated at \$1.1 billion in fiscal year 1964 compared to \$0.3 billion in the administrative budget.

Of the \$122.5 billion of Federal cash payments in 1964, \$68.2 billion is for direct purchases of goods and services. This represents the use for public purposes by the Federal Government of between 11 and 12% of the total national output of goods and services. Purchases

for national defense and space amount to between 9 and 10% of national output, and those for other programs to less than 2%.

NATIONAL DEFENSE

The military strength of the United States is the free world's principal bulwark against aggression. Our military forces are mighty, but they must be further strengthened and modernized if we are to be

NATIONAL DEFENSE

[Fiscal years. In millions]

Program or agency	Payments to the public			Recommended new obli-ga-tional authority for 1964
	1962 actual	1963 estimate	1964 estimate	
Administrative Budget Funds:				
Department of Defense—military functions:				
Military personnel:				
Present programs.....	\$13,032	\$13,100	\$13,370	\$13,235
Proposed legislation to increase military compensation.....			885	900
Operation and maintenance.....	11,594	11,500	11,690	11,792
Procurement.....	14,532	15,521	16,350	16,725
Research, development, test, and evaluation.....	6,319	6,599	7,120	7,262
Military construction.....	1,347	1,180	1,170	1,232
Family housing.....		520	670	734
Civil defense.....	90	210	210	300
Revolving and management funds.....	—99	—330	—465	-----
Subtotal.....	46,815	48,300	51,000	52,181
Military assistance.....	1,390	1,750	1,450	1,480
Atomic energy.....	2,806	2,870	2,850	2,893
Defense-related activities:				
Stockpiling of strategic and critical materials.....	33	27	27	28
Expansion of defense production.....	11	—3	—1	-----
Selective Service System.....	35	37	38	38
Emergency preparedness activities:				
Present programs.....	13	22	39	52
Proposed legislation.....			30	30
Subtotal, administrative budget.....	51,103	53,004	55,433	1 56,702
Trust Funds:				
Foreign assistance.....	361	435	571	953
Other.....	5	5	5	5
Subtotal, trust funds.....	366	440	576	1 958
Intragovernmental transactions and other adjustments (deduct).....	7	5	3	
Total.....	51,462	53,438	56,006	

¹ Compares with new obli-ga-tional authority for 1962 and 1963, as follows:
Administrative budget funds: 1962, \$52,414 million; 1963, \$54,490 million.
Trust funds: 1962, \$874 million; 1963, \$866 million.

able to resist any opponent, whatever his choice of weapons. To this end, outlays of \$56.0 billion are proposed for national defense in 1964, an increase of \$2.6 billion over the current year. In addition to the cost of the military functions of the Department of Defense, these estimates include outlays for military assistance to our allies, for atomic energy, and for other activities which directly support the defense effort. Within the total, Department of Defense expenditures are estimated to increase, while expenditures for military assistance and the Atomic Energy Commission are expected to decline in 1964.

Department of Defense—military functions.—Expenditures for our own military forces are estimated at \$51.0 billion in 1964, an increase of \$2.7 billion over the current year. To maintain and improve these forces, the Congress is requested to provide new obligational authority totaling \$52.2 billion compared with the \$50.0 billion estimated for 1963.

The program of the Department of Defense is developed on a long-range basis in terms of the major missions which the military forces of the United States must stand ready to perform. In the following table, the proposed 1964 defense programs are shown in accordance with these basic missions. The figures represent total obligational availability—that is, the total funds planned to be applied in 1964 to each mission, regardless of the year in which the funds are authorized, appropriated, or spent.

SUMMARY OF THE DEPARTMENT OF DEFENSE BUDGET PROGRAM

[Fiscal years. In billions]

Major military programs	Total obligational availability		
	1962 actual	1963 estimate	1964 estimate
Strategic retaliatory forces.....	\$9.0	\$8.5	\$7.3
Continental air and missile defense forces.....	2.1	1.9	2.0
General purpose forces.....	17.5	18.1	19.1
Sealift and airlift.....	1.2	1.4	1.4
Reserve Forces.....	1.8	2.0	2.0
Research and development (not included elsewhere).....	4.3	5.5	5.9
General support.....	12.8	13.7	14.6
Civil defense.....	0.3	0.2	0.3
Proposed legislation: Military compensation increase.....			0.9
 Total obligational availability.....	49.2	51.2	53.6
Of which:			
New obligational authority.....	48.2	50.0	52.2
Prior year funds.....	1.0	1.2	1.4

Strategic retaliatory forces.—There will be a further strengthening in 1964 of the strategic retaliatory forces, which include manned strategic bombers, intercontinental ballistic missiles, Polaris submarines, and the communications systems and other facilities needed to assure effective command and control of such forces under all conditions. Nevertheless, total obligational availability for this major program is estimated to decline by \$1.2 billion from 1963, mainly because the Atlas and Titan I missile programs are being completed in 1963, tanker aircraft procurement is being finished early in 1964, and the continued phase-out of the B-47 medium bomber force will result in lower operating costs.

In 1964, procurement of solid-fueled Minuteman missiles and construction of protected and dispersed launching sites will be continued and additional numbers of Titan II and Minuteman missile squadrons will become operational. The program also provides for procurement of 6 more Polaris submarines which, added to the 35 funded through 1963, will give us a total of 41 of these submarines. By the end of 1964, it is estimated that 24 Polaris submarines capable of carrying 384 missiles will be in commission. Development work on improved versions of the Minuteman and Polaris missiles will also be continued.

By the end of 1964, the United States will have over 1,000 strategic bombers, many of which will be equipped with the Hound-Dog air-to-ground missile.

Continental air and missile defense forces.—Total obligational availability needed in 1964 for the various systems which provide warning and defense against attack by missiles or manned aircraft is estimated to rise by \$0.1 billion over 1963. Defense against bomber attack will continue to be provided by manned interceptor aircraft, surface-to-air missiles, and a number of complementary electronic warning and control systems. During 1964, actions will be taken to strengthen the ability of these defenses to operate even after missile attack.

For defense against ballistic missile attack, the Ballistic Missile Early Warning System is capable of providing up to 15 minutes warning of ballistic missile attack. Provision is also made in the research and development program for continued development, on a high-priority basis, of an anti-missile missile system, as well as for the exploration of other possible ballistic missile defenses.

General purpose forces.—Total obligational availability required for those ground, sea, and air forces designed principally for limited war situations is estimated at \$19.1 billion in 1964, \$1.0 billion higher than in 1963. This substantial increase is principally for procurement of the additional modern weapons and equipment needed to improve the

firepower, mobility, and versatility of these forces. Special emphasis is being placed on providing the equipment and supplies for support of sustained conventional warfare operations.

Funds provided in this budget will enable the Army to increase its inventories of a wide range of combat weapons and equipment, including self-propelled artillery, tactical missiles, fixed-wing aircraft, and helicopters. The 1964 program also provides for 15,000 men for the Army to test the concept of an air assault division and other new air units. The Navy portion of the general purpose forces program provides for the construction of 30 new ships, including 6 nuclear-powered attack submarines, modernization and conversion of 34 other ships, and further procurement of missiles and fighter and attack aircraft. Including all of the major programs, the 1964 program provides for 41 new ships and 36 major conversions. For the Marine Corps, the 1964 program will include large numbers of small arms and vehicles together with a variety of other ordnance and electronic items. A substantial number of modern tactical fighter and reconnaissance aircraft will be provided for the Air Force, and further procurement of a wide variety of conventional ordnance is planned. This program also provides for the development of a new high-performance tactical fighter aircraft for the Navy and Air Force.

Sealift and airlift.—The main elements of our sealift and airlift capability are the troop transports, cargo ships, and tankers of the Military Sea Transportation Service; the planes of the Military Air Transport Service; and the troop carrier squadrons of the Air Force. Funds available for these forces in 1964 are estimated at \$1.4 billion, which is about the same as in 1963. During 1964, we will continue to improve our ability to move combat forces quickly to any troubled area of the world, mainly by adding considerably to our airlift capacity. The number of airlift aircraft will be increased and total airlift capability will increase even more as older aircraft are replaced by more modern types. Additional C-130 aircraft will be procured during 1964 and procurement orders for the new C-141 jet transport will continue, although the first deliveries of this aircraft are not expected until 1965.

Reserve forces.—The purpose of reserve components of the Army, Navy, Marine Corps, and Air Force is to augment swiftly the regular active-duty forces in times of special need. The major reorganization of the Army Reserve and Army National Guard now taking place is intended to increase the readiness of these forces and to restructure them in line with modern military concepts.

Total reserve component personnel on paid drill training status on June 30, 1963, are estimated to be 61,383 more than a year earlier, partly because of the return to reserve status of the units called up in

October 1961 in connection with the Berlin crisis. Between June 30, 1963, and June 30, 1964, a further rise of 19,400 is projected.

The paid drill training strength of the Army reserve components authorized and programmed for the end of fiscal years 1963 and 1964 is 700,000. However, it is estimated that the strengths which can actually be attained are those shown in the table below, and the funds provided in this budget would support those levels.

RESERVE AND NATIONAL GUARD PERSONNEL

Component	Actual	Estimated	
	June 30, 1962	June 30, 1963	June 30, 1964
Army Reserve and National Guard.....	622,426	650,000	665,400
Naval Reserve.....	111,280	122,000	126,000
Marine Corps Reserve.....	46,648	45,500	45,500
Air Force Reserve and Air National Guard.....	108,763	133,000	133,000
Total.....	889,117	950,500	969,900

Research and development.—This major program category includes all research and development projects not included in the other major military programs. When a decision is made to go ahead with production of a weapons system still under development, the financing of the further development of that system is shifted to the appropriate mission-oriented major program.

Total obligational availability proposed for research and development in 1964 is \$0.4 billion greater than in 1963. This increase will be used for basic and applied scientific research, testing at national missile ranges, and numerous development projects. Included in the proposed 1964 program are continued work on a large general purpose booster rocket for the national space program, ballistic missile defense systems, a variety of antisubmarine warfare projects, an improved tactical surface-to-surface missile, the Defense Communications Satellite program, and the Mobile Mid-Range Ballistic Missile.

General support.—Included under this heading are most of the operational activities, such as: training, intelligence and security, and logistics systems; supplies, facilities, and services provided by the Services in support of their own military missions; and also the costs of operating various Defensewide agencies, such as the Defense Supply Agency. In addition, the program includes the benefits customarily provided for the well-being of military personnel and their dependents, such as housing, medical care, community services, welfare, and recreation.

The total obligational availability needed in 1964 is estimated at \$14.6 billion, an increase of \$0.9 billion over 1963, mainly because of higher costs of training, communications, and logistic support systems, civilian pay reforms, and an increase in the number of retired military personnel. The increase would have been considerably larger had it not been for the vigorous cost reduction program of the Department of Defense. For this fiscal year alone, economies already made in defense logistical operations—through careful procurement and through integration and standardization—will produce savings of \$750 million in this and the other major military programs.

Civil defense.—The 1964 program is aimed at providing fallout protection shelters in such facilities as public buildings, schools, hospitals, and community libraries; and constructing protected regional centers for emergency governmental operations. Legislation to accomplish these purposes will be recommended to the Congress. Total obligational availability of \$0.3 billion is proposed for civil defense in 1964, \$0.1 billion more than the amount estimated for 1963. The 1964 program also provides for: the continuation of work on systems to warn and alert the population of any attack on the United States, improved radiological monitoring and instrumentation, training and education for emergency preparedness, financial assistance to State and local governments, and research and development.

Fallout shelter space for over 100 million people has been identified in buildings covered by surveys to date. Shelters for an estimated 70 to 80 million persons will be marked and stocked. Procurement from existing funds will accommodate about 47 million people with food, water, and medical and sanitation kits. In order to carry forward the program of stocking shelters already identified and marked, a 1963 supplemental appropriation of \$62 million is being requested.

Proposed legislation.—This budget includes \$900 million of new obligational authority to finance the 1964 cost of proposed increases in compensation rates for active and retired military personnel and voluntary reservists on the assumption that the recommended legislation will be enacted in time to be effective October 1, 1963. Expenditures in fiscal year 1964 under this recommendation are estimated at \$885 million.

As an added measure to attract and retain qualified officer personnel, legislation is being recommended to modernize and provide greater uniformity in the personnel statutes of the military services governing various phases of officer career management, including appointment, promotion, separation, and retirement policies.

The Congress will also be asked to extend until July 1, 1967, the induction and related authority of the Universal Military Training and Service Act, which will otherwise expire on June 30 of this year.

Personnel strength and force structure.—The estimated strength and composition of the Active Forces at the end of fiscal year 1964 compared with the two preceding years are shown in the following table.

SUMMARY OF COMPOSITION OF MAJOR ACTIVE ARMED FORCES

Description	Actual	Estimated	
	June 30, 1962	June 30, 1963	June 30, 1964
Military personnel (in thousands):			
Army	1,066	980	975
Navy	666	664	670
Marine Corps	191	190	190
Air Force	883	869	860
Total, Department of Defense	2,806	2,703	2,695
Military forces:			
Army:			
Divisions	16	16	16
Armored cavalry regiments	5	4	4
Brigades	1	5	8
Battle groups (infantry)	9	8	-----
Missile commands	3	2	2
Special forces groups	4	6	6
Missile battalions	95 1/4	97 1/4	82 1/4
Aircraft inventory—active	5,648	6,065	6,373
Navy:			
Commissioned ships in fleet	(900)	(859)	(873)
Warships	397	384	395
Other	503	475	478
Carrier air groups	30	28	28
Patrol and warning squadrons	53	35	35
Marine divisions	3	3	3
Marine air wings	3	3	3
Aircraft inventory—active	9,176	8,807	8,860
Air Force:			
USAF combat wings	97	87	88
USAF combat support flying forces (squadrons)	141	133	135
Aircraft inventory—active	16,591	15,567	15,446

* Excludes two National Guard divisions in active status.

Military assistance.—Our military planning continues to be firmly based on the principle of the collective defense of the free world. Through the military assistance program, support is being provided for the efforts of more than 60 nations to develop their individual and collective defense capabilities. New obligational authority of \$1,480 million is recommended for 1964 to provide the training and equipment necessary to maintain and selectively modernize the forces of these

countries. Expenditures for military assistance in 1964 will be \$300 million lower than in 1963, when a high level of deliveries of supplies and equipment is expected.

The 1964 program recognizes the continuing need to support effective forces in nations facing Communist subversion or external aggression. Individually, and as components of mutual defense organizations, such forces are vital to the security of the free world.

Most of the Western European nations in the North Atlantic Treaty Organization now provide full financial support for their own military forces. The military assistance provided for these countries fulfills only prior U.S. commitments. Emphasis in military assistance is therefore shifting to the less developed nations, where more attention is being placed on building up units trained and equipped to maintain internal security and to contribute constructively to local development.

Atomic energy activities.—Expenditures by the Atomic Energy Commission in 1964 are estimated to be \$2,850 million, down \$20 million from 1963. Activity will increase substantially in a number of programs, but the increases will be more than offset by a reduction of \$149 million in the procurement of uranium concentrates.

Nuclear weapons and other military activities.—Expenditures for the development and production of nuclear weapons will rise slightly in 1964, but this increase will be more than offset by a reduction in the level of effort on full-scale weapons testing. The budget assumes fewer underground tests than in 1963. A capability for resuming atmospheric testing will be maintained.

Work will continue on improving nuclear propulsion reactors for ships and submarines of the Navy. In 1964, the development of a full scale experimental reactor for application to a nuclear ramjet propulsion system is expected to be completed. Further work on specific applications will await completion of studies of the nonnuclear problems involved and of potential military uses. Emphasis will be given to the development of a compact mobile power reactor for use by our military ground forces.

Peaceful uses of atomic energy.—A substantial and increasing effort is planned for 1964 to foster the use of nuclear energy in the exploration of outer space. In cooperation with the National Aeronautics and Space Administration, emphasis will be given to the development of a nuclear-powered rocket (Rover). Work will be intensified on the development of a variety of compact nuclear electric power units with varying power outputs for satellites and space vehicles (SNAP program).

Expenditures in 1964 for the development of economic civilian nuclear power are estimated at \$244 million, an increase of \$34 million over 1963. In line with the Commission's recent Report to the President on Civilian Nuclear Power, increasing emphasis will be placed on reactors which produce more fuel than they consume ("breeders"). Breeders will be necessary if nuclear energy is to make a significant contribution to the national power supply in the long run, and a new experimental facility will be built in pursuit of this objective. Similarly, funds are requested to secure construction, in cooperation with the utility industry, of a prototype reactor (known as spectral shift) of substantial size which promises to be an attractive approach to nuclear power in the shorter term.

In 1964 substantially increased effort will be devoted to developing uses of radioactive isotopes, including work on "pasteurization" of food by radiation and the development of radioisotopic fuels useful in the space program. Efforts will also be intensified on the peaceful applications of nuclear explosives (Project Plowshare), with particular emphasis on developing techniques for large scale earth moving.

The Atomic Energy Commission's program of basic research in the physical and life sciences will continue to grow in 1964, with additional emphasis on studies in high energy physics, low energy physics, chemistry, and metallurgy. By the end of fiscal year 1964, the AEC's group of multi-billion electron-volt particle accelerators will number 8 machines and will constitute the world's finest array of high energy physics facilities. At the Brookhaven National Laboratory, construction will begin on a particle accelerator (known as a double emperor Van de Graaff) which promises to be the most advanced instrument in the world for research in low energy physics. Research activities in the life sciences will also continue to expand with increased emphasis on achieving an understanding of the effects of radiation on molecular and cellular structures.

Defense-related activities.—Budget expenditures are expected to rise by \$50 million in 1964 for various defense-related activities, almost entirely due to increases in the emergency preparedness programs of agencies other than the Department of Defense. Of the increase, \$30 million is for legislation being proposed to authorize the Secretary of Agriculture to provide for the stockpiling, storage, and distribution of essential foodstuffs to meet civil defense needs. Expenditures will also increase for the procurement of emergency medical supplies by the Public Health Service.

Legislation should be enacted to provide for more efficient management of strategic stockpile inventories, to revise disposal procedures, and to waive requirements for interest payments on certain previous investments in defense production programs.

INTERNATIONAL AFFAIRS AND FINANCE

The nonmilitary international activities of the United States Government are closely interrelated with our national security strategy and fulfill various purposes vital to world peace and stability. Their aim is to enhance our national security by fostering closer and mutually beneficial relationships with other nations, by helping the less developed areas of the world in their efforts to improve the lives of their people, by providing the world community with information

INTERNATIONAL AFFAIRS AND FINANCE

[Fiscal years. In millions]

Program or agency	Payments to the public			Recommended new obligational authority for 1964	
	1962 actual	1963 estimate	1964 estimate		
Administrative Budget Funds:					
Economic and financial programs:					
Agency for International Development:					
Development loans.....	\$347	\$625	\$704	\$1,248	
Development grants.....	272	244	270	277	
Alliance for Progress.....	155	280	401	900	
Supporting assistance.....	618	500	420	397	
Contingencies and other.....	445	451	506	643	
Subtotal.....	1,836	2,100	2,300	3,465	
International financial institutions.....	172	122	112	112	
Peace Corps.....	11	47	80	108	
Export-Import Bank.....	101	-224	-647	-	
Food for Peace (Public Law 480, title II).....	242	195	246	215	
Other.....	9	22	26	28	
Foreign information and exchange activities:					
U.S. Information Agency.....	148	161	177	217	
Department of State.....	48	56	59	63	
Conduct of foreign affairs:					
Department of State.....	245	367	274	286	
U.S. Arms Control and Disarmament Agency.....	1	5	12	15	
Tariff Commission.....	3	3	3	3	
Foreign Claims Settlement Commission.....	1	21	37	2	
Subtotal, administrative budget.....	2,817	2,874	2,679	1 4,514	
Trust Funds.....	15	47	123	1 59	
Adjustment for net cash withdrawals by international financial institutions; intragovernmental and other transactions (deduct).....	341	454	58		
Total.....	2,492	2,467	2,743		

¹ Compares with new obligational authority for 1962 and 1963, as follows:
 Administrative budget funds: 1962, \$3,373 million; 1963, \$7,701 million.
 Trust funds: 1962, \$6 million; 1963, \$37 million.

about this country and its objectives, by participating in cultural and educational interchanges, and by increasing world trade.

Expenditures in the administrative budget for international affairs and finance are estimated to decline by \$195 million in fiscal year 1964. This reduction results from expected decreases in net expenditures of the Export-Import Bank and the Department of State, which more than offset estimated increases, mainly for the economic programs of the Agency for International Development. Total payments to the public in 1964 for international programs are estimated to rise by \$276 million, however, as a result of increased expenditures by the alien property and war claims trust funds and smaller net cash repayments to the Treasury by international financial institutions in exchange for non-interest-bearing notes.

A continued high level of new obligational authority will be required to support the worldwide responsibilities of the United States. The \$4.5 billion requested for 1964 is \$0.8 billion more than the current estimate for 1963, excluding the special nonrecurring 1963 authorizations of \$2 billion for loans to the International Monetary Fund, already enacted, and of \$2 billion now being requested for the Export-Import Bank.

Agency for International Development.—The major portion of our total economic and financial programs in developing nations is provided through the Agency for International Development. In working with these nations, this country is making a material contribution to a stable and peaceful future by helping to alleviate the extreme poverty and social unrest which beset millions of people. Expenditures in 1964 for the economic activities of AID are estimated to be \$200 million greater than in 1963, with the principal increase for the Alliance for Progress and a decrease in supporting assistance. Efforts will be continued and intensified to encourage other developed countries of the free world to increase further their assistance to the developing nations.

In allocating economic development funds, continued emphasis is being given to the formulation of long-range plans and programs for each country as guides for channeling resources into those efforts which will yield the greatest benefits. Economic and social development cannot depend simply on aid from outside, but must rest primarily on efforts within the countries involved. Continuing stress is, therefore, being placed on encouraging recipient countries to support development plans and programs through self-help measures, such as fiscal and agrarian reform, even when such measures involve short-run difficulties.

The following table summarizes the foreign assistance program. The military portion of this program was discussed in connection with our national defense effort earlier in this section of the budget.

FOREIGN ASSISTANCE PROGRAM

(Fiscal years. In millions)

Program	Expenditures			Recommended new obligational authority for 1964
	1962 actual	1963 estimate	1964 estimate	
Military.....	\$1,390	\$1,750	\$1,450	\$1,480
Economic.....	1,836	2,100	2,300	3,465
Total.....	3,226	3,850	3,750	14,945

¹ Compares with new obligational authority of \$3,915 million enacted for 1962 and \$3,929 million enacted for 1963.

Development loans and grants.—Long-term loans repayable in dollars at very low rates of interest constitute the most important single method by which the United States helps developing countries. Expenditures for such loans are expected to increase by \$79 million in 1964, mainly as a result of commitments made in prior years.

Long-term loans are the mainstay of our development effort. However, it is also necessary to make grants to help improve human skills by creating or strengthening training and other institutions so that people in developing countries can use their resources more effectively. To this end, expenditures of \$270 million will be made in 1964 for development grants. These grants will be used primarily to foster the advancement of education, health, and other technical skills.

Alliance for Progress.—Not quite a year and a half has elapsed since the formal inauguration of the Alliance for Progress, a cooperative effort to expedite social and economic development in Latin America. The rate at which U.S. resources are made available for this effort must, of course, take into account progress made in the Latin American countries, particularly in the areas of national planning and economic and social reforms.

The measures to achieve such progress are essential to the success of the Alliance. It is expected that their rate of execution will permit the United States to provide more than \$1 billion to Latin America in 1964 in total loans and grants from AID, U.S. funds administered by the Inter-American Development Bank, the Export-Import Bank, and the Food for Peace program. To this end, the budget provides for a proposed increase of \$100 million in the present \$600 million authorization for Alliance for Progress funds for 1964, to permit additional loans and grants. An appropriation of \$200 million is also requested to replenish the Social Progress Trust Fund administered by the Inter-

American Development Bank, which is expected to be fully committed during fiscal year 1963.

Other AID programs.—Expenditures for supporting assistance are estimated to decline by \$80 million in 1964 as a higher proportion of the economic activities of AID is channelled through development loans and grants. However, supporting assistance continues to be made available to countries which need help to maintain economic and political stability, support extraordinary defense forces, and preserve economic independence. Such aid is also sometimes granted in connection with U.S. bases overseas.

The United States plans to continue to participate in 1964 in a number of international efforts which receive substantial support in the form of voluntary contributions. These include such programs as the United Nations Special Fund and Technical Assistance program, United Nations operations in the Congo, and the Indus Basin development program administered by the International Bank for Reconstruction and Development.

Other economic and financial programs.—Additional funds are needed in order for the Export-Import Bank to continue filling its important role of financing U.S. exports, many of which go to underdeveloped areas. Accordingly, this budget assumes prompt enactment in 1963 of a requested increase of \$2 billion in the Bank's resources. This amount should be adequate to cover requirements for several years to come. During the past year, an increasing volume of loans has been guaranteed under new export financing programs providing both credit and political risk coverage. It is anticipated that these successful programs will continue to expand in the future. The net expenditures of the Bank are estimated to decline substantially in 1964, largely as a result of increased receipts from the planned sale of loans to private investors and from increased repayments of outstanding loans.

This budget provides \$62 million for the fourth installment on our subscription to the International Development Association and for legislation to authorize a payment of \$50 million as the U.S. share in 1964 of an increase—now being negotiated—in the resources of the Fund for Special Operations of the Inter-American Development Bank.

Subject to negotiations with other member countries, the Congress will also be asked to authorize participation by the United States in enlarging the capital of the International Development Association and the ordinary resources of the Inter-American Development Bank, in order to continue the important work of these institutions in providing loans and technical assistance to developing nations.

In recognition of the growing overseas demand for the services of Peace Corps volunteers, the number of volunteers to be financed in 1964 is expected to increase from 9,000 to 13,000. Most of the new volunteers will be sent to Latin America and Africa.

Grants of surplus agricultural commodities under the Food for Peace program are distributed for disaster relief and are also made available to support economic development projects. The program provides bread and milk to millions of school children around the world and makes possible more adequate diets for workers on development projects.

Foreign information and exchange activities.—The 1964 recommendations in this budget will enable the U.S. Information Agency significantly to expand and improve its television and radio programming, its motion picture activities, and its book translation programs in order to reach larger audiences abroad, particularly among students and other young people. Increased efforts will be devoted to activities in Latin America and Africa, where eight new branch posts and eight reading rooms are planned for 1964. Further modernization and expansion of Voice of America radio facilities in several areas are also planned, and assistance will be provided for American participation in the international art exhibit in São Paulo, Brazil, in December 1963.

The Department of State is continuing to expand and improve its educational and cultural exchange activities under the Mutual Educational and Cultural Exchange Act enacted in 1961. New international exchange agreements are being negotiated to reflect the broadened activities authorized by the act. Exchanges of persons will be increased in 1964, especially with Latin America and Africa.

Conduct of foreign affairs.—A reduction in the total expenditures of the Department of State is estimated in fiscal year 1964, primarily because of a nonrecurring loan to the United Nations made in 1963. Within the total, increases are requested to strengthen the Foreign Service, including provision for acquisition and construction of necessary office and housing facilities, for which authorizing legislation is being requested. To heighten the competence of Americans who will serve abroad as well as to expand our knowledge in critical areas of international relations, legislation is being recommended to authorize the early establishment of a National Academy of Foreign Affairs. In addition, active consideration is being given to the report of the Committee on Foreign Affairs Personnel which recommends significant measures to strengthen our overseas services.

Amounts are included in the budget to pay the costs of U.S. membership in the United Nations, the Organization of American

States, and other international organizations having programs promoting economic development, social progress, and political stability. Provision is also made to meet our share of the cost of multilateral peace and security operations carried out by the United Nations.

The U.S. Arms Control and Disarmament Agency, currently in its first full fiscal year of operation, will expand its staff and its contract research program in 1964. Emphasis will continue to be given to technical research and to the formulation and representation of U.S. positions at international meetings. To replace the present limitation of \$10 million on the funds which can be spent by the Agency, indefinite authorization is being sought and an appropriation of \$15 million is requested in this budget for 1964.

SPACE RESEARCH AND TECHNOLOGY

The space programs of the National Aeronautics and Space Administration will continue to expand as this Nation strives to maintain a position of world leadership in the exploration and utilization of space. These programs include: (1) the development of manned space vehicles, facilities, and techniques, with special emphasis on achieving a manned lunar landing by the end of this decade; (2) the exploration of space by unmanned spacecraft using satellites in orbit around the earth and spacecraft which probe the moon and planets; (3) the development of meteorological and communication satellites; and (4) the advancement of basic research and technological development on which both our aeronautical and space efforts depend.

Expenditures for the National Aeronautics and Space Administration's programs are estimated at \$4.2 billion during 1964, which is \$1.8 billion more than in 1963, and more than triple the amount spent in 1962. Appropriations of \$5.7 billion are recommended in this budget for 1964, compared with \$3.7 billion in 1963.

SPACE RESEARCH AND TECHNOLOGY

[Fiscal years. In millions]

Program	Payments to the public			Recommended new obligational authority for 1964
	1962 actual	1963 estimate	1964 estimate	
Manned space flight.....	\$547	\$1,376	\$2,713	\$3,758
Unmanned investigations in space.....	337	441	593	780
Meteorology, communications, and other space applications.....	61	82	124	141
Other research, technology, and supporting operations.....	312	501	770	1,033
Total.....	1,257	2,400	4,200	5,712

¹ Compares with new obligational authority of \$1,825 million enacted for 1962, and \$3,673 million enacted for 1963.

Manned space flight.—Funds are recommended in this budget to move forward, as a matter of top priority, the vast effort required for a manned lunar landing. The method selected for accomplishing the first manned lunar landing is lunar orbit rendezvous. This method consists of placing an Apollo spacecraft in orbit around the moon, from which a 2-man module is dispatched to the surface of the moon. Funds during the current and coming years provide for experiments with Gemini flights (the 2-man spacecraft for earth orbital flights which is the next step after the Mercury program), for continuing the development of the Apollo spacecraft, and for beginning the development of the lunar excursion module.

The development of large launch vehicles continues at a rapid rate, as indicated by the three successful flights of the first stage of the Saturn which have been made to date. The even more powerful Advanced Saturn is to put the Apollo spacecraft, including the lunar excursion module, into orbit around the moon, thereby accomplishing the manned lunar landing mission with a single launch from the earth.

Unmanned investigations in space.—The 1964 budget provides for continued unmanned space explorations, from which so much has been learned about the earth and surrounding space. Experiments will be conducted primarily by means of large versatile satellites capable of extended investigations of geophysical and astronomical phenomena, from which much information can be obtained with relatively few launchings. Unmanned lunar exploration will be continued with the Ranger spacecraft, and development will continue on the more complex Surveyor spacecraft which will be capable of either orbiting or landing on the moon. The lunar explorations, in addition to having intrinsic scientific value, are required in preparation for manned lunar landing.

A Mariner spacecraft launched August 27 passed within approximately 21,000 miles of Venus on December 14. Continuous contact was maintained with the spacecraft throughout its 109-day flight of over 182 million miles to its point of closest approach to Venus, and much new and valuable scientific data was received. Development of larger Mariner-type spacecraft for future planetary explorations is being undertaken with funds included in this budget.

Meteorology, communications, and other space applications.—The meteorological satellite program, in which six Tiros weather observation satellites have been launched to date, has been one of our most successful flight programs. The Tiros series will be continued until the potentially more effective Nimbus satellites, now being developed, can take over the weather observation role.

Progress is being made toward the realization of worldwide communications by satellite. Tests with the medium altitude Relay satellite, providing television and telephone transmission, will be continued. In 1964, efforts will be concentrated on the development of high altitude synchronous orbit communications satellites, which involve placing communications satellites in the precise high altitude orbit at which their orbiting speeds exactly equal the earth's rotation speed. If successful, satellites of this type may provide the most useful and economical worldwide satellite communications system.

Under a recent agreement, the United States and the Soviet Union will cooperate in a number of space programs, including experiments with weather satellites and mapping the earth's geomagnetic fields.

Other research, technology, and supporting operations.—Expenditures for research and development in aeronautical and space technology and the necessary supporting operations will increase in 1964. Such programs include research and development in the wide range of technical fields on which progress in space activities depends, the operation of a worldwide system of tracking stations, and special efforts to expand and improve the capabilities of colleges and universities in scientific and technical fields related to space.

AGRICULTURE AND AGRICULTURAL RESOURCES

Agricultural productivity has increased rapidly in recent years, helping to contribute to the Nation's capacity for economic growth. But the economy has not been able to benefit fully from this increased productive efficiency, mainly because needed adjustments in resources devoted to agricultural production have lagged behind the continuing increase in agricultural productivity. The resulting chronic excess productive capacity in agriculture has tended to create surpluses which have been harmful to many segments of the farm community.

A part of the excess production has been advantageously used to raise the level of living of our low-income families and to provide assistance to people of other nations, but our surpluses continue to hold down farm incomes and keep budgetary costs high. While the Food and Agriculture Act of 1962 provided additional tools with which to attack this complex problem, further farm legislation is needed and will be proposed to the Congress early in this session.

Total payments to the public for agricultural programs in 1964 are estimated at \$5.8 billion, down \$1.1 billion from 1963. The reduction results mainly from anticipated substantial sales by the Commodity Credit Corporation in fiscal 1964 of cotton expected to be placed under price support in fiscal 1963.

AGRICULTURE AND AGRICULTURAL RESOURCES

[Fiscal years. In millions]

Program or agency	Payments to the public			Recommended new obligational authority for 1964
	1962 actual	1963 estimate	1964 estimate	
Administrative Budget Funds:				
Farm income stabilization and Food for Peace:				
Price support, supply, and purchase programs.....	\$2,051	\$2,853	\$1,808	\$2,799
National Wool Act.....	65	63	106	69
Food for Peace (Public Law 480, titles I and IV).....	1,484	1,460	1,570	2,039
International Wheat Agreement.....	90	78	72	92
Transfer of commodities to supplemental stockpile.....	193	86	62	83
Removal of surplus agricultural commodities (excluding food stamp program).....	201	174	173	282
Food stamp program:				
Present programs.....	14	51	27	26
Proposed legislation.....			24	25
Conservation reserve and land-use adjustment programs.....	344	314	321	321
Sugar Act.....	80	82	84	80
Other.....	67	96	120	122
Subtotal	4,591	5,256	4,367	5,939
Financing rural electrification and rural telephones:				
Present programs.....	303	340	421	506
Proposed legislation.....			-151	-151
Financing farming and rural housing:				
Farmers Home Administration:				
Present programs.....	240	322	174	47
Proposed legislation.....			55	105
Farm Credit Administration.....	-6	-2	2	3
Agricultural land and water resources:				
Soil Conservation Service.....	157	183	199	210
Agricultural conservation program (including CCC loan).....	260	223	209	220
Other.....	9	8	5	
Research and other agricultural services	341	401	415	410
Subtotal, administrative budget	5,895	6,731	5,696	17,289
Trust Funds (mainly federally sponsored farm-credit institutions).....				
	432	425	392	126
Intragovernmental transactions and other adjustments (deduct)				
	350	326	324	
Total	5,977	6,830	5,764	

¹ Compares with new obligational authority for 1962 and 1963, as follows:
 Administrative budget funds: 1962, \$6,383 million; 1963, \$5,814 million.
 Trust funds: 1962, \$24 million; 1963, \$25 million.

Farm income stabilization and Food for Peace.—A review made of present farm income support programs following enactment of the Food and Agriculture Act of 1962 has emphasized the need for revisions with respect to at least three major types of commodities—dairy products, feed grains, and cotton.

At the current mandatory minimum dairy support level of 75 percent of parity, it now appears that dairy farmers, in the absence of a program to adjust production, will continue to produce substantially more dairy products than can be sold through regular commercial channels at that price level. Without remedial legislation, therefore, budgetary costs of the dairy program in 1964 are likely to continue at the high level estimated for 1963.

The voluntary feed grain program, based on legislation first enacted in 1961 and subsequently extended on a year-to-year basis, has reversed the progressive rise of feed grain stocks of the 1950's. By October 1, 1963, total feed grain stocks are expected to be down 28 million tons, or about one-third, from their peak level of almost 85 million tons 2 years earlier. These gains would be held and further improvements realized under new feed grain legislation which will be proposed to the Congress.

Cotton legislation is needed not only to make raw cotton available to domestic mills on a basis that will enable them to compete with foreign mills, but also to make certain basic improvements in the price support program for cotton.

Detailed legislative proposals aimed at improving our programs covering these three commodity groups will be transmitted to the Congress later.

Under the Food for Peace program, food is made available for use abroad for economic development and to meet the most urgent needs of hungry people. The program also helps reduce our abundant stocks of agricultural commodities and promotes new export markets for these commodities. The major portion of the Food for Peace program is carried out under title I of Public Law 480 (the Agricultural Trade Development and Assistance Act), which provides for sales of surplus farm commodities abroad for foreign currencies, and under title IV of that act, which provides for sales abroad on long-term dollar credit. These activities are expected to continue in 1964 at about the same level as in 1963.

The pilot food stamp program, which has been financed under the appropriation for the removal of surplus agricultural commodities, is being expanded in the current fiscal year. By June 30, 1963, it is expected to be in operation in 44 counties and 3 large cities in 23 States. This program has helped improve the diets of needy families, and legislation to provide continuing authority is being

proposed. The 1964 budget includes expenditures of \$51 million to continue this program at the same level as in 1963.

Rental contracts on a substantial volume of crop land that was placed in the conservation reserve (CRP) in the period 1956-60 will expire during the fiscal year 1964. Under the Food and Agriculture Act of 1962, the Secretary of Agriculture is authorized to undertake a land-use adjustment program to hold much of the CRP land out of agricultural production and to initiate a pilot program to divert other land from production. This budget includes expenditures of \$27 million for this purpose in 1964.

Financing rural electrification and rural telephones.—The funds requested in this budget for the Rural Electrification Administration will permit loan commitments of \$350 million for the electrification program and \$95 million for the telephone program in 1964. The amount requested also includes \$75 million to be available on a standby basis for use, if the need should arise, to make generation and transmission loans to rural electric cooperatives that are unable to secure adequate supplies of power from private companies at reasonable rates.

Payments under the electrification and telephone loan programs are estimated at \$421 million in 1964, as compared with \$340 million in 1963 and \$303 million in 1962. Budget expenditures for these programs in 1964, however, will be \$270 million, reflecting proposed legislation to authorize the use of collections on outstanding electrification and telephone loans to help finance new loans; these collections are estimated at \$151 million in 1964.

Financing farming and rural housing.—Legislation enacted by the last session of the Congress broadened the loan authority of the Farmers Home Administration by adding specific authority for financing several new activities, including rural housing for the elderly, rural renewal, and recreational facilities. The 1963 estimates in this budget include a proposed supplemental appropriation of \$5 million to provide loans for nonprofit rental housing for the elderly. This budget further provides for \$10 million in expenditures in 1964 to start financing other new activities through direct real estate loans. These increases are more than offset by reduced expenditures for direct loans under the older rural housing program. Provision is made for \$50 million for direct building loans under this program in 1964, \$132 million less than in 1963. This reduction assumes the early enactment of legislation being proposed to shift the housing loan program from direct to insured loans.

Rural areas development and renewal programs.—As the number of farms continues to decline and the number of workers needed to

produce farm commodities is reduced, many rural communities are faced with excess manpower and underemployment. While an improved level of national economic activity generally can do much to relieve underemployment in such rural areas, local community efforts supplemented by Federal and State support can also contribute significantly to a solution of this problem.

The rural areas development program, which complements the activities of the Area Redevelopment Administration of the Department of Commerce, is designed to speed up economic development in rural areas, particularly those suffering from low income and heavy underemployment. This program enlists the services of the several agencies of the Department of Agriculture and other Federal departments, in cooperation with State and local governments and private groups, in the furtherance of its broad objectives.

The rural renewal program, authorized by the last Congress, is designed to develop methods to increase economic growth and income in depressed rural areas. To promote this objective, the Department of Agriculture plans to use various approaches, such as providing loans and technical assistance to local communities, as well as offering coordinating services and stimulating greater local efforts. This budget includes \$2 million in expenditures for an experimental program on a limited basis in 1964.

Agricultural land and water resources.—The Food and Agriculture Act of 1962 authorized the Secretary of Agriculture to make loans and grants to rural communities to promote conservation and development of land and water resources on an area-wide basis. The 1964 budget includes \$3 million in expenditures for the Soil Conservation Service to start this new program. The budget also provides for continuing work on going projects under the upstream watershed protection program and for beginning construction on 36 new projects in 1964. Expenditures for this program are estimated at \$60 million in 1964 compared with \$53 million in 1963. A small increase in expenditures is estimated for regular conservation operations of the Soil Conservation Service, including provision for the staffing of about 30 new conservation districts.

Expenditures in 1964 under the agricultural conservation program are estimated at \$209 million, based on the \$250 million authorized in advance by the Congress for the 1963 program year. This budget proposes an advance authorization of \$150 million for the 1964 program year—a level which will permit the Government to continue to share with farmers the cost of a substantial number of those types of conservation practices that are in the long-run public interest.

Research and other agricultural services.—This budget proposes a moderate increase in 1964 expenditures to carry on such activities

as a comprehensive food consumption survey, hog cholera eradication, meat inspection, and payments to the States for cooperative extension work and for experiment stations.

NATURAL RESOURCES

The present and future economic growth of the Nation and the general well-being of our people require prudent conservation and development of our natural resources. Estimated payments to the public of \$2.6 billion in 1964 will provide for further strengthening of natural resource programs.

Land and water resources.—A large part of the \$1.8 billion of estimated 1964 expenditures for land and water resources represents an investment in assets that will yield benefits for years to come. Most of these expenditures will be for continuing construction of projects for flood control, navigation, irrigation, water supply, hydroelectric power, and related recreational and fish and wildlife development. Appropriations of \$16 million are requested for 1964 to enable the Corps of Engineers to initiate construction of 32 projects with an estimated total Federal cost of \$348 million. Appropriations of \$8 million are included for the Bureau of Reclamation to start eight new projects (including one small project loan) estimated to cost \$285 million in total.

Within the funds proposed for water resources investigations in 1964, major emphasis is being given to coordinated planning of river-basin development by the Corps of Engineers and the Departments of the Interior, Agriculture, and Health, Education, and Welfare. Planning already begun will be continued, and new comprehensive studies will be undertaken in several major river basins including the Missouri and Colorado Basins. In addition, legislation is again being recommended to promote comprehensive, coordinated water resources planning by Federal and State agencies and to authorize limited Federal grants to strengthen State planning.

A coordinated program of water resources research will also be carried on in 1964 by the several Federal agencies which engage in such research. This program was developed with the assistance of the recently established Office of Science and Technology. It would be given new impetus by the enactment of legislation being recommended to provide a new program of grants to colleges and universities to stimulate research in the field of water resources. Basic research on ways of reducing the cost of converting saline water to fresh water will be given continued emphasis.

NATURAL RESOURCES

[Fiscal years. In millions]

Program or agency	Payments to the public			Recommended new obligational authority for 1964
	1962 actual	1963 estimate	1964 estimate	
Administrative Budget Funds:				
Land and water resources:				
Corps of Engineers.....	\$947	\$1,045	\$1,075	\$1,087
Department of the Interior:				
Bureau of Reclamation.....	332	338	360	380
Power marketing agencies.....	35	40	50	85
Bureau of Indian Affairs.....	76	106	112	122
Bureau of Land Management.....	44	53	56	62
Office of Saline Water.....	4	9	12	12
Tennessee Valley Authority.....	103	70	59	44
Federal Power Commission.....	9	11	13	13
International Boundary and Water Commission and other.....	12	19	13	12
Subtotal.....	1,564	1,691	1,750	1,817
Forest resources:				
Forest Service.....	266	303	311	329
Bureau of Land Management.....	15	16	15	15
Recreational resources:				
Present programs.....	94	114	127	140
Proposed legislation.....			8	25
Fish and wildlife resources.....	81	97	108	112
Mineral resources:				
Bureau of Land Management.....	39	46	46	46
Bureau of Mines and other.....	29	39	61	63
General resource surveys and administration.....	60	73	76	81
Subtotal, administrative budget.....	2,147	2,380	2,503	1 2,628
Trust Funds:				
Indian tribal funds.....	64	63	74	60
Other.....	48	59	51	51
Subtotal, trust funds.....	112	122	126	111
Intragovernmental transactions and other adjustments (deduct).....	36	23	33	
Total.....	2,223	2,479	2,596	

¹ Compares with new obligational authority for 1962 and 1963, as follows:
 Administrative budget funds: 1962, \$2,160 million; 1963, \$2,436 million.
 Trust funds: 1962, \$134 million; 1963, \$118 million.

The estimates for 1964 provide for improvements in the Federal power-transmission systems in the Missouri and Colorado River Basins. Funds are also included in this budget for the construction of extra-high-voltage interconnections of the electric power systems of the Pacific Northwest and Pacific Southwest. These interconnections will permit the sale and exchange of power between California and the Pacific Northwest, resulting in economies to both regions. Prompt action is expected on legislation proposed last year and approved by the Senate to reserve necessary power supplies for the Pacific Northwest. The Department of the Interior will continue its studies of other possible interconnections and cooperative pooling of electric power, Federal and non-Federal, for the purpose of providing better electric power service.

The Federal Power Commission will complete in 1964 the national power survey it has undertaken, with the objective of providing a broad perspective in planning for future power supplies; making the fullest possible use of the Nation's resources in fuel, equipment, and technology; and encouraging electric power suppliers, both public and private, to coordinate their expansion and interconnection programs.

Appropriations of \$4 million are requested for 1964 for the Tennessee Valley Authority to initiate construction of a new navigation lock and a flood control project; these two new projects are estimated to cost \$25 million in total. The TVA will continue in 1964 the construction of steam-electric power units started in prior years to meet its responsibility for providing electric power in the Tennessee Valley power area. These units will be financed with proceeds from the sale of electric power and with funds borrowed from the public and the Treasury. TVA has completed an agreement with adjacent private utility companies for the seasonal exchange of large blocks of power which will result in savings to both the TVA and private systems.

Indian resources.—Programs designed to raise the level of educational achievement and the standard of living of Indians will be expanded with funds included in the 1964 budget. The amount recommended will permit construction of the schools needed to provide classrooms for all Indian children of school age not now in school. Appropriations of \$1.8 million are requested for 1964 to start construction of the Navajo Indian irrigation project with a total cost to completion of \$135 million.

Forest resources.—The budget provides for the essential management and protection of our forest resources on Federal lands. Increased expenditures are anticipated in 1964 to cover costs related to planned increases in Federal timber sales and the construction of additional access roads in timber areas. The increased timber sales

will assist the Pacific Northwest lumber industry by making available to the industry more timber for processing and will result in increased Federal revenues which are shared with States and counties.

Recreational resources.—Following the recommendations of the Outdoor Recreation Resources Review Commission, the Bureau of Outdoor Recreation was established last year in the Department of the Interior to facilitate coordination of Federal outdoor recreation programs and to help the States in providing outdoor recreational opportunities for the public. Legislation is again recommended to equip the Federal Government to meet its share of the responsibility for providing outdoor recreational opportunities. This legislation would authorize Federal grants to States both for planning and for acquiring recreational lands. The proposed legislation would provide for sources of revenues to finance this grant program as well as certain acquisitions by the Federal Government of land suitable for recreation and conservation.

Increased expenditures in 1964 will provide for better management, protection, and maintenance of the national park system. While progress is being made to preserve some of our remaining seashores, shorelines, and other areas with recreation potential, additional legislation is needed and is being requested to authorize further Federal acquisitions of such areas to help meet current and future needs. Enactment of legislation along the lines approved by the Senate in the last Congress is again recommended to protect wilderness areas of great natural beauty.

Fish and wildlife resources.—Funds are recommended in 1964 for fisheries research which will provide additional support to the national oceanographic research effort and for other studies to aid the fishing industry. The budget also provides for further acceleration of the acquisition of wetlands for the conservation of migratory waterfowl. Research will be continued on ways to reduce possible harmful effects of pesticides.

Mineral resources.—An increase in expenditures is estimated in 1964 for mineral resources, mainly for the acquisition of helium which, being extracted with natural gases, would otherwise be wasted. This is a prime example of the conservation of a valuable resource for future use.

COMMERCE AND TRANSPORTATION

A number of Federal agencies play important roles in the promotion and regulation of commerce and transportation. The common purpose of these programs is to strengthen our economy through facilitating business enterprise, encouraging technological innovation, im-

COMMERCE AND TRANSPORTATION

[Fiscal years. In millions]

Program or agency	Payments to the public			Recommended new obligational authority for 1964
	1962 actual	1963 estimate	1964 estimate	
Administrative Budget Funds:				
Advancement of business:				
Department of Commerce:				
Weather Bureau.....	\$64	\$93	\$124	\$110
National Bureau of Standards.....	30	52	73	57
Other.....	90	113	159	157
Small Business Administration.....	230	213	262	215
Other agencies.....	14	*	-1	-----
Area redevelopment:				
Department of Commerce.....	7	45	121	240
Public works acceleration program.....		300	400	-----
Aviation:				
Federal Aviation Agency.....	698	791	801	810
Civil Aeronautics Board.....	82	84	84	83
Water transportation:				
Department of Commerce.....	357	381	360	351
Coast Guard.....	284	303	314	364
Panama Canal Company.....	13	12	1	-----
Saint Lawrence Seaway.....	1	3	2	-----
Highways (mainly on national forests and public lands).....	33	48	42	45
Postal service.....	797	802	554	565
Regulation of business.....	74	84	94	94
Subtotal, administrative budget.....	2,774	3,325	3,388	13,091
Trust Funds:				
Department of Commerce:				
Highway trust fund, net.....	2,784	3,000	3,391	3,706
Other.....	33	19	6	6
Federal Deposit Insurance Corporation, net.....	-154	-165	-162	-----
Subtotal, trust funds.....	2,662	2,854	3,235	13,711
Intragovernmental transactions and other adjustments (deduct).....	-50	-55	-54	
Total.....	5,487	6,233	6,677	

*Less than one-half million dollars.

¹ Compares with new obligational authority for 1962 and 1963, as follows:
 Administrative budget funds: 1962, \$3,126 million; 1963, \$4,039 million.
 Trust funds: 1962, \$3,362 million; 1963, \$3,589 million.

proving transportation and communication facilities, and fostering the degree of competition which is most helpful in realizing our potential economic growth and in raising the standard of living of all our people.

In 1964, total payments to the public for these programs, including trust fund outlays, will amount to an estimated \$6.7 billion, \$444 million more than in 1963. Increases in expenditures for several important activities—especially for Interstate and other Federal-aid highways and for projects under the public works acceleration program—will be offset in part by the greater contribution to postal revenues by mail users in 1964, when higher postal rates will be effective for the full fiscal year.

Advancement of business.—The Department of Commerce and the Small Business Administration have a broad range of responsibilities for assisting the expansion of business enterprise.

Because of the importance of expanding commercial exports to foreign countries as a primary means of balancing U.S. international payments, the budget provides for a substantial augmentation of the activities of the Department of Commerce in promoting U.S. exports generally and in providing the economic and commercial analysis required to obtain maximum benefit for U.S. exports from prospective tariff negotiations under the Trade Expansion Act of 1962. Under the adjustment assistance authority provided in the act, the Small Business Administration and, in some instances, the Department of Commerce will guarantee private loans and make direct loans to help firms injured by imports to readjust their activities; technical assistance will also be provided to such firms.

In addition to its new role in trade adjustment loan guarantees and direct loans, the Small Business Administration will continue to expand its extensive financial and other aids to small businesses. In 1964, the new obligational authority requested, together with increased repayments on earlier loans, will permit approval of about 8,000 new loans to small businesses and a considerable expansion in financing aids for small business investment companies, as well as for a large number of State and local development companies.

The budget also provides substantially increased expenditures for the export expansion program of the Department of Commerce, from \$14 million in 1963 to \$25 million in 1964. In an effort to encourage present exporters to enlarge their export activities and especially to induce an increase in the number of exporting firms, the Department expects almost to double the professional field staff working on trade promotion and analyzing export potentials. To help sell goods

abroad, funds are recommended to strengthen the overseas marketing programs by (a) increasing the number of trade centers in foreign countries from 5 to 12; (b) initiating the new program of mobile trade fairs authorized by the last Congress; and (c) helping to finance the participation of individual exporters in overseas fairs and shows.

Economic growth is closely tied to the advance of technology, as new products lead to new business opportunities, and improved processes lead to lower costs. Pursuant to recommendations of a panel on civilian technology, the Department of Commerce will initiate a new program directed specifically toward encouraging more extensive and imaginative use of technological developments to increase productivity.

This budget provides for significant expansion and improvement in the statistics which are used by both Government and private groups to measure the economic and social development of the country, as summarized in Special Analysis I. The five-year economic censuses covering manufactures, mineral industries, transportation, and the distribution and service trades will also be taken.

The Weather Bureau provides the basic observations and forecasts on which all domestic activities affected by the weather depend. In 1964 it will assume responsibility for obtaining weather observations from fixed ocean stations and for the improvements in data acquisition and processing needed for a modernized aviation weather service. Expenditures will also increase substantially for the broadened program authorized and financed by the Congress last year for procuring and launching meteorological satellites.

Expenditures for the National Bureau of Standards will rise by an estimated \$21 million in fiscal year 1964, primarily because of progress on construction of the new laboratories at Gaithersburg, Md. During 1964, a linear accelerator producing one of the world's most intense electron beams will be placed in operation, and construction will be underway on a materials research reactor. These instruments are essential to provide accurate measurements, knowledge of the performance of materials, and data on physical constants with the high precision required in aerospace and other key industries.

Area redevelopment.—The Department of Commerce, with the assistance of other major departments and agencies, provides a broad range of Government aids to help local communities in chronically depressed areas rebuild their economic base and expand opportunities for permanent employment. Expenditures for this program, first authorized in 1961, will continue to increase rapidly—predominantly for loans to finance construction of industrial and commercial facilities. By the close of 1964, an estimated 900 areas will have had their

economic development plans approved and will be participating actively in the program. The loans, grants, and technical aids financed from funds previously provided and from the appropriations of \$240 million recommended for 1964 will help furnish new opportunities for permanent employment in redevelopment areas for an estimated 130,000 workers directly, and will provide indirectly for employment of many additional workers in these areas. Legislation is being proposed to increase the maximum limits on the various types of Federal assistance provided in the law.

Public works acceleration.—Under legislation enacted toward the close of the last Congress, \$400 million in Federal aid has been appropriated to help finance Federal, State and local capital improvements and at the same time to serve as a stimulus for employment in redevelopment areas and other areas of substantial unemployment. Available funds are being rapidly committed and a large backlog of applications has been received for eligible projects in these areas. Accordingly, an additional appropriation is recommended for 1963 to make available promptly the remaining \$500 million authorized by the Congress for this emergency program.

Federal, State, and local officials are devoting maximum effort to assure prompt initiation and acceleration of these capital improvements. On the basis of the present outlook, Federal expenditures under this program will rise from an estimated \$300 million during the current fiscal year to \$400 million in the fiscal year 1964.

Transportation policy and research.—The national transportation policy proposed last year emphasized the goal of relying more heavily on the forces of competition to assure fast, safe, and efficient transportation services to the Nation at the lowest economic and social costs. To help achieve this goal, Government promotion, regulation, and taxation policies should be revised to assure equal competitive opportunity for all major types of transportation. Moreover, users of transportation should be expected to pay more of the costs of the services and facilities provided by the Government, not only to help meet a part of the heavy costs involved, but also to help assure that resources invested in transportation services are used efficiently. In the long run, Federal expenditures for those segments of the transportation industry now receiving support from the general taxpayer should be substantially reduced.

Research programs sponsored by the Federal Government on the various modes of transportation have been fragmented in the past, are inadequate in scope, and are not properly balanced. The budget provides for initiation in 1963 of a new comprehensive research pro-

gram in the Department of Commerce to improve our understanding of the transportation system in order to provide a more rational basis for the development of public policy.

Aviation.—Expenditures by the Federal Aviation Agency for the operation of the Federal airways system will continue to rise as traffic control services are improved and new equipment is developed and installed to meet demands of growing air traffic.

Legislation is being proposed to extend the Federal grant-in-aid program for airport construction beyond 1964 at the present level of \$75 million per year. In accordance with the procedure adopted in the 1961 amendments, advance appropriations are being requested for 1965 to give local communities adequate time to plan airport improvement projects. In addition, legislation is again proposed to establish a Federal corporation to consolidate the management of the Dulles and Washington National airports and to place these essentially commercial operations on a business-type basis.

Studies are progressing on the feasibility of developing a supersonic air transport. However, the economic and technical considerations are extremely complex. A final decision should await the full information which the current studies should yield. These studies will be completed and the results evaluated later this year.

Water transportation.—A review recently completed clearly establishes the need for the Coast Guard to modernize its fleet and shore facilities in order to carry out its missions more adequately. The increase of \$59 million in new obligational authority requested for 1964 will be devoted in part to this purpose and in part to operation of the ocean station program formerly financed by the Department of Defense; the increased expenditures, however, will result mainly in later years.

Expenditures by the Department of Commerce for aids to ocean shipping will decrease by an estimated \$21 million in 1964 primarily because operating subsidy payments in 1963 reflected an unusually high accumulation of prior year obligations. However, the approval of subsidies for two operators formerly not subsidized is expected to increase the number of subsidized voyages from 1,835 this year to about 1,900 next year. Expenditures in 1964 for ship construction include starts on 17 new ships; continuance of this program at about this level will permit replacement of vessels in the subsidized fleet by the time they reach 25 to 30 years of age.

Highways.—Federal outlays for highways are financed predominantly through the highway trust fund on a pay-as-you-build basis

from highway user tax revenues earmarked for this program. Trust fund expenditures are expected to rise by \$391 million to \$3.4 billion in 1964. A major share of total Federal-aid expenditures is for the Federal cost of the Interstate Highway System, scheduled for completion in 1972. Over 13,000 miles of this 41,000-mile system have been completed and another 15,700 miles are in various stages of development. Federal grants to help finance construction of primary and secondary highways—which account for over a quarter of Federal-aid highway expenditures—are rising more slowly in response to increases in authorizations in earlier years.

Postal service.—Expenditures of the postal service in 1964 will exceed anticipated revenues by an estimated \$554 million. The decreases from \$797 million in 1962, and the estimated \$802 million in 1963, reflect the rise in postal rates, partially offset by higher pay costs. After deducting the loss on public services, as defined in the Postal Policy Act of 1958, as amended, the cost of postal services is estimated to exceed revenues by \$104 million in 1964. Additional net revenues are expected to reduce this revenue deficiency in later years as successive stages of the postal rate increases enacted in 1962 become effective.

Strong management efforts to provide better postal service at lower cost are continuing. Employee productivity in the processing of mail increased by 1.5% in 1962, and is expected to increase at the same rate in 1963 and 1964. Contributing to better service and lower cost are improved planning and organization of mail-handling operations, increased use of mechanical and electronic equipment, and the cooperation of postal employees, employee organizations, and patrons of the postal system. The contribution of business mailers in scheduling deliveries to post offices so as to spread postal workload more evenly has been especially helpful.

HOUSING AND COMMUNITY DEVELOPMENT

Expenditures for urban renewal and other community development programs will continue to rise in 1964, as many long-term projects undertaken in earlier years move toward completion. Higher expenditures are also estimated for purchases of insured and guaranteed mortgages and for advances by the Federal home loan banks to their member institutions, thus providing increased assistance for the construction and purchase of housing units. However, a considerable share of these increases in expenditures will be offset by the liquidation of housing mortgages and other assets largely acquired in earlier years. In total, Federal cash payments to the public for housing and community development programs are estimated to rise by \$250 million in 1964 to a total of \$1.1 billion.

HOUSING AND COMMUNITY DEVELOPMENT

[Fiscal years. In millions]

Program or agency	Payments to the public			Recommended new obligational authority for 1964
	1962 actual	1963 estimate	1964 estimate	
Administrative Budget Funds:				
Urban renewal and community facilities:				
Housing and Home Finance Agency:				
Urban renewal capital grants	\$164	\$250	\$298	-----
Public facility loans (excluding transportation loans)	19	60	77	-----
Urban mass transportation:				
Present programs	*	17	22	*
Proposed legislation			10	\$100
Other	79	39	12	44
Public housing programs	163	179	205	221
Aids to private housing:				
Housing and Home Finance Agency:				
Federal Housing Administration	199	110	-143	-----
Federal National Mortgage Association:				
Special assistance functions	54	165	74	-----
Management and liquidating programs	-177	-146	-147	15
Housing for the elderly—direct loans	5	26	54	125
Other	7	15	19	24
Federal Home Loan Bank Board	-237	-278	-292	-----
National Capital Region:				
District of Columbia	72	83	86	67
Other	2	5	5	3
Subtotal, administrative budget	349	525	276	1 599
Trust Funds:				
Federal National Mortgage Association secondary market operations, net	317	250	485	203
District of Columbia	334	388	400	386
Federal home loan banks, net	872	-100	150	-----
Subtotal, trust funds	1,522	539	1,036	1 589
Intragovernmental transactions and other adjustments (deduct):				
District of Columbia	119	138	139	
Other	62	52	49	
Total	1,690	874	1,124	

*Less than one-half million dollars.

¹ Compares with new obligational authority for 1962 and 1963, as follows:

Administrative budget funds: 1962, \$630 million; 1963, \$561 million.

Trust funds: 1962, \$570 million; 1963, \$515 million.

Urban renewal and community facilities.—The Housing Act of 1961 increased the range of Federal aids available for local communities, and also provided new obligational authority adequate to meet the essential requirements for urban renewal grants and public facility loans for several years. However, because of the long lead-time required for many of the projects undertaken under these programs, the impact on budget expenditures has been gradual.

Under the broadened urban renewal program, local communities are currently initiating plans for new projects at a rate which will ultimately entail Federal expenditures of \$600 million or more a year in capital grants. In 1964, such grant disbursements will reach an estimated \$298 million, \$48 million above the level expected in the current year. About 600 local communities have 1,100 urban renewal projects either in the planning and development stages or already completed, and almost 20 new projects on the average are being launched each month. While Federal grants normally cover part of the cost of acquiring and clearing slum sites, they indirectly stimulate private and local investment many times greater than the Federal outlays. Thus, in both economic and social terms, the Federal expenditures contribute materially to the long-run development of a large number of cities and smaller communities throughout the Nation.

To help finance essential public facilities which cannot be financed privately on reasonable terms, the Community Facilities Administration expects to increase its disbursements in 1964 on loans to smaller communities and to communities in areas with substantial and persistent unemployment—designated as redevelopment areas.

Legislation is again being proposed to the Congress to provide for both long-range and emergency Federal aids to revitalize urban mass transportation, requiring new obligational authority of \$100 million in the first year and totaling \$500 million over a 3-year period. In addition, the authority for demonstration grants and loans authorized in the Housing Act of 1961 should continue to be used to explore new methods of meeting urban transportation requirements and to provide limited financial assistance.

Public housing programs.—Annual contributions by the Public Housing Administration to local housing authorities will continue to rise as more housing units built for low-income families under existing contracts are completed and occupied. The authorizations contained in the Housing Act of 1961 are ample to provide for the further units which can be placed under contract during the fiscal year 1964. It is expected that demonstration grants under present and proposed

authority, and other studies now underway in the Housing and Home Finance Agency will provide the basis for recommendations to improve Federal aids for housing low-income families.

Aids to private housing.—The Housing and Home Finance Agency assists private housing mainly by assuring broad availability of credit under reasonable terms through insurance of loans made by private institutions, operation of a Government secondary market for such insured loans and, in one case, direct loans on unusually favorable terms. All of these programs are largely or wholly self-supporting, but they generally have involved expenditures for the acquisition of loans and other assets in excess of receipts obtained from the sale and amortization of such assets.

Under present plans, even greater reliance will be placed on private financial institutions in 1964. In the past, the Federal Housing Administration has extended its own credit to buyers of properties and mortgages which it had acquired in cases of default. In the future, it will finance sales mainly through insuring private loans. In the past, under its special assistance program, the Federal National Mortgage Association has accumulated a large portfolio of insured mortgages for which private markets had not yet been developed, and present programs and commitments will result in even greater expenditures for such purchases in the immediate future—largely for housing for moderate-income families. Because of the growing private markets for types of mortgages now held by the Government and to help provide the funds for the expanded future purchases, the FNMA now expects to increase sales of its more seasoned mortgages.

These shifts in the financing of aids to private housing will occur during a period when the economy will be reaching the higher levels of output, income, and employment toward which the fiscal policy in this budget is directed.

The program of direct loans to provide housing for elderly families and individuals of moderate income is expected to expand further in 1964. To provide the necessary funds, legislation is proposed to increase the present maximum authorization; and the budget includes appropriations totaling \$125 million under both the existing and proposed authority.

National Capital Region.—The District of Columbia government provides both State and local government services for the industries and residents of the National Capital city. As the predominant industry, the Federal Government recognizes a special responsibility to bear its proper share of the costs of these services, as well as to provide long-term loans needed to carry out an orderly program of

capital improvements. To help meet the growing requirements for both current and capital funds, legislation is again proposed to increase the existing authorizations governing appropriations for both types of Federal assistance.

The programs and fiscal requirements of the District of Columbia are discussed more fully in a separate message on the District of Columbia budget.

HEALTH, LABOR, AND WELFARE

The Federal Government provides a wide range of health, labor, manpower, and welfare services to help meet human needs. Payments to the public for these services are estimated at \$27.4 billion in 1964, predominantly from trust funds which are financed by special taxes.

About nine-tenths of the estimated payments to the public for health, labor, and welfare in 1964 will be for income maintenance through the old-age and survivors insurance and other trust funds and through public assistance grants. The major beneficiaries of these income support programs are the aged.

Trust fund expenditures for health, labor, and welfare are estimated to increase by \$1.0 billion in 1964 over 1963, largely reflecting built-in growth. Increases of \$698 million are estimated in administrative budget expenditures, including \$166 million under proposed legislation. The 1964 budget provides for substantial improvements in public health activities and in programs designed to improve training and employment opportunities of persons in the labor force and to reduce the economic impact of unemployment. In these fields, increased emphasis is being given to research and training programs, which constitute valuable additions to our stock of knowledge and high return investments in our human resources.

Health services and research.—In 1964, the Department of Health, Education, and Welfare will spend an estimated \$1.6 billion for health research and public health services, including related consumer protection activities; this is an increase of \$250 million over 1963. Expenditures by the National Institutes of Health for research, training, and facilities will account for about half of the total.

Health research.—The Nation's total outlay in the current year for medical research alone, private and public, is approximately \$1.5 billion, of which more than \$1 billion is supported by the Federal Government. The National Institutes of Health account for over three-fifths of the Federal support, and have now become the largest single source of Federal funds going to universities. As the research

HEALTH, LABOR, AND WELFARE

[Fiscal years. In millions]

Program or agency	Payments to the public			Recom-mended new obligational authority for 1964
	1962 actual	1963 estimate	1964 estimate	
Administrative Budget Funds:				
Health services and research:				
National Institutes of Health:				
Research and training.....	\$550	\$703	\$816	\$930
Grants for construction of health research facilities.....	31	35	35	50
Community and environmental health:				
Proposed legislation for medical education assistance.....			9	34
Hospital construction activities:				
Present programs.....	167	177	178	180
Proposed legislation.....			5	35
Other community and environmental health.....	147	195	272	339
Proposed legislation for maternal and child health.....			17	17
Other.....	233	282	310	326
Labor and manpower:				
Temporary extended unemployment compensation.....	333	1	-----	-----
Repayable advances to unemployment trust fund.....	31	-90	-3	-----
Unemployment compensation for Federal employees and ex-servicemen.....	129	141	119	119
Manpower development and training.....		50	119	165
Proposed legislation for youth opportunities.....			60	100
Other.....	98	107	119	125
Public assistance:				
Grants to States.....	2,432	2,838	2,950	2,950
Assistance to Cuban refugees and other activities.....	5	61	73	81
Other welfare services:				
School lunch and special milk programs.....	261	266	284	284
Vocational rehabilitation.....	85	100	127	131
Proposed legislation for military service credits.....			75	75
Other.....	22	49	48	43
Subtotal, administrative budget.....	4,524	4,915	5,613	15,984
Trust Funds (including proposed legislation):				
Old-age, survivors, and disability insurance.....	14,359	15,765	16,650	16,746
Unemployment insurance.....	3,906	3,750	3,770	4,288
Civil service retirement and disability.....	1,058	1,219	1,345	2,331
Railroad retirement.....	1,135	1,112	1,099	1,219
Other.....	-76	-34	-61	9
Subtotal, trust funds.....	20,382	21,812	22,802	124,593
Intragovernmental transactions and other adjustments (deduct).....				
	945	928	991	
Total.....	23,961	25,799	27,424	

¹ Compares with new obligational authority for 1962 and 1963, as follows:
 Administrative budget funds: 1962, \$4,982 million; 1963, \$5,414 million.
 Trust funds: 1962, \$20,239 million; 1963, \$22,236 million.

effort has grown, the need for additional competent researchers has become more urgent. Accordingly, in continuing to provide increased funds for the NIH, the budget assigns high priority to grants and fellowships for training medical research specialists.

Health manpower and facilities.—Legislation is again being recommended to authorize Federal grants to assist in construction of new medical, dental, osteopathic and public health schools and to provide financial aid to medical and dental students. The need for Federal aid is increasing, as the number of doctors—especially those who engage in medical practice—continues to fall significantly behind population growth, presenting a growing threat to the Nation's health. An expansion of programs for training nurses is also recommended.

The Federal program under the Hill-Burton Act for aiding in the construction of medical facilities has successfully reduced the backlog of needs for community general hospitals. However, the need to renovate and modernize the older general hospitals, most of which are in large urban centers, is not being met. Facilities for the long-term care of the chronically ill and aged are also inadequate. To meet these rapidly increasing needs, legislation is being proposed to increase the financial aid under the Hill-Burton Act and broaden its scope to stimulate the needed construction.

Public health services and related consumer protection.—In recent years, there has been an expansion in Public Health Service activities designed to aid in improving health services at the community level and to cope better with environmental health hazards, such as water pollution, air pollution, and radiation. To permit more effective work in these fields, legislation is being proposed to provide for the creation of new Bureaus of Community Health and Environmental Health, replacing the existing Bureau of State Services.

Federal efforts to control environmental health hazards will be enhanced by construction of a single center to house the growing research, regulatory, and operational activities. The budget provides initial funds for site acquisition and planning of this facility. Provision is also made to increase research on environmental health problems and to increase training funds to expand the supply of technical manpower available for attacking these problems. Legislation will be proposed to increase Federal participation in programs for the prevention and control of air pollution. A further substantial strengthening of the Federal water pollution control program is also provided.

Expansion of community health activities will continue as the Public Health Service places increased emphasis upon assisting the States to improve the training of public health personnel, control venereal disease, and bring improved care to victims of cancer, heart

disease, and other chronic illnesses. The estimates for 1964 include \$44 million for the Bureau of State Services for activities heretofore financed in the National Institutes of Health, to help put research findings on public health problems into practice. The budget also includes supplemental appropriations for 1963 to (a) initiate the newly authorized community immunization program to protect pre-school children from diphtheria, tetanus, whooping cough, and poliomyelitis, and (b) expedite the new program of grants for improvement of the health conditions of migratory agricultural workers.

Added responsibilities have been placed on the Food and Drug Administration by enactment of the Drug Amendments of 1962 and the issuance of regulations to insure greater safety in the experimental use of drugs. Moreover, the rapid advance of technology, continued population and industrial growth, and greater variety in foods, drugs, and cosmetics are increasing still further the agency's responsibilities for protecting the health and safety of consumers. The budget, therefore, includes a supplemental appropriation for 1963, and provides for a continued increase in manpower for the agency in 1964. Legislation will again be proposed to provide more adequate protection against dangerous cosmetics, harmful therapeutic devices, and the illegal distribution of barbiturates and amphetamine drugs, and to make other needed improvements in the food and drug laws.

Mental health.—The great majority of the mentally ill in our society, unfortunately, receive too little treatment and receive it too late. Many mental hospitals serve merely as custodial institutions when, in fact, modern psychiatry can diagnose and treat the mentally disturbed with more and better resources in the patients' own communities, and with greater likelihood of recovery. Legislation will be proposed to initiate in 1965 a comprehensive long-range effort to help stimulate development of community-centered mental health facilities and services to combat mental illness. Within the amounts proposed for the National Institutes of Health, this budget provides \$190 million of new obligational authority in 1964 under existing laws for the National Institute of Mental Health, an increase of \$47 million over 1963, to step up research and training programs and initiate a new program of project grants to assist State mental institutions to improve therapeutic services.

Mental retardation.—The Panel on Mental Retardation has reported that 5.4 million people in our country are mentally retarded. About 400,000 of them are severely afflicted, frequently due to organic defects; the remaining 5 million are mildly retarded. Too little attention has been given to this childhood affliction with its devastating lifelong effects. It has much of its origin in social and cultural

deprivation and inadequate health care. The budget includes \$98 million in new obligational authority under existing and proposed legislation to improve health, education, rehabilitation, and related services for the retarded, and to initiate a preventive program of maternal and child health services. This is more than double the amount provided for 1963. The full dimensions of this proposed national effort to combat mental retardation and mental illness will be described in a special message to the Congress.

Labor and manpower.—Budget expenditures in 1964 for labor and manpower programs are expected to be \$205 million higher than in 1963, principally to increase the opportunities for training and employment of unemployed workers and youth.

Under the Manpower Development and Training Act, increased funds are proposed to permit training services in 1964 for approximately 140,000 unemployed workers, double the estimated number in 1963. The value of this program has already been demonstrated during the current year by actual placement of trainees in jobs for which they were trained.

A rate of unemployment among youth running about 2½ times higher than among adults also suggests that many young people are currently inadequately trained. To help meet this problem, legislative proposals will be sent to the Congress, including recommendations for a Youth Employment Opportunities program and proposals for strengthening vocational education.

The Federal-State employment service has been strengthened by additional funds provided by the Congress. Evidence of its success can be seen in the record levels of job placements, resulting in part from increased counseling and from testing workers to match employer skill requirements and worker abilities. Continued strengthening of the 1,900 employment service offices is requested in this budget. Trust fund expenditures for this purpose will increase by \$18 million to a total of \$169 million in 1964.

Social insurance and public welfare.—Two major public approaches—social insurance and public assistance—have been developed to help individuals or their families when income is lost because of the retirement, disablement, death, or unemployment of the family breadwinner.

Social insurance.—The basic social security system, supplemented by the railroad retirement system and the various retirement systems for Federal Government employees, will provide \$18 billion in benefits in 1964 to 21 million retired, disabled, widowed, or orphaned persons. The largest portion, \$13 billion, will be paid to approximately 14 million persons who are over 65. These benefits are financed by payroll con-

tributions made by both employers and employees during the working lifetime of the breadwinner and by the interest earned through the investment of these funds. Total receipts of these insurance and retirement plans are expected to rise by \$2.1 billion over fiscal year 1963 to \$20.3 billion in 1964, primarily because of the higher social security payroll tax that became effective on January 1, 1963.

Although the social security system now provides retirement income, it does not provide any protection against the drain on limited resources by the very high costs of hospital and nursing home care. Therefore, expansion of this system to help cover the costs of hospital and related services for the aged is again being proposed, to be effective January 1, 1965. Benefits to those who are currently aged but who are not eligible for social security retirement benefits will be paid from regular appropriations.

The railroad retirement system and the railroad unemployment insurance system are in financial difficulties. The retirement system currently is operating under an actuarial deficit of about \$77 million per year; the unemployment insurance system has had to borrow funds in order to meet the benefits provided by law. These systems are financed by payroll contributions from employers and employees in the railroad industry and by interest earned from investment of these contributions. Accordingly, Congress will be asked to enact legislation that will help overcome these financial difficulties by (1) increasing payroll contributions and (2) raising the interest rate on investments of the railroad retirement account by applying the same market-yield criteria now used for the social security trust fund.

The legislation also proposes revising the basis for reimbursing the railroad retirement system to meet the Federal Government's obligation for credits to railroad workers for the time they spent in military service. The budget includes \$12 million for the first of 10 annual payments to reimburse the railroad retirement account for past credits for military service and \$63 million for a similar first-year payment to the OASDI trust funds.

Benefit payments of \$2.9 billion under the unemployment insurance system are estimated in fiscal year 1964, including \$170 million under proposed legislation. The present system is inadequate, particularly for coping with the problem of prolonged unemployment. A comprehensive program is being proposed for permanent improvements in the Federal-State unemployment insurance program so that it can more effectively assist workers and respond to the needs of the economy in prosperous as well as bad times.

Public assistance and rehabilitation.—The major portion of expenditures for public assistance will continue to meet the basic food, shelter, and medical needs of about 7 million individuals. Legislation enacted

last year was designed with the objective of fostering the economic independence of individuals who are, or would otherwise become, public assistance recipients. This legislation calls for increased Federal matching of State expenditures for welfare services aimed at reducing dependency. Higher Federal expenditures are estimated for this purpose in 1964 as States are increasingly participating. Initially, the emphasis will be on developing the skills of State employees necessary for providing effective assistance.

In extending dependency-reducing services to public assistance recipients, significant help can be derived from the existing Federal-State vocational rehabilitation program. During fiscal year 1962, that program successfully restored 102,400 individuals to economic independence. Continued progress is expected, and the budget provides Federal matching funds which will be used to rehabilitate about 126,500 persons in 1964. The number of individuals rehabilitated in 1964 can be even greater as more public assistance recipients receive services from vocational rehabilitation agencies.

EDUCATION

A strong educational system is essential to the welfare of our society and the growth of our economy. Great strides have been made in expanding the educational opportunities for all elements of society, but there are still critical inadequacies and problems to be overcome. Millions of children are deprived of the advantages of a good education and the incentive to strive for one, because of poor teaching materials and curricula and the failure to attract enough capable people to enter and remain in the teaching profession. It is now estimated, for example, that during the 1960's, 7½ million young people will be dropping out of school before completing their high school education and hundreds of thousands of students of demonstrated ability are failing to undertake college and graduate education at a time when our economy and national security demand more people with highly advanced education and training.

To meet these and many other educational needs of the country, the 1964 budget provides for a doubling of new obligational authority for education to a total of \$3 billion. A substantial part of these funds is for expansion and initiation of programs under existing legislative authority, particularly in the National Science Foundation and the Office of Education. But the bulk of the increase is for programs under new legislation. Together, these recommendations would constitute the first phase of a comprehensive program to meet selected, critical problems in education at every level and affecting individuals of every age. Expenditures for education programs in fiscal year 1964 are estimated to rise by \$165 million over the level in 1963.

EDUCATION

[Fiscal years. In millions]

Program or agency	Payments to the public			Recom-mended new obli-gational authority for 1964
	1962 actual	1963 estimate	1964 estimate	
Administrative Budget Funds:				
Assistance for elementary and secondary education:				
Assistance to schools in federally affected areas:				
Present programs.....	\$283	\$320	\$213	\$128
Proposed legislation.....			148	254
Defense education: Science, mathematics, and foreign language instruction, and guidance counseling and testing programs.....	54	55	61	73
Assistance for higher education:				
College housing loans.....	227	374	218	300
Defense education: Student loans, fellowships, and language and area centers.....	97	115	119	119
Assistance for land-grant colleges, Howard University, and Gallaudet College.....	25	30	33	34
Assistance to science education and basic research:				
National Science Foundation:				
Basic research and research facilities.....	82	107	135	230
Grants for institutional science programs.....	11	31	65	171
Science education.....	71	81	120	154
Other science activities.....	18	19	23	34
Other aids to education:				
Vocational education:				
Promotion of vocational education.....	40	41	41	42
Area vocational education (National Defense Education Act).....	12	13	13	15
Other defense education assistance.....	19	21	23	23
Indian education services.....	69	78	90	93
Library of Congress and Smithsonian Institution.....	42	46	46	45
Other.....	24	30	44	53
Proposed legislation for new education program.....			144	1,215
Subtotal, administrative budget.....	1,076	1,361	1,537	1,2983
Trust Funds	1	1	1	11
Intragovernmental transactions and other adjustments (deduct).....	25	33	43	
Total	1,052	1,330	1,495	

¹ Compares with new obligational authority for 1962 and 1963, as follows:
 Administrative budget funds: 1962, \$1,285 million; 1963, \$1,421 million.
 Trust funds: 1962, \$1 million; 1963, \$1 million.

New program.—A key objective of the coordinated program being proposed is to strengthen the quality of instruction and subject matter taught in our schools through (a) buttressing of research in education and improvement of course content, (b) expansion and improvement of teacher training programs, (c) improvement of community library services for people of all ages, and (d) strengthening of public elementary and secondary education.

Vocational education programs must also be expanded and modernized, and better teaching materials and curricula developed. Increased Federal assistance for vocational training should assist persons of all age groups to obtain the training they need for employment in our complex economy. Post-high school training facilities and opportunities for technicians to assist scientists, engineers, and the medical profession, should also be expanded.

Opportunities for individuals to obtain higher education should be enlarged through work-study, student loan and loan guarantee, and graduate fellowship programs. To help provide the \$23 billion of facilities needed to accommodate the expected doubling of college enrollments during the 1960's, new programs are necessary to assist in financing college academic facilities and the development of graduate schools, public junior colleges and technical institutes, and college libraries.

As another part of the comprehensive program being recommended, the National Science Foundation will play a significantly greater role in strengthening the teaching of the sciences and training the new manpower necessary for future advances in science and technology. Thus, particular attention has been given to types of assistance which will help expand the graduate training capacity of academic institutions and increase graduate enrollments in engineering, mathematics, and physical sciences, as recently recommended by the President's Science Advisory Committee.

A special message on education will set forth the details of the proposed new legislative program for education and the related steps to be taken under existing legislation. The following discussion relates principally to existing programs.

Assistance for elementary and secondary education.—The 1964 budget provides \$361 million in expenditures for assistance to schools in federally affected areas. Portions of the current program which relate primarily to children whose parents work on Federal property but live on private taxable property will expire on June 30, 1963. The budget includes funds under proposed legislation for a 1-year extension of these provisions without change. The legislation will also include, with certain amendments, an extension of these provisions for an additional 3 years. Assistance to elementary and secondary schools under the National Defense Education Act will

continue in 1964 at about the current level. The new obligational authority recommended for these programs for 1964 is \$455 million, and expenditures are estimated at \$422 million.

Assistance for higher education.—The 1964 budget provides the full amounts of new funds authorized by the National Defense Education Act and the Housing Act of 1961 for aid to higher education. Expenditures for student loans are estimated at \$90 million under existing authority. Net expenditures for college housing loans will decline by an estimated \$156 million in 1964 primarily because of (a) unusually high disbursements in 1963 on the heavy commitments made in 1961 when extra authority was provided to eliminate backlogs of applications and (b) substantially increased receipts from sales of earlier loans to private investors. New obligational authority for these programs will total \$453 million in 1964; expenditures are estimated at \$370 million.

Assistance to science education and basic research.—As an integral part of the new education program, a major expansion of National Science Foundation programs is provided in the 1964 budget. New obligational authority for 1964 will be more than 80% above the 1963 level, and estimated expenditures will rise from \$238 million to \$343 million in 1964.

In addition to further strengthening of the Foundation's support for basic research, research facilities, and national research programs, the 1964 budget provides for a sharp expansion in support for institutional science programs and science and engineering education—including teacher training institutes and science curriculum development, expansion and improvement of graduate and undergraduate science and engineering facilities in colleges and universities, and initiation of training grants to stimulate graduate education. This expansion reflects the importance of science education, including education in the social sciences, in contributing to the goals of the new education program and in substantial part is in response to the urgent recommendations of the President's Science Advisory Committee to expand graduate enrollment in the engineering, mathematical, and physical sciences.

Other aid to education.—Children are being taught poorly developed and uninteresting information at a time when the knowledge to be acquired and the challenges in its future application are greater than ever before. Yet our entire country devotes fewer resources to research in education than some individual business firms spend for research for product development. To help fill this critical gap, the 1964 budget proposes a substantially expanded program in research and curriculum development by the Office of Education as well as by the National Science Foundation.

Vocational education and teacher-training institute programs conducted by the Office of Education under existing legislation are included in the budget at the maximum level authorized by law. Additional funds for legislative recommendations to expand and update these programs are included under proposed legislation.

VETERANS BENEFITS AND SERVICES

Payments to the public in 1964 for veterans programs are estimated to decrease by \$389 million from the current year's level. The decline mainly reflects a reduction of \$327 million in life insurance dividend

VETERANS BENEFITS AND SERVICES

[Fiscal years. In millions]

Program or agency	Payments to the public			Recommended new obligational authority for 1964
	1962 actual	1963 estimate	1964 estimate	
Administrative Budget Funds:				
Service-connected compensation.....	\$2,017	\$2,085	\$2,061	\$2,061
Non-service-connected pensions.....	1,635	1,736	1,800	1,800
Readjustment benefits:				
Education and training.....	144	90	56	57
Direct housing loans.....	93	112	93	150
Loan guarantee and other benefits.....	152	116	44	44
Hospitals and medical care:				
Medical care and hospital services.....	989	1,041	1,072	1,088
Construction of hospitals.....	53	65	67	81
Medical administration, research, and other.....	41	46	48	49
Other veterans benefits and services:				
Insurance and servicemen's indemnities.....	56	25	12	31
Burial and other allowances.....	52	56	60	60
Veterans Administration general operating expenses and other.....	171	174	171	173
Subtotal, administrative budget.....	5,403	5,545	5,484	¹ 5,594
Trust Funds:				
National service life insurance.....	626	792	488	680
U.S. Government life insurance.....	96	78	58	48
Other.....	10	9	9	9
Subtotal, trust funds.....	733	879	555	¹ 737
Intragovernmental transactions and other adjustments (deduct)				
44	57	60		
Total.....	6,092	6,367	5,978	

¹ Compares with new obligational authority for 1962 and 1963, as follows:

Administrative budget funds: 1962, \$5,460 million; 1963, \$5,607 million.

Trust funds: 1962, \$726 million; 1963, \$743 million.

payments from trust funds, which are being increased and speeded up into 1963. Other decreases are expected because of reduced acquisitions of defaulted guaranteed properties and fewer direct housing loans, and because of a reduction in the number of veterans receiving disability compensation and education and training benefits. Expenditures for pensions and medical care for needy veterans will continue to rise, following the long-run trend of these programs.

Service-connected compensation.—Expenditures for compensation benefits to veterans disabled in the service are estimated at \$2.1 billion in fiscal year 1964, \$24 million less than in 1963. This decrease results from a decline in the number of veterans and survivors of veterans receiving benefits; about 2,332,000 service-disabled veterans or survivors will receive compensation payments in 1964, 22,000 fewer than during the current year.

The increased level of expenditures for compensation in 1963 and 1964 compared with 1962 reflects a cost-of-living increase in disability compensation rates, effective as of July 1, 1962. Similar legislation is being proposed to increase benefits for children and dependent parents of veterans deceased as a result of military service, to bring these benefits more in line with the present cost of living. Widows receiving dependency and indemnity compensation benefits from the Veterans Administration would also receive higher benefits as a result of the recommended increase in military compensation.

Non-service-connected pensions.—Expenditures for pensions are expected to rise by \$64 million in 1964, based on an estimated increase of 85,000 recipients. An average of 2,052,000 veterans or survivors will receive pensions in 1964 compared to 1,967,000 in 1963. As they advance in age, World War I veterans are becoming eligible for and receiving pensions in increasing numbers. These veterans and their survivors now constitute about 75% of the pension rolls.

About 90% of World War I veterans and 95% of World War II and Korean conflict veterans are ultimately expected to receive benefits under the old-age, survivors, and disability insurance system. The veterans pension program assists those who are not insured under OASDI or whose incomes from social security and other sources are below the limits set for veterans pensions. It is estimated that by 1964 about 45% of all living World War I veterans will be receiving pensions.

Readjustment benefits.—Expenditures for education and training benefits are estimated to decline by \$34 million from 1963 to 1964, reflecting the continuing reduction in the number of veterans of the Korean conflict who receive these benefits. Peacetime ex-servicemen with severe service-connected disabilities will be aided in 1964 by the

vocational rehabilitation program enacted by the 87th Congress. Counseling and training for these ex-servicemen to enable them to find gainful employment will require expenditures of about \$4 million in 1964.

Expenditures for direct housing loans to veterans in rural areas and small towns are expected to decrease by \$19 million from 1963, but will be at the same level as in 1962. About 20,000 such loans will be made in 1964.

Housing mortgages which have been acquired by the Veterans Administration under its loan guarantee and direct loan programs are expected to total \$2 billion by June 30, 1964. To reduce this accumulation, sales of \$147 million in notes from previously defaulted mortgages under the loan guarantee program are planned in 1964, approximately the same amount as estimated for 1963.

Hospitals and medical care.—The budget includes expenditures of \$1,120 million for hospital and medical care services (including administration and medical and prosthetic research) in 1964, an increase of \$33 million over 1963. This increase will be primarily for continued improvement in the quality of medical care, expanded research efforts, and activation of additional medical facilities at several locations. Hospital and domiciliary care will be provided in fiscal year 1964 for an average of 139,055 beneficiaries per day in Veterans Administration, contract, and State facilities. There will also be an estimated 3,728,000 visits by veterans to outpatient clinics or to private physicians paid by the Veterans Administration on a fee basis.

Hospital construction.—An appropriation of \$81 million is proposed for 1964, the fourth step in carrying out a 15-year \$1.2 billion hospital program initiated in 1961 to modernize the 125,000-bed hospital system. Construction of one new facility of 480 beds and replacement of three hospitals containing 2,020 beds will begin in 1964 and planning will be initiated for two others. Several new modernization projects will be undertaken, including \$3 million for construction and planning of new medical research facilities.

Veterans life insurance trust funds.—The National service and U.S. Government life insurance trust funds involve over 5 million life insurance policies issued primarily to veterans of World Wars I and II. Receipts are principally from premiums and interest on investments, while expenditures are mainly for death and disability claims and dividends. Trust fund expenditures are estimated to decline by \$324 million in 1964, mainly because regular dividend payments of \$119 million, due during fiscal year 1964, are being accelerated into fiscal year 1963, and a special dividend payment of \$90 million is also being made in fiscal year 1963.

Other veterans benefits and services.—Insurance and indemnity expenditures made from budget funds are estimated to decline in 1964, reflecting the completion of the 10-year indemnity payments provided for a number of survivors of servicemen who died during the Korean conflict. Decreased expenditures for general administrative operations of the Veterans Administration will result from reductions in workloads and continuing improvements in productivity. These reductions, the continuing consolidation of certain regional office functions, and the closing of small field information offices will more than offset the costs of the employee pay reform enacted last year.

INTEREST

Interest payments, predominantly on the public debt, are expected to rise by \$227 million in fiscal year 1964, primarily reflecting a higher average level of outstanding interest-bearing debt.

INTEREST

[Fiscal years. In millions]

Item	Payments to the public			Recommended new obligational authority for 1964
	1962 actual	1963 estimate	1964 estimate	
Administrative Budget Funds:				
Interest on public debt.....	\$9,120	\$9,700	\$10,020	\$10,020
Interest on refunds of receipts.....	68	71	71	71
Interest on uninvested funds.....	10	11	12	12
Subtotal, administrative budget.....	9,198	9,782	10,103	10,103
Intragovernmental transactions and other adjustments (deduct):				
Excess of interest accrued over interest paid.....	659	619	610	
Interest paid to trust funds and Government agencies.....	1,598	1,667	1,770	
Total.....	6,940	7,496	7,723	

Total interest payments to the public in fiscal year 1964 are estimated at \$7.7 billion, substantially less than the estimated budget expenditures for interest of \$10.1 billion. This difference arises because of two factors: first, there is the significant sum, estimated at \$1.8 billion in fiscal 1964, paid to Federal trust funds and agencies (since these transactions are all within the Government they are not included as cash payments to the public); second, interest accruals on savings bonds, which are considered expenditures in the administrative budget, usually exceed by substantial amounts the cash payments of interest received by the bondholders as the bonds are redeemed.

GENERAL GOVERNMENT

Expenditures in 1964 for the general administrative and law enforcement activities of the three branches of the Federal Government are estimated at \$2.2 billion, \$153 million higher than the estimate for 1963. The increase is needed mainly to strengthen revenue collection activities and to carry forward construction of Government buildings for which funds were largely provided in earlier years.

GENERAL GOVERNMENT

[Fiscal years. In millions]

Program or agency	Payments to the public			Recom-mended new obli-gational authority for 1964
	1962 actual	1963 estimate	1964 es tim ate	
Administrative Budget Funds:				
Legislative functions	\$135	\$139	\$132	\$119
Judicial functions	57	66	69	69
Executive direction and management	22	24	25	26
Central fiscal operations:				
Internal Revenue Service	443	501	570	578
Other	210	221	243	250
General property and records management:				
General Services Administration	412	505	567	630
Other	7	3	*	
Central personnel management:				
Department of Labor	68	66	58	58
Civil Service Commission:				
Present programs	85	74	112	110
Proposed legislation			—62	—62
Protective services and alien control:				
Department of Justice	289	311	331	349
Other	10	12	14	15
Other general government:				
Territories and possessions	85	110	125	119
Claims and other	51	9	10	17
Subtotal, administrative budget	1,875	2,041	2,195	¹ 2,277
Trust Funds				
	20	19	19	¹ 18
Intragovernmental transactions and other adjustments (deduct)				
	13	16	17	
Total	1,882	2,044	2,197	

^{*}Less than one-half million dollars.

¹ Compares with new obligational authority for 1962 and 1963, as follows:
Administrative budget funds: 1962, \$2,028 million; 1963, \$2,154 million.
Trust funds: 1962, \$15 million; 1963, \$16 million.

Central fiscal operations.—The budget provides for expenditures of the Internal Revenue Service to increase by \$69 million in 1964 to an estimated \$570 million. This rise is necessary (a) to keep pace with the growing workload, (b) to further the conversion of revenue collection operations to automatic data processing methods in order to assure more efficient and equitable collection of taxes, and (c) to defray some of the added costs of the pay reform enacted last year.

The long-range program of the Internal Revenue Service to improve voluntary compliance with the tax laws will entail a substantial expansion of equipment and personnel over the next several years. While in percentage terms such increases will be considerable, they will amount to only a small fraction of the estimated \$4 billion gap between tax revenues due and those actually collected—a gap which can be substantially reduced by more effective enforcement.

General property and records management.—New obligational authority of \$213 million is requested for 1964 to finance acquisition of sites, planning, and construction of new buildings as part of the continuing program to provide more modern and efficient facilities for Government operations. While this amount is almost the same as appropriated for the current year, expenditures for construction are expected to rise by \$29 million as construction progresses on projects financed in earlier years. Other increases in expenditures are needed largely to operate and maintain both the facilities currently owned and leased and the additional facilities being acquired.

Central personnel management.—Under present law, budget expenditures by the Civil Service Commission are estimated to increase by \$38 million in 1964, largely to pay increased retirement annuities to present retirees, effective January 1, 1963. These increased benefits are initially paid out of the civil service retirement and disability trust fund, but the law provides that the trust fund must be reimbursed by appropriations. This would require a supplemental appropriation of \$30 million in 1963 and a further appropriation of \$62 million in 1964. This budget reflects legislation which will be proposed to remove the requirement of a specific appropriation and to permit payment of these additional benefits from the trust fund starting in 1964, without requiring reimbursement.

The proposed legislation will also provide a permanent basis for financing the civil service retirement and disability system. Most Federal civilian employees now contribute 6½% of their pay to the fund and this payment is matched from appropriations of the employing agencies. However, the Government's contributions have been insufficient to build up reserves adequate to meet probable future requirements, and unless corrective legislation is enacted, the fund

will eventually become depleted. The proposed plan will be designed to assure that sufficient funds will be available to pay future benefits, that employees' contributions are maintained unimpaired, and that an appropriate contributory basis is maintained, without the necessity for building up a huge fund from advance appropriations.

Protective services and alien control.—Larger expenditures will be required in fiscal year 1964 by the Federal Bureau of Investigation to carry out its increased responsibilities in the drive against organized crime and racketeering and to handle other increasing workloads. Increased appropriations are requested for the Bureau of Prisons to provide the funds needed to complete construction of the psychiatric prison hospital now underway in North Carolina, and to finance planning of a National Training School for Boys in West Virginia and a new women's institution in California.

Other general government.—Legislation will be proposed to extend the life of the Commission on Civil Rights beyond its present terminal date of November 30, 1963, to permit it to continue its valuable contribution to our understanding of civil rights problems.

Legislation will also be requested to extend the President's authority to transmit reorganization plans to the Congress, which under existing law expires June 1, 1963.

Table 14. NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY (in millions of dollars)

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1962 actual	1963 estimate	1964 estimate	1962 actual	1963 estimate	1964 estimate
ADMINISTRATIVE BUDGET FUNDS						
050 NATIONAL DEFENSE						
051 Department of Defense, military functions:						
Military personnel.....	12,710	12,901	14,135	13,032	13,100	14,255
Operation and maintenance.....	11,759	11,446	11,792	11,594	11,500	11,690
Procurement.....	15,746	16,647	16,725	14,532	15,521	16,350
Research, development, test, and evaluation.....	6,402	7,008	7,262	6,319	6,599	7,120
Military construction.....	972	1,190	1,232	1,347	1,180	1,170
Family housing.....		597	734		520	670
Civil defense.....	257	173	300	90	210	210
Revolving and management funds.....	325			—99	—330	—465
Total 051.....	48,170	49,961	52,181	46,815	48,300	51,000
057 Military assistance:						
Funds appropriated to the President.....	1,577	1,325	1,480	1,390	1,750	1,450
058 Atomic energy:						
Atomic Energy Commission.....	2,547	3,135	2,893	2,806	2,870	2,850
059 Defense-related activities:						
Executive Office of the President.....	7	5	11	10	5	10
Funds appropriated to the President.....				11	—3	—1
Department of Agriculture.....			30			30
Department of Health, Education, and Welfare.....	35	7	41	3	17	29
Treasury Department.....				—*	—*	—*
General Services Administration.....	40	19	28	33	27	27
Other independent agencies: Selective Service System.....	37	38	38	35	37	38
Total 059.....	119	69	148	92	84	133
Total, national defense.....	52,414	54,490	56,702	51,103	53,004	55,433
150 INTERNATIONAL AFFAIRS AND FINANCE						
151 Conduct of foreign affairs:						
Department of State.....	248	343	286	245	367	274
Other independent agencies:						
Foreign Claims Settlement Commission.....	1	74	2	1	21	37
Tariff Commission.....	3	3	3	3	3	3
United States Arms Control and Disarmament Agency.....	2	6	15	1	5	12
Total 151.....	253	426	306	249	396	326
152 Economic and financial programs:						
Funds appropriated to the President.....	2,539	4,784	3,685	2,019	2,269	2,492
Department of Agriculture.....	397	250	215	242	195	246
Department of Commerce.....		12	16	8	8	13
Department of State.....	1	17	12	1	14	13
Other independent agencies: Export-Import Bank of Washington.....		2,000		101	—224	—647
Total 152.....	2,937	7,063	3,928	2,372	2,262	2,117

See footnotes at end of table, p. 121.

Table 14. NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY (in millions of dollars)—Continued

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1962 actual	1963 estimate	1964 estimate	1962 actual	1963 estimate	1964 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued						
153 Foreign information and exchange activities:						
Department of State.....	42	51	63	48	56	59
Other independent agencies: United States Information Agency.....	141	161	217	148	161	177
Total 153.....	183	211	280	197	217	237
Total, international affairs and finance.....	3,373	7,701	4,514	2,817	2,874	2,679
250 SPACE RESEARCH AND TECHNOLOGY						
251 Space research and technology:						
National Aeronautics and Space Administration.....	1,825	3,673	5,712	1,257	2,400	4,200
350 AGRICULTURE AND AGRICULTURAL RESOURCES						
351 Farm income support and production adjustment:						
Department of Agriculture.....	4,808	4,430	5,939	4,591	5,256	4,367
352 Financing farming and rural housing:						
Department of Agriculture.....	371	91	152	240	322	229
Other independent agencies: Farm Credit Administration.....	2	3	3	-6	-2	2
Total 352.....	373	94	155	234	320	230
353 Financing rural electrification and rural telephones:						
Department of Agriculture.....	418	490	355	303	340	270
354 Agricultural land and water resources:						
Department of Agriculture.....	422	406	430	426	414	414
355 Research and other agricultural services:						
Funds appropriated to the President.....	363	393	410	1	3	415
Department of Agriculture.....	363	393	410	341	401	415
Total 355.....	363	393	410	341	401	415
Total, agriculture and agricultural resources.....	6,383	5,814	7,289	5,895	6,731	5,696

Table 14. NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY (in millions of dollars)—Continued

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1962 actual	1963 estimate	1964 estimate	1962 actual	1963 estimate	1964 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued						
400 NATURAL RESOURCES						
401 Land and water resources:						
Department of Defense—Civil functions	975	1,047	1,087	947	1,045	1,075
Department of the Interior	464	578	662	492	546	590
Department of State	16	14	12	11	18	13
Other independent agencies:						
Delaware River Basin Commission	*	*	*		*	*
Federal Power Commission	9	11	13	9	11	13
U.S. Study Commission—Southeast River Basins	1	1		1	1	*
U.S. Study Commission—Texas	1	*		*	*	
Tennessee Valley Authority	38	35	44	103	70	59
Total 401	1,504	1,686	1,817	1,564	1,691	1,750
402 Forest resources:						
Department of Agriculture	292	329	329	266	303	311
Department of the Interior	15	16	15	15	16	15
Total 402	306	345	344	280	319	326
403 Mineral resources:						
Department of the Interior	83	88	109	68	85	107
404 Fish and wildlife resources:						
Department of Defense—Civil functions	*	*	*	*	*	*
Department of the Interior	88	105	110	79	95	106
Department of State	2	2	2	2	2	2
Total 404	90	106	112	81	97	108
405 Recreational resources:						
Department of the Interior	114	134	165	93	114	135
Other independent agencies: Outdoor Recreation Resources Review Commission	1			1	*	
Total 405	115	134	165	94	114	135
409 General resource surveys and administration:						
Department of the Interior	61	76	81	60	73	76
Total natural resources	2,160	2,436	2,628	2,147	2,380	2,503
500 COMMERCE AND TRANSPORTATION						
501 Aviation:						
Department of Commerce				*	*	*
Federal Aviation Agency	729	756	810	698	791	801
Other independent agencies: Civil Aeronautics Board	83	85	83	82	84	84
Total 501	812	841	893	781	874	885

See footnotes at end of table, p. 121.

Table 14. NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY (in millions of dollars)—Continued

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1962 actual	1963 estimate	1964 estimate	1962 actual	1963 estimate	1964 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued						
502 Water transportation:						
Department of Commerce	317	288	351	357	381	360
Department of Defense—Civil functions				13	12	1
Treasury Department	298	305	364	284	303	314
Other independent agencies: Saint Lawrence Seaway Development Corporation				1	3	2
Total 502	615	592	715	654	699	677
503 Highways:						
Department of Commerce	36	51	45	33	48	42
505 Postal service:						
Post Office Department	874	806	565	797	802	554
506 Advancement of business:						
Department of Commerce	300	292	324	184	258	355
Department of the Interior				-1	*	-1
Other independent agencies:					*	*
Alaska International Rail and Highway Commission						
Interstate Commerce Commission	15			15		
Small Business Administration	227	309	215	230	213	262
Total 506	542	601	540	427	472	617
507 Area redevelopment:						
Funds appropriated to the President ¹	900				300	400
Department of Commerce	171	162	240	7	45	121
Total 507	171	1,062	240	7	345	521
508 Regulation of business:						
Department of Commerce	3	4	4	3	4	4
Department of Justice	6	6	7	5	6	6
Other independent agencies:						
Civil Aeronautics Board	9	10	11	8	9	11
Federal Communications Commission	13	15	16	13	14	17
Federal Maritime Commission	1	2	3	1	2	3
Federal Trade Commission	10	12	13	10	12	13
Interstate Commerce Commission	22	24	25	22	23	25
Securities and Exchange Commission	11	13	14	11	13	15
Total 508	76	85	94	74	84	94
Total, commerce and transportation	3,126	4,039	3,091	2,774	3,325	3,388
550 HOUSING AND COMMUNITY DEVELOPMENT						
551 Aids to private housing:						
Housing and Home Finance Agency	330	260	164	88	170	-145
Other independent agencies: Federal Home Loan Bank Board				-237	-278	-292
Total 551	330	260	164	-149	-108	-437
552 Public housing programs:						
Housing and Home Finance Agency	179	195	221	163	179	205

See footnotes at end of table, p. 121.

Table 14. NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY (in millions of dollars)—Continued

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1962 actual	1963 estimate	1964 estimate	1962 actual	1963 estimate	1964 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued						
553 Urban renewal and community facilities:						
Housing and Home Finance Agency	52	43	144	261	365	417
555 National Capital region:						
Other independent agencies:						
Commission of Fine Arts	*	*	*	*	*	*
Interstate Commission on the Potomac River Basin	*	*	*	*	*	*
National Capital Housing Authority	*	*	*	*	*	*
National Capital Planning Commission	1	1	1	1	2	2
National Capital Transportation Agency	2	3	2	1	3	3
District of Columbia	65	60	67	72	83	86
Total 555	68	64	70	74	89	91
Total, housing and community development	630	561	599	349	525	276
650 HEALTH, LABOR, AND WELFARE						
651 Health services and research:						
Department of Health, Education, and Welfare	1,466	1,723	1,912	1,128	1,392	1,642
652 Labor and manpower:						
Department of the Interior	7	8	9	7	8	8
Department of Labor	575	285	468	551	172	374
Other independent agencies:						
Federal Coal Mine Safety Board of Review	*	*	*	*	*	*
Federal Mediation and Conciliation Service	5	5	6	4	5	6
National Labor Relations Board	19	21	23	19	21	23
National Mediation Board	2	2	2	2	2	2
President's Advisory Committee on Labor-Management Policy	*	*	*	*	*	*
Railroad Retirement Board	10			7		
Total 652	618	322	509	591	209	414
653 Public assistance:						
Department of Health, Education, and Welfare	2,470	2,865	3,031	2,437	2,899	3,023
655 Other welfare services:						
Funds appropriated to the President	46	25	20	15	35	30
Department of Agriculture	341	362	284	261	266	284
Department of Health, Education, and Welfare	104	117	217	93	115	208
Other independent agencies: Railroad Retirement Board			12			12
Total 655	491	504	533	368	415	534
Total, health, labor, and welfare	4,982	5,414	5,984	4,524	4,915	5,613

See footnotes at end of table, p. 121.

Table 14. NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY (in millions of dollars)—Continued

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1962 actual	1963 estimate	1964 estimate	1962 actual	1963 estimate	1964 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued						
700 EDUCATION						
701 Assistance for elementary and secondary education:						
Department of Health, Education, and Welfare	382	419	455	337	375	422
702 Assistance for higher education:						
Department of Health, Education, and Welfare	132	149	153	122	145	152
Housing and Home Finance Agency	300	300	300	227	374	218
Total 702	432	449	453	350	519	370
703 Assistance to science education and basic research:						
Other independent agencies: National Science Foundation	263	322	589	183	238	343
704 Other aids to education:						
Legislative Branch	17	20	21	17	20	21
Department of Health, Education, and Welfare ²	104	113	133	96	105	122
Department of the Interior	72	83	93	69	78	90
Other independent agencies: Smithsonian Institution	16	14	24	26	26	25
Total 704	209	231	271	207	229	257
New educational program (proposed legislation)			1,215			144
Total education	1,285	1,421	2,983	1,076	1,361	1,537
800 VETERANS BENEFITS AND SERVICES						
801 Veterans service-connected compensation:						
Veterans Administration	2,017	2,085	2,061	2,017	2,085	2,061
802 Veterans non-service-connected pensions:						
Veterans Administration	1,428	1,733	1,800	1,635	1,736	1,800
803 Veterans readjustment benefits:						
Veterans Administration	638	355	251	388	317	193
804 Veterans hospitals and medical care:						
Veterans Administration	1,110	1,171	1,217	1,084	1,152	1,188
805 Other veterans benefits and services:						
Department of Defense—Civil functions	10	10	11	9	11	11
Department of Labor	1	1	1	1	1	1
Veterans Administration	254	250	251	267	242	229
Other independent agencies: American Battle Monuments Commission	1	2	2	2	2	2
Total 805	267	263	264	279	255	242
Total, veterans benefits and services	5,460	5,607	5,594	5,403	5,545	5,484

See footnotes at end of table, p. 121.

Table 14. NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY (in millions of dollars)—Continued

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1962 actual	1963 estimate	1964 estimate	1962 actual	1963 estimate	1964 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued						
850 INTEREST						
851 Interest on the public debt: Treasury Department	9,120	9,700	10,020	9,120	9,700	10,020
852 Interest on refunds of receipts: Treasury Department	68	71	71	68	71	71
853 Interest on uninvested funds: Treasury Department	10	11	12	10	11	12
Total, interest	9,198	9,782	10,103	9,198	9,782	10,103
900 GENERAL GOVERNMENT						
901 Legislative functions: Legislative Branch	107	129	119	135	139	132
902 Judicial functions: The Judiciary	59	66	69	57	65	69
Other independent agencies: Indian Claims Commission	*	*	*	*	*	*
Total 902	60	66	69	57	66	69
903 Executive direction and management:						
Executive Office of the President	20	18	22	19	20	22
Funds appropriated to the President	1	1	1	1	2	1
Treasury Department	1	2	2	1	2	2
General Services Administration	*	*	*	*	*	*
Total 903	23	22	26	22	24	25
904 Central fiscal operations:						
Treasury Department	620	682	777	608	673	762
Other independent agencies:						
General Accounting Office	43	45	47	41	44	47
Renegotiation Board	3	2	3	3	2	3
Tax Court of the United States	2	2	2	2	2	2
Total 904	668	731	828	653	722	813
905 General property and records management:						
General Services Administration	566	612	630	412	505	567
Other independent agencies: Central Intelligence Agency				7	3	*
Total 905	566	612	630	419	508	567
906 Central personnel management:						
Department of Labor	68	66	58	68	66	58
Other independent agencies: Civil Service Commission	92	73	48	85	74	50
Total 906	160	139	107	153	140	108

See footnotes at end of table, p. 121.

Table 14. NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY (in millions of dollars)—Continued

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1962 actual	1963 estimate	1964 estimate	1962 actual	1963 estimate	1964 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued						
908 Protective services and alien control:						
Department of Justice.....	291 9	312 11	349 13	289 9	311 11	331 12
Treasury Department.....						
Other independent agencies:						
Civil Service Commission.....	*	1	1	*	1	1
Commission on Civil Rights.....	1	1	1	1	1	1
Subversive Activities Control Board.....	*	*	*	*	*	*
Total 908.....	302	325	364	300	323	345
910 Other general government:						
Legislative Branch.....	5	11	9	2	-1	2
Funds appropriated to the President.....	6	3	3	6	3	3
Department of Defense—Civil functions.....	30	36	48	30	38	53
Department of the Interior.....	24	41	36	25	38	38
Treasury Department.....	77	40	39	73	41	39
Other independent agencies:						
Advisory Commission on Intergovernmental Relations.....	*	*	*	*	*	*
Historical and memorial commissions.....	*	*	*	*	*	*
Total 910.....	143	131	135	136	120	135
Total, general government	2,028	2,154	2,277	1,875	2,041	2,195
Allowances, undistributed:						
Comparability pay adjustment.....			200			200
Contingencies.....		100	250		75	175
Interfund transactions (—) ³				-633	-646	-679
Total administrative budget	92,862	103,192	107,927	87,787	94,311	98,802
TRUST FUNDS						
050 NATIONAL DEFENSE						
Funds appropriated to the President.....	869	861	953	361	435	571
Department of Defense—Military functions.....	5	5	5	5	5	5
Other agencies.....	*					
Total national defense	874	866	958	366	440	576
150 INTERNATIONAL AFFAIRS AND FINANCE						
Funds appropriated to the President.....	1	3	3	2	2	3
Department of Justice.....				5	33	57
Department of State.....	*	*	*	*	*	*
Foreign Claims Settlement Commission.....		24	48	*	1	55
Other agencies.....	5	10	8	7	11	8
Total international affairs and finance	6	37	59	15	47	123

See footnotes at end of table, p. 121.

Table 14. NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY (in millions of dollars)—Continued

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1962 actual	1963 estimate	1964 estimate	1962 actual	1963 estimate	1964 estimate
TRUST FUNDS—Continued						
350 AGRICULTURE AND AGRICULTURAL RESOURCES						
Department of Agriculture-----	24	25	26	58	25	27
Farm Credit Administration-----				374	400	365
Total agriculture and agricultural resources-----	24	25	26	432	425	392
400 NATURAL RESOURCES						
Department of Defense—Civil functions-----	17	22	17	16	26	21
Department of Agriculture-----	23	24	25	19	20	21
Department of the Interior-----	94	72	70	78	76	84
Total natural resources-----	134	118	111	112	122	126
500 COMMERCE AND TRANSPORTATION						
Department of Commerce-----	3,362	3,589	3,711	2,817	3,019	3,397
Federal Deposit Insurance Corporation-----	*	*	*	-154	-165	-162
Other agencies-----				*	*	*
Total commerce and transportation-----	3,362	3,589	3,711	2,662	2,854	3,235
550 HOUSING AND COMMUNITY DEVELOPMENT						
Housing and Home Finance Agency-----	251	170	203	317	250	485
Federal Home Loan Bank Board-----				872	-100	150
District of Columbia-----	318	344	386	334	388	400
Other agencies-----		1		*	*	*
Total housing and community development-----	570	515	589	1,522	539	1,036
650 HEALTH, LABOR, AND WELFARE						
Department of Health, Education, and Welfare-----	13,087	14,922	16,746	14,359	15,765	16,650
Department of Labor-----	3,985	4,042	4,288	3,906	3,750	3,770
Civil Service Commission-----	2,075	2,152	2,331	976	1,177	1,275
Railroad Retirement Board-----	1,081	1,111	1,219	1,135	1,112	1,099
Other agencies-----	11	9	9	5	8	9
Total health, labor, and welfare-----	20,239	22,236	24,593	20,382	21,812	22,802
700 EDUCATION						
Legislative Branch-----	1	1	1	1	1	1
National Science Foundation-----	*	*	*	*	*	*
Smithsonian Institution-----	*	*	*	*	*	*
Total education-----	1	1	1	1	1	1

See footnotes at end of table, p. 121.

Table 14. NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY (in millions of dollars)—Continued

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1962 actual	1963 estimate	1964 estimate	1962 actual	1963 estimate	1964 estimate
TRUST FUNDS—Continued						
800 VETERANS BENEFITS AND SERVICES						
Veterans Administration.....	720 6	737 6	730 7	724 9	871 7	548 7
Other agencies.....						
Total veterans benefits and services.	726	743	737	733	879	555
900 GENERAL GOVERNMENT						
Department of Labor.....	*	*	*	*	*	*
Treasury Department.....	15	16	18	16	16	18
General Services Administration.....	*	*	-----	3	2	*
Other agencies.....	*	*	*	*	*	*
Total general government.	15	16	18	20	19	19
Deposit funds.....				-517	628	-29
Interfund transactions (—) ³				-528	-491	-454
Total trust funds.	25,952	28,147	30,803	25,201	27,275	28,382

¹ Public works acceleration program, which supplements expenditures in various other categories.² Amounts shown for 1964 include expenditures under proposed legislation, most of which will subsequently be charged to the three subcategories immediately preceding.³ Interfund transactions shown as deduct lines above are as follows:

Administrative Budget	1962 actual	1963 estimate	1964 estimate
Interest on loans to Government-owned enterprises:			
Commodity Credit Corporation.....	330	318	316
Expansion of Defense Production.....	8	6	3
Export-Import Bank of Washington.....	57	53	55
Housing and Home Finance Agency.....	146	155	176
Panama Canal Company.....	9	10	10
Small Business Administration.....	14	20	27
Veterans Administration.....	40	50	55
St. Lawrence Seaway Development Corporation.....	2	3	3
Other.....	14	16	17
Fees and other charges:			
Public enterprise funds for auditing.....	1	1	1
Panama Canal Co. for annuity payment and cost of Canal Zone Government.....	12	15	16
Total, administrative budget.	633	646	679
Trust Funds			
Payments to employees' retirement fund receipts:			
District of Columbia government.....	6	6	6
District of Columbia employees' pay deductions.....	6	6	6
Payments between funds:			
FOASI fund from Federal disability insurance fund.....	2	2	3
Railroad retirement account from:			
FOASI trust fund.....	361	385	386
Unemployment trust fund.....	37	29	29
Federal disability insurance fund.....	11	10	10
Civil service retirement and disability fund to Foreign Service retirement fund.....	3	*	*
Unemployment trust fund from railroad retirement account.....	101	52	13
Total, trust funds.	528	491	454

⁴ Less than one-half million dollars.

PART 5

THE FEDERAL PROGRAM
BY AGENCY

EXPLANATION OF MEANS OF FINANCING AGENCY ACTIVITIES

TYPES OF FUNDS

Agency activities are financed both through administrative budget funds and through trust funds.

The administrative budget covers Federal (Government-owned) funds which are of four types. The *general* fund is credited with receipts not earmarked by law, and is charged with expenditures payable from such revenues and from general borrowing. *Special* funds account for Federal receipts earmarked for specific purposes, other than carrying out a cycle of operations. *Public enterprise* (revolving) funds finance a cycle of operations in which expenditures generate receipts primarily from the public. *Intragovernmental revolving and management* funds facilitate financing operations within and between Government agencies.

Trust funds are established to account for receipts which are held in a fiduciary capacity by the Government for use in carrying out specific purposes and programs. Within the category of trust funds there is a special category of *trust revolving* funds which carry on a cycle of business-type operations.

This budget also includes (in association with the trust funds) deposit funds, which are not used for Government programs but are essentially suspense or agent accounts, and the activities of certain Government-sponsored enterprises. Detailed budgets are not submitted for the deposit funds and the Government-sponsored enterprises, and the following discussion is not generally pertinent to them.

NEW OBLIGATIONAL AUTHORITY AND OBLIGATIONS

New obligational authority.—Government agencies are permitted to enter into obligations, requiring either immediate or future payment of money, only when they have been granted appropriations or other authority to do so by law. The amounts thus authorized by Congress are called *new obligational authority* (NOA). Such authority is related to the *obligations* expected to be incurred. *Expenditures* which are made during any fiscal year may be payments of obligations in-

curred in prior years or in that same year. In some cases NOA is requested and granted to fully finance a project (especially construction, research, or procurement) when it starts, allowing the obligations to be spread over 2 or more years.

Most new obligational authority of the administrative budget funds is granted year by year (*current authorizations*). Some new obligational authority in the administrative budget and most NOA in the trust funds permit additional sums to become available from time to time without further action by the Congress (*permanent authorizations*).

New obligational authority usually takes the form of *appropriations* which permit obligations to be incurred and expenditures to be made. Some is in the form of *contract authorizations* which permit obligations, but require an appropriation "to liquidate" in order to permit expenditures in payment of the obligations. There are also *authorizations to expend from debt receipts*; such NOA permits the use of borrowed money to incur obligations and make expenditures. Any part of NOA which is not used for obligations during the period for which it is available cannot be used, but expires. *Reappropriations* and *reauthorizations* are congressional actions to continue availability of unused balances which would otherwise expire.

The amount of new obligational authority is usually named specifically in the act of Congress which makes it available (*definite authorizations*), but in a few cases the amount is left indefinite to be determined by subsequent circumstances (*indefinite authorizations*); an example is the appropriation for interest on the public debt.

Obligations incurred.—Following the enactment of new obligational authority, obligations are incurred by Government agencies. Such obligations include the currently accruing liabilities for salaries and wages, certain contractual services, and interest; entering into contracts for equipment, construction, and land; approval of agreements to make loans; and other commitments requiring the payment of money.

EXPENDITURES AND BALANCES

Expenditures.—Obligations are liquidated by the issuance of checks, disbursement in cash, the maturing of interest coupons in the case of some bonds, and, in a few special cases, by issuance of bonds or notes (or increases in the redemption value of bonds outstanding) in lieu of checks. Retirement of debt and purchase of the Government's own securities are not counted as expenditures (or as obligations incurred).

For three types of funds—public enterprise, intragovernmental, and trust revolving funds—expenditures are stated net of receipts. If receipts exceed expenditures the difference shows as a minus entry in the expenditure tables. Moneys received from the issuance of debt

instruments or the sale of the Government's own securities are not counted as receipts or netted against expenditures.

Expenditures of the individual accounts and funds include various payments to other accounts and funds. For example, a number of public enterprise funds pay, to the general fund, interest on the capital they have received from the Government. Certain trust funds make payments to other trust funds. Interfund transactions of this type within the administrative budget are deducted at the end of the expenditure tables (and identical deductions are made at the end of the receipt tables). Similar interfund deductions are made for the trust sector.

Balances.—Not all of the obligational authority enacted for a fiscal year is paid out in the same year. In the case of salaries and wages, only 2 to 3 weeks elapse between the time of obligation and the time of expenditure. On the other hand, in the case of major procurement and construction, several years may elapse. Amounts which have been obligated are always carried forward to cover the subsequent expenditure in payment of such obligations.

Most appropriations for current operations are made available for obligation only within the year (1-year appropriations). Some are for a specified longer period (multiple-year appropriations). Some, including most of those for construction, some for research, and nearly all trust fund appropriations are made available by Congress until expended (no-year appropriations), and remain available for obligation until objectives have been completed.

Therefore, a change in the amount of new obligational authority for a given year does not necessarily change either the obligations incurred or the budget expenditures in that same year by an equal amount. A change in new obligational authority in any one year may spread its effect over obligations for 2 or more years and over expenditures for even a longer period.

ESTIMATES FOR 1963 AND 1964

Data for 1963.—Congress has already acted on appropriations and other new obligational authority for fiscal year 1963, but additional, supplemental amounts are estimated to be required in certain cases. The enactment of legislation increasing the salary scales for employees under the Classification Act and those in certain similar positions during the current fiscal year causes an unusual number of supplemental estimates to be required for 1963. Where the word "enacted" is used in the budget in reference to 1963, the amounts are those already voted by Congress (including the amounts likely to be available in the case of appropriations made in an indefinite amount) or the expenditures thereunder, unless otherwise indicated. Where

the word "estimate" is used, the amounts include both those enacted and needed supplementals.

Data for 1964.—This budget is complete as to the estimates for 1964 as now foreseen. The budget appendix generally includes the proposed appropriation language for the various items which are identified in the budget. However, in a few instances—mainly cases of proposed new legislation—estimates are included in the budget, but formal transmittal of the proposed text of the appropriation language (or other proposal) will be made later. In certain tables, these items for later transmittal and expenditures therefrom are identified in separate columns or by special footnotes; in tables where there is no such specific identification, the estimate for 1964 is comprehensive, whether or not the necessary appropriation language is formally transmitted at this time.

Special allowances.—It is likely that some additional needs, not now known, will arise during the remainder of 1963 and 1964, and supplemental proposals will be transmitted to Congress when required. Lump-sum allowances are included in the summary tables of the budget to cover such items, and additional comparability pay adjustments for 1964, not yet enacted into law.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)

This tabulation shows, for each appropriation and fund account, among the administrative budget funds, information on new obligational authority (called NOA herein) and expenditures. Explanatory sentences relate primarily to NOA, and usually to increases or decreases for 1964. Functional code numbers are cross references to the lines in table 14 (pages 112 to 121) where the figures are summarized. The NOA in this tabulation takes account of certain transfers between appropriations which are set forth in the Budget Appendix. Congressional action in the appropriation process occasionally is in the form of a limitation on the use of trust fund or other fund, or an appropriation to liquidate contract authorizations; such items which do not involve NOA are also included here in parentheses, but are not added into the totals. NOA items in the administrative budget are current authorizations except where otherwise indicated. A final section of this tabulation shows similar information on the trust funds. Smaller funds are grouped in that section. Accounts appearing there are permanent authorizations unless otherwise noted.

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
LEGISLATIVE BRANCH					
SENATE					
General and special funds:					
Compensation of the Vice President and Senators.....	901 NOA Exp.	-----	2,471	2,471	-----
Compensation of Senators.....	901 NOA Exp.	2,433 2,425	-----	-----	(For the Legislative Branch, explanations are shown only for those items for which supporting data submitted to the Bureau of the Budget indicate the reason for a change from the appropriation for the current fiscal year.)
Compensation of the Vice President of the United States.....	901 NOA Exp.	38 38	-----	-----	
Mileage of President of the Senate and of Senators.....	901 NOA Exp.	58 52	58	58	-----
Expense allowances of the Vice President, and majority and minority leaders.....	901 NOA Exp.	-----	14	14	-----
Expense allowance of majority and minority leaders.....	901 NOA Exp.	4 4	-----	-----	
Expense allowance of the Vice President.....	901 NOA Exp.	10 10	-----	-----	

650000	0-63-9	Salaries, officers and employees	901	NOA	18,321	{	19,132	111	}	20,472		391
				Exp.	17,099		111					
		Office of the Legislative Counsel	901	NOA	232	{	232	111	}	247		4
		of the Senate		Exp.	220							
		Joint Committee on Reduction of	901	NOA	27	{	27	111	}	30		2
		Nonessential Federal Expendi-		Exp.	27							
		tures										
		Contingent expenses of the Senate:										
		Legislative reorganization	901	NOA	126	{	126	116	}	135		3
				Exp.	88							
		Senate policy committees	901	NOA	268	{	328	116	}	351		7
				Exp.	200							
		Joint Economic Committee	901	NOA	248	{	250	111	}	266		5
		Reappropriation		NOA	12							
				Exp.	261							
		Joint Committee on Atomic	901	NOA	294	{	294	112	}	311		5
		Energy		Exp.	254							
		Joint Committee on Printing	901	NOA	116	{	116	116	}	124		2
				Exp.	112							
		Automobiles and maintenance	901	NOA		{	36	111	}	38		1
				Exp.								

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
LEGISLATIVE BRANCH—Continued					
SENATE—Continued					
General and special funds—Continued					
Contingent expenses of the Senate—Con. Vice President's automobile 901 NOA Exp.	9	8			(For the Legislative Branch, explanations are shown only for those items for which supporting data submitted to the Bureau of the Budget indicate the reason for a change from the appropriation for the current fiscal year.)
Automobile for the President pro tempore 901 NOA Exp.	9	8			
Automobile for majority and minority leaders 901 NOA Exp.	17	16			
Furniture 901 NOA Reappropriation NOA Exp.	31 8 38	31	31		
Inquiries and investigations 901 NOA Exp.	3,797 3,558	{ 3,797 ††162 }	4,026	67	
Folding documents 901 NOA Exp.	34 34	{ 34 ††2 }	37	1	
Senate restaurants 901 NOA Reappropriation NOA Exp.	110 20 153	{ }			

Mail transportation.....	901	NOA Exp.	17 16	17	17	-----
Miscellaneous items.....	901	NOA Exp.	2,294 2,261	{ 2,391 ††24 }	2,426	11
Postage stamps.....	901	NOA Exp.	56 54	56	56	-----
Stationery (revolving fund).....	901	NOA Exp.	195 183	195	195	-----
Communications.....	901	NOA Exp.	15 12	15	15	-----
Joint Committee on Inaugural Ceremonies of 1961.....	901	Exp.	6			
Payments to estates and widows of deceased Members of the Sen- ate.....	901	NOA Exp.	68			
Senate restaurant fund.....	901	Exp.	-80			
Recording studio revolving fund.....	901	Exp.	-111			
Total, Senate.....		NOA Exp.	28,867 26,946	{ 29,620 ††1,202 28,902 }	31,320 29,400	498 498

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (—)	Explanation of NOA requests
LEGISLATIVE BRANCH—Continued					
HOUSE OF REPRESENTATIVES					
General and special funds—Continued					
Compensation of Members—901	NOA Exp.	10,672 10,621	10,672	10,622	—50
Mileage of Members and expense allowance of the Speaker—901	NOA Exp.	200 182	200	200	
Salaries, officers and employees— 901	NOA Exp.	7,661 7,270	{ 7,779 ††387 }	8,450	284
Members' clerk hire—901	NOA Exp.	20,400 19,125	{ 20,400 ††1,012 }	21,800	388
Contingent expenses of the House: Furniture—901	NOA Exp.	243 213	{ 263 ††7 }	283	13
Miscellaneous items—901	NOA Exp.	2,549 2,867	{ 2,600 †30 ††6 }	2,825	189
Reporting hearings—901	NOA Exp.	150 184	{ 150 †25 }	175	

(For the Legislative Branch, explanations are shown only for those items for which supporting data submitted to the Bureau of the Budget indicate the reason for a change from the appropriation for the current fiscal year.)

Special and select committees	NOA	2,900	{	2,935	}	3,325	266
	901			††124			
	Exp.	2,740					
Joint Committee on Internal Revenue Taxation	NOA	322	{	322	}	344	6
	901			††16			
	Exp.	281					
Joint Committee on Immigration and Nationality Policy	NOA	20	20	20			
	901						
	Exp.						
Joint Committee on Defense Production	NOA		{	65	}	70	2
	901			††3			
	Exp.						
Office of the Coordinator of Information	NOA	108	{	114	}	122	2
	901			††6			
	Exp.	108					
Telegraph and telephone	NOA	1,300	{	1,350	}	1,670	170
	901			††50			
	Exp.	1,483					
Stationery (revolving fund)	NOA	745	788	785			
	901	699					
	Exp.						
Attending physician's office	NOA	17	17	17			
	901	14					
	Exp.						
Postage stamps	NOA	184	184	183			
	901	199					
	Exp.						
Folding documents	NOA	236	{	240	}	257	5
	901			††12			
	Exp.	195					

†Proposed for separate transmittal, other than pay increase supplementals.

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
LEGISLATIVE BRANCH—Continued					
HOUSE OF REPRESENTATIVES—Con.					
General and special funds—Continued Contingent expenses of the House—Con.					
Revision of laws..... 901 NOA	20	{ 20 ††1 }	21	-----	(For the Legislative Branch, explanations are shown only for those items for which supporting data submitted to the Bureau of the Budget indicate the reason for a change from the appropriation for the current fiscal year.)
Exp.	19				
Speaker's automobile..... 901 NOA	10	10	11	1	
Exp.	9				
Majority leader's automobile..... 901 NOA	10	10	10	-----	
Exp.	9				
Minority leader's automobile..... 901 NOA	10	10	10	-----	
Exp.	9				
Portrait of Speaker..... 901 NOA	-----	2	-----	-2	
Exp.	-----				
New edition of the United States Code..... 901 NOA	100	-----	-----	-----	
Exp.	41				
Payments to widows and heirs of deceased Members of Congress..... 901 NOA	102	-----	-----	-----	
Exp.	22				
New edition of the District of Columbia Code..... 901	Exp.	22			

House of Representatives restaur- ant fund.....	901	Exp.	-25				
House recording studio revolving fund.....	901	Exp.	-34				
Capitol Police: General expenses.....	901	NOA Exp.	37 25	37	37		
Capitol Police Board.....	901	NOA Exp.	125 108	{ 130 ††6 }	144	8	
Education of Pages.....	901	NOA Exp.	68 69	{ 68 ††5 }	77	4	
Penalty mail costs.....	901	NOA Exp.	3,836 3,836	3,986	3,986		
Statements of appropriations.....	901	NOA Exp.	8 8	8	8		
Consolidated working fund.....	901	Exp.	-6				
Total, House of Representa- tives.		NOA Exp.	52,023 50,295	{ 52,379 †205 ††1,586 52,082 †205 }	55,452 53,525	1,282 1,234	

†Proposed for separate transmittal, other than pay increase supplementals.

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (—)	Explanation of NOA requests	
LEGISLATIVE BRANCH—Continued						
ARCHITECT OF THE CAPITOL						
General and special funds—Continued Office of the Architect of the Capi- tol:						
Salaries.....	901 NOA 338	{ 363 †12 }	496	131	To provide an adequate staff on a permanent operational basis.	
Exp.	329	364	496	132		
Contingent expenses.....	901 NOA 50	50	50	—3	This item is for unforeseen expenses. About half is usually needed for snow removal.	
Exp.	22	47	50			
Capitol buildings and grounds:						
Capitol buildings.....	901 NOA 1,630	{ 1,282 †15 }	1,437	—197	The 1964 requirements are reduced mainly because 1963 included a nonrecurring reappropriation item for elimination of fire hazards.	
Reappropriation.....	NOA Exp.	1,133	1,761	—284		
337						
Extension of the Capitol:						
Contract authorization.....	901 NOA (1,500)	{ 800 (500) }	(1,000)	—800	Appropriations are to liquidate contract authorization already granted for extension, reconstruction, and replacement of the central part of the Capitol and related improvements.	
Liquidation of contract au- thorization.....	Exp.	6,400	{ 1,930 †800 }	1,000	—1,730	
Capitol grounds.....	901 NOA 446	435	496	61	Requirements are increased mainly to provide additional personnel for maintenance of the grounds, including care of expanded areas.	
	Exp.	351	493	3		

Senate Office Buildings.....	901	NOA	2,170	{	2,235	}	2,945	693	This includes increase for electronic clock and legislative call system, for replacing obsolescent elevator equipment, for fire protection improvements, and for conversion of old subway into offices and storage space.
Reappropriation.....		NOA Exp.	150 2,317	††17 2,419			2,845	426	
Legislative garage.....	901	NOA Exp.	79 67	63 65			50 52	-13 -13	The 1964 requirements are reduced because 1963 included a nonrecurring item for replacement of heating equipment.
House Office Buildings.....	901	NOA	1,639	{	1,703 ††20 1,776	}	1,928	205	Principal item of increase is to provide for replacement of deteriorated marble balustrade on roof of Old House Office Building, now known as Cannon House Office Building.
Exp.			1,620				1,903	127	
Acquisition of property, construction, and equipment, additional House Office Building:									
Contract authorization.....	901	NOA	-----	18,000	-----		-18,000	(Increase in liquidation of contract authorization relates to requirements to make payments on obligations entered into under prior contract authorization.)	
Liquidation of contract authorization.....		Exp.	(6,000) 25,362	(8,500) 26,735	(16,500) 16,500		(8,000) -10,235		
Capitol Power Plant.....	901	NOA Exp.	2,052 2,013	2,052 2,047	2,230 2,230		178 183		Principal increase is to provide for additional electrical energy required.
Expansion of facilities, Capitol Power Plant.....	901	Exp.	86	953	3,602		2,649		Payments are mainly for obligations incurred in connection with the additional House Office Building and other improvements.
Extension of additional Senate Office Building site.....	901	Exp.	42	7	-----		-7		
Additional office building for the United States Senate.....	901	Exp.	342	322	-----		-322		
Subway transportation, Capitol and Senate Office Buildings	901	Exp.	2	-----	-----				
Changes and improvements, Capitol Power Plant.....	901	Exp.	1,007	637	-----		-637		

†Proposed for separate transmittal, other than pay increase supplementals.

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (—)	Explanation of NOA requests
LEGISLATIVE BRANCH—Continued					
ARCHITECT OF THE CAPITOL—Con.					
General and special funds—Continued					
Capitol buildings and grounds—Continued					
Furniture and furnishings, additional Senate Office Building 901	18	119	-----	-119	
Remodeling, Senate Office Building 901	Exp. 56	3	-----	-3	
Library buildings and grounds:					
Structural and mechanical care 901	NOA 3,748	844	3,522	2,406	Increase is primarily for replacement of water distribution system and sewer and drainage systems serving the main building and grounds.
Reappropriation-----	NOA Exp. 931	272	2,247	-867	
Furniture and furnishings 901	NOA Exp. 99 102	225 209	189 199	-36 -10	Decreased principally because 1963 included a nonrecurring item of steel trays and catalog cases for Card Division.
Additional library building 901	Exp. 65	10	-----	-10	
Total, Architect of the Capitol	NOA 12,401	28,661 +154	13,344	-15,371	
	Exp. 42,265	43,011 +800	33,096	-10,715	

BOTANIC GARDEN

Salaries and expenses.....	901	NOA	489	452	}	483	-31	Decrease results because 1963 included a nonrecurring reappropriation item of topsoil and plant material for Poplar Point Nursery and a nonrecurring item of boiler replacement, offset by a new item of surfacing roadways in nursery for 1964.
Reappropriation.....		NOA Exp.	400	62 513		509	-4	
Relocation of greenhouses.....	901	Exp.	50	57			-57	
Total, Botanic Garden.....		NOA Exp.	489 450	514 570		483 509	-31 -61	

LIBRARY OF CONGRESS

Salaries and expenses.....	704	NOA	8,455	9,810 ††308	}	10,405	220	Provides for increased activity in acquisition of materials by purchase, gift, exchange, and other means; in organization of the collections; in reader and reference services; and in maintenance and protection of the buildings and collections.
Reappropriation.....		NOA Exp.	8,206	67 9,786		10,544	758	
Copyright Office: Salaries and expenses.....	704	NOA Exp.	1,600 1,595	1,620 ††62 1,690		1,794 1,775	112 85	Workload increases are expected in most activities of the Office.
Legislative Reference Service: Salaries and expenses.....	704	NOA Exp.	1,809 1,798	1,870 ††102 1,969		2,143	171 145	Provides for additional research and analysis, preparation of indexes and digests and other reference and reader services.
Distribution of catalog cards: Salaries and expenses.....	704	NOA Exp.	2,347 2,384	2,701 ††61 2,744		2,977 2,949	215 205	Increase in sales activity is expected. Costs are generally recovered from sales income.
Books for the general collections	704	NOA Exp.	470 427	570 560		670 660	100 100	Emphasis will be on acquiring research materials, foreign newspapers and periodicals and materials in science and technology.
Books for the law library.....	704	NOA Exp.	90 95	110 111		110 108	-3	Objective will be to improve the Library's coverage and to preserve deteriorating material.

†Proposed for separate transmittal, other than pay increase supplementals.

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (—)	Explanation of NOA requests
LEGISLATIVE BRANCH—Continued					
LIBRARY OF CONGRESS—Continued					
General and special funds—Continued Books for the blind: Salaries and NOA expenses.....704	1,786	{ 1,885 ††10 } Exp. 1,667 2,045	1,902 1,907	7 -138	Estimate will allow procurement of braille books, more titles and copies of talking books and other improvements in service to the blind.
Organizing and microfilming the papers of the Presidents: Salaries and expenses.....704	NOA Exp. 113 105	113 112	113 121	9	Estimate continues the program authorized in 1959 to arrange, index and microfilm papers in the Library's collections.
Preservation of American motion pictures.....704	NOA Exp. 61 55	61 68	61 61	-7	Estimate will allow continued conversion of paper prints and nitrate films to safety film.
Revision of Annotated Constitution.....704	NOA Exp. 25 7	18		-18	(Work is now completed.)
Collection and distribution of library materials (special foreign currency program).....704	NOA Exp. 400 232	{ 678 ††2 } 594	978 905	298 311	Program utilizes surplus foreign currencies to acquire and distribute foreign library materials.
Indexing and microfilming the Russian Orthodox Greek Catholic Church Records in Alaska.....704	NOA Exp. 15 15			-15 -15	Work is expected to be completed in 1963.
Oliver Wendell Holmes devise fund (permanent, indefinite, special fund).....704	NOA Exp. 26 55	18 52	20 52	2	Principal and interest on the fund will be used primarily to continue preparation of the history of the Supreme Court.

Intragovernmental funds:					
Advances and reimbursements	704	Exp.	—38		
Total, Library of Congress	NOA		17,182	{ 19,518 ††545	} 21,173 1,110
	Exp.		16,587	19,764	21,196 1,432
GOVERNMENT PRINTING OFFICE					
General and special funds:					
Printing and binding	901	NOA	13,400	15,200	18,200 3,000
		Exp.	14,767	13,565	15,700 2,135
Office of Superintendent of Documents: Salaries and expenses	910	NOA	4,724	{ 4,684 ††80	} 5,418 654
		Exp.	4,634	4,770	5,422 652
Acquisition of site and construction of annex	910	NOA	—	6,450	3,758 —2,692
		Exp.	—	750	2,000 1,250
Intragovernmental funds:					
Government Printing Office revolving fund	910	Exp.	—2,600	—6,206	—5,918 288
Total, Government Printing Office	NOA		18,124	{ 26,334 ††80	} 27,376 962
		Exp.	16,801	12,879	17,204 4,325
Total, Legislative Branch	NOA		129,085	{ 157,026 †205 ††3,467	} 149,148 —11,550
	Exp.		153,345	{ 153,782 †1,005 ††3,430	{ 154,893 ††37 } —3,287

†Proposed for separate transmittal, other than pay increase supplementals.

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
THE JUDICIARY						
SUPREME COURT OF THE UNITED STATES						
General and special funds:						
Salaries.....	902 NOA	1,479	{ 1,494 ††19 }	1,588	75	Estimate provides for salaries of the Chief Justice and 8 Associate Justices and all other officers and employees.
Exp.		1,433	1,531	1,575	44	
Printing and binding Supreme Court reports.....	902 NOA	105	{ 108 †33 }	141		Estimate covers costs of printing and binding advance opinions, preliminary prints and bound reports of the Court.
Exp.		120	{ 113 †33 }	98	18	
Miscellaneous expenses.....	902 NOA	83	79	87	8	Estimate allows for expenses as approved by the Chief Justice.
Exp.		88	78	87	9	
Care of the building and grounds.....	902 NOA	284	323	354	31	Estimate covers work of the Architect of the Capitol in the care of Court facilities.
Exp.		276	323	354	31	
Automobile for the Chief Justice.....	902 NOA	7	7	7		Expenses are estimated to continue at current level.
Exp.		7	7	7		
Books for the Supreme Court.....	902 NOA	38	35	35		Prior to 1963 funds were appropriated to the Library of Congress but are shown here for comparability.
Exp.		37	36	35	-1	
Total, Supreme Court of the United States.	NOA	1,996	{ 2,046 †33 }	2,212	114	
Exp.		1,962	{ 2,088 †33 }	2,156	101	

**COURT OF CUSTOMS AND
PATENT APPEALS**

Salaries and expenses.....	902	NOA	359	{	361	}	390	20	Estimate provides funds for an additional secretary and costs of pay increases.
		Exp.	324	{	††9	}	387	20	
CUSTOMS COURT									
Salaries and expenses.....	902	NOA	895	{	919	}	989	47	Estimate is increased largely by salary costs.
		Exp.	888	{	††23	}	984	47	
COURT OF CLAIMS									
Salaries and expenses.....	902	NOA	955	{	1,025	}	1,114	69	Estimate provides for three additional law assistants for trial commissioners and costs of pay increases.
		Exp.	925	{	††20	}	1,109	63	
Repairs and improvements....	902	NOA	10	10	10		-----	-----	No increase requested.
		Exp.	8	10	10		-----	-----	
Total, Court of Claims.....		NOA	964	{	1,034	}	1,124	69	
		Exp.	933	{	††20	}	1,118	63	

†Proposed for separate transmittal, other than pay increase supplementals.

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
THE JUDICIARY—Continued					
COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES					
General and special funds—Continued					
Salaries of judges-----	902 NOA Exp. 10,100 10,005	10,860 10,758	11,200 11,190	340 432	An increase of 5 in the number of Senior and Resigned Judges is anticipated.
Salaries of supporting personnel-----	902 NOA Exp. 25,645 25,120	{ 27,000 ††1,160 28,123	{ 31,480 31,440	3,320 3,317	Estimate provides for the implementation of the "Judiciary Salary Plan" approved by the Judicial Conference of the United States in September 1961.
Fees of jurors and commissioners-----	902 NOA Exp. 4,800 4,982	5,800 5,488	5,500 5,500	-300 12	The sum of \$300 thousand provided in 1963 to liquidate 1962 obligations has been deducted in establishing requirements for 1964.
Travel and miscellaneous expenses-----	902 NOA Exp. 5,438 4,629	{ 4,600 †225 5,238	{ 4,550 4,325 †225	-275 -688	Nonrecurring expenses in 1963 relating to 73 new judgeships has been deducted in establishing requirements for 1964.
Administrative Office of the United States Courts-----	902 NOA Exp. 1,442 1,389	{ 1,500 ††46 1,559	{ 1,640 1,636	94 78	Estimate provides for two additional employees to administer the "Judiciary Salary Plan" and costs of pay increases.
Salaries of referees (special fund)-----	902 NOA Exp. 2,370 2,328	2,600 2,585	2,600 2,600	----- 15	Estimate contemplates continuation of activities at current level. Costs are covered from charges and fee receipts.

Expenses of referees (special fund)	902	NOA	4,310	{	4,850	}	5,456	501	Estimate provides for adjustment of grade levels and salaries of clerks to referees consistent with classification standards approved by the Judicial Conference.
		Exp.	4,188	{	†105 4,947	}	5,436	489	
Total, courts of appeals, district courts, and other judicial services.		NOA	54,104	{	57,210 †225 ††1,311 58,699	}	62,426	3,680	
		Exp.	52,641	{		}	62,127 †225	3,655	
Subtotal, The Judiciary		NOA	58,319	{	61,571 †258 ††1,382 63,146	}	67,141	3,930	
		Exp.	56,747	{		}	66,773 †258	3,885	
Add: Court facilities and furnishings items requested in General Services Administration chapter (contra)	902	NOA	934	2,354			1,587	-767	
		Exp.	365	2,067			2,062	-5	
Total, The Judiciary		NOA	59,253	{	63,925 †258 ††1,382 63,894 ††1,319	}	68,728	3,163	
		Exp.	57,112	{		}	68,772 †258 ††63	3,880	

EXECUTIVE OFFICE OF THE PRESIDENT

COMPENSATION OF THE PRESIDENT					
General and special funds:					
Compensation of the President	903	NOA	150	150	150
		Exp.	150	150	150

†Proposed for separate transmittal, other than pay increase supplementals.

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
EXECUTIVE OFFICE OF THE PRESIDENT—Continued					
THE WHITE HOUSE OFFICE					
General and special funds—Continued Salaries and expenses----- 903 NOA Exp.	2,495 2,454	2,545 2,540	2,730 2,720	185 180	This Office provides the President with staff assistance and administrative services. Increase reflects pay increase costs.
SPECIAL PROJECTS					
Special projects----- 903 NOA Exp.	1,500 1,403	1,500 1,500	1,500 1,500	-----	This appropriation is used by the President for staff assistance on special problems.
EXECUTIVE MANSION AND GROUNDS					
Executive Mansion and grounds 903 NOA Exp.	693 701	658 649	671 671	13 22	These funds provide for care, maintenance, and operation of the Executive Mansion and the surrounding grounds.
Extraordinary alterations and repairs----- 903 Exp.	16	-----	-----	-----	(Balance of prior appropriations was expended in 1962.)
Total, Executive Mansion and grounds. NOA Exp.	693 717	658 649	671 671	13 22	
BUREAU OF THE BUDGET					
Salaries and expenses----- 903 NOA Exp.	5,517 { 5,381	5,650 5,867	6,700 6,844	850 977	The Bureau assists the President in the discharge of his budgetary, management, and other executive responsibilities. Increase reflects higher pay costs and additional staff for manpower control, budgetary administration, and examination of commerce-transportation, resources and civil works, international, and scientific programs.

Intragovernmental funds:				
Advances and reimbursements	903	Exp.	-78	74
			-----	-----
Total, Bureau of the Budget	NOA		5,517	{ 5,650 ††200 5,941 }
	Exp.		5,304	6,700 6,844
				850 903
COUNCIL OF ECONOMIC ADVISERS				
General and special funds:				
Salaries and expenses	903	NOA	584	{ 584 ††18 600 }
		Exp.	583	622 620
Intragovernmental funds:				
Advances and reimbursements	903	Exp.	-76	74
			-----	-----
Total, Council of Economic	NOA		584	{ 584 ††18 674 }
Advisers.		Exp.	506	622 620
				20 20 -74 -54
NATIONAL AERONAUTICS AND SPACE COUNCIL				
General and special funds:				
Salaries and expenses	903	NOA	545	530
		Exp.	203	470
				525 515
				-5 45
NATIONAL SECURITY COUNCIL				
Salaries and expenses	903	NOA	554	550
		Exp.	503	549
				585 583
				35 34

The Council advises the President on economic programs and policy.
Increase reflects pay increase costs.

The Council advises and assists the President on policies, plans, and programs in aeronautical and space activities.

The Council advises the President regarding national security policies.
Increase reflects the classified pay raise.

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
EXECUTIVE OFFICE OF THE PRESIDENT—Continued					
OFFICE OF EMERGENCY PLANNING					
General and special funds—Continued					
Salaries and expenses:					
(Defense-related services) 059	NOA Exp.	970 970			
(Executive direction and man- agement) 903	NOA Exp.	6,918 7,254	5,000 5,844 †58 †50	7,200 6,448 †8	1,942 562
State and local preparedness 059	NOA Exp.			3,000 1,500	3,000 1,500
Emergency preparedness func- tions of Federal agencies 059	NOA Exp.	4,521 4,746	5,000 4,842 ††200	7,750 8,270	2,550 3,428
Federal contributions 059	NOA Exp.	814 1,193			
Emergency supplies and equip- ment 059	NOA Exp.	319 2,793	45	—45	
Research and development 903	NOA Exp.	766 530	712	232	—480
					(Financing is transferred to the "Salaries and expenses" account.)
					(These activities were transferred to other agencies by Executive order.)

Construction of facilities	903	NOA Exp.	161 286				(This activity was transferred to the Department of Defense.)
Total, Office of Emergency Planning.	NOA Exp.	14,469 17,770	10,000 11,443 †58 †50 ††400 †8	17,950 16,450 7,492 4,965			
OFFICE OF SCIENCE AND TECHNOLOGY							
Salaries and expenses	903	NOA Exp.	750 ††15 735	1,025 1,015	260 280		
SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS							
Salaries and expenses	903	NOA Exp.	430 420	430 420			
MISCELLANEOUS							
Intragovernmental funds: Federal Radiation Council: Advances and reimbursements	903	Exp.	-17	12	-12		(The Council is financed by advances from participating agencies.)
Total, Executive Office of the President.	NOA Exp.	26,507 28,993	22,917 24,079 †58 †50 ††633 ††584 ††49	32,888 31,439 †8 ††49	9,280 6,783		

†Proposed for separate transmittal, other than pay increase supplementals.

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
FUNDS APPROPRIATED TO THE PRESIDENT					
DISASTER RELIEF					
General and special funds: Disaster relief	655 NOA Exp.	46,000 14,592	†25,000 35,000	{ 20,000 13,580 †16,420 } —5,000	Costs of disasters declared to date in 1963 will exceed available balances. Estimate for 1964 is to cover possible disaster needs, based on recent experience.
EMERGENCY FUND FOR THE PRESIDENT					
Emergency fund for the President	903 NOA Exp.	1,000 723	1,000 1,354	1,000 1,000 —354	This appropriation enables the President to provide for emergencies affecting the national interest, security, or defense.
EXPANSION OF DEFENSE PRODUCTION					
Public enterprise funds: Revolving fund, Defense Production Act	059 Exp.	11,213	{ 50,057 †—52,596 } †—74,988	{ 74,153 1,704 } —1,704	Estimates reflect anticipated legislation which would discontinue certain payments of interest to Treasury.
EXPENSES OF MANAGEMENT IMPROVEMENT					
General and special funds: Expenses of management improvement	903 NOA Exp.	350 154	200 280	100 200 —80	This enables the President to improve management, organization, and operation of the executive branch.

FOREIGN ASSISTANCE							
Military							
Military assistance	059	NOA Exp.	1,577,000 1,390,011	1,325,000 1,750,000	¹ 1,480,000 1,450,000	155,000 -300,000	Program for 1964 contemplates an increase in U.S. support for equipment, weapons, related spare parts, and services for other nations. Expenditures in 1964 will be lower than in 1963 when a high level of deliveries is expected.
Economic							
Grants and other programs:							
Development grants	152	NOA Exp.	284,236 271,694	225,000 242,800	¹ 275,000 268,500	50,000 25,700	Increase reflects intensified emphasis in the fields of agriculture and education, particularly in Africa.
Development grants (special foreign currency programs)	152	NOA Exp.	100 53	2,800 1,200	¹ 2,000 1,500	-800 300	Estimate is for purchase of excess Polish currency from the Treasury to complete U.S. sponsored children's hospital in Poland.
Surveys of investment opportunities	152	NOA Exp.	1,500	----- 588	¹ 1,500 825	1,500 237	Estimate will allow continued encouragement of private investors to survey investment opportunities in developing areas.
International organizations and programs	152	NOA Exp.	170,264 119,586	148,900 154,000	¹ 181,250 165,000	32,350 11,000	Increase is attributable to greater willingness of other UN members to jointly support the UN Special Fund and Technical Assistance program, to increased UN economic activities in the Congo, to the larger requirements of the Indus Basin Development Fund, and to the U.S. contribution to the World Food Program.
Supporting assistance	152	NOA Exp.	425,000 618,002	² 405,000 500,000	¹ 397,000 420,000	-8,000 -80,000	Requirements are at a lower level than prior years resulting from the transfer of projects to development loans and other categories.
Contingency fund	152	NOA Exp.	284,900 272,798	{ 250,000 { -1,523 } } 248,557	¹ 400,000 290,000	151,523 41,443	Estimate will provide increased flexibility to the President for meeting unforeseen emergencies and opportunities in foreign affairs.

[†] Proposed for separate transmittal, other than pay increase supplementals.

^{††} Proposed for separate transmittal, pay increase supplementals.

¹ To carry out authorizing legislation to be proposed.

² Reflects \$10 million transfer from Alliance for Progress (grants) to Supporting assistance.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
FUNDS APPROPRIATED TO THE PRESIDENT—Continued					
FOREIGN ASSISTANCE—Continued					
Economic—Continued					
General and special funds—Continued					
Grants and other programs—Continued					
Alliance for Progress-----152 NOA Exp. 70,556	90,000	100,000	53,796	10,000 -21,204	Grant portion of the program appears in this account. Loans appear under "Loan and guarantee programs."
Social Progress Trust Fund-----152 NOA Exp. 10,000	45,000	200,000	117,000	200,000 72,000	Estimate is to expand the Social Progress Trust Fund administered by the Inter-American Development Bank.
Administrative expenses (Agency for International Development)-----152 Exp. 50,500	{ 49,322 +1,463	1 57,250	50,386	6,465 55,000 4,614	The increase reflects adjustments under the new pay act, expanded staff training programs, and other items for administration of the program.
Administrative and other expenses (State)-----152 Exp. 3,600	{ 2,700 +60	3,025	2,657	265 3,000 343	Increase is to strengthen missions to NATO and European regional organizations.
Subtotal, grants and other programs. NOA Exp. 1,220,100	1,173,722	1,617,025	1,320,188	443,303 1,374,621 54,433	
Public enterprise funds:					
Loan and guarantee programs:					
Alliance for Progress: Development loans-----152 NOA Exp. 74,280	425,000	600,000	160,100	175,000 230,200 70,100	Increase anticipates rise in the capacities of the countries of Latin America to effectively use external resources as a result of enactment of suitable reforms and establishment of development planning mechanisms. The development grant and Social Progress Trust Fund portions of the Alliance for Progress estimate are shown above. Substantial contributions are also made to the Alliance program by the Peace Corps, the Export-Import Bank, and the Food for Peace program.

Development loans—revolving fund	152	NOA Exp.	1,112,500 10,478	975,000 224,520	1,248,000 296,500	273,000 71,980	Increase is result of better planning, programing, and implementing capabilities in developing countries, mainly in the Near East and South Asia.
Development Loan Fund (liquidation account)	152	Exp.	336,338	400,000	407,000	7,000	(The Fund ceased existence as a corporate entity in 1962, except for liquidation of loans commitments.)
Foreign investment guarantee fund	152	NOA Exp.	—1,650	30,000 —5,000	—9,000	—30,000 —4,000	Guarantees of \$770 million are expected to be issued. Legislation is proposed to eliminate the present practice of obligating funds as fractional reserves for such issuances.
Subtotal, loan and guarantee programs.		NOA Exp.	1,112,500 419,446	1,430,000 779,620	1,848,000 924,700	418,000 145,080	
Intragovernmental funds:							
Advance acquisition of property—revolving fund	152	NOA Exp.	5,000	242	729	487	(This finances costs related to acquisition, renovation, and resale of Government-owned excess equipment.)
Office of Inspector General, Foreign Assistance, State	152	Exp.	39	—50	—50	—	(Expenditures of \$890 thousand, covered by advances from appropriations will finance the continued review of the program.)
Subtotal, loan and guarantee programs.		NOA Exp.	5,000 39	192	679	487	
Total, economic		NOA Exp.	2,337,600 1,836,297	2,603,722 2,100,000	3,465,025 2,300,000	861,303 200,000	
Total, foreign assistance		NOA Exp.	3,914,600 3,226,308	3,928,722 3,850,000	4,945,025 3,750,000	1,016,303 —100,000	
PEACE CORPS							
General and special funds:							
Peace Corps	152	NOA Exp.	30,000 11,409	58,550 47,000	1 108,000 80,000	49,450 33,000	Corps will expand to 13,000, an increase of 4,000 over 1963. Main expansion will be in Latin America and Africa.

†† Proposed for separate transmittal, pay increase supplementals.
† To carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests	
FUNDS APPROPRIATED TO THE PRESIDENT—Continued						
INTERNATIONAL FINANCIAL INSTITUTIONS						
General and special funds—Continued						
Investment in Inter-American Development Bank.....	152	NOA 110,000 Exp. 110,000	60,000 60,000	150,000 50,000	-10,000 -10,000	NOA is based on proposal to authorize a U.S. subscription for expansion of the resources of the Fund for Special Operations.
Subscription to the International Development Association.....	152	NOA 61,656 Exp. 61,656	61,656 61,656	61,656 61,656	-----	This is the fourth of 5 annual installments to pay the total U.S. share of \$320,290 thousand.
Loans to the International Monetary Fund.....	152	NOA Exp. -----	2,000,000 -----	-----	-2,000,000	NOA in 1963 is available if needed to enable the fund to forestall or cope with an impairment of the international monetary system.
Total, international financial institutions.....		NOA Exp. 171,656 171,656	2,121,656 121,656	111,656 111,656	-2,010,000 -10,000	

PUBLIC WORKS ACCELERATION

Public works acceleration.....	507	NOA	$\{ \begin{array}{l} 400,000 \\ +500,000 \end{array} \}$	-	-900,000
		Exp.	$\{ \begin{array}{l} 197,000 \\ +103,000 \end{array} \}$	203,000	$\{ \begin{array}{l} 100,000 \\ +197,000 \end{array} \}$

Supplemental in 1963 is to provide full funding for the authorized program. Allocations in eligible redevelopment areas are made on recommendations of the Secretary of Commerce. By Dec. 31, 1962, allocations totaling \$365 million had been made from the initial appropriation enacted Oct. 24, 1962. Expenditures therefrom will supplement expenditures of regular appropriations under various functions as follows (in millions of dollars):

	<i>Functional code</i>	<i>Allocations (NOA), 1963</i>	<i>Expenditures, 1963</i>	<i>Expenditures, 1964</i>
Housing and community development.....	553	177	71	106
Community health facilities and waste treatment.....	651	87	23	64
Land, water, mineral, forest, and wildlife resources.....	² 400	77	58	19
Commerce, highways, and other transportation.....	² 500	16	8	8
Federal facilities, post offices, and prisons.....	² 900	5	1	4
Agriculture and agricultural resources.....	² 300	2	1	1
Veterans and all other functions.....	---	1	1	---
Total allocated.....		365	163	202

SPECIAL FOREIGN CURRENCY PROGRAMS

Translation of publications and scientific cooperation.....	355	Exp.	568	2,982	-	-2,982
---	-----	------	-----	-------	---	--------

(Continuation of this program is provided under the National Science Foundation and the Department of Agriculture.)

TRANSITIONAL GRANTS TO ALASKA

Transitional grants to Alaska.....	910	NOA	$\{ \begin{array}{l} 6,000 \\ 5,944 \end{array} \}$	$\{ \begin{array}{l} 3,000 \\ 3,000 \end{array} \}$	$\{ \begin{array}{l} 3,000 \\ 3,000 \end{array} \}$	-
		Exp.				

This is the last year of a 5-year authorized program of grants to facilitate the transition to statehood.

[†]Proposed for separate transmittal, other than pay increase supplements.

¹To carry out authorizing legislation to be proposed.

²Includes more than one subfunction.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
FUNDS APPROPRIATED TO THE PRESIDENT—Continued					
MISCELLANEOUS					
General and special funds—Continued					
Defense aid (permanent, indefinite, special fund).....	152	—2	—	—	(Only activity is recovery on prior expenditures.)
Obligations, defense aid, liquidation, lend-lease program.....	152	27	—	—	(Account is used only to pay old obligations.)
Total, miscellaneous.....	Exp.	25	—	—	
Total, Funds Appropriated to the President.	NOA	4,169,606	{ 6,513,128 †525,000 }	5,188,781	—1,849,347
	Exp.	3,442,593	{ 4,308,329 †50,404 }	4,236,589	16,288 †138,432 }

DEPARTMENT OF AGRICULTURE

AGRICULTURAL RESEARCH SERVICE						
General and special funds:						
Salaries and expenses.....	355 NOA	159,558	{ 169,130 ††4,696 }	184,204	9,378	Increase is for staffing new laboratories, continuing hog cholera eradication, enlarging meat inspection staff, for a food consumption survey, and for increased pay costs.
Reappropriation.....	NOA	1,000	1,000	—	—	
	Exp.	154,536	170,197	185,123	14,926	
Salaries and expenses (special foreign currency program).....	NOA	5,265	5,265	2,500	—2,765	Available prior-year balances of excess foreign currencies will permit continuation of market development research, economic research, and agricultural and forestry research.
	Exp.	3,088	4,800	8,000	3,200	

State experiment stations.....	355	NOA Exp.	35,803 35,711	166	-	-166	(Activities were transferred to "Cooperative State Experiment Stations Service.")
Construction of facilities.....	355	NOA Exp.	800 1,516	4,600	2,329	-2,271	(No additional major construction is proposed.)
Diseases of animals and poultry.....	355	Exp.	-	13	-	-13	(Expenditures from this account will be completed in 1963.)
Animal disease laboratory facilities.....	355	Exp.	539	306	-	-306	(Construction in 1963 completes this installation at Ames, Iowa.)
Research facilities.....	355	Exp.	3	-	-	-	(Expenditures from this account were completed in 1962.)
Research on strategic and critical materials.....	355	Exp.	-	1	-	-1	(Expenditures from this account will be completed in 1963.)
Establishment of an entomology research laboratory (indefinite special fund).....	355	Exp.	-	400	-	-400	(Expenditures from this account will be completed in 1963.)
Intragovernmental funds:							
Working capital fund, Agricultural Research Center.....	355	Exp.	-117	-	-	-	
Total, Agricultural Research Service.		NOA Exp.	202,426 195,276	{ 175,395 ††4,696 180,483 }	186,704 195,452	6,613 14,969	
COOPERATIVE STATE EXPERIMENT STATION SERVICE							
General and special funds:							
Payments and expenses.....	355	NOA Exp.	-	{ 38,207 ††59 38,156 }	40,383 40,288	2,117 2,132	
Increase provides \$1 million for grants to land-grant colleges, and \$1 million for the new program of forestry research grants authorized by Public Law 87-788.							

†Proposed for separate transmittal, other than pay increase supplementals.

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (—)	Explanation of NOA requests
DEPARTMENT OF AGRICULTURE—Continued					
EXTENSION SERVICE					
General and special funds—Continued Cooperative extension work, payments and expenses	70,804 70,254	75,342 75,205	77,328 77,316	1,986 2,111	Increase is primarily for grants to the States for extension work.
FARMER COOPERATIVE SERVICE					
Salaries and expenses	355 NOA Exp.	657 { 651 697 17	1,280 1,175 68	574 478 51	Increase is for additional research and technical assistance for farmers' cooperatives.
Intragovernmental funds: Advances and reimbursements	355 Exp.	—10			
Total, Farmer Cooperative Service.	NOA Exp.	657 { 641 714	1,280 1,243	574 529	
SOIL CONSERVATION SERVICE					
General and special funds: Conservation operations	354 NOA Exp.	89,646 { 89,008 93,000	99,453 99,000	5,307 6,000	Increase provides \$750 thousand for staffing some 30 new conservation districts, \$1 million for additional staff in existing districts, \$520 thousand for additional soil surveys, and for increased pay costs.
Watershed protection	354 NOA Exp.	53,752 { 39,573 53,250	63,992 60,500	2,574 7,250	Estimate will start construction of about 36 watershed projects, continue 223, complete 32, provide advance engineering for 122, and increase comprehensive river basin surveys.

Flood prevention.....	354	NOA	24,994	{	25,000	}	25,576	233	Increase provides for a program at about the 1963 level on 11 authorized watersheds, and provides for increased pay costs.
		Exp.	19,444	{	††343 25,900	}	25,100	-800	
Great Plains conservation pro- gram.....	354	NOA	10,166	{	12,250 ††109	}	14,640	2,281	Increase provides for an increased level of cost-share funds for contracts of 3 to 10 years' duration, and for increased pay costs.
		Exp.	9,042	{	10,576	}	11,848	1,272	
Water conservation and utiliza- tion.....	354	Exp.	2	3				-3	(Expenditures are expected to be completed in 1963.)
Resource conservation and devel- opment.....	354	NOA					6,275	6,275	
		Exp.					3,000	3,000	
Total, Soil Conservation Serv- ice.		NOA	178,558	{	188,481 ††4,785 182,729	}	209,936	16,670	
		Exp.	157,069	{		}	199,448	16,719	
ECONOMIC RESEARCH SERVICE									
Salaries and expenses.....	355	NOA	9,360	{	9,495 ††357 9,706	}	10,301	449	
		Exp.	8,190	{		}	10,230	524	
STATISTICAL REPORTING SERVICE									
Salaries and expenses.....	355	NOA	8,761	{	9,684 ††315 9,721	}	11,552	1,553	
		Exp.	7,674	{		}	11,333	1,612	
Intragovernmental funds:									
Advances and reimbursements.....	355	Exp.	7						
Total, Statistical Reporting Service.		NOA	8,761	{	9,684 ††315 9,721	}	11,552	1,553	
		Exp.	7,681	{		}	11,333	1,612	

†† Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
DEPARTMENT OF AGRICULTURE—Continued						
AGRICULTURAL MARKETING SERVICE						
General and special funds:						
Marketing research and service.....	355	NOA 37,961	39,745 160 ††1,335	42,905	1,765	Supplemental in 1963 is for more effective supervision of commodity warehouses. Increase in 1964 will provide for increased workload in poultry inspection and regulatory activities, and increased pay costs.
Permanent.....		NOA 285				
Exp.		37,882	{ 41,093 †55	42,777 †5	1,634	
Construction of facilities.....	355	NOA		1,600 955	1,600 955	A facility at Dawson, Ga., is proposed, principally for peanut marketing research.
Payments to States and possessions.....	355	NOA 1,325	1,425	1,425		Matching payments are made to States for programs to improve marketing.
Exp.		1,325	1,425	1,425		
Special milk program.....	655	NOA	{ 104,997 ††—5,000	102,000	2,003	Estimate covers proposed increase in the program, from 2.85 billion half-pints of milk to be furnished in 1963 to 2.98 billion in 1964.
Exp.			97,497	102,000	4,503	
School lunch program.....	655	NOA 125,000	124,993	137,000	12,007	Increase provides for growth in the program and for easing the impact of a legislative change in the formula for assistance to States. It also includes \$2 million for aid to needy schools.
Permanent.....		NOA 45,000	45,000	45,000		
Exp.		169,112	169,493	182,000	12,507	
Perishable agricultural commodities act fund (permanent, indefinite, special fund).....	355	NOA 665	729	913	184	An increase in license fee rates effective Jan. 1, 1963, allows improved administration of license system.
Exp.		736	843	918	75	

650000 0-63-11	Removal of surplus agricultural commodities (permanent, indefinite)	351	NOA Exp.	272,668 214,833	264,853 224,973	308,183 200,000	43,330 -24,973	NOA is equal to 30% of, and increases with, certain customs receipts. It is available to expand outlets for farm commodities through donations to the school lunch program, charitable institutions, and needy persons, and through the food-stamp program.
	Food stamp program.....	351	NOA Exp.	-----	-----	†25,000 †24,000	25,000 24,000	Estimate is for proposed legislation to provide direct financing for the food stamp program.
	Intragovernmental funds: Advances and reimbursements.....	355	Exp.	23	5	-----	-5	
	Total, Agricultural Marketing Service.		NOA	482,904	{ 581,742 †60 ††-3,665	{ 639,026 †25,000 535,329 †55	85,889	
			Exp.	423,911		{ 530,075 †24,005	18,696	
	FOREIGN AGRICULTURAL SERVICE							
	General and special funds: Salaries and expenses.....	355	NOA	12,457	{ 16,894 ††247	{ 19,039	1,898	Increase is largely in expanded market development work abroad in both dollar and soft currency areas, and for increased pay costs.
	Permanent, indefinite.....		NOA Exp.	3,117 8,317	{ 3,117 11,048	{ 3,117 12,983	1,935	
	Salaries and expenses (special foreign currency program)	355	NOA Exp.	3,444 6,681	{ 4,000 6,500	{ 6.900	-4,000 400	There are adequate carryover balances of excess foreign currencies for this account.
	Total, Foreign Agricultural Service.		NOA	19,018	{ 24,011 ††247	{ 22,156	-2,102	
			Exp.	14,998	{ 17,548	{ 19,883	2,335	
	COMMODITY EXCHANGE AUTHORITY							
	Salaries and expenses.....	355	NOA	1,007	{ 1,022 ††41	{ 1,095	32	Estimate will continue licensing, auditing, supervisory and investigative activities, and provide for increased pay costs.
			Exp.	1,006	{ 1,061	{ 1,090	29	

†Proposed for separate transmittal, other than pay increase supplementals.

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
DEPARTMENT OF AGRICULTURE—Continued					
AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE					
General and special funds—Continued Expenses, Agricultural Stabilization NOA and Conservation Service 351 Exp.		95,345 93,426	114,944 114,500	19,599 21,074	Increase is to cover administration of the feed grain and wheat stabilization programs previously financed in part by the Commodity Credit Corporation.
Acreage allotments and marketing NOA quotas 351 Exp.	44,098 43,995	97	—	—97	(Funds for this program are included in the above account.)
Sugar Act Program 351 NOA Exp.	78,000 80,188	77,650 81,841	80,000 84,233	2,350 2,392	Increase in 1964 is for additional payments to sugar producers.
Agricultural conservation pro- gram 354 NOA Exp.	238,000 248,198	212,900 215,317	220,000 221,470	7,100 6,153	Estimate is for cost-sharing payments to farmers authorized in 1963; 1964 program is proposed at \$150 million, to be appropriated in 1965.
Land-use adjustment program 351 NOA Exp.	—	†6,000 †6,000	27,000 27,000	21,000 21,000	Supplemental in 1963 is to begin a new program to shift grasslands released from the Conservation Reserve to trees and for additional adjustment payments. Increase in 1964 is to finance the full year.
Emergency conservation meas- ures 354 NOA Exp.	5,000 8,797	8,000	4,638	—3,362	(Payments are for cost-sharing assistance to farmers to rehabilitate lands damaged by natural disasters.)
Conservation reserve program 351 NOA Exp.	312,000 343,988	{ 300,000 †5,000 302,506 †5,000 } 294,000	—11,000 —13,506	Supplemental in 1963 is for payments under contract with producers. Requirements for annual rental payments will decrease in 1964 as contracts expire.	
Special Agricultural Conservation NOA and Adjustment Program 351 Exp.	18,500 16,000	—	—	—	Administration expenses of the feed grain program is now in "Expenses, Agricultural Stabilization and Conservation Service."

Intragovernmental funds:						
Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938-----	Exp.	—1,507	2,751	29	—2,722	(This account is merged with "Expenses, Agricultural Stabilization and Conservation Service.")
Local Administration, sec. 388, Agricultural Adjustment Act of 1938-----	Exp.	—4,510	8,404	58	—8,346	(This account is merged with "Expenses, Agricultural Stabilization and Conservation Service.")
Total, Agricultural Stabilization and Conservation Service.	NOA Exp.	695,598 735,149	{ 685,895 712,342 †11,000 } { 745,928 †11,000 }	735,944 22,586	39,049	
FOREIGN ASSISTANCE PROGRAMS						
General and special funds:						
Public Law 480:						
Sale of commodities for foreign currencies-----	NOA Exp.	1,250,451 1,250,451	1,080,632 1,080,632	1,960,172 1,960,172	879,540 879,540	Appropriations are made to cover estimated CCC losses. Expenditures for these purposes, including the part which will be reimbursed to or recovered by CCC later, are summarized in the explanation under CCC below.
Grants of commodities for famine relief-----	NOA Exp.	140,868 140,868	250,000 219,451	215,451 246,000	—34,549 26,549	
Losses on long-term sales contracts-----	NOA Exp.	13,000 7,000	40,000 46,000	79,000 79,000	39,000 33,000	
International Wheat Agreement-----	NOA Exp.	70,681 70,681	81,218 81,218	92,356 92,356	11,138 11,138	
Bartered materials for supplemental stockpile-----	NOA Exp.	125,000 125,000	125,000 125,000	82,860 82,860	—42,140 —42,140	Appropriations are made for the value of materials acquired by barter and transferred to the supplemental stockpile. Expenditures are summarized in the explanation under CCC below.
Total, Foreign Assistance Programs.	NOA Exp.	1,600,000 1,594,000	1,576,850 1,552,301	2,429,839 2,460,388	852,989 908,087	

† Proposed for separate transmittal, other than pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (—)	Explanation of NOA requests
DEPARTMENT OF AGRICULTURE—Continued					
COMMODITY CREDIT CORPORATION					
Price Support and Related Programs and Special Milk					
Public enterprise funds:					
Price support and related programs: 351					
Restoration of capital impairment.	NOA 936,429			520,945	Request is to cover 1962 realized losses. Decrease in expenditures is caused largely by reduction of unusually large volume of cotton placed under price support in 1963.
Reimbursement for net realized losses.	NOA -----	2,278,455	2,799,400		
Limitation on administrative expenses.	Exp. 2,051,464	(47,116) 2,852,885	(43,875) 1,808,107	(687) -1,044,778	
Special milk program: 655					
Restoration of capital impairment.	NOA 81,181			-92,383	(Program is now being financed through an appropriation under the Agricultural Marketing Service.)
Reimbursement for costs for special milk program	NOA 90,000	{ 95,000 (††-2,617) }			
Limitation on administrative expenses.	Exp. (800) 91,669	-1,228		1,228	
Total, price support and related programs.	NOA 1,107,610	{ 2,373,455 (††-2,617) }	2,799,400	428,562	
	Exp. 2,143,133	2,851,657	1,808,107	-1,043,550	

Special Activities							Most special activities require the use of CCC assets with subsequent recovery from special revenues, from appropriations to CCC, or from other agencies.					
Intragovernmental funds:							For the foreign assistance programs, the total expenditures, under CCC and under the preceding heading, are (in thousands):					
Reimbursement to Commodity Credit Corporation for special activities:							Public Law 480:					
Sale of commodities for foreign currencies		NOA	1,353,000	204,301	131,668	-678,172	-809,840	Code	1962	1963	1964	
351	Exp.							351	1,454,752	1,212,300	1,282,000	
Grants of commodities for famine relief		NOA	255,685	101,071	-24,451		24,451	152	241,939	195,000	246,000	
351	Exp.							351	28,972	247,488	287,912	
Losses on long-term supply contracts		Exp.	21,972	201,488	208,912		7,424	351	90,050	77,549	71,700	
351								351	193,294	85,500	61,500	
International Wheat Agreement		NOA	88,790	19,369	-3,669	-20,656	-16,987	Total	2,009,007	1,817,837	1,949,112	
351	Exp.											
Bartered materials for supplemental stockpile		NOA	163,163	68,294	-39,500	-21,360	18,140					
351	Exp.											
Military housing, barter and exchange		Exp.	-1,859	-3,051	-4,000		-949	For other special activities, the net CCC expenditures are (in thousands):				
351								Other Department of Agriculture programs:	Code	1962	1963	1964
National Wool Act (permanent, indefinite)		NOA	75,278	65,347	69,165	69,000	-165	National Wool Act	351	65,347	62,946	106,221
351	Exp.				62,946	106,221	43,275	Long-staple cotton sales	351	1,945	472	106
Migratory waterfowl feed		NOA	13	133	1	-140	-141	Loans for conservation	354	11,900	7,900	-12,000
351	Exp.							Surplus grain for game birds	351	179	178	180
Surplus grain for game birds		351	Exp.	179	178	180	2	Department of Defense program: Military housing	351	-1,859	-3,051	-4,000
Grading and classing activities		NOA	1,264					Department of Interior program: Migratory waterfowl feed	351	133	1	-140
355								Total	77,645	68,446	90,367	
Loans for conservation purposes		Exp.	11,900	7,900	-12,000	-19,900						

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
DEPARTMENT OF AGRICULTURE—Continued					
COMMODITY CREDIT CORPORATION—Continued					
Special Activities—Continued					
Intragovernmental funds—Continued					
Reimbursement, etc.—Continued					
Transfer of long-staple cotton Exp. from national stockpile for sale by Commodity Credit Corporation.	1,945	472	106	-366	
351					
Net expenditures of Commodity Credit Corporation:					
Foreign assistance programs.... Exp.	415,007	265,536	-511,276	-776,812	
All other special activities.... Exp.	77,645	68,446	90,367	21,921	
Total, special activities financed by Commodity Credit Corporation. NOA Exp.	1,937,193	69,165	69,000	-165	
	492,652	333,982	-420,909	-754,891	
Total, Commodity Credit Corporation (fund). NOA Exp.	3,044,803	{2,442,620 ††-2,617 3,185,639}	{2,868,400 1,387,198}	428,397 -1,798,441	
	2,635,785				

FEDERAL CROP INSURANCE CORPORATION							
General and special funds:							
Operating and administrative expenses-----	351	NOA Exp.	6,550 6,120	6,797 7,034	7,210 7,554	413 520	Increase is to provide crop insurance coverage in additional counties.
Public enterprise funds:							
Federal Crop Insurance Corporation Fund:							
Limitation on administrative expenses-----	351	Exp.	(2,830) 1,114	{ (3,080) -1,575 }	(3,480) 2,066	(205) 3,641	(Funds are provided within the limitation for increased pay costs. Contingent liabilities of the fund are estimated at \$452 million.)
Total, Federal Crop Insurance Corporation.		NOA Exp.	6,550 7,233	6,797 5,459	7,210 9,620	413 4,161	
RURAL ELECTRIFICATION ADMINISTRATION							
General and special funds:							
Loans (authorization to expend from debt receipts)-----	353	NOA Exp.	407,500 293,044	480,000 330,000	{ 495,000 †-151,000 }	-136,000 -71,000	Proposal will increase electrification authorizations from \$400 million to \$425 million (including \$75 million in reserve), and decrease telephone authorizations from \$80 million to \$70 million. Legislation will be proposed to permit estimated receipts of \$151 million to be used and reduce NOA and net expenditures.
Salaries and expenses-----	353	NOA Exp.	10,024 9,920	{ 10,022 ††440 }	11,344 11,250	882 820	Increase will provide for additional staff and for increased pay costs.
Total, Rural Electrification Administration.		NOA Exp.	417,524 302,964	{ 490,022 ††440 }	{ 506,344 †-151,000 }	-135,118 -70,180	

†Proposed for separate transmittal, other than pay increase supplementals.

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
DEPARTMENT OF AGRICULTURE—Continued					
FARMERS HOME ADMINISTRATION					
General and special funds—Continued					
Rural housing grants and loans 352	NOA Exp. 10,000 65	3,200	6,007	2,807	(Existing funds are sufficient for enlargement and development loans and repair and improvement grants through 1964.)
Loan authorizations: Authorization to expend from debt receipts 352	NOA Exp. 106,149	50,000 188,900	60,111	-50,000 -128,789	NOA provided in 1963 is for a new program of housing loans to elderly individuals in rural areas. Expenditures include other rural housing loans made from balances of prior NOA, and will decline in 1964 as insured loans under the proposed loan insurance program increase.
Salaries and expenses 352	NOA Exp. 34,501 34,140	34,536 +270 +1,182 35,758 +250	39,367 +5,350 38,909 +4,691	8,729 7,592	Supplemental in 1963 is for workload related to the increase in the insured real estate loan program and the new rural housing for the elderly program. Increase in 1964 is for administrative costs of expanded programs and increased pay costs. Supplemental in 1964 will cover administrative expenses related to the proposed insured loan program.
Rural renewal 352	NOA Exp.		2,350 1,850	2,350 1,850	A newly authorized program provides technical and loan assistance to local public bodies for economic development in rural areas.
Public enterprise funds: Direct loan account:					
Authorization to expend from debt receipts 352	NOA Exp. 326,000 71,621	81,987	69,446	-12,541	(Receipts will more than cover proposed \$360 million loan program and interest and incidental costs.)
Emergency credit revolving fund 352	Exp. 35,441	12,571	3,053	-9,518	(Receipts and balances will finance estimated \$50 million program including administrative expenses.)

Agricultural credit insurance fund (indefinite permanent authorization to expend from debt receipts)-----	352	Exp.	-7,216	-5,658	-10,499	-4,841	This account has permanent authority to borrow from Treasury. Sale of loans will increase in 1964. (Contingent liabilities for insured loans are estimated at \$687 million.)
Rural housing for the elderly revolving fund-----	352	NOA Exp.	-----	†5,000 †5,000	5,000 5,000	-----	Supplemental in 1963 will establish a revolving fund for loans to non-profit institutions to finance rental housing for the elderly in rural areas. Estimate in 1964 will increase the revolving fund capital.
Rural housing credit insurance fund-----	352	NOA Exp.	-----	-----	†100,000 †50,000	†100,000 †50,000	Legislation will be proposed to authorize a revolving fund to finance insured rural housing loans.
Total, Farmers Home Administration.	352	NOA Exp.	370,501 240,200	{ 84,536 †5,270 ††1,182 316,758 †5,250	{ 46,717 †105,350 173,877 †54,691	{ 61,079 -93,440	
OFFICE OF RURAL AREAS DEVELOPMENT							
General and special funds: Salaries and expenses-----	355	NOA Exp.	-----	-----	134 124	134 124	New account continues the activity established in 1963 under General Administration.
Intragovernmental funds: Advances and reimbursements-----	355	Exp.	-296	-----	-----	-----	
OFFICE OF THE GENERAL COUNSEL							
General and special funds: Salaries and expenses-----	355	NOA Exp.	3,649 3,611	{ 3,693 ††168 3,839	3,987 3,882	126 43	Increase is for pay costs.

† Proposed for separate transmittal, other than pay increase supplementals.

†† Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (—)	Explanation of NOA requests
DEPARTMENT OF AGRICULTURE—Continued					
OFFICE OF INFORMATION					
General and special funds—Continued					
Salaries and expenses-----355 NOA	1,591	{ 1,609 †46	} 1,684	29	Increase is for pay costs.
Exp.	1,595	1,677	1,668	-9	
CENTENNIAL OBSERVANCE OF AGRICULTURE					
Salaries and expenses-----355 NOA	100	-----59	-----	-----59	(The purposes of the account have been met.)
Exp.	41				
NATIONAL AGRICULTURAL LIBRARY					
Salaries and expenses-----355 NOA	1,029	{ 1,154 †34	} 1,695	507	Increase includes improvement of services to the scientific and technological community and increased pay costs.
Exp.	1,010	1,164	1,654	490	
Library facilities-----355 NOA	-----	-----	450	450	Provides for the preparation of plans and specifications for the National Agricultural Library.
Exp.	-----	-----	450	450	
Total, National Agricultural Library.	1,029	{ 1,154 †34	} 2,145	957	
Exp.	1,010	1,164	2,104	940	

GENERAL ADMINISTRATION

Salaries and expenses	355	NOA	3,096	3,493	3,975	311	Increase will strengthen general administration and provide for increased pay costs.
Permanent		NOA		27 ††144			
		Exp.	3,003	3,757	3,986	229	
Defense food stockpiling	059	NOA			†30,000	30,000	Legislation will be proposed to authorize the establishment of emergency food reserves at strategic locations.
Exp.					†30,000	30,000	
Intragovernmental funds:							
Working capital fund	355	Exp.	-172	28	28		
Total, general administration		NOA	3,096	3,520	3,975	30,311	
		Exp.	2,831	3,785	†30,000 4,014 †30,000	30,229	
FOREST SERVICE							
General and special funds:							
Forest protection and utilization	402	NOA	204,389	179,706 †12,000 ††3,800	190,397	-5,109	Supplemental in 1963 is for firefighting. Apparent decrease in 1964 results from a lower estimate for firefighting offset by increases for timber sales activities and increased pay costs.
Cooperative range improvements (special fund).		NOA	700	700	700		
		Exp.	190,140	192,641 †11,000	189,550 †1,000	-13,091	
Forest roads and trails (contract authorization)	402	NOA		80,000		5,000	Supplemental in 1963 is to meet contract commitments previously authorized. Addition to liquidating cash in 1964 will expand program.
Permanent		NOA	40,000		85,000		
Appropriation to liquidate contract authorization.			(35,000)	(37,500) (†7,000)	(66,400)	(21,900)	
		Exp.	32,278	41,539 †7,000	66,400	17,861	
Access roads	402	NOA	2,000	2,000	-2,000		Prior balances will acquire interests in roads or rights-of-way; future activity will be financed in "Forest roads and trails."
		Exp.	209	2,600	1,000	-1,600	

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†† Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
DEPARTMENT OF AGRICULTURE—Continued					
FOREST SERVICE—Continued					
General and special funds—Continued					
Acquisition of lands for national forests:					
Superior National Forest 402 NOA Exp. 250 268 2,000 1,000 1,500 -2,000 500 Prior balances are used to acquire lands in the Superior National Forest.					
Special acts (indefinite, special fund) 402 NOA Exp. 10 16 30 27 70 50 40 23 Certain forest receipts, otherwise payable to counties in Utah, Nevada, and California, are appropriated to acquire lands within national forests.					
Cache National Forest 402 Exp. 10 50 50 ----- Prior balances are used to acquire lands in the Cache National Forest.					
Wasatch National Forest 402 NOA Exp. ----- 20 10 20 10 New appropriation will permit purchases of land authorized by Public Law 87-661.					
Assistance to States for tree planting 402 NOA Exp. 1,000 462 1,000 1,000 1,000 ----- Aid is given, mainly through grants, for reforestation work.					
Expenses, brush disposal (permanent, indefinite, special fund) 402 NOA Exp. 7,699 6,077 9,000 7,500 9,000 8,000 500 Certain receipts from purchasers of timber are applied to brush disposal.					
Roads and trails for States, national forests fund (permanent, indefinite, special fund) 402 NOA Exp. 10,024 10,024 10,900 10,900 12,000 12,000 1,100 Permanent law makes available 10% of national forest receipts for construction and maintenance of roads and trails in national forests within the States from which the receipts were derived.					
Forest fire prevention (permanent, indefinite, special fund) 402 NOA Exp. 20 26 20 20 20 ----- Fees for use of "Smokey Bear" are available for forest fire prevention campaign.					
Restoration of forest lands and improvements (permanent, indefinite, special fund) 402 NOA Exp. 10 6 196 150 100 100 -96 -50 Receipts from claims settlements and forfeitures of deposits are used for restorations.					

Payments to Minnesota) Cook, NOA Lake, and St. Louis Counties) Exp. from the national forest fund (permanent, indefinite, special fund)-----	124 124	125 125	128 128	3 3	Certain receipts are distributed to 3 counties in which Superior National Forest lands are located.
Payments to counties, national NOA grasslands (permanent, indefi- Exp. nite, special fund)-----	421 417	425 429	438 438	13 9	Of receipts from use of national grasslands, 25% is paid to the counties involved for schools and roads.
Payments to school funds, Arizona NOA and New Mexico, Act of June Exp. 20, 1910 (receipt limitation) (permanent, indefinite)-----	99 99	80 80	100 100	20 20	These States are paid a share of the National Forest receipts for school purposes.
Payments to States, national for- NOA ests fund (permanent, indefinite, Exp. special fund)-----	25,056 25,056	27,235 27,235	30,000 30,000	2,765 2,765	With minor exceptions, 25% of the National Forest receipts goes to the States for schools and roads.
Intragovernmental funds: Consolidated working fund-----	Exp. -286	278	-	-278	
Working capital fund, Forest Service-----	Exp. 402	610	-486	-100	386
Total, Forest Service-----	NOA 291,802	$\left\{ \begin{array}{l} 313,417 \\ \dagger 12,000 \\ \dagger 3,800 \end{array} \right\}$	328,973	-244	
	Exp. 265,536	$\left\{ \begin{array}{l} 285,088 \\ \dagger 18,000 \end{array} \right\}$	310,246 $\left\{ \begin{array}{l} \dagger 1,000 \end{array} \right\}$	8,158	
Total, Department of Agriculture.	NOA 7,409,736	$\left\{ \begin{array}{l} 6,714,174 \\ \dagger 28,330 \\ \dagger 10,056 \end{array} \right\}$	8,135,113 $\left\{ \begin{array}{l} \dagger 9,350 \\ \dagger 41,304 \\ \dagger 9,526 \end{array} \right\}$	1,391,903 $\left\{ \begin{array}{l} -928,143 \\ \dagger 530 \end{array} \right\}$	
	Exp. 6,668,684	$\left\{ \begin{array}{l} 7,449,665 \\ \dagger 34,305 \\ \dagger 9,526 \end{array} \right\}$	6,606,127 $\left\{ \begin{array}{l} \dagger -41,304 \\ \dagger 530 \end{array} \right\}$	-928,143	

†Proposed for separate transmittal, other than pay increase supplementals.

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
DEPARTMENT OF COMMERCE						
GENERAL ADMINISTRATION						
General and special funds:						
Salaries and expenses.....	506 NOA	3,638	{ 3,685 ††163	} 4,520	672	Increase provides additional staff for economic adviser, export coordinator and assistant secretary for science, and for workload increases.
	Exp.	3,523	4,025	4,500	475	
Participation in Century 21 Exposition.....	506 NOA	900				(Activity will be completed in 1963.)
	Exp.	6,521	1,760		-1,760	
Participation in New York World's Fair.....	506 NOA	17,000				(Construction of pavilion will cost about \$7 million and balance used for exhibits and operations. Fair will open April 21, 1964.)
	Exp.		3,578	7,003	3,425	
West Virginia Centennial Celebration.....	506 Exp.		4			
Public enterprise funds:						
Aviation war risk insurance revolving fund.....	501 Exp.	-7	-13	-3	10	(Contingent liability is estimated at \$1,220 million)
Intragovernmental funds:						
Working capital fund.....	506 Exp.	-107	100		-100	
Total, general administration.....	NOA	21,538	{ 3,685 ††163	} 4,520	672	
	Exp.	9,935	9,450	11,500	2,050	

ECONOMIC DEVELOPMENT						
Area Redevelopment Administration						
General and special funds:						
Operations.....	507	NOA	8,148	{ 12,209 ††200 }	14,800	2,391
Exp.			5,513	12,762	13,615	853
Grants for public facilities.....	507	NOA	40,000	35,000	1 35,000	
Exp.			118	4,000	11,000	7,000
Public enterprise funds:						
Area redevelopment fund.....	507	NOA	122,500	115,050	190,000	74,950
Exp.			1,708	28,402	96,385	67,983
Total, Area Redevelopment Administration.		NOA	170,648	{ 162,259 ††200 45,164 }	239,800	77,341
		Exp.	7,339		121,000	75,836
Business and Defense Services Administration						
General and special funds:						
Salaries and expenses.....	506	NOA	4,212	{ 3,884 ††150 }	6,250	2,216
Exp.			4,129	3,900	5,800	1,900
Office of Business Economics						
Salaries and expenses.....	506	NOA	1,600	{ 1,760 ††125 }	2,350	465
Exp.			1,597	1,878	2,352	474

††Proposed for separate transmittal, pay increase supplementals.

¹ To carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
DEPARTMENT OF COMMERCE—Continued					
ECONOMIC DEVELOPMENT —Continued					
Office of Business Economics—Continued					
Intragovernmental funds: Advances and reimbursements	506 Exp.	—47			
Total, Office of Business Economics.	NOA	1,600	{ 1,760 ††125 1,878 }	2,350	465
	Exp.	1,549		2,352	474
Bureau of the Census					
General and special funds: Salaries and expenses	506 NOA	10,757	{ 12,447 ††400 }	17,220	4,373
	Exp.	10,647	{ 12,866 }	15,900	3,034
1962 census of governments	506 NOA	1,096	{ 1,050 ††34 1,032 }	370	—714
	Exp.	901	{ 1,032 }	518	—514
1963 censuses of business, transportation, manufactures, and mineral industries	506 NOA	1,000	{ 3,000 ††100 }	8,575	5,475
	Exp.	874	{ 2,794 }	7,069	4,275
1964 census of agriculture	506 NOA	—	{ 700 ††26 }	1,345	619
	Exp.	—	{ 584 }	1,318	734
Modernization of computing equipment	506 NOA	—	{ 4,000 500 }	4,640	640
	Exp.	—	{ 8,138 }	7,638	

650000 0-63 12	Preparation for 19th decennial census	506	NOA Exp.		740 683	740 683	Estimate will provide for research and field testing of procedures aimed at reducing costs of the 1970 census through automation.
	National housing inventory	506	NOA Exp.		210 199	210 199	Sample design and other planning will be performed for this major survey on the size, quality, and characteristics of the Nation's housing.
	Eighteenth decennial census	506	NOA Exp.	3,630 7,084	††40 3,047	202	Final volumes will be printed in 1963.
	1958 censuses of business, manufactures and mineral industries	506	Exp.	235	29	—29	(No further expenditures are to be made.)
	Intragovernmental funds: Advances and reimbursements	506	Exp.	—608	515	—515	(Increase of \$2 million to \$10.5 million annual volume of receipts and expenses is mainly for major field surveys for Labor and HHFA.)
Total, Bureau of the Census		NOA		16,483	{ 21,197 ††600 21,367 }	33,100	11,303
		Exp.		19,133		34,027	12,660
Office of Field Services							
General and special funds: Salaries and expenses	506	NOA		3,148	{ 3,330 ††100 3,435 }	5,000	1,570
		Exp.		3,099		4,922	1,487
International Activities							
Salaries and expenses	506	NOA		4,922	{ 7,040 ††175 6,500 }	15,400	8,185
		Exp.		4,466		13,853	7,353
Export control	508	NOA		3,480	{ 3,695 ††150 3,800 }	4,100	255
		Exp.		3,375		4,090	290
Total, International Activities	NOA			8,402	{ 10,735 ††325 10,300 }	19,500	8,440
	Exp.			7,841		17,943	7,643

†† Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (—)	Explanation of NOA requests
DEPARTMENT OF COMMERCE—Continued					
ECONOMIC DEVELOPMENT —Continued					
Office of Trade Adjustment					
General and special funds —Continued					
Trade adjustment assistance.....	506	NOA Exp.	300 250	700 550 150	400 350
Supplemental in 1963 will initiate the activity authorized by the Trade Expansion Act. Estimate in 1964 will fund the complete year.					
Trade adjustment loans and guarantees.....	506	NOA Exp.	500	1,000 500 500	500 1,000
Supplemental in 1963 will initiate the activity authorized by the Trade Expansion Act. Estimate in 1964 will fund the complete year.					
Total, Office of Trade Adjustment.....		NOA Exp.	1,800 1,250	1,700 1,050 1,550	900 1,350
U.S. Travel Service					
Salaries and expenses.....	506	NOA Exp.	2,500 1,481	3,330 3,227	4,200 4,073
Additional funds will provide more advertising in all areas serviced by USTS representatives.					
Total, economic development.....		NOA Exp.	206,993 44,571	206,495 1,800 11,500 89,271 1250	311,900 103,105
SCIENCE AND TECHNOLOGY					
Civilian industrial technology.....	506	NOA Exp.	1,250 500	7,400 3,050 1,750	6,150 3,300
Supplemental in 1963 is to initiate a program for better use of technology in industry to increase productivity and competitiveness of U.S. products in foreign trade. Estimate in 1964 is to continue and expand the program.					

Coast and Geodetic Survey						
Salaries and expenses	506 NOA	18,921	{ 22,731 ††279	27,900	4,890	Research in physical sciences and oceanography will be sharply expanded. Estimate also provides for maintenance of a standard worldwide seismological network, increased aeronautical chart production, and expanded oceanographic and geodetic surveys.
	Exp.	19,377	22,443	26,235	3,792	
Construction of surveying ships	506 NOA	14,185	14,400	13,000	-1,400	The estimate provides for replacement of three survey ships and two wire-drag ships.
	Exp.	2,163	11,438	15,473	4,035	
Construction and equipment	506 Exp.	90	70	-----	-70	(Construction of a seismological laboratory was completed in 1962.)
Construction and equipment, geo- magnetic station	506 Exp.	1	26	-----	-26	(Work is completed. Payments are on prior obligations.)
Total, Coast and Geodetic Sur- vey.	NOA	33,106	{ 37,131 ††279	40,900	3,490	
	Exp.	21,631	33,977	41,708	7,731	
Patent Office						
Salaries and expenses	506 NOA	24,816	{ 25,960 †870 ††740	32,300	4,730	Supplemental in 1963 will cover increased printing costs. Increase provides mainly for research and automation.
	Exp.	24,861	{ 26,526 †652 †218	31,448	4,488	
National Bureau of Standards						
Research and technical services	506 NOA	23,500	{ 27,500 ††800	33,250	4,950	Increase provides for radio standards research, high temperature measurements, and radioactivity standards for various elements; programs will be developed for a linear accelerator and reactor.
	Exp.	22,530	27,058	31,600	4,542	
Research and technical services (special foreign currency pro- gram)	506 Exp.	1,000 7	500 623	1,000 957	500 334	Grants will be made in Israel, India, and Pakistan for basic and applied research in selected fields of science.
Fire technology	506 NOA	-----	-----	1,200 590	1,200 590	Estimate will provide for a national program in urban and industrial fire technology utilizing existing organizations and laboratories.

† Proposed for separate transmittal, other than pay increase supplements.

†† Proposed for separate transmittal, pay increase supplements.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (—)	Explanation of NOA requests
DEPARTMENT OF COMMERCE—Continued					
SCIENCE AND TECHNOLOGY—Con.					
National Bureau of Standards—Continued					
General and special funds—Continued					
Plant and facilities 506 NOA Exp.	10,000 2,154	2,000 4,137	6,000 7,872	4,000 3,735	Provides for fully funded development or purchase of equipment for technical operating programs.
Construction of facilities 506 NOA Exp.	35,000 5,806	30,000 21,299	16,000 32,479	-14,000 11,180	Provides funds to let the final construction contracts for facilities at Gaithersburg, Md., and to cover increases in construction prices.
Intragovernmental funds:					
Working capital fund 506 Exp.	-797	-959	-622	337	
Advances and reimbursements 506 Exp.	2	2	3	1	
Total, National Bureau of Standards.	69,500	{ 60,000 ††800 52,160	57,450	-3,350	
			72,879	20,719	
Office of Technical Services					
General and special funds:					
Salaries and expenses 506 NOA	{ 1,067 ††51 1,048	1,700	582	Provides for strengthening the Office as a clearinghouse for acquisition, processing, reproduction, and sale of research reports.	
Weather Bureau					
Salaries and expenses 506 NOA	56,151	{ 59,420 ††1,450 58,745	67,200	6,330	The estimate provides improvement of upper air observations, additional centrally produced forecasts, and dissemination of data to the field and will assume financing of ocean-weather programs previously in Navy.
			64,222	5,477	

Research and development	506	NOA	8,999	{ 11,000 ††140 11,000 }	13,500	2,360	Increase will permit the Weather Bureau to take over from the Federal Aviation Agency research and development related to weather data, acquisition analysis pertinent to aviation, and to participate in development of rocket-borne sensing devices.
		Exp.	7,445	12,660	1,660		
Research and development (special foreign currency program)	506	NOA			1,000 415	1,000 415	New appropriation is to utilize excess foreign currencies to improve observations obtained in foreign areas and to study problems associated with the climate and hydrologic cycle in arid regions.
		Exp.					
Establishment of meteorological facilities	506	NOA	5,250	4,325	4,800	475	Estimate continues the modernization program begun in 1956 and provides for six additional synoptic weather radars.
		Exp.	2,340	5,600	4,800	-800	
Meteorological satellite operations	506	NOA	48,000	40,000	23,000	-17,000	Delay in development of the Nimbus necessitates use of additional Tiros spacecraft to assure continued availability of data. The estimate provides for procurement of two more Nimbus spacecraft.
		Exp.	242	17,255	41,728	24,473	
Intragovernmental funds:							
Advances and reimbursements	506	Exp.	68				
Total, Weather Bureau		NOA	118,400	{ 114,745 ††1,590 92,600 }	109,500	6,835	
		Exp.	64,334		123,825	31,225	
Total, science and technology		NOA	245,822	{ 238,903 †2,120 ††3,460 206,311 ††1,152 }	249,250	4,767	
		Exp.	140,529		274,470 †968	67,975	
TRANSPORTATION							
Inland Waterways Corporation							
Public enterprise funds:							
Inland Waterways Corporation Fund	502						
Limitation on administrative expenses		Exp.	(2) -853	(2) -776	(2) -798	-22	(Corporation is in process of liquidation, to be completed by 1969. Collections are paid into the fund causing negative expenditures.)

†Proposed for separate transmittal, other than pay increase supplementals.
††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests	
DEPARTMENT OF COMMERCE—Continued						
TRANSPORTATION—Continued						
Maritime Administration						
General and special funds:						
Ship construction.....	502 NOA Exp.	98,000 156,301	64,200 113,600	112,500 111,000	48,300 -2,600	Program includes contracts for 17 ships (\$95.7 million), acquisition of replaced ships (\$13.6 million), and administrative and warehouse expenses (\$3.2 million).
Operating-differential subsidies:						
Permanent indefinite contract authorization.....	502 NOA Exp.	193,332 (202,000)	200,000 (220,400)	210,000 (225,000)	10,000 (4,600)	Voyages undertaken under subsidy contracts are estimated to increase to 1,900 in 1964 from 1,835 in 1963.
Liquidation of contract authorization.	Exp.	181,918	240,400	225,000	-15,400	
Research and development.....	502 NOA Exp.	6,500 4,002	3,550 10,500	8,250 8,000	4,700 -2,500	Emphasis will be on ship mechanization and for experimental operation of the nuclear ship <i>Savannah</i> and the hydrofoil ship <i>Dentson</i> .
Salaries and expenses.....	502 NOA Exp.	14,334 13,697	{ 14,950 †† 315 }	15,752	487	Estimate provides for continuation of programs at substantially the same level as 1963.
Maritime training.....	502 NOA Exp.	3,218 3,410	{ 3,300 †† 22 }	3,495	173	Training is planned to continue at about the current level.
State marine schools.....	502 NOA NOA	250 1,407	250 1,125	250 1,155	----- 30	Appropriation is for maintenance and repair of ships loaned to State schools for training. Federal aid to State maritime schools will continue at substantially the same level as 1963.
Permanent contract authorization.	Exp.	(1,020)	(1,125)	(1,155)	(30)	
Liquidation of contract authorization.	Exp.	1,217	1,325	1,325	-----	
Payment of War Shipping Administration claims.....	502 NOA Exp.	18 18	-----	-----	(No claims are anticipated in 1963 or 1964.)	

Public enterprise funds:							
Federal ship mortgage insurance fund	502	Exp.	-3,298	-2,488	-3,472	-984	
Vessel operations revolving fund	502	Exp.	1,144	77	43	-34	
War risk insurance revolving fund	502	Exp.	-546	-100	-50	50	
Intragovernmental funds:							
Advances and reimbursements	502	Exp.	264	117	-----	-117	
Total, Maritime Administra- tion.		NOA	317,059	{ 287,375 ††337 } 351,402	63,690		
		Exp.	358,128	382,152	360,700	-21,452	
Bureau of Public Roads							
Trust funds:							
Limitation on general administra- tive expenses.			(33,400)	{ (36,800) ††1,500 } (44,650)	(6,350)	(Increase provides for expanded programs and increased emphasis on planning, right-of-way, research, investigation, and safety activities.)	
Federal-aid highways (liquidation of contract authorization).			(2,990,600)	(3,249,200)	(3,250,000)	(800)	(Appropriation is to liquidate contract authorization and meet administrative expenses for the interstate, primary, secondary, and urban highway programs. These costs are payable from the Highway trust fund.)
Improvement of the Pentagon road network.			-----	(2,000)	(500)	(-1,500)	(Completes financing required to implement a 1961 law.)
General and special funds:							
Forest highways:							
Contract authorization:							
Current	503	NOA	-----	33,000	-----		
Permanent		NOA	33,000	-----	33,000		
Liquidation of contract auth- orization.			(27,400)	{ (32,000) †5,000 } (33,000)	(-4,000)		
		Exp.	29,955	{ 35,038 †5,000 } 33,000	-7,038		

†Proposed for separate transmittal, other than pay increase supplementals.

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
DEPARTMENT OF COMMERCE—Continued					
TRANSPORTATION—Continued					
Bureau of Public Roads—Continued					
General and special funds—Continued					
Public lands highways:					
Contract authorization:					
Current	503	NOA	15,000	—	
Permanent		NOA	3,000	9,000	
Liquidation of contract authorization.		Exp.	(3,000)	(2,500)	
			2,322	4,826	
				5,000	
				174	
—6,000					
There is an apparent decrease because the law made most of 2 years' NOA available in 1963 as compared with 1 year's in 1964.					
Control of outdoor advertising	503	NOA	2,000	3,000	1,000
	Exp.		2,000	3,000	1,000
Program provides incentive payments to States agreeing to control advertising adjacent to interstate highways.					
Inter-American Highway	152	NOA	16,000	16,000	
Contract authorization		NOA	12,000	—12,000	
Liquidation of contract authorization.		Exp.	8,219	(6,000)	
			8,454	(6,000)	
				12,893	
				4,439	
The Highway Act of 1962 authorized \$32 million, including \$12 million contract authority for 1963, to complete the Inter-American Highway. The 1964 request provides \$16 million of the remaining NOA plus \$6 million for partial liquidation of contract obligations.					
Study of highway program for Alaska	503	NOA	†800	—800	
	Exp.		†200	400	
			†600		
Supplemental in 1963 is to finance a study authorized in 1962.					
Woodrow Wilson Memorial Bridge	503	Exp.	999	674	—674
					(The bridge was officially opened to traffic on Dec. 28, 1961.)
Access roads (act of Sept. 7, 1950)	503	Exp.	202	225	—225
					(Purpose of the appropriation has been met.)

Construction, operation, and maintenance of roads, Alaska.	4				(Purpose of the appropriation has been met.)
503					
Surveys and plans	503	Exp.	98	-98	(Purpose of the appropriation has been met.)
Total, Bureau of Public Roads.	NOA	36,000	{ 62,000 +800	61,000 } -1,800	
	Exp.	41,701	{ 51,314 +5,200	53,893 } -2,021 +600	
Transportation research	506	NOA	{ +1,250 +500	2,500 } 1,250	
	Exp.			{ 1,050 +750 } 1,300	Supplemental is to initiate research on the Nation's transportation system. Estimate in 1964 is to continue and expand the program.
Total, transportation	NOA	353,059	{ 349,375 +2,050 +1337	414,902 } 63,140	
	Exp.	398,975	{ 432,690 +5,700	414,845 } -22,195 +1,350	
Total, Department of Commerce.	NOA	827,412	{ 798,458 +4,970 +15,460	980,572 } 171,684	
	Exp.	594,010	{ 732,614 +7,102 +15,108	891,630 } 150,026 +2,868 +1352	

†Proposed for separate transmittal, other than pay increase supplementals.

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
DEPARTMENT OF DEFENSE—MILITARY FUNCTIONS					
MILITARY PERSONNEL					
(Functional code 051)					
General and special funds:					
Military personnel, Army.....	NOA 3,697,000	{ 3,592,407 +102,700	} 3,885,000	189,893	Supplemental in 1963 is for those Reserve and National Guard individuals and units called to active duty in fiscal 1962, and released in August 1962, and for increased rates enacted for quarters allowances. Estimate in 1964 provides for an average of 968,254 military personnel compared with 976,421 in 1963. Increase in 1964 NOA is because less financing is possible by transfer from revolving funds.
	Exp. 4,007,126	{ 3,878,000 +102,000	} 3,984,300 +700	5,000	
Military personnel, Navy.....	NOA 2,652,536	{ 2,707,493 +12,700	} 2,676,000	-44,193	Supplemental in 1963 is for increased rates enacted for quarters allowances. Estimate in 1964 provides for an average of 667,912 military personnel compared with 661,740 in 1963. Decrease in NOA results from greater financing in 1964 by transfers from revolving funds.
	Exp. 2,671,225	{ 2,700,000 +12,000	} 2,764,300 +700	53,000	
Military personnel, Marine Corps..	NOA 632,000	{ 656,509 +6,700	} 678,600	15,391	Supplemental in 1963 is for increased rates enacted for quarters allowances and readjustment pay. Estimate in 1964 provides for an average of 190,000 military personnel.
	Exp. 639,594	{ 653,500 +6,500	} 669,800 +200	10,000	
Military personnel, Air Force....	NOA 4,175,820	{ 4,025,526 +50,000	} 4,148,000	72,474	Supplemental in 1963 is for increased rates enacted for quarters allowances and readjustment pay. Estimate in 1964 provides for an average of 864,966 military personnel compared with 872,585 in 1963. Increase in 1964 NOA is because less financing is possible by transfer from revolving funds.
	Exp. 4,212,252	{ 4,051,000 +49,000	} 4,134,000 +11,000	35,000	

Reserve personnel, Army-----	NOA Exp.	205,530 200,025	239,200 200,000	210,100 200,000	-29,100 -----	Estimate provides for a year-end paid drill strength of 281,000, the number estimated to participate within a programed strength of 300,000.
Reserve personnel, Navy-----	NOA Exp.	83,000 81,735	85,600 82,000	92,300 91,000	6,700 9,000	Estimate provides for a year-end paid drill strength of 126,000 compared with 122,000 for 1963.
Reserve personnel, Marine Corps-----	NOA Exp.	26,400 24,302	28,100 26,000	28,500 28,000	400 2,000	Estimate provides for a year-end paid drill strength of 45,500, the same as for 1963.
Reserve personnel, Air Force-----	NOA Exp.	52,080 50,704	50,100 50,000	55,100 54,000	5,000 4,000	Estimate continues a year-end paid drill strength of 61,000, but covers an increase in average strength from 59,000 to 61,000.
National Guard personnel, Army-----	NOA Exp.	218,550 207,771	261,800 230,000	240,300 236,000	-21,500 6,000	Estimate provides for a year-end paid drill strength of 384,400, the number estimated to participate within a programed strength of 400,000.
National Guard personnel, Air Force-----	NOA Exp.	47,000 42,959	53,000 50,000	58,300 56,000	5,300 6,000	Estimate continues a year-end paid drill strength of 72,000, but covers an increase in average strength from 67,000 to 72,000.
Retired pay, Defense-----	NOA Exp.	920,000 894,441	1,029,000 1,010,000	1,163,000 1,150,000	134,000 140,000	Estimate provides for an average of 410,519 retired personnel in 1964 compared with 359,325 in 1963.
Increase in pay and allowances-----	NOA Exp.	----- -----	----- -----	†900,000 †885,000	900,000 885,000	Legislation, to be effective October 1, 1963, will be proposed for increased compensation for active-duty personnel, reservists voluntarily participating in Reserve training programs, and retirees.
Total, military personnel-----	NOA Exp.	12,709,916 13,032,135	{12,728,735 †172,100 12,930,500 †169,500}	{13,235,200 †900,000 13,367,400 †887,600}	1,234,365 1,155,000	

† Proposed for separate transmittal, other than civilian pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (—)	Explanation of NOA requests
DEPARTMENT OF DEFENSE—MILITARY FUNCTIONS—Continued					
OPERATION AND MAINTENANCE					
(Functional code 051)					
General and special funds—Continued					
Operation and maintenance, NOA Army.	3,770,726	{ 3,279,499 +37,484 +38,867 }	3,395,200	39,350	Supplemental in 1963 is for enacted increases in military per diem and added costs of National Guard and reserve units called to active duty in fiscal 1962 and released in August 1962. The 1964 increase is for continued modernization of Army combat units and equipment, testing the concept of an air assault division, and civilian pay act increases, partly offset by the transfer of certain supply functions to Defense Supply Agency.
Exp.	3,700,909	{ 3,462,250 +37,000 }	{ 3,379,470 +484 }	-119,296	
Operation and maintenance, NOA Navy.	2,896,282	{ 2,782,746 +2,815 +26,639 }	2,934,000	121,800	Supplemental in 1963 is for enacted increases in military per diem. Estimate in 1964 includes increases for a larger number of ships undergoing rehabilitation and modernization, operating costs of additional Polaris submarines, improvement in communications facilities, and higher cost of operating aircraft and ships.
Exp.	2,869,940	{ 2,797,500 +2,500 }	{ 2,949,685 +315 }	150,000	
Operation and maintenance, NOA Marine Corps.	187,271	{ 185,546 +470 +1,085 }	192,300	5,199	Supplemental in 1963 is for enacted increases in per diem rates. Estimate in 1964 will continue support of 3 divisions and 3 air wings at the state of combat readiness attained in 1962.
Exp.	182,927	{ 183,900 +400 }	{ 189,930 +70 }	5,700	
Operation and maintenance, Air Force.	4,487,243	{ 4,286,792 +6,800 +37,404 }	4,385,000	54,004	Supplemental in 1963 is for enacted increases in military per diem. Estimate in 1964 reflects a decrease in the number of operating aircraft, combat units, and military personnel. But these decreases are more than offset by a build-up in ballistic missile squadrons and the purchase of \$146.5 million in spare parts previously financed in other accounts.
Exp.	4,481,206	{ 4,320,330 +6,300 }	{ 4,329,500 +500 }	3,370	

Operation and maintenance, Defense agencies.	NOA Exp.	----- 165,485 165,063	{ 346,853 ††9,112 297,800	} 451,400 425,750 176,600 170,000	95,435 127,950 2,218	Increase mainly reflects expanded supply functions of the Defense Supply Agency and civilian pay increases.
Operation and maintenance, Army National Guard.	NOA Exp.	189,100 172,850	174,382 185,000	222,700 210,000	28,300 25,000	Increase reflects continuing conversion of Nike-Ajax to Hercules antiaircraft defense units and civilian pay increases.
Operation and maintenance, Air National Guard.	NOA Exp.	500 426	622 600	528 500	-94 -100	Most of the 1964 increase is for increased flying hours and higher aircraft operating costs.
National Board for the Promotion of Rifle Practice, Army.	NOA Exp.	19,000 16,414	19,000 18,000	19,000 18,000	-----	There will be less participation in international competitions in 1964.
Claims, Defense.	NOA Exp.	15,000 19,856	15,000 15,000	15,000 15,000	-----	This provides for the payment of noncontractual claims against the Department of Defense.
Contingencies, Defense.	NOA Exp.	445 421	{ 455 ††18 470	509 500	36 30	This account provides the Secretary of Defense with funds to meet emergencies and extraordinary expense.
Salaries and expenses, Court of Military Appeals, Defense.	NOA Exp.	21,500 21,514	2,200	250	-1,950	Caseload is expected to remain at about 965 cases.
Salaries and expenses, Secretary of Defense.	NOA Exp.	6,300 6,678	750	46	-704	(This account is now included in the "Operation and maintenance, Defense agencies" account.)
Operation and maintenance, Alaska Communication System, Army.	NOA Exp.	-----	-----	-----	-----	(Transferred to "Operation and maintenance, Air Force." Expenditures are from 1962 and prior appropriations.)
Miscellaneous expired accounts, Army.	Exp.	-49	-----	-----	-----	
Miscellaneous expired accounts, Navy.	Exp.	128	-----	-----	-----	
Miscellaneous expired accounts, Air Force.	Exp.	450	-----	-----	-----	

†Proposed for separate transmittal, other than civilian pay increase supplementals.

††Proposed for separate transmittal, civilian pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
DEPARTMENT OF DEFENSE—MILITARY FUNCTIONS—Continued					
OPERATION AND MAINTENANCE —Con.					
(Functional code 051)—Continued					
General and special funds—Continued Miscellaneous expired accounts, Exp. Defense agencies.	109				
Adjustment to reflect comparability with current budget structure.	—44,914				
Total, operation and maintenance.	NOA 11,758,852	{ 11,285,294 †47,569 ††113,125	{ 11,792,237	346,249	
	Exp. 11,593,929	{ 11,453,800 †46,200	{ 11,688,631 †1,369	190,000	
PROCUREMENT					
(Functional code 051)					
Procurement of equipment and missiles, Army.	NOA 2,532,102 Exp. 1,815,226	2,519,186 2,400,000	{ 3,202,000 2,690,000	682,814 290,000	Increase in 1964 reflects emphasis on improving the mobility, firepower, and sustained combat capabilities of Army forces through further procurement of helicopters, missiles, combat vehicles, and other modern weapons and ammunition. Modernization of older equipment and supplies is continued.

Procurement of aircraft and missiles, Navy.	NOA Exp.	2,680,888 1,736,483	3,034,660 2,500,000	¹ 3,066,000 2,990,000	31,340 490,000	Increase in 1964 provides for continued modernization of aircraft through procurement of 681 aircraft in 18 different models to support Navy attack, antisubmarine, early warning and training missions, and Marine Corps vertical assault and tactical support missions. Additional numbers of Polaris missiles, and tactical missiles for aircraft and ships will also be procured in 1964.
Shipbuilding and conversion, Navy.	NOA Exp.	2,966,860 1,962,020	2,919,200 2,315,000	¹ 2,310,000 2,535,000	-609,200 220,000	This continues emphasis on the Polaris submarine program and on antisubmarine and amphibious capabilities. Included are 6 Polaris submarines, 6 nuclear powered attack submarines, 10 new escort ships, and other supporting ships, gunboats, and landing craft. The estimate also provides for 36 major conversions. More new ships are to be financed than in 1963, but, with a larger proportion of smaller ships, the 1964 NOA requirement is reduced.
Other procurement, Navy-----	NOA Exp.	852,012 378,332	903,600 700,000	1,208,000 990,000	304,400 290,000	Procurement of modern weapons and equipment will continue. Emphasis will be on antisubmarine capabilities and on larger inventories of weapons and ammunition for fleet units.
Procurement, Marine Corps-----	NOA Exp.	264,600 163,332	256,000 245,000	¹ 207,700 220,000	-48,300 -25,000	The 1964 program provides for small arms and tank modernization, and procurement of electronic communications equipment. Decrease reflects reduced procurement of ammunition and ordnance as stocks approach inventory objectives.
Aircraft procurement, Air Force... Reappropriation-----	NOA Exp.	3,514,018 143,834 4,122,216	3,562,400 3,650,000	¹ 3,559,000 3,660,000	-3,400 10,000	This provides for 964 new aircraft compared with 918 in 1963. Emphasis continues on improvement of capability for conventional combat on short notice through high levels of procurement of tactical combat, reconnaissance, and airlift aircraft. One reason for reduction is the near completion of the tanker procurement program with 1963 funding.
Missile procurement, Air Force---	NOA Exp.	2,729,784 3,405,508	2,459,000 2,675,000	¹ 2,177,000 2,115,000	-282,000 -560,000	The 1964 program provides for completion of the Titan II and continuation of the Minuteman intercontinental ballistic missile programs on a full-funded basis. Procurement is continued for the Bullpup and Sparrow missiles and initiated for the Shrike antiradiation missile. Decrease results from completion of the Atlas and Titan I programs.

[†]Proposed for separate transmittal, other than civilian pay increase supplementals.

^{††}Proposed for separate transmittal, civilian pay increase supplementals.

¹Partly to carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
DEPARTMENT OF DEFENSE—MILITARY FUNCTIONS—Continued					
PROCUREMENT—Continued					
(Functional code 051)—Continued					
General and special funds—Continued					
Other procurement, Air Force— NOA Exp.	1,096,182 981,093	956,162 1,015,000	951,500 990,000	-4,662 -25,000	Estimate reflects increases in conventional munitions, vehicular equipment and base maintenance and support equipment to improve air defense and limited war capabilities. These increases are more than offset by decreases in procurement of electronics equipment for the early warning system and Strategic Air Command control system.
Procurement, Defense agencies— NOA Exp.	----- -----	36,902 8,000	43,600 30,000	6,698 22,000	Estimate in 1964 reflects increased requirements for electronic equipment.
Aircraft and related procurement, Exp. Navy.	866,857	300,000	110,000	-190,000	(Program needs are now provided in other appropriations above.)
Procurement of ordnance and ammunition, Navy.	127,673	12,000	4,000	-8,000	(Program needs are now provided in other appropriations above.)
Aircraft, missiles, and related procurement, Air Force.	264,838	25,000	9,000	-16,000	(Program needs are now provided in other appropriations above.)
Procurement other than aircraft and missiles, Air Force.	77,666	15,000	7,000	-8,000	(Program needs are now provided in other appropriations above.)
Adjustment to reflect comparability with current budget structure.	NOA Exp. -1,034,744 -1,369,211	-339,100	-----	339,100	
Total, procurement— NOA Exp.	15,745,536 14,532,033	16,647,110 15,520,900	16,724,800 16,350,000	77,690 829,100	

RESEARCH, DEVELOPMENT, TEST,
AND EVALUATION

(Functional code 051)

650000 0-63- 13	Research, development, test, and evaluation, Army.	NOA Exp.	1,337,175 1,249,655	1,286,510 1,300,000	¹ 1,469,900 1,440,000	183,390 140,000	Increase is for research and for programs to improve conventional weapons and equipment, tactical air mobility, and initiating development of advanced antiballistic missiles.
	Research, development, test, and evaluation, Navy.	NOA Exp.	1,308,905 1,298,749	1,477,458 1,380,000	¹ 1,572,900 1,500,000	95,442 120,000	Increases for further development of antisubmarine warfare projects and aircraft are partly offset by reduced development requirements in the Polaris system.
	Research, development, test, and evaluation, Air Force.	NOA Exp.	2,529,857 2,174,626	3,675,784 3,180,000	¹ 3,621,800 3,620,000	-53,984 440,000	Estimate provides for growth in research and in component and subsystem development. Included are the Titan III space booster, a ballistic missile reentry system, and the mobile mid-range ballistic missile project. Decrease in NOA results from phase-out of development on other systems.
	Research, development, test, and evaluation, Defense agencies.	NOA Exp.	-----	447,920 360,000	447,400 410,000	-520 50,000	This appropriation combines financing for activities not identifiable with any one of the military services.
	Emergency fund, Defense	NOA Exp.	-----	14 40,000	120,380 150,000	29,620 110,000	This appropriation provides funds for transfer to program appropriations for prompt exploitation of research and development opportunities and other contingencies. The 1963 estimate has been adjusted to reflect actual transfers made.
	Salaries and expenses, Advanced Research Projects Agency, Department of Defense.	NOA Exp.	191,650 181,457	-----	-----	-----	(Financing is now included in the new research account for Defense agencies.)
	Adjustment to reflect comparability with current budget structure.	NOA Exp.	1,034,744 1,414,125	339,100	-----	-339,100	
	Total, research, development, test, and evaluation.	NOA Exp.	6,402,345 6,318,612	7,008,052 6,599,100	7,262,000 7,120,000	253,948 520,900	

¹ Partly to carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests	
DEPARTMENT OF DEFENSE—MILITARY FUNCTIONS—Continued						
MILITARY CONSTRUCTION						
(Functional code 051)						
General and special funds—Continued						
Military construction, Army-----	NOA Exp.	171,284 174,211	151,407 165,000	¹ 249,500 175,000	98,093 10,000	Estimate includes construction related to the Nike-Hercules air defense system and facilities for general purpose forces, including troop housing and facilities for maintenance, ammunition storage communications, and research and development.
Military construction, Navy-----	NOA Exp.	198,618 179,578	161,354 200,000	¹ 269,900 210,000	108,546 10,000	Estimate includes construction in support of the Polaris system and for general purpose forces, including troop housing, airfield, shipyard, and communication facilities.
Military construction, Air Force--	NOA Exp.	522,746 882,106	780,068 720,000	¹ 628,200 690,000	-151,868 -30,000	Estimate provides hardened facilities for additional Minuteman missiles and facilities to improve effectiveness of manned bombers. It will finance facilities for the dispersal of interceptor aircraft, protective shelters for tactical aircraft, and research and development facilities. Decrease reflects financing of cost increases in 1963 for Atlas-Titan site activations.
Military construction, Defense agencies.	NOA Exp.	----- -----	35,677 10,000	¹ 29,900 25,000	-5,777 15,000	Estimate includes construction for Defense Atomic Support Agency, Defense Communications Agency, Defense Supply Agency, National Security Agency, Defense Intelligence Agency, and Advanced Research Projects Agency.
Military construction, Army Reserve.	NOA Exp.	14,381 13,572	8,000 15,000	¹ 4,500 10,000	-3,500 -5,000	Completion of the most urgent requirements allows a decrease in level of training center construction.
Military construction, Naval Reserve.	NOA Exp.	7,000 9,553	7,000 8,000	¹ 6,000 6,500	-1,000 -1,500	Savings from prior year appropriations permit a decrease in NOA without decreasing the program.
Military construction, Air Force Reserve.	NOA Exp.	4,608 2,621	5,000 4,000	¹ 4,000 4,000	-1,000 -----	Savings from prior year appropriations permit a decrease in NOA without decreasing the program.

Military construction, Army National Guard.	NOA Exp.	21,869 18,357	7,000 17,000	1 3,500 13,000	-3,500 -4,000	A decrease in armory construction is scheduled in 1964 as the most urgent portions of the program approach completion.
Military construction, Air National Guard.	NOA Exp.	20,775 12,292	14,000 21,000	1 16,000 16,000	2,000 -5,000	Increase will allow obligation of \$18 million in both 1963 and 1964 for hangars, airfield pavement and shop facilities.
Loran stations, Defense	NOA Exp.	10,000 10,000	20,000 20,000	20,500 20,500	500 500	Estimate will permit continued expansion of this electronic system of navigation.
Construction, Alaska Communication System, Army.	Exp.	17				(Responsibility for this account transferred to Department of the Air Force.)
Military construction, Advanced Research Projects Agency, Department of Defense.	NOA Exp.	350 11,402				(To be covered by "Military construction, Defense agencies.")
Construction, U.S.S. <i>Arizona</i> memorial, Navy.	NOA Exp.	150 150				(Contribution was made to the U.S.S. <i>Arizona</i> memorial fund in 1962.)
Military construction, foreign countries, Department of Defense.	Exp.	33,272				(Only activity is payment of old obligations.)
Total, military construction.	NOA Exp.	971,781 1,347,129	1,189,506 1,180,000	1,232,000 1,170,000	42,494 -10,000	
FAMILY HOUSING						
(Functional code 051)						
Family housing, Defense	NOA Exp.		596,879 520,000	2 734,400 670,000	137,521 150,000	This appropriation finances the military family housing program previously funded in various Defense appropriations. The program provides for construction of 12,100 housing units compared with 7,500 units in 1963, for operation and maintenance of 370,000 units compared with 365,000 in 1963, and for principal and interest payments on Capehart and Wherry housing.

¹ Partly to carry out authorizing legislation to be proposed.

² To carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
DEPARTMENT OF DEFENSE—MILITARY FUNCTIONS—Continued					
CIVIL DEFENSE					
(Functional code 051)					
General and special funds—Continued Operation and maintenance, civil defense.	NOA Exp.	72,848 56,000	82,200 75,000	9,352 19,000	This increase will accelerate shelter management and training in radiological monitoring and will provide more support for State and local civil defense staffs.
Research and development, shelter and construction, civil defense.	NOA Exp.	{ 38,000 †61,900 29,000	{ 1 217,800 70,000 †45,000	117,900 86,000	Supplemental in 1963 will continue the stocking of public shelter spaces. The 1964 program will provide for the incorporation of public shelters in the facilities of nonprofit institutions and in existing Federal structures.
Civil defense, Department of Defense.	NOA Exp.	254,867 90,350	123,000	18,000 —105,000	(This will provide for liquidation of 1962 obligations for activities now financed in the preceding accounts.)
Construction of facilities, civil defense.	NOA Exp.	2,339 85	2,000	2,000	(Funds previously provided will be expended to complete emergency operating centers for OCD regions I and V.)
Total, civil defense	NOA Exp.	257,206 90,435	{ 110,848 †61,900 210,000	300,000 165,000 †45,000	127,252

REVOLVING AND MANAGEMENT FUNDS					
(Functional code 051)					
Public enterprise funds:					
Defense production guarantees, Exp. Army.	-133	-110	-20	90	(A reduction in loan activity is forecast resulting in reduced revenues.)
Defense production guarantees, Exp. Navy.	3,028	-2,933	-675	2,258	(A reduction in loan activity is forecast with accompanying reduction in revenues.)
Defense production guarantees, Exp. Air Force.	-3,754	3,224	-630	-3,854	(A reduction in the purchase of defaulted loans is forecast.)
Laundry service, Naval Academy. Exp.	-3	-2	8	10	(Estimate contemplates receipts and expenditures of approximately \$680 thousand.)
Civil defense procurement fund. Exp.	25	183	200	17	(Emphasis on establishment of State and local emergency centers will result in additional procurement of equipment and supplies.)
Acquisition, rehabilitation, and rental of Wherry Act housing, Defense.	28,378				(Account was merged in 1963 with the Defense family housing management account.)
Defense housing, Army. Exp.	-25				(Account was merged with "Operation and maintenance, Army.")
Defense housing, Navy. Exp.	-84				(Account was merged with "Operation and maintenance, Navy" and "Operation and maintenance, Marine Corps.")
Intragovernmental funds:					
Army stock fund. Exp.	-121,108	-111,000	-53,700	57,300	(Sales in 1964 will again exceed purchases, but by less than in 1963.)
Navy stock fund (permanent, indefinite, contract authorization). NOA Exp.	160,331 61,200	40,000	-20,000	-60,000	(Sales will exceed purchases in 1964.)

[†]Proposed for separate transmittal, other than civilian pay increase supplementals.

¹Partly to carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
DEPARTMENT OF DEFENSE—MILITARY FUNCTIONS—Continued					
REVOLVING AND MANAGEMENT FUNDS—Continued					
(Functional code 051)—Continued					
Intragovernmental funds—Continued					
Marine Corps stock fund (permanent, indefinite, contract authorization).	8,319 -6,674	17,000	-----	-17,000	(Estimate contemplates receipts and payments of \$143.9 million.)
Air Force stock fund.....	Exp. -24,012	43,500	5,300	-38,200	(Purchases will exceed sales in 1964 by a lesser amount than in 1963.)
Defense stock fund (permanent indefinite, contract authorization).	NOA Exp. -155,989 -13,029	-331,800	-182,600	149,200	(1964 sales will exceed purchases, but by less than in 1963.)
Army industrial fund.....	Exp. -6,270	-----	-73,800	-73,800	(Excess of collections over expenditures in 1964 will result from prepayments by customers and accelerated billings.)
Navy industrial fund.....	Exp. 20,484	399	-144,314	-144,713	(Excess of collections over expenditures in 1964 will result from prepayments by customers and accelerated billings.)
Air Force industrial fund.....	Exp. -16,842	-3,510	-1,160	2,350	(Collections will exceed purchases in 1964, but by less than in 1963.)
Defense industrial fund.....	Exp. -137	388	-----	-388	(Estimate contemplates receipts and expenditures of \$11.4 million.)
Army management fund.....	Exp. -3,636	-----	-----	-----	(Fund will operate at \$288 million level in 1964.)
Navy management fund.....	Exp. -10,158	8,633	1,859	-6,774	(Total activity of \$2.2 billion is forecast.)
Air Force management fund.....	Exp. 1,019	325	300	-25	(Liquidation of prior year obligations continues.)

Defense agencies management fund.	Exp.	-5,807	5,603	-----	-5,603	(Fund is not to be used in 1964.)
Naval working fund.....	Exp.	-187	100	1,000	900	(Estimate contemplates a reduction in advances received with a gross activity level of \$24 million.)
Consolidated working funds, Army.	Exp.	-1,185	-----	3,232	3,232	(Estimate reflects liquidation of prior year obligations. No new activity is forecast in 1964.)
Total, revolving and management funds.	NOA Exp.	324,639 -98,911	-330,000	-465,000	-135,000	
Total, Department of Defense—Military Functions.	NOA Exp.	48,170,275 46,815,362	{ 49,566,425 †281,569 ††113,125 } 47,974,300 †215,700 ††110,000	{ 51,280,637 †900,000 } 50,062,906 †933,969 ††3,125	{ 2,219,518 } 2,700,000	

DEPARTMENT OF DEFENSE—CIVIL FUNCTIONS

DEPARTMENT OF THE ARMY						
Cemeterial Expenses						
General and special funds:						
Salaries and expenses.....	805 NOA	10,440	{ 10,276 ††60 } 10,535	10,846	510	Increases of 7.2% in interments and 5.6% in headstone applications are expected, as well as higher maintenance workload. Increases are partly offset by reduced construction activity.
	Exp.	9,357	11,035	500		
Corps of Engineers—Civil						
General investigations.....	401 NOA	15,877	{ 17,870 ††226 } 17,514	20,020	1,924	Increased emphasis is on comprehensive river-basin planning. Studies will be started in 13 basins and will continue in 13. A program to develop construction uses of nuclear explosives will continue.
	Exp.	14,169	20,300	2,786		

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††Proposed for separate transmittal, civilian pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (—)	Explanation of NOA requests
DEPARTMENT OF DEFENSE—CIVIL FUNCTIONS—Continued					
DEPARTMENT OF THE ARMY—Con.					
Corps of Engineers—Civil—Con.					
General and special funds—Continued					
Construction, general	401 NOA Exp. 724,022 707,816	792,846 788,128	817,416 802,452	24,570 14,324	Continues construction on 194 projects of which 36 costing \$324 million will be completed. Provides for pre-construction planning on 95 projects and start of construction on 30 projects costing \$317 million.
Operation and maintenance, general	401 NOA Exp. 147,297 142,325	{ 143,539 †1,174 ††1,259 146,724 †1,074	{ 157,368 } 9,802	11,396	A supplemental for 1963 is for increased wage board pay. Workload in 1964 involves 440 projects, including 24 recently completed. Increase covers greater workload, cost increases, and funds for emergency flood protection.
General expenses	401 NOA Exp. 13,148 12,730	{ 13,580 ††616 14,183	15,252 15,300	1,056 1,117	Increase provides for management and supervision of increased program workload.
Flood control, Mississippi River and tributaries	401 NOA Exp. 72,950 67,229	73,504 73,588	74,860 75,000	1,356 1,412	Planning, construction, and operation and maintenance will continue at about 1963 levels except for increased channel improvement work. Construction will be started on 2 features estimated at \$31 million and will be completed on 1 costing \$1.5 million.
United States section, Saint Lawrence River Joint Board of Engineers	401 NOA Exp. 20 4	20 20	----- -----	—20 —20	The work of the Board has been completed.

International navigation con- gresses----- 401	NOA Exp.	30 104	17	-----	-17	(Final costs will be liquidated in 1963.)
Payments to States, Flood Con- trol Act of 1954 (permanent, indefinite, special fund)----- 401	NOA Exp.	1,614 1,612	1,828 1,614	1,828 1,828	214	Three-fourths of receipts from lease of Federal lands acquired for flood control, navigation and allied purposes is paid to the State in which situated.
Hydraulic mining in California, debris fund (permanent, indefi- nite, special fund)----- 401	NOA Exp.	18 22	18 23	18 18	-5	Fees paid by mine operators for depositing mine debris in restraining works are used for their maintenance.
Maintenance and operation of dams and other improvements of navigable waters (perma- nent, indefinite, special fund)----- 401	NOA Exp.	154 154	154 154	154 154	-----	Half of the receipts from licenses issued by the Federal Power Commis- sion for non-Federal projects on navigable waters are used for main- tenance and operation of dams and other navigational structures and for navigation improvements.
Intragovernmental funds: Advances and reimbursements, Corps of Engineers—Civil----- 401	Exp.	5	-94	123	217	
Revolving fund, Corps of Engi- neers—Civil----- 401	Exp.	884	2,055	2,225	170	
Total, Corps of Engineers— Civil.	NOA Exp.	975,129 947,053	{ 1,043,359 / 1,174 † 2,101 / 1,043,926 † 1,074	{ 1,086,916 / 1,074,900 † 100	40,282 30,000	
UNITED STATES SOLDIERS' HOME						
Trust fund: Limitation on operation and maintenance and capital outlay.		(6,155)	{ (6,128) / (†88) † (†64)	(6,622)	(342)	Increase provides for estimated rise from 1,588 to 1,635 domiciliary members present and from 446 to 470 in hospital patients.

† Proposed for separate transmittal, other than civilian pay increase supplementals.

†† Proposed for separate transmittal, civilian pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
DEPARTMENT OF DEFENSE—CIVIL FUNCTIONS—Continued						
RYUKYU ISLANDS, ARMY						
General and special funds:						
Administration.....	910 NOA	7,089	{ 8,900 ††57	14,366	5,409	Grants for assistance to the Ryukyuan economy and government will increase by \$5 million to a total of \$12 million.
	Exp.	6,710	8,800	11,700	2,900	
Construction of power systems.....	910 Exp.	—13	400	8,000	7,600	(Expenditures are in the form of loans from prior year funds.)
Construction of water system.....	910 Exp.	125	—	—	—	(The system was completed in 1962.)
Total, Ryukyu Islands, Army	NOA	7,089	{ 8,900 ††57	14,366	5,409	
	Exp.	6,822	9,200	19,700	10,500	
THE PANAMA CANAL						
Canal Zone Government:						
Operating expenses.....	910 NOA	20,800	{ 22,772 ††667	26,465	3,026	Increase will permit expanded operation of schools and hospitals to accommodate increasing numbers of Zone-based military personnel and dependents.
	Exp.	20,223	23,173	26,189	3,016	
Capital outlay.....	910 NOA	2,300	3,120	7,000	3,880	Provides \$4,943 thousand for needed educational facilities, \$1,243 thousand for health and sanitation, and \$814 thousand for other needs.
	Exp.	3,300	5,821	6,913	1,092	
Panama Canal Company: Thatcher Ferry Bridge.....	502 Exp.	10,806	2,221	—	—2,221	(Thatcher Ferry Bridge was dedicated and went into service on October 12, 1962.)

Public enterprise funds:					
Panama Canal Company: Panama Canal Company fund.....502					
Limitation on general and administrative expenses.	Exp.	(7,824)	{ (8,113) ††180) 9,677	{ (9,550) 1,468	(1,257) -8,209
Total, The Panama Canal.	NOA	23,100	{ 25,892 ††667 40,892	{ 33,465 34,570	6,906 -6,322
MISCELLANEOUS ACCOUNTS					
General and special funds:					
Payments to claimants, disaster at Texas City, Tex., Army....910	Exp.	23	4	-----	-4
Wildlife conservation, etc., military reservations, Navy (permanent, indefinite, special fund).....404	NOA Exp.	----- -----	5 5	10 10	5 5
Wildlife conservation, etc., military reservations, Air Force (permanent, indefinite, special fund).....404	NOA Exp.	26 30	26 28	26 30	2
Total, miscellaneous accounts.	NOA Exp.	26 53	31 37	36 40	5 3
Total, Department of Defense—Civil Functions.	NOA Exp.	1,015,784 999,337	{ 1,088,458 †1,174 ††2,885 1,101,849 †1,074 ††2,741	{ 1,145,629 1,140,101 †100 ††144	53,112 34,681

(These expenses increase due to expansion of labor-management relations and programs to encourage utilization of Panamanian citizens.)
(The decrease in expenditures results from a drop in operating expenses and capital outlay of \$3.2 million and an increase in revenues of \$5.0 million.)

† Proposed for separate transmittal, other than civilian pay increase supplementals.

†† Proposed for separate transmittal, civilian pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE					
FOOD AND DRUG ADMINISTRATION					
General and special funds:					
Salaries and expenses.....	651 NOA	22,929	{ 28,134 †1,174 ††826	{ 35,805 5,671	The 1963 supplemental provides staff to implement the Drug Amendments of 1962 and regulations on the use of investigational drugs. The 1964 estimate provides for strengthening all aspects of this consumer protection program.
	Exp.	20,005	{ 27,608 †942	{ 34,118 †232	5,800
Buildings and facilities.....	651 NOA		13,300	14,018	Seven district offices will be planned and four constructed. Provision is made for planning and construction of additional headquarters laboratory facilities.
Reappropriation.....	NOA		718		
	Exp.		1,071	1,071	
Pharmacological-animal laboratory building.....	651 NOA	1,750			Laboratory facility at Beltsville, Maryland, will be completed in 1964 from prior years' financing.
	Exp.	45	568	1,136	
Salaries and expenses, certification, inspection, and other services (indefinite, special fund)	651 NOA	1,737	1,931	-1,931	This account is being converted into a public enterprise fund.
	Exp.	1,440	2,356	-1,844	
Public enterprise funds:					
Certification and other services.....	651 Exp.			-573	(Industry fees finance the certification of all antibiotic drugs, insulin, and color additives and establishment of tolerances for pesticides.)
Intragovernmental funds:					
Advances and reimbursements.....	651 Exp.	-4			
Total, Food and Drug Administration.	NOA	26,416	{ 30,065 †1,174 ††826	{ 49,823 17,758	
	Exp.	21,487	{ 30,532 †942	{ 36,264 †232	5,022

OFFICE OF EDUCATION

General and special funds:							
Promotion and further development of vocational education. 704	NOA Exp.	33,672 33,032	34,716 33,800	34,756 34,100	40 300		The proposed new education program will include both proposals to strengthen education and broaden programs operating under existing authorizations. Expansion beyond the current authorized ceiling is proposed for vocational education, library services, defense education and training teachers of handicapped children. The expansion of cooperative research under present authorization is a part of the program.
Further endowment of colleges of agriculture and the mechanic arts. 702	NOA Exp.	8,194 8,194	11,950 11,950	11,950 11,950	----- -----		Increase in grants is to include American Samoa under Public Law 87-688.
Grants for library services 704	NOA Exp.	7,500 8,197	7,500 7,625	7,500 7,500	----- -125		Grants for land-grant colleges will continue at maximum authorized level.
Payments to school districts 701	NOA Exp.	247,000 226,419	282,322 260,000	{ 104,466 +216,204 153,000 +144,901 } 38,348 37,901			Program will continue at maximum authorized level.
Assistance for school construction 701	NOA Exp.	61,942 56,490	63,686 59,945	{ 23,800 +37,984 60,290 +2,752 } -1,902 3,097			Proposed legislation provides for children assisted under programs expiring June 30, 1963. Payments will be made to an additional 300 school districts involving 50 thousand additional children.
Defense educational activities:							
(Assistance for elementary and secondary education) 701	NOA Exp.	72,750 53,664	72,750 54,600	72,750 61,350	----- 6,750		Proposed legislation provides for children assisted under programs expiring June 30, 1963. Program proposes to provide about 3,000 classrooms for about 87 thousand pupils.
(Assistance for higher education) 702	NOA Exp.	103,407 96,794	118,700 114,800	118,650 118,650	-50 3,850		
(Other aids to education) 704	NOA Exp.	35,470 30,900	38,000 34,000	38,220 36,000	220 2,000		
Total, Defense educational activities.	NOA Exp.	211,627 181,359	229,450 203,400	229,620 216,000	170 12,600		

†Proposed for separate transmittal, other than pay increase supplementals.

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued					
OFFICE OF EDUCATION—Continued					
General and special funds—Continued					
Expansion of teaching in education of the mentally retarded	NOA 704 Exp.	1,000 916	1,000 997	1,000 997	Grants would be continued at maximum authorized level.
Expansion of teaching in education of the deaf	NOA 704 Exp.	1,575 32	1,500 1,502	-1,500 -2	Authorizing legislation expires June 30, 1963. Continuation is proposed as part of the new education program.
Cooperative research	NOA 704 Exp.	5,000 3,697	6,985 5,740	17,000 11,670	Increases are to develop course content materials, improve teacher training, demonstrate research findings, and identify research gaps.
Educational research (special foreign currency program)	NOA 704 Exp.	400 6	800 17	400 685	Excess foreign currencies support research in foreign countries, supplementing studies to improve education in the United States.
Foreign language training and area studies	NOA 704 Exp.			2,500 1,600	Recent legislation authorizes seminars and other programs to improve the teaching of modern foreign languages and area studies.
Salaries and expenses	NOA 704 Exp.	11,594 11,158	{ 12,299 +600 { 12,315 +120	16,261 15,094 { 3,362 3,139	The 1963 supplemental provides for expansion of the captioned films for the deaf program. Emphasis in 1964 is on data collection, surveys, research and consultative services to improve educational quality.
Land-grant college aid	NOA 702 Exp.	3,775 3,775			(Final payment on \$6 million grant to the State of Hawaii was made in 1962.)
New education program (proposed legislation)	NOA 700 Exp.			†1,215,170 †143,600	Legislation is proposed to strengthen education to meet national objectives for manpower development, national security, economic growth, and social welfare.
Colleges of agriculture and the mechanic arts (permanent)	NOA 702 Exp.	2,550 2,550	2,550 2,550	2,550 2,550	Annual grants of \$50 thousand are made to each State and Puerto Rico.

Promotion of vocational education, Act of Feb. 23, 1917 (permanent, indefinite) -----	704	NOA	7,161 7,147	7,161 7,161	7,161 7,161	----- -----	Grants to States will continue at maximum authorized level.
Intragovernmental funds: Advances and reimbursements	704	Exp.	-202	193	-3	-196	
Total, Office of Education	---	NOA	602,590	{ 661,519 †600	459,364 †1,469,358	1,266,603	
		Exp.	542,769	{ 607,196 †120	524,094 †291,733	208,512	
OFFICE OF VOCATIONAL REHABILITATION							
General and special funds: Grants to States	655	NOA	64,450	72,940	88,700	15,760	With matching State funds, rehabilitation of 126,500 handicapped persons—a 15% increase over 1963—will be possible.
		Exp.	63,330	71,754	86,650	14,896	
Research and training	655	NOA	20,250	25,500	36,830	11,330	Provides for 404 research and demonstration projects, 7,516 traineeships, 483 teaching grants, and 6 research and training centers.
		Exp.	18,875	24,776	35,250	10,474	
Research and training (special foreign currency program)	655	NOA	1,372	2,000	3,000	1,000	Excess foreign currencies will permit greater use of overseas facilities for rehabilitation research, and expand interchange of experts.
		Exp.	282	1,310	2,128	818	
Salaries and expenses	655	NOA	2,325	2,480	2,905	425	Provides for strengthening administration of expanding grant programs and for additional specialized services.
		Exp.	2,227	2,456	2,869	413	
Total, Office of Vocational Rehabilitation.		NOA	88,397 84,713	102,920 100,296	131,435 126,897	28,515 26,600	

†Proposed for separate transmittal, other than pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued					
PUBLIC HEALTH SERVICE					
General and special funds—Continued Buildings and facilities.....651 NOA Exp.	18,230 5,296	33,200 10,000	19,072 15,000	-14,128 5,000	Provides \$2.8 million for site acquisition and planning of an Environmental Health Center; construction funds of \$6.3 million for water pollution control laboratories; \$4.3 million for a biologics standards facility; and 4 new administrative facilities.
Community Health					
Accident prevention.....651 NOA Exp.	3,616 2,225	3,660 2,751	4,857 4,700	1,197 1,949	Increase will be applied primarily to traffic accident research.
Chronic diseases and health of the aged.....651 NOA Exp.	12,955 6,928	22,927 17,205	55,907 43,000	32,980 25,795	Includes \$31 million in research grants and State assistance funds formerly carried in National Institutes of Health. Increase provides for improving and extending health restorative services for the aged and for improving preventive and control efforts in heart disease, cancer, arthritis, and neurological and sensory diseases.
Communicable disease activities..... NOA Exp.	9,988 10,203	{ 10,062 +12,600 9,660 +9,400 }	{ 30,429 23,500 +3,200 }	7,767 7,640	Supplemental in 1963 is to initiate newly authorized community immunization program. The 1964 amount includes \$5 million to start a program to meet the international commitment for the eradication of the yellow fever mosquito.
Community health practice and research.....651 NOA Exp.	22,331 21,415	{ 25,952 +1,500 25,100 +1,000 }	{ 31,648 30,700 +500 }	4,196 5,100	Supplemental in 1963 will provide improved health services for domestic agricultural migrant workers and their families under recent legislation. Increase in 1964 provides a greater number of short-term public health trainees, expansion of research and development in medical care administration, with emphasis on school health problems.
Control of tuberculosis.....651 NOA Exp.	6,493 6,285	6,993 6,700	6,828 6,600	-165 -100	Additional support is proposed for project grants to be offset by a decrease in grants to States.

Control of venereal diseases	651	NOA Exp.	6,000 5,575	8,000 7,600	9,588 9,200	1,588 1,600	Increase will support the intensified control program begun in 1963.
Dental services and resources	651	NOA Exp.	2,400 1,854	2,995 2,400	6,227 5,500	3,232 3,100	Increase is for undergraduate training in the use of dental assistants and to expand work in developing dental prepayment plans.
Nursing services and resources	651	NOA Exp.	7,641 6,583	8,436 7,600	11,245 10,000	2,809 2,400	Traineeships to prepare nurses to be teachers, supervisors, and administrators will be continued at 1963 level.
Hospital construction activities	651	NOA Exp.	221,500 167,200	226,211 176,743	179,514 177,748	-46,697 1,005	Reduction from 1963 reflects need for less general hospital construction and shift of program emphasis to long-term care facilities.
Hospital construction activities (proposed legislation)		NOA Exp.			†35,000 †5,300	35,000 5,300	Legislation is proposed for grants to coordinate area planning of medical facilities and for increased grants for nursing home construction.
George Washington University Hospital construction	651	NOA Exp.			2,500 750	2,500 750	Funds approximating 50% of the cost would be provided to assist in the expansion and improvement of this facility.
Aid to medical education (proposed legislation)	651	NOA Exp.			†34,352 †9,314	34,352 9,314	Legislation is proposed for aid to construct medical, dental, osteopathic, nursing, and other health teaching facilities and for student aid.
Salaries and expenses, hospital construction services	651	Exp.	120	5		-5	(This program is now part of Hospital Construction Activities.)
Construction of mental health facilities, Alaska	651	Exp.	3,192	507		-507	(Construction will be completed with prior year funds.)
Grants to States for poliomyelitis vaccination	651	Exp.	-1				(Recoveries of prior year expenditures occurred in 1962.)
Total, community health		NOA Exp.	292,924 231,579	{ 315,236 †14,100 256,271 †10,400	{ 338,743 †69,352 311,698 †18,314	78,759 63,341	

† Proposed for separate transmittal, other than pay increase supplementals.

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ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests	
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued						
PUBLIC HEALTH SERVICE—Continued						
Environmental Health						
General and special funds—Continued						
Environmental health sciences.....	651 NOA Exp.	----- -----	4,246 3,200	4,246 3,200	Appropriation will finance research and training activities basic to environmental health programs. Includes \$3.1 million for grants.	
Air pollution.....	651 NOA Exp.	8,590 6,355	11,062 8,900	12,998 11,000	1,936 2,100	Research grants will increase from 120 to 162 and training grants from 18 to 36.
Milk, food, interstate, and community sanitation.....	651 NOA Exp.	7,422 4,490	8,528 6,000	9,079 8,200	551 2,200	Research grants will increase from 200 to 238. Shellfish sanitation research and aid in applying drinking water standards will expand.
Occupational health.....	651 NOA Exp.	3,970 2,831	4,121 3,300	4,621 4,000	500 700	Research grants will increase from 61 to 66.
Radiological health.....	651 NOA Exp.	10,482 7,405	15,812 12,650	18,776 16,000	2,964 3,350	Research grants will increase from 74 to 100 and training grants from 35 to 46. Grants to States will be expanded with increased emphasis on X-ray control and on technical training of State personnel.
Water supply and water pollution control.....	651 NOA Exp.	20,270 14,993	24,651 21,000	29,980 26,800	5,329 5,800	Research grants will increase from 180 to 217, research fellowships from 48 to 70, and training grants from 34 to 50. River basin studies will be expanded and enforcement activities strengthened.
Grants for waste treatment works construction.....	651 NOA Exp.	80,645 42,103	90,000 52,000	100,000 65,000	10,000 13,000	Program provides the maximum amount authorized for 1964 and will permit 1,000 grants compared with 900 in 1963.

Environmental health activities	651	Exp.	4,607	1,178	-----	-1,178	(Activities now appear in other accounts.)
Total, environmental health		NOA Exp.	131,379 82,784	154,174 105,028	179,700 134,200	25,526 29,172	
Medical Services							
Hospitals and medical care	651	NOA	50,009	47,602 +517 +738	50,038	1,181	Supplemental in 1963 is for wage board pay increases. Hospital and health services will be improved in 1964. An increase of 13,000 outpatient visits to hospitals, clinics, and offices is expected.
		Exp.	50,366	47,120 +432	49,018 +85	1,551	
Foreign quarantine activities	651	NOA	6,082	5,892 +119	7,116	1,205	Increase is for rental of space at international airports and for medical examinations of visa applicants abroad. Joint inspection with Immigration and Customs will increase quarantine coverage on Mexican border without additional staff.
		Exp.	5,238	5,792	7,002	1,210	
Indian health activities	651	NOA	52,549	55,388 +292 +1763	58,985	2,542	Supplemental in 1963 is for wage board pay increases. Increases in hospital patients, outpatient visits, contract patient care, and higher operating costs result in increase in 1964. Permanent contract authority will not be used in 1963 or 1964.
Permanent contract authorization.		NOA	432	-----			
Liquidation of contract authorization.		Exp.	(435)	(432)	-----	2,003	
Construction of Indian health facilities	651	NOA Exp.	8,285 8,576	9,335 8,964	6,096 9,357	-3,239 393	Includes 2 health centers and 5 health stations, 32 quarters, alterations at 15 locations, and 49 sanitation projects. Decrease results from financing of 2 hospitals in 1963.
Dependents' medical care	651	Exp.	1	-----	-----	-----	(This program now part of retired pay for commissioned officers.)
Total, medical services		NOA	117,357	118,217 +809	122,235	1,689	
		Exp.	117,250	+1,520 117,316 +718	123,100 +91	5,157	

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ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (—)	Explanation of NOA requests
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued					
PUBLIC HEALTH SERVICE—Continued					
National Institutes of Health					
General and special funds—Continued General research and services.....651	NOA Exp. 127,589 83,588	159,741 129,000	164,674 144,000	4,933 15,000	Estimate increases research projects from 1,700 in 1963 to 1,876, and provides additional clinical research centers and training grants.
Biologics standards.....651	NOA Exp.	-----	4,787 4,000	4,787 4,000	Account previously appeared with "General research and services." Estimate will permit expansion in applied research contracts and more intensive testing and inspection programs.
National Cancer Institute.....651	NOA Exp. 142,738 103,127	155,685 122,000	145,114 126,000	-10,571 4,000	Increases are for postdoctoral and special fellowships and graduate research training grants; apparent decrease is the result of financing adjustments.
Mental health activities.....651	NOA Exp. 108,838 91,327	143,581 116,000	190,096 166,000	46,515 50,000	Increase will support approximately 2,800 research grants in 1964 compared with 2,040 in 1963, with special attention to research in mental retardation.
National Heart Institute.....651	NOA Exp. 132,862 90,834	147,352 112,500	133,624 117,000	-13,728 4,500	Increased research grants (from 2,980 in 1963 to 3,423) and increased fellowships and training are not reflected because of financing adjustments.
National Institute of Dental Research.....651	NOA Exp. 17,335 12,332	21,198 15,500	19,809 17,000	-1,389 1,500	Increase in research grants (approximately 445 projects compared with 425 in 1963) and training grants are not reflected because of financing adjustments.
Arthritis and metabolic disease activities.....651	NOA Exp. 81,802 68,199	103,382 84,000	114,717 100,000	11,335 16,000	Increase provides for larger number of research grants, fellowships and training grants.

Allergy and infectious disease activities	NOA	56,074	66,133	69,226	3,093	Estimated 1,880 research grants will be supported in 1964 compared with 1,786 in 1963. Fellowship and training grants are also increased.
Neurology and blindness activities	NOA	70,762	83,460	88,407	4,947	Increase is in the number and dollar value of research grants, and in collaborative research, with emphasis on perinatal research.
651	Exp.	54,206	67,500	77,000	9,500	
Grants for construction of health research facilities	NOA	30,000	50,000	50,000	-----	Provides the eighth year increment of a \$280 million program of matching grants for construction of health research facilities.
651	Exp.	30,897	35,000	35,000	-----	
Grants for cancer research facilities	NOA	5,000	-----	-----	-----	(Appropriation in 1962 for nonmatching grants will be paid out in 1964.)
651	Exp.	115	2,000	2,885	885	
Construction of mental health-neurology research facility	Exp.	11	400	1,000	600	(Construction will be completed in 1965.)
Total, National Institutes of Health.	NOA	773,000	930,532	980,454	49,922	
	Exp.	580,761	737,900	850,885	112,985	
Scientific activities overseas (special foreign currency program)	NOA	9,000	2,800	6,647	3,847	Expanded program of medical research utilizing facilities of other nations is supported by excess foreign currencies.
651	Exp.	1,122	2,500	4,000	1,500	
National health statistics	NOA	4,642	5,150	5,949	799	Increase augments current program for collection, analysis, dissemination, and improvement of health statistics and health survey methods.
651	Exp.	4,001	4,700	5,400	700	
National Library of Medicine	NOA	2,066	3,335	4,074	739	Increase is principally for acquisition and operation of equipment for the medical literature analysis and retrieval systems.
651	Exp.	1,717	3,000	3,700	700	
Retired pay of commissioned officers (indefinite)	NOA	2,360	5,784	6,436	652	Officers on retired rolls are expected to increase from 443 to 500. Beginning in 1963 account finances medical care of dependents of commissioned officers.
651	Exp.	2,359	5,700	6,300	600	
Salaries and expenses, Office of the Surgeon General	NOA	5,560	5,663	6,091	428	Personnel management and certain other administrative service activities will be strengthened.
651	Exp.	5,762	5,550	6,000	450	
Emergency health activities	NOA	35,433	7,000	41,361	34,361	Increase provides principally for purchase of additional emergency hospitals and improved management of the medical stockpile.
059	Exp.	3,311	17,100	29,000	11,900	

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued					
PUBLIC HEALTH SERVICE—Continued					
Public enterprise funds:					
Operation of commissaries, narcotic hospitals.....	651	Exp. 2	2	-2	
Intragovernmental funds:					
Bureau of State Services management fund.....	651	Exp. -122			
National Institutes of Health management fund.....	651	Exp. -2,208			
Service and supply fund.....	651	Exp. -77	16	52	36
Working capital fund, narcotic hospitals.....	651	Exp. -104	39	4	-35
Advances and reimbursements.....	651	Exp. -348	398		-398
Advances and reimbursements for general research support grants	651	Exp. -5,000	5,000		-5,000
Total, Public Health Service	NOA 1,391,952	{ 1,581,091 †14,909 ††1,520	{ 1,710,762 †69,352	{ 182,594	
	Exp. 1,028,085	{ 1,270,520 †11,118	{ 1,489,339 †18,405	{ 226,106	

SAINT ELIZABETHS HOSPITAL						
General and special funds:						
Salaries and expenses.....	651	NOA Exp.	5,105 4,650	6,332 6,200	9,716 10,263	3,384 4,063
Buildings and facilities.....	651	NOA Reappropriation.....	575 70 2,896	8,095 2,977	627 4,215	-7,468 1,238
Intragovernmental funds:						
Advances and reimbursements.....	651	Exp.	-16	27	7	-20
Total, Saint Elizabeths Hos- pital.		NOA Exp.	5,750 7,531	14,427 9,204	10,343 14,485	-4,084 5,281
SOCIAL SECURITY ADMINISTRATION						
Trust funds:						
Limitation on salaries and ex- penses, Bureau of Old-Age and Survivors Insurance.			(267,570)	(280,400) (††6,314)	(317,900)	(31,186)
Limitation on construction, Bu- reau of Old-Age and Survivors Insurance.			(4,000)			
General and special funds:						
Payments for military service credits (proposed legislation).....	655	NOA Exp.	-----	†63,400 †63,400	63,400 63,400	-----
Grants to States for public assist- ance.....	653	NOA Exp.	2,401,200 2,432,141	2,538,300 †250,000 2,587,800 †250,000	2,950,000 161,700 2,950,000 112,200	-----

†Proposed for separate transmittal, other than pay increase supplementals.

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (→)	Explanation of NOA requests
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued					
SOCIAL SECURITY ADMINISTRATION— Continued					
General and special funds—Continued					
Training of public welfare personnel NOA			2,000	2,000	
653 Exp.-----		1,500	1,500		Estimate provides grants to universities, traineeships to students, and short courses to key State personnel to alleviate shortage of trained welfare personnel.
Assistance for repatriated United States nationals NOA	764	467	500	33	
653 Exp.-----	477	467	503	36	Estimate will provide assistance to repatriates at about the same level as in 1963.
Salaries and expenses, Bureau of Family Services NOA	3,442	{ 3,585 313 †140 }	5,400	1,362	Supplemental in 1963 will provide staff to implement program changes under 1962 Public Welfare Amendments. Increase in 1964 is primarily for full year cost of increased workload.
653 Exp.-----	3,171	{ 3,668 255 †58 }	5,302	1,437	
Grants for maternal and child welfare NOA	69,100	{ 75,795 3,650 }	87,000	7,555	Supplemental in 1963 is for new day care and the child welfare training provisions of 1962 Public Welfare Amendments. Increase in 1964 is primarily the full year cost of these provisions and increased emphasis on related research and demonstration projects.
651 Exp.-----	68,251	{ 75,622 3,612 †38 }	86,831	7,635	
Grants for comprehensive maternal and child health services (proposed legislation) NOA		†17,250	17,250		Proposals will be made to improve Federal-State maternal and child health programs through project grants for comprehensive services.
651 Exp.-----		†17,237	17,237		
Salaries and expenses, Children's Bureau NOA	2,662	{ 2,850 161 †72 }	3,401	418	Supplemental in 1963 is to meet added workload under 1962 Public Welfare Amendments. Increase in 1964 is primarily for full year cost.
651 Exp.-----	2,645	{ 2,904 155 †4 }	3,371	416	

Cooperative research or demonstration projects in social security	653	NOA Exp.	700 541	1,100 1,085	2,000 1,730	900 645	Program will permit initiation of 28 research and demonstration projects and continuation of 24.
International Social Security Association Meeting	653	NOA Exp.			95 40	95 40	Provides for planning and conducting meeting in the United States.
Research and training (special foreign currency program)	651	NOA Exp.	1,607 9	580	1,200 839	1,200 259	Provides for studies with emphasis on maternal and child health and social welfare, using excess foreign currencies.
Assistance to refugees in the United States	653	NOA Exp.		70,110 55,000	70,000 63,000	-110 8,000	Provides financial assistance, education, vocational training, health services and resettlement to Cuban refugees in the United States.
Salaries and expenses, Office of the Commissioner	653	NOA Exp.	590 457	{ 711 ††26 701 }	1,025	288	Increase will strengthen long-range program analysis and research.
Limitation payable from OASI trust fund.		NOA Exp.	(322) (322)	{ (418) ††18 (436) }	(602) (602)	(166) (166)	
White House Conference on Children and Youth	651	Exp.	7				(Conference costs were fully paid in 1962.)
Public enterprise funds: Operating fund, Bureau of Federal Credit Unions	655	Exp.	-162	55	341	286	Program of \$5 million is financed by fees for services performed.
Intragovernmental funds: Advances and reimbursements	653	Exp.	-121	56		-56	
Total, Social Security Administration.		NOA Exp.	2,480,071	{ 2,692,918 †254,024 †238 }	{ 3,122,621 †80,650 }	256,091	
		Exp.	2,507,415	{ 2,727,938 †253,922 }	{ 3,114,439 †80,737 }	213,316	

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††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued					
SPECIAL INSTITUTIONS					
American Printing House for the Blind					
General and special funds: Education of the blind.....	704 NOA Exp.	670 670	739 739	775 775	36 36
Increase is estimated in number of blind children served from 16,841 in 1963 to 17,691 in 1964.					
Freedmen's Hospital					
Salaries and expenses.....	651 NOA Exp.	3,736 3,493	3,909 3,858	3,880 3,883	-29 25
Increased reimbursement income from patient fees offsets costs of improvements in both training program and quality of patient care.					
Gallaudet College					
Salaries and expenses.....	702 NOA Exp.	1,256 1,222	{ 1,458 122 1,448 122 } } 1,697	217 212	Supplemental in 1963 is for increased pay costs of non-Federal personnel. Additional faculty and higher operating costs will accompany the 16% estimated increases in enrollment in 1964.
Construction.....	702 NOA Exp.	601 1,947	1,065 1,496	2,919 1,643	1,854 147
Provides principally for construction of two dormitories and planning for a third.					
Total, Gallaudet College....	NOA Exp.	1,857 3,169	{ 2,523 122 2,944 122 } } 4,616	2,071 359	

Howard University							
Salaries and expenses	702	NOA	7,007	{ 7,492 +443 }	8,819	884	Supplemental in 1963 is largely for increased pay costs of non-Federal personnel. Increase in 1964 provides principally for a 5% expanded enrollment in the liberal arts and graduate schools, and for improvement in library and in grounds maintenance.
		Exp.	6,573	{ 7,305 +400 }	8,657 +43	995	
Plans and specifications	702	NOA	461	86	-----	-86	Account is merged with "Construction" in 1964.
		Exp.	53	408	-----	-408	
Construction and purchase of buildings	702	NOA	4,447	5,531	-----	-5,531	Account is merged with "Construction" in 1964.
		Exp.	1,096	4,719	-----	-4,719	
Construction	702	NOA	-----	-----	6,245	6,245	Provides principally for construction of men's dormitory, expansion of university properties, and planning for new teaching hospital.
		Exp.	-----	-----	6,804	6,804	
Construction of auditorium-fine arts building (liquidation of contract authorization)	702	Exp.	(95)	-----	-----	-----	(Project is complete.)
			70	-----	-----	-----	
Total, Howard University	---	NOA	11,915	{ 13,109 +443 }	15,064	1,512	
		Exp.	7,792	{ 12,432 +400 }	15,461 +43	2,672	
Total, Special Institutions	---	NOA	18,178	{ 20,280 +465 }	24,335	3,590	
		Exp.	15,123	{ 19,973 +422 }	23,444 +43	3,092	
OFFICE OF THE SECRETARY							
Salaries and expenses, Office of the Secretary	655	NOA	2,527	{ 2,621 +102 }	2,918	195	Estimate provides for increased emphasis in analysis, evaluation, and coordination of the Department's operating programs.
Limitation payable from OASI trust fund.			(352)	{ (359) +117 }	(467)	(91)	
		Exp.	2,552	2,522	2,906	384	

†Proposed for separate transmittal, other than pay increase supplementals.

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued					
OFFICE OF THE SECRETARY—Con.					
General and special funds—Continued					
Salaries and expenses, Office of NOA Field Administration.....655	3,248	{ 3,282 ††132	{ 3,834	420	Administrative services in the 9 regional offices will be expanded to meet expected increases in workload.
Limitation payable from OASI trust fund and Bureau of Federal Credit Unions operating fund.	(1,465)	{ (1,495) ††145	{ (1,337)	(-203)	
Exp.	3,163	3,223	3,920	697	
Surplus property utilization.....655	NOA	862	{ 870 ††21	950	59 Estimate will maintain 1963 program level which anticipates allocation of \$395 million of surplus property to States for educational, health, and civil defense purposes.
	Exp.	840	856	937	81
Salaries and expenses, Office of the General Counsel.....655	NOA	713	{ 804 ††20	1,055	231 Increases are to meet additional workload resulting from enactment of new legislation and expansion of existing programs.
Limitation payable from OASI trust fund and Food and Drug Administration certification fund.	Exp.	(696)	{ (725) ††115	(900)	(160)
676		802	1,038	236	
Juvenile delinquency and youth offenses.....655	NOA	8,200	5,810	13,200	7,390 Provides for new demonstration projects to be initiated in 1964 and \$6.3 million to finance post-1964 costs of projects initiated in 1963 and 1964.
	Exp.	1,386	7,139	8,431	1,292
Salaries and expenses, Office of Aging.....655	NOA	-----		545	545 Estimate provides for continued emphasis in developing, evaluating, and coordinating programs for the aged.
	Exp.	-----		505	505

Educational television facilities	704	NOA Exp.	-----	†2,000 †1,000	{ 7,000 3,500 † 700 } 5,000	3,200	Supplemental in 1963 is to initiate grants to public and nonprofit private educational television agencies for construction of transmission apparatus. The program will be expanded in 1964.
White House Conference on Aging	655	Exp.	60	2	-----	-2	(Conference costs will be fully paid in 1963.)
Intragovernmental funds:							
Working capital fund	655	Exp.	-75	-17	43	60	
Advances and reimbursements	655	Exp.	-274	-170	-----	170	
Total, Office of the Secretary		NOA Exp.	15,550 8,327	{ 13,387 † 2,000 †† 275 14,357 † 1,000 } 29,502	{ 21,280 † 700 } 13,840	6,623	
Total, Department of Health, Education, and Welfare		NOA Exp.	4,628,904 4,215,450	{ 5,116,607 †273,172 ††2,859 4,777,417 †267,524 ††2,599 } 5,349,982	{ 5,538,185 †1,619,360 †391,850 ††260 } 1,764,907	694,552	

DEPARTMENT OF THE INTERIOR

PUBLIC LAND MANAGEMENT						
Bureau of Land Management						
General and special funds:						
Management of lands and resources	401	NOA Exp.	34,159 32,969	{ 41,139 †2,100 ††951 39,922 †2,000 } 44,000	{ 46,286 ----- 2,096 2,178 } 2,178	A supplemental in 1963 is for fire suppression. Increase in 1964 will accelerate adjudication of grazing privileges and preparation of resource inventories on public grazing lands. Protection and management of forested lands will be strengthened and timber sales increased. Soil and moisture work will receive increased emphasis and more adequate provision is made for maintenance of roads on the public domain.

†Proposed for separate transmittal, other than pay increase supplementals.

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
DEPARTMENT OF THE INTERIOR—Continued					
PUBLIC LAND MANAGEMENT—Con.					
Bureau of Land Management—Continued					
General and special funds—Continued					
Construction..... 401 NOA Exp. 1,050 598	1,000 800	1,000 1,000	200		Fire lookouts and other buildings, and recreational facilities (in areas of heavy public use) will be built.
Oregon and California grant lands (receipt limitation) (indefinite)..... 401 NOA Exp. 7,836 8,933	7,175 7,800	7,325 7,500	150 -300		A sum equal to 25% of revenues from these lands is available for road construction and maintenance, reforestation, and the development and maintenance of recreational facilities.
Public lands development roads and trails:					
Contract authorization:					
Current..... 401 NOA Permanent..... NOA	2,000	4,000 (2,000)	2,000 (2,000)		Approximately 178 miles of road are planned for construction in 1964 with NOA provided by the Federal-Aid Highway Act of 1962.
Appropriation to liquidate contract authorization..... Exp.		1,000	1,000		
Range improvements (receipt limitation) (indefinite)..... 401 NOA Exp. 740 663	697 774	967 834	270 60		A sum usually equal to 25% of grazing revenues is used for range improvements. Increase in revenues is expected.
Expenses, sale of timber, etc. on reclamation lands (permanent, indefinite special fund)..... 402 NOA Exp. 1 1	2	2	2		Some receipts from timber sales are used to cover the cost of sales.
Leasing of grazing lands (permanent, receipt limitation)..... 401 NOA Exp.	1	1	1		Grazing lands intermingled with public grazing lands are managed on a leased basis within the limits of receipts.

Payments to Oklahoma (royalties) (permanent, receipt limitation) _____	NOA Exp.	7 7	6 6	10 10	4 4	Oklahoma is paid 37½% of the Red River oil and gas royalties in lieu of taxes on Kiowa, Comanche and Apache tribal funds.
Payments to Coos and Douglas Counties, Oreg., from receipts, Coos Bay Wagon Road grant lands (permanent, indefinite special fund) _____	NOA Exp.	136 144	750 763	900 900	150 137	Payments in lieu of taxes are made for schools, roads, highways, bridges, and port districts.
Payments to counties, Oregon & Calif. grant lands (permanent, indefinite special fund) _____	NOA Exp.	14,455 14,455	15,400 15,400	14,350 14,350	-1,050 -1,050	50% of receipts of Oregon and California land-grant fund is paid the counties in which the lands are situated.
Payments to States (grazing fees) (permanent, indefinite special fund) _____	NOA Exp.	1 1	1 1	1 1	-----	The States are paid 33⅓% of the fees from grazing districts on certain Indian lands.
Payments to States (proceeds of sales) (permanent, receipt limitation) _____	NOA Exp.	260 260	249 249	265 265	16 16	The States are paid 5% of the net proceeds from sale of public land and public land products.
Payments to States from grazing receipts, etc., public lands outside grazing districts (permanent, indefinite special fund) _____	NOA Exp.	119 201	247 247	350 350	103 103	The States are paid 50% of grazing receipts from public domain lands outside grazing districts.
Payments to States from grazing receipts, etc., public lands within grazing districts (permanent, indefinite special fund) _____	NOA Exp.	94 214	281 281	422 422	141 141	The States are paid 12½% of grazing receipts from grazing district lands within their boundaries.
Payments to States from grazing receipts, etc., public lands within grazing districts, miscellaneous (permanent, indefinite special fund) _____	NOA Exp.	4 4	5 5	5 5	-----	The States are paid specific amounts from grazing fee receipts from miscellaneous lands within grazing districts when payment is not feasible on a percentage basis.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (—)	Explanation of NOA requests
DEPARTMENT OF THE INTERIOR—Continued					
PUBLIC LAND MANAGEMENT—Con.					
Bureau of Land Management—Continued					
General and special funds—Continued					
Payments to States from receipts NOA under Mineral Leasing Act (per- Exp. manent, indefinite special fund) 403	39,066 39,066	45,500 45,500	45,838 45,838	338 338	Alaska is paid 90% and other States 37½% from bonuses, royalties, and rentals received under the Minerals Leasing Act.
Payments to State of Alaska in- Exp. come and proceeds, Alaska school lands (permanent, indefi- nite special fund) 401	4	-----	-----	-----	Income from secs. 16 and 36 of each township and proceeds from sec. 33 in each township in the Tanana Valley are payable to Alaska for educational purposes.
Payments to counties, national NOA grasslands (permanent, indefi- Exp. nite special fund) 401	86 86	122 122	122 122	-----	Of revenues received from submarginal lands, 25% is paid to the counties in which such land is situated.
Expenses, Public Land Adminis- NOA tration Act (permanent, indefi- Exp. nite special fund) 401	464 103	800 727	800 800	73	Moneys received from certain bond forfeitures and road maintenance deposits of users are used for forest improvement and road maintenance.
Intragovernmental funds:					
Advances and reimbursements 401 Exp. Total, Bureau of Land Man- NOA agement.	1	-----	-----	-----	
	98,477	115,375 †2,100 ††951	122,644	4,218	
	97,709	112,600 †2,000	117,400 †100	2,900	

Bureau of Indian Affairs

General and special funds:						
Education and welfare services:						
Appropriation.....	704	NOA	71,155	{ 80,712 ††1,872 }	91,835	9,251
Contract authorization (permanent).....	704	NOA	569	775	775	
Appropriation to liquidate contract authorization.		Exp.	(542)	(569)	(775)	(206)
Resources management.....	401	NOA	29,719	{ 34,252 †500 ††1,035 }	39,402	3,615
Construction.....	401	NOA	39,559	53,713	56,200	2,487
Road construction:		Exp.	22,195	41,174	47,579	6,405
Contract authorization:						
Current.....	401	NOA		16,000		2,000
Permanent.....		NOA	12,000		18,000	
Appropriation to liquidate contract authorization.		Exp.	(15,999)	(15,995)	(16,000)	(5)
General administrative expenses	409	NOA	3,920	{ 3,997 ††201 }	4,312	114
Menominee educational grants	704	NOA	220		132	132
Liquidation of Klamath and Menominee agencies	409	Exp.	20	2	132	-88
						-2

Increase will support a 4.5% increase in school attendance, a 10% increase in welfare caseload, and a 7.5% increase in vocational training.

The 1963 supplemental is for fire fighting. The increase is for improving management of Indian trust land and providing maintenance for new buildings and utilities.

Program will include new construction of 20 school projects, providing 7,118 classroom seats; 2 additions to existing schools; and construction of 7 utility systems.

NOA for 1963 and 1964 was provided by contract authorization in the Federal-Aid Highway Act of 1962. The 1964 program in addition to 1,184 feet of bridge construction and 486 miles of surveys, includes 477 miles of grading and draining and 671 miles of surfacing.

Increase is for pay costs.

Estimate provides the third of five decreasing grants for school costs to lessen the impact of the termination of Federal services to the Menominee Tribe. The 1963 grant of \$176 thousand will be paid from "Education and welfare services."

The Menominee and Klamath Indian agencies were liquidated on Apr. 30, 1961, and Aug. 13, 1961, respectively.

† Proposed for separate transmittal, other than pay increase supplementals.

†† Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
DEPARTMENT OF THE INTERIOR—Continued					
PUBLIC LAND MANAGEMENT—Con.					
Bureau of Indian Affairs—Continued					
General and special funds—Continued					
Payment to the Lower Brule Sioux and Crow Creek Sioux Tribes of Indians	NOA Exp. 409	15,771	15,771	-5,771 -5,771	Recent law provides for the relocation and rehabilitation of Indians from these tribes who will be forced to move with construction of the Big Bend Dam on the Missouri River.
Distribution of funds of the Creek Indians	Exp. 409	6	19	-19	(Payments are made from balances of prior appropriations.)
Payment to the Klamath Tribe of Indians	Exp. 409		64	-64	(Payments are made from balances of prior appropriations.)
Payment to loyal Creek and Freedmen	Exp. 409	56	81	-81	(Payments are made from balances of prior appropriations.)
Payment to the Menominee Tribe of Indians	Exp. 409	48			(Payments are made from balances of prior appropriations.)
Claims and treaty obligations (permanent, indefinite)	NOA Exp. 409	172 164	161 190	161 161 -29	Payments are authorized to meet treaty obligations with certain Indian tribes.
Acquisition of lands and loans to Indians in Oklahoma, act of June 26, 1936 (permanent, indefinite, special fund)	NOA Exp. 409	6	10 103	10 10 -93	Revenue from mineral deposits is used for acquisition of lands and for loans to Indians in Oklahoma.

Colorado River Indian Reservation fund, Arizona (permanent, indefinite, special fund)	401	NOA Exp.	210 370	180 200	180 180	-20	Receipts from leasing of unassigned lands may be expended for the benefit of the Colorado River tribes and their members.
Operation and maintenance, Indian irrigation systems (permanent, indefinite, special fund)	401	NOA Exp.	2,800 2,550	4,075 3,612	4,075 3,830	218	Revenue from operation and maintenance of irrigation projects is used to defray in part the cost of operating and maintaining the projects.
Power systems, Indian irrigation projects (permanent, indefinite, special fund)	401	NOA Exp.	2,149 1,990	2,011 2,070	2,120 2,196	109 126	Revenue from sale of power by the Colorado River, Flathead, and San Carlos power systems is used to operate and maintain the systems.
Purchase of land for Rocky Boy's Reservation, Montana (permanent, indefinite, special fund)	409	Exp.	-----	2	-----	-2	(Purchases are made from balances of prior appropriations.)
Public enterprise funds:							
Revolving fund for loans	401	NOA Exp.	4,000 1,786	4,000 8,000	2,000 4,000	-2,000 -4,000	NOA will use up the present appropriation authorization. Legislation will be recommended to increase authorization.
Liquidation of Hoonah housing project revolving fund	409	Exp.	-3	110	1	-109	(Balances are being used for liquidation.)
Intragovernmental funds:							
Advances and reimbursements	409	Exp.	-367	883	-----	-883	
Total, Bureau of Indian Affairs.		NOA Exp.	166,510 149,643	{ 199,886 †6,271 ††3,108 189,329 †6,171 }	219,202 205,900 †100 }	9,937 10,500	

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††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
DEPARTMENT OF THE INTERIOR—Continued					
PUBLIC LAND MANAGEMENT—Con.					
National Park Service					
General and special funds:					
Management and protection—405	NOA 22,549	{ 24,423 †260 ††740 }	28,816	3,392	Supplemental in 1963 is for fire suppression. Increase for 1964 is for operation of 7 new park areas, staffing for new facilities and the increasing visitation to the 206 areas. Natural history investigations will be initiated and park system planning and U.S. Park Police strengthened.
Exp.	22,100	{ 23,280 †250 †10 }	27,460	3,940	
Maintenance and rehabilitation of physical facilities—405	NOA 18,094	{ 20,000 †425 ††184 }	22,295	1,686	Supplemental in 1963 is for wage board pay increases. The 1964 increase will cover 5 new areas and permit more adequate maintenance of roads and facilities throughout the system.
Exp.	18,007	{ 19,029 †415 †10 }	21,274	1,840	
Construction—405	NOA 37,976	{ 40,776 †5,000 }	42,942	-2,834	The 1963 supplemental is for acquisition of lands at the newly authorized Point Reyes National Seashore, California. In 1964, \$31.4 million will construct visitor and service facilities and \$10.6 million will acquire land in older park areas.
Exp.	21,004	{ 28,300 †4,000 †1,000 }	33,228	1,928	
Contract authorization:					
Current—	NOA 38,550			2,450	Work on 7 parkways will continue and road and trail construction will include work on 183 miles of major roads.
Permanent—	NOA 34,000		41,000		
Appropriation to liquidate contract authorization.	Exp. (30,000)	(29,000)	(29,000)		
Exp.	31,443	34,500	39,155	4,655	
General administrative expenses—405	NOA 1,581	{ 1,964 ††96 }	2,303	243	Increase provides staff for the expanding park program.
	Exp.	1,531	1,980	2,246	266

Educational expenses, children of employees, Yellowstone National Park (permanent, indefinite, special fund)-----	405	NOA Exp.	130 126	243 236	86 81	-157 -155	Visitor fees are used to provide educational expenses for dependents of park personnel.
Payment for tax losses on land acquired for Grand Teton National Park (permanent, indefinite, special fund)-----	405	NOA Exp.	27 29	28 27	28 28	1	Visitor fees are used to compensate Wyoming for tax losses on Grand Teton National Park lands.
Operation, management, maintenance, and demolition of federally acquired properties, Independence National Historical Park (permanent, indefinite, special fund)-----	405	NOA Exp.	19 35	12 20	8	-12 -12	Income from buildings and parking areas is used for management, maintenance, and demolition.
Intragovernmental funds:							
Advances and reimbursements	405	Exp.	-803	763		-763	
Total, National Park Service		NOA	114,376	{ 125,997 + 5,685 + 1,020 108,135 + 4,665 }	137,470	4,768	
		Exp.	93,472	{ 123,480 + 1,020 }	11,700		
Bureau of Outdoor Recreation							
General and special funds:							
Salaries and expenses	405	NOA	28	{ 1,101 + 400 + 136 1,020 + 380 }	2,462	925	The \$400 thousand supplemental for 1963 and the increase for 1964 will provide more staff for this new Bureau.
		Exp.	19	{ 2,280 + 20 }	900		

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††Proposed for separate transmittal, pay increase supplementals.

Internal revenue collections for Virgin Islands (permanent, indefinite special fund) -----	910	NOA Exp.	6,173 6,173	7,683 7,683	7,154 7,154	-529 -529	Payments are made to Virgin Islands out of taxes paid on island products sold in the United States.
Public enterprise funds:							
Loans to Private Trading Enterprises, Trust Territory of the Pacific Islands -----	910	Exp.	6	-----	35	35	(Loans made are expected to exceed collections on loans.)
Total, Office of Territories.		NOA Exp.	22,919 22,984	{ 29,161 †7,290 ††30 29,270 †7,290 }	35,973 35,929	-508 -631	
The Alaska Railroad							
Alaska Railroad revolving fund 506		Exp.	-1,483	335	-708	-1,043	(Receipts of \$14.5 million are expected to exceed estimated expenditures for railroad operations.)
Total, public land management.		NOA Exp.	402,310 362,344	{ 471,520 †21,746 ††5,145 440,689 †20,506 }	{ 517,751 †25,000 484,281 †9,240 }	44,340 32,326	
MINERAL RESOURCES							
Geological Survey							
General and special funds:							
Surveys, investigations, and research -----	409	NOA Exp.	49,820 49,181	{ 56,100 ††1,940 54,750 }	68,015 64,000	9,975 9,250	Estimate will permit an increase in topographic mapping and accelerate water research investigations, including matching programs with the States. Two small geologic laboratories will be constructed.
Payments from proceeds, sale of water, Mineral Leasing Act of 1920, sec. 40(d) (permanent, indefinite, special fund) -----	401	NOA	1	1	-----	-1	Receipts are appropriated to develop water wells.

†Proposed for separate transmittal, other than pay increase supplementals.
††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
DEPARTMENT OF THE INTERIOR—Continued					
PUBLIC LAND MANAGEMENT —Con.					
Bureau of Outdoor Recreation—Con.					
General and special funds—Continued					
Land and water conservation fund NOA (proposed legislation) 405			†25,000 †8,000	†25,000 †8,000	Legislation is recommended to establish a fund to which certain receipts will be credited. Upon appropriation the receipts will be available for Federal and State recreational purposes.
Total, Bureau of Outdoor Recreation.	28	{ 1,101 †400 ††36 1,020 †380 }	{ 2,462 †25,000 }	25,925	
Exp.	19	{ 1,020 †380 }	{ 2,280 †8,020 }	8,900	
Office of Territories					
Administration of Territories 910	NOA Exp.	10,334 10,235	{ 13,768 ††30 13,863 }	13,819 13,740	21 -123
The 1963 level will be maintained to continue the Samoan rehabilitation program.					
Trust Territory of the Pacific Islands 910	NOA Exp.	6,304 6,297	{ 7,710 †7,290 7,710 †7,290 }	15,000 15,000	----- -----
The 1963 supplemental will initiate a new program designed to provide residents with a level of services comparable to that in the United States.					
Alaska public works (reappropriation) 910	NOA Exp.	108 273	14	----- -14	(This program was completed in 1962.)

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
DEPARTMENT OF THE INTERIOR—Continued					
MINERAL RESOURCES—Continued					
Geological Survey—Continued					
Intragovernmental funds:					
Advances and reimbursements 409 Exp.	728	250	-----	-250	
Total, Geological Survey---- NOA	49,821	{ 56,101	} 68,015	9,974	
		††1,940			
		55,000			
			64,000	9,000	
Bureau of Mines					
General and special funds:					
Conservation and development of mineral resources----- 403 NOA	24,800	{ 26,674	} 30,277	2,732	Increased emphasis will be placed on resources investigations in bituminous coal, petroleum and natural gas, and minerals and metals.
		††871			
		27,209			
			28,000	791	
Health and safety----- 211 NOA	7,198	{ 8,137	} 8,953	510	Increase is for improvement of the experimental mine and research facilities at Bruceton, Pa.
		††306			
		8,400			
			8,100	-300	
Construction----- 403 NOA	835	425	6,692	6,267	Request will finance construction of research facilities at Bruceton, Pa.
		1,847	2,770	1,270	
General administrative expenses----- 403 NOA	1,290	{ 1,333	} 1,473	79	The increase relates to increase in program responsibilities.
		††61			
		1,400			
			1,330	-70	
Drainage of anthracite mines 403 Exp.	91	700	800	100	(Balance of a 1956 appropriation is being spent in Pennsylvania.)

Public enterprise funds:						
Development and operation of helium properties (authorization to expend from debt receipts) 403	NOA Exp.	10,000 955	6,000 791	13,000 19,000	7,000 18,209	Increase in borrowing from Treasury is for the purchase of helium; it is to be repaid later, as helium is sold. In addition, authority to increase the limitation on contract purchases of helium is sought.
Intragovernmental funds:						
Advances and reimbursements 403	Exp.	-305	-----	-----	-----	
Total, Bureau of Mines -----	NOA	44,123	{ 42,569 ††1,238 40,000	60,395	16,588	
	Exp.	34,780		60,000	20,000	
Office of Coal Research						
General and special funds:						
Salaries and expenses 403	NOA Exp.	1,000 373	3,450 2,500	5,000 4,000	1,550 1,500	Increase will provide expansion of research by contract to find new markets and to develop new methods of mining, preparing and utilizing coal.
Office of Minerals Exploration						
Salaries and expenses 403	NOA Exp.	750 380	750 800	900 900	150 100	Increase provides primarily for additional financial assistance to private industry in exploration for minerals.
Lead and zinc programs 403	NOA Exp.	4,690 -----	2,450 3,843	4,625 3,363	2,175 -480	Program provides stabilization payments to small, domestic producers of lead and zinc. Apparent increase will continue payments throughout fiscal year 1964.
Total, Office of Minerals Exploration.	NOA Exp.	5,440 380	3,200 4,643	5,525 4,263	2,325 -380	
Office of Oil and Gas						
Salaries and expenses 403	NOA Exp.	531 510	{ 531 ††28 557	642	83 85	Increased emphasis will be placed on administration of the oil imports program.

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
DEPARTMENT OF THE INTERIOR—Continued					
MINERAL RESOURCES—Continued					
Office of Minerals and Solid Fuels					
General and special funds—Continued					
Salaries and expenses..... 403 NOA		110 95		110 95	
Exp.					The office provides guidance on minerals policy; it replaces the former Office of Minerals Mobilization.
Total, Mineral Resources..... NOA	100,915	{ 105,851 ††3,206	139,687	30,630	
Exp.	85,952	{ 102,700	133,000	30,300	
FISH AND WILDLIFE SERVICE					
Office of the Commissioner of Fish and Wildlife					
Salaries and expenses..... 404 NOA	364	{ 364 ††11 366	386	11	Estimate continues program at current level and provides for pay increases.
Exp.	349		385	19	
Bureau of Commercial Fisheries					
Management and investigations of resources..... 404 NOA	12,530	{ 15,201 †400 ††272 †390	19,028	3,155	Supplemental in 1963 is for technological research and studies on fish protein concentrate. In 1964, increased emphasis will be placed on biological research and development activities included in the national oceanography program, and on problems involved in fish migrations over dams.
Exp.	11,644	{ 14,067 †10	17,721	3,274	

Management and investigations of resources (special foreign currency program)----- 404	NOA Exp.	300 4	300 300	300 300	-----	Biological and technological research is carried on abroad using excess foreign currencies.
Construction----- 404	NOA Exp.	7,561 3,363	8,473 7,000	5,753 5,918	-2,720 -1,082	Program includes construction of a shellfisheries research center and a biological research vessel. It also provides for fish screens and ladders in the Columbia River system, and design of a biological research laboratory, 2 exploratory fishing vessels and 4 research vessels.
Construction of fishing vessels----- 404	NOA Exp.	750 12	750 600	750 700	----- 100	Subsidies are paid for construction of vessels. Authorization for the program terminates in 1963, but payments will continue into 1964.
General administrative expenses----- 404	NOA Exp.	482 476	{ 600 ††23 } 602	695 678	72 76	Estimate provides for increased administrative support for expanding programs.
Administration of Pribilof Islands (indefinite, special fund)----- 404	NOA Exp.	1,981 2,255	{ 1,998 ††20 } 1,969	2,553 2,443	535 474	Part of the proceeds from sales, mostly of fur seal skins, is used in administration of the Pribilof Islands.
Promote and develop fishery products and research pertaining to American fisheries (permanent, indefinite)----- 404	NOA Exp.	4,757 5,323	5,071 5,000	5,200 5,200	129 200	A sum equal to 30% of customs duties on fishery products is appropriated for biological research, market development, and general administrative services.
Payment to Alaska from Pribilof Islands fund (permanent, indefinite, special fund)----- 404	NOA Exp.	537 537	703 703	155 155	-548 -548	Alaska is paid 70% of net proceeds from sales of wildlife products of the Pribilof Islands.
Public enterprise funds: Federal ship mortgage insurance fund, fishing vessels----- 404	Exp.	-9	-11	-35	-24	(Premiums and fees are reserved for possible losses.)

†Proposed for separate transmittal, other than pay increase supplementals.

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
DEPARTMENT OF THE INTERIOR—Continued					
FISH AND WILDLIFE SERVICE—Con.					
Bureau of Commercial Fisheries—Con.					
Public enterprise funds—Continued					
Fisheries loan fund.....404	964	614	725	111	(Program of \$2.5 million is financed by receipts and fund capital. Administrative needs increase to cover pay costs.)
Limitation on administrative expenses.	(250)	(259)	(270)	(11)	
Total, Bureau of Commercial Fisheries.	28,898	{ 33,096 †400 ††315 }	34,434	623	
	Exp.	{ 30,844 †390 }	33,805 †10	2,581	
Bureau of Sport Fisheries and Wildlife					
General and special funds:					
Management and investigations of resources.....404	NOA 23,295	{ 27,093 ††650 }	31,484	3,741	Increase is for operation of new and expanded fish hatcheries, wildlife refuges, and research facilities.
	Exp. 22,177	26,500	31,000	4,500	
Construction.....404	NOA 7,058	6,922	2,860	-4,062	Program includes continued construction of fish hatcheries and research facilities; advance planning for a National Fisheries Center and Aquarium; development at 5 wildlife refuges; repair of storm damage at 6 refuges; construction and improvement of 3 wildlife research facilities, and plans for a center for evaluating pesticides and herbicides.
	Exp. 5,294	6,729	3,000	-3,729	

General administrative expenses	NOA	1,071	{	1,250	}	1,410	115	Expanding programs increase administrative support requirements.
404	Exp.	1,034	1,145	1,200		1,350	150	
Grain for migratory waterfowl	NOA	35	-----	-----	-----	-----	-----	(Estimates appear under "Management and investigations of resources.")
404	Exp.	35	-----	-----	-----	-----	-----	
Migratory bird conservation account	NOA	4,095	11,000	16,000	5,000	5,000	-----	Estimate includes \$4 million of receipts from Federal hunting stamps and \$12 million advanced from general revenues (to be repaid later) to acquire lands.
404	Exp.	2,780	7,500	12,500	5,000	5,000	-----	
Federal aid in fish restoration and management (permanent, receipt limitation)	NOA	6,253	6,032	6,000	-----	-----	-32	Matching assistance to States is provided by appropriations equal to 10% excise tax on sport fishing equipment.
404	Exp.	5,344	5,400	6,073	673	673	-----	
Federal aid in wildlife restoration (permanent, indefinite, special fund)	NOA	14,985	14,912	15,000	88	2,000	-----	Matching assistance to States is provided by appropriations equal to 11% excise tax on manufacture of firearms and cartridges.
404	Exp.	15,823	14,000	16,000	2,000	2,000	-----	
Payment to Alaska, Alaska Game Law (permanent, indefinite, special fund)	NOA	1	-----	-----	-----	-----	-----	(Half of receipts from certain fines, etc., arising prior to January 1, 1960, are paid to Alaska.)
404	Exp.	1	-----	-----	-----	-----	-----	
Payments to counties, National grasslands (permanent, indefinite, special fund)	NOA	4	4	4	-----	-----	-----	The sum of 25% of revenue from submarginal lands goes to counties in which such lands are located, for schools and roads.
404	Exp.	4	4	4	4	4	-----	
Expenses for sales, etc., in refuges, Migratory Bird Conservation Act (permanent, indefinite, special fund)	NOA	95	115	133	18	-----	-----	Expenses of sales are paid from proceeds.
404	Exp.	90	135	120	-15	-----	-----	
Management of national wildlife refuges (permanent, indefinite, special fund)	NOA	1,491	1,747	1,660	-87	250	-----	The sum of 75% of net proceeds from sale of wildlife refuge products is used for refuge management and enforcement of game protection laws.
404	Exp.	1,433	1,450	1,700	250	250	-----	

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††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
DEPARTMENT OF THE INTERIOR—Continued					
FISH AND WILDLIFE SERVICE—Con.					
Bureau of Sport Fisheries and Wildlife—Continued					
General and special funds—Continued Payments to counties from receipts NOA under Migratory Bird Conserva- Exp. tion Act (permanent, indefinite, special fund) 404	497 497	582 582	553 553	-29 -29	The sum of 25% of net proceeds from sale of wildlife refuge products goes to counties in which such refuges are located, for schools and roads.
Intragovernmental funds: Advances and reimbursements 404 Exp.	1	-----	-----	-----	
Total, Bureau of Sport Fish- NOA eries and Wildlife. Exp.	58,879 54,514	{ 69,657 +1695 63,500	75,104 72,300	4,752 8,800	
Total, Fish and Wildlife Serv- NOA ice. Exp.	88,141 79,432	{ 103,117 +400 +11,021 94,710 +390	109,924 106,490 +110	5,386 11,400	
WATER AND POWER DEVELOPMENT					
Bureau of Reclamation					
General and special funds: General investigations 401 NOA Exp.	6,633 6,325	8,623 8,536	11,361 11,000	2,738 2,464	Increase expands planning and research activities and strengthens participation in comprehensive river basin planning.

Construction and rehabilitation	401	NOA Exp.	152,228 172,939	158,101 151,770	195,760 179,590	37,659 27,820	Construction continues on 28 projects and 19 Missouri River basin project units estimated to cost \$4.2 billion; construction will start on 5 new projects estimated to cost \$188.6 million. Rehabilitation and betterment will be carried out on 12 projects. Facilities for 100,400 acres of irrigated land and 329,600 kilowatts of generating capacity will be completed.
Operation and maintenance	401	NOA Exp.	36,185 31,898	35,800 33,928	38,588 38,200	2,788 4,272	Increase is primarily for new projects becoming operational and for additional dredging and channel maintenance on the Colorado River; 63 projects and Missouri River basin units and divisions will be operated and maintained for irrigation, power, and water use.
General administrative expenses	401	NOA Exp.	9,426 8,963	9,686 9,626	10,051 10,000	365 374	Provides overall administration and technical direction of Bureau programs.
Loan program	401	NOA Exp.	13,273 17,684	12,517 21,966	17,300 14,160	4,783 -7,806	Estimate will finance one new irrigation project loan for a project costing \$1.1 million and 13 loans started in prior years; 5 loan projects will be completed.
Emergency fund	401	NOA Exp.	1,000 16	1,000 1,000	1,000 1,000	-1,000 -----	This account insures continued operation of Federal water supply systems and powerplants in emergency situations.
Recreational and fish and wildlife facilities, Colorado River storage project	401	NOA Exp.	2,934 699	3,232 4,300	4,309 5,170	1,077 870	Recreational development at 4 reservoirs and development of fish and wildlife resources at 6 reservoirs will be started. Construction of recreational facilities at 4 reservoirs will be continued.
Boulder City municipal fund (permanent, indefinite, special fund)	401	Exp.	10	-----	-----	-----	(Administration of mortgages resulting from Federal property sales is paid from balances of prior appropriations of sales receipts.)
Disposal of Coulee Dam community (permanent, indefinite, special fund)	401	Exp.	2	3	2	-1	(Sales and contract administration expenses on Federal property sales will be paid from balances of prior appropriations of sales receipts.)
Colorado River Dam fund, Boulder Canyon project: Payment of interest on advances from Treasury (permanent, indefinite, special fund)	401	NOA Exp.	3,081 3,081	3,100 3,100	3,100 3,100	-----	Interest is paid the Treasury on moneys advanced for construction of the Boulder Canyon project.

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††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
DEPARTMENT OF THE INTERIOR—Continued					
WATER AND POWER DEVELOPMENT— Continued					
Bureau of Reclamation—Continued					
General and special funds—Continued					
Payments to States of Arizona and NOA Nevada (permanent, definite, Exp. special fund) ----- 401	600 600	600 600	600 600	-----	By law, annual payments of \$300 thousand each are made to Arizona and Nevada for operation of the Boulder Canyon Project.
Construction of operation and NOA maintenance headquarters and Exp. facilities, irrigation projects (permanent, indefinite, special fund) ----- 401	95 30	3 69	-----	-3 -69	Proceeds from the sale of property on the Minidoka, Shoshone, and Yakima projects are available for construction.
Operation, maintenance, and re- placement of project works NOA Exp. North Platte project (perma- nent, indefinite, special fund) 401	4 3	4 -----	4 -----	-----	This fund is derived from power sales, leasing of grazing and farmlands, sale or use of townsites, and sale or rental of surplus water.
Payments to Farmers' Irrigation NOA District (North Platte project, Nebraska-Wyoming, indefinite, special fund) ----- 401	8 8	8 8	8 8	-----	Payments are made from Reclamation fund on behalf of the North Platte Irrigation District for water carriage.
Refunds and returns (permanent, NOA indefinite fund) ----- 401 Exp.	100 26	100 100	100 100	-----	Overcollections are refunded and amounts of unapplied deposits are returned.

Public enterprise funds:						
Continuing fund for emergency expenses, Fort Peck project, Montana	401	Exp.	-2,485	-2,215	-2,280	-65
Upper Colorado River Basin fund	401	NOA Exp.	52,460 92,471	104,564 105,209	99,100 99,350	-5,464 -5,859
Total, Bureau of Reclamation.		NOA Exp.	277,926 332,270	337,338 338,000	380,281 360,000	42,943 22,000
Bonneville Power Administration						
General and special funds:						
Construction	401	NOA Exp.	20,875 17,157	29,800 18,716	60,918 27,100	31,118 8,384
Operation and maintenance	401	NOA Exp.	12,187	12,710 +225 +210	13,929	784
		Exp.	12,044	12,885 +215	13,890 +10	800
Continuing fund for emergency expenses, Bonneville project, Oregon (permanent, indefinite, special fund)	401	NOA Exp.	252	1,436 1,184	-----	-1,436 -1,184
Total, Bonneville Power Administration.		NOA Exp.	33,062	43,946 +225 +210	74,847	30,466
		Exp.	29,453	32,785 +215	40,990 +10	8,000
Southeastern Power Administration						
Operation and maintenance	401	NOA Exp.	797 362	796 500	1,000 600	204 100

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††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (—)	Explanation of NOA requests
DEPARTMENT OF THE INTERIOR—Continued					
WATER AND POWER DEVELOPMENT—Continued					
Southwestern Power Administration					
General and special funds—Continued					
Construction..... 401 NOA Exp. 950 7,192 3,520 -3,672	1,052	1,054	3,464	2,410	The construction program provides for approximately 85 miles of transmission lines, additional substation capacity, and related facilities.
Operation and maintenance..... 401 NOA Exp. 1,303 { 1,446 1,568 91	1,274	1,446	1,536	90	Increased operation workload is required to maintain additional power facilities.
Continuing fund (indefinite, spe- cial fund)..... 401 NOA Exp. 5,000 5,000 4,500 -500	3,314	4,000	3,000	-1,000	Decrease reflects lower funding requirements for energy purchases and rental of transmission lines.
Total, Southwestern Power Adminis- stration..... 401 NOA Exp. 7,253 { 13,638 9,588 -4,081	5,640	6,500	8,000	1,500	
Office of Saline Water					
Salaries and expenses..... 401 NOA Exp. 5,255 7,557 10,500 2,943	2,035	5,930	10,300	4,370	Provides continued acceleration of the research program to develop low-cost processes for converting saline water to fresh water.
Operation and maintenance..... 401 NOA Exp. ----- 1,985 1,850 -135	-----	1,200	1,800	600	Provides for operation of 4 demonstration plants throughout 1964.
Construction, operation and main- tenance..... 401 NOA Exp. 4,550 1,870 400 -1,470	2,078				(Financing construction of scheduled demonstration plants was completed in 1962.)

Total, Office of Saline Water..	NOA	9,805	9,542	12,350	2,808	
	Exp.	4,113	9,000	12,500	3,500	
Total, water and power de- velopment.	NOA	328,843	405,260 †225 †241	478,066	72,340	
	Exp.	371,838	386,785 †215	422,090 †10	35,100	
SECRETARIAL OFFICES						
Office of the Solicitor						
Salaries and expenses-----	NOA	3,492	3,674 ††187	4,083	222	Expanding departmental programs need strengthened legal staff support.
	Exp.	3,493	3,500	4,000	500	
Office of the Secretary						
Salaries and expenses-----	409 NOA	3,385	3,350 ††139	4,084	595	A small staff will be provided to supervise the departmental automatic data processing programs and some expansion of other management services is needed.
	Exp.	3,168	3,494	4,001	507	
Intragovernmental funds:						
Working capital fund-----	409 Exp.	29	5	-1	-6	
Advances and reimbursements..	409 Exp.	-56	1	-----	-1	
Total, Office of the Secretary..	NOA	3,385	3,350 ††139	4,084	595	
	Exp.	3,141	3,500	4,000	500	
Total, secretarial offices-----	NOA	6,877	7,024 ††326	8,167	817	
	Exp.	6,634	7,000	8,000	1,000	

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††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
DEPARTMENT OF THE INTERIOR—Continued					
VIRGIN ISLANDS CORPORATION					
Public enterprise funds:					
Operating fund: 910					
Contributions..... NOA 669 { +480					
Revolving fund..... NOA 881 { 200					
+4,050 } { }					
Limitation on administrative expenses. Exp. (180) { (180) { (186) { (6) {	1,617	{ 505 { -41 { 874 { }			
+500 } { }					
Total, Virgin Islands Corporation. NOA 1,550 { 200 { +4,530 { 4,730 { }					
Exp. 1,617 { 505 { -41 { 874 { }					
Total, Department of the Interior. NOA 928,637 { 1,092,970 { +26,901 { +†9,939 { 148,785 { }					
Exp. 907,816 { 1,023,077 { +21,611 { +†9,312 { 111,000 { }					

DEPARTMENT OF JUSTICE

LEGAL ACTIVITIES AND GENERAL ADMINISTRATION					
General and special funds:					
Salaries and expenses, general administration. 908 NOA 4,165 { 4,295 { +†140 { 343 { }					
Exp. 4,140 { 4,363 { 4,705 { 342 { }					

Salaries and expenses, general legal activities-----	908	NOA	15,785	{	16,500	}	19,173	2,046	Additional staff will be added primarily to the Tax, Civil, and Civil Rights Divisions to handle increasing caseloads. Increase will also finance pay increase costs.
		Exp.	15,241	{	††627 16,831	}	18,755	1,924	
Trust fund: Limitation on general administrative expenses, alien property activities.			(690)	{	(690)	}	(874)	(161)	Increased limitation will permit speedup in disposition of former enemy property.
General and special funds: Salaries and expenses, Antitrust Division-----	508	NOA	5,873	{	5,987 ††243	}	6,600	370	Increase will finance pay increase costs.
		Exp.	5,488	{	6,200	}	6,329	129	
Salaries and expenses, U.S. attorneys and marshals-----	908	NOA	25,185	{	27,071 ††782	}	29,380	1,527	Estimate will provide for continuation of promotion plan for assistant U.S. attorneys, increasing costs of travel and printing, and for pay increase costs.
		Exp.	25,144	{	27,698	}	29,183	1,485	
Fees and expenses of witnesses-----	908	NOA	2,235	{	1,900 †400	}	2,400	100	Supplemental in 1963 and increase in 1964 are to provide for costs related to increasing caseload.
		Exp.	2,136	{	2,074 †350	}	2,304 †50	-70	
Salaries and expenses, Administrative Conference of the United States-----	908	NOA	150	100	-----	-----	-100	The Conference completed its work in 1963.	
		Exp.	77	129	-----	-----	-129		
Intragovernmental funds: Advances and reimbursements:									
Salaries and expenses, Administrative Conference of the United States-----	908	Exp.	-18	-----	-----	-----	-----	-----	

†Proposed for separate transmittal, other than pay increase supplementals.

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
DEPARTMENT OF JUSTICE—Continued					
LEGAL ACTIVITIES AND GENERAL ADMINISTRATION—Continued					
Intragovernmental funds—Continued Advances and reimbursements—Continued President's Committee on Juvenile Delinquency and Youth Crime.....	-5	4	-----	-4	
Total, legal activities and general administration.	NOA 53,394	55,853 †400	62,331	4,286	
	Exp. 52,203	††1,792 57,299 †350	61,276 †50	3,677	
FEDERAL BUREAU OF INVESTIGATION					
General and special funds: Salaries and expenses.....	908 NOA 127,177	{ 130,608 ††5,500	146,900	10,792	Increase will provide additional manpower for expanded investigative responsibilities and workload increases, particularly in combating organized crime and racketeering.
	Exp. 126,483	136,018	145,300	9,282	
IMMIGRATION AND NATURALIZATION SERVICE					
Salaries and expenses.....	908 NOA 63,449	{ 64,022 ††2,339	70,000	3,639	Estimate will allow construction of border inspection and border patrol stations, repair and maintenance of stations, a records improvement program, and will finance pay increase costs.
	Exp. 63,215	66,828	69,486	2,658	
Refund of bond forfeitures by refugees (permanent indefinite)	908 Exp. 2	10 10	-----	-10 -10	This account covers refunds authorized by law to be made to individuals who post departure bonds.
Total, Immigration and Naturalization Service.	NOA 63,450	{ 64,032 ††2,339	70,000	3,629	
	Exp. 63,216	66,838	69,486	2,648	

FEDERAL PRISON SYSTEM

FEDERAL PRISON SYSTEM					
Salaries, and expenses, Bureau of NOA Prisons----- 908	46,785	{ 48,804 †1,315 }	54,100	3,981	Increase allows activation of the maximum security institution at Marion, Ill., and a new camp on the west coast; conversion of the Texarkana facility to a youth institution; and improved maintenance, custodial coverage, and casework supervision.
Exp.	46,577	49,168	53,500	4,332	
Buildings and facilities----- 908 NOA	2,350	3,545	17,775	14,230	Estimate includes construction of a psychiatric institution; site acquisition and planning for a replacement for the National Training School for Boys; preliminary planning for a new women's institution; additions at Sandstone, Minn., and Marion, Ill., and repairs and improvements at several institutions.
Exp.	6,329	7,561	6,800	—761	
Support of U.S. prisoners----- 908 NOA	4,000	{ 3,700 †400 }	4,200	100	Supplemental in 1963 is for increased support costs. Estimate for 1964 provides care of prisoners in 753 non-Federal institutions and anticipates an average of 3,425 prisoners at a cost of \$3.36 per man-day.
Exp.	3,934	{ 3,725 †350 }	3,950	—75	
Intragovernmental funds:					
Federal Prison Industries, Inc.:					
Prison industries fund----- 908	(1,582)	(1,777)	(2,136)	(359)	Estimate provides vocational training for 13,000 inmates; employment of 5,250 inmates full time in various industries; and assistance in placing inmates in jobs upon their release.
Limitation on administrative and vocational training ex- Exp. penses.	—4,302	—4,504	—3,456	1,048	
Total Federal Prison Sys- NOA tem.	53,135	{ 56,049 †400 †1,315 }	76,075	18,311	
Exp.	52,539	{ 55,950 †350 }	60,794	4,544	
Total, Department of Jus- NOA tice.	297,156	{ 306,542 †800 ††10,946 }	355,306	37,018	
Exp.	294,441	{ 306,020 †700 ††10,085 }	335,995	20,151	

†Proposed for separate transmittal, other than pay increase supplementals.

†† Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (—)	Explanation of NOA request
DEPARTMENT OF LABOR					
BUREAU OF LABOR STATISTICS					
General and special funds:					
Salaries and expenses.....	652 NOA	12,667	{ 14,158 ††455 }	18,585	3,972
	Exp.	12,378	14,487	18,100	3,613
Revision of the Consumer Price Index.....	652 NOA	2,100	{ 1,333 ††33 }	1,320	—46
	Exp.	2,043	1,292	1,245	—47
Intragovernmental funds:					
Advances and reimbursements.....	652 Exp.	—92	26	.....	—26
Total, Bureau of Labor Statistics.	NOA	14,767	{ 15,491 ††488 }	19,905	3,926
	Exp.	14,329	15,805	19,345	3,540
BUREAU OF INTERNATIONAL LABOR AFFAIRS					
General and special funds:					
Salaries and expenses.....	652 NOA	500	{ 750 ††25 }	935	160
	Exp.	473	765	850	85
					Increase is for additional technical assistance and coordination of programs for international labor statistics and exchange of students and foreign labor personnel.

Intragovernmental funds:					
Advances and reimbursements	652	Exp.	-255		
Total, Bureau of International Labor Affairs.	NOA		500	{ 750 ††25 765 }	935 160
	Exp.		217		850 85
OFFICE OF MANPOWER, AUTOMATION, AND TRAINING					
General and special funds:					
Salaries and expenses	652	NOA		{ 789 ††11 655 }	-800
		Exp.			145 -510
Manpower development and training activities	652	NOA		{ 69,520 ††155 50,000 }	165,000 95,325
		Exp.			119,000 69,000
Area redevelopment activities:	NOA		14,000	{ 11,021 ††20 9,091 }	11,093 52
Salaries and expenses	652	Exp.	7,241		9,290 199
Total, Office of Manpower, Automation, and training.	NOA		14,000	{ 81,330 ††186 59,746 }	176,093 94,577
		Exp.	7,241		128,435 68,689
OFFICE OF WELFARE AND PENSION PLANS					
Salaries and expenses	652	NOA			1,720 1,720
		Exp.			1,575 1,575

This account has been merged with "Manpower development and training activities."

The number of unemployed receiving training in needed skills will be more than doubled, to approximately 140 thousand in 1964.

The program is planned at the same general level as last year. About \$4.5 million is occupational training, \$6.2 million is for retraining subsistence payments. About 12 thousand people will be retrained.

A new Office of Welfare and Pension Plans will receive approximately 15 thousand plans in 1964 in addition to 165 thousand now on file.

†† Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests	
DEPARTMENT OF LABOR—Continued						
BUREAU OF APPRENTICESHIP AND TRAINING						
General and special funds—Continued						
Salaries and expenses.....	652	NOA	4,962	{ 5,012 ††196 4,968 }	5,460 252	Increase will provide for improved management and supervision of an estimated 170 thousand apprentices and 40 thousand on-the-job trainees.
Exp.			4,694		5,200 232	
BUREAU OF EMPLOYMENT SECURITY						
Salaries and expenses.....	652	Exp.	6	5	—5	(Program is now financed by trust funds.)
Limitation on salaries and expenses, unemployment trust fund.			(10,500)	{ (11,500) ††459 }	(13,430) (1,471)	(Increase provides for improvement and extension of manpower research and statistics.)
Grants to States for unemployment compensation and employment service administration.....	652	Exp.	43	13	—13	(Program is now financed from trust funds.)
Limitation on grants to States for unemployment compensation and employment service administration, Unemployment trust fund.			(405,000)	(400,000)	¹ (432,570) (32,570)	(Increase is for continued expansion and improvement of the employment service, improvement in unemployment compensation administration, and increases in salary rates in State agencies.)
Unemployment compensation for Federal employees and ex-servicemen.....	652	NOA	147,000	{ 129,000 †12,000 }	119,000 —22,000	Supplemental in 1963 is to meet additional claims. Expected improvement in the economy is estimated to result in an average decrease of 5 thousand initial claims per week and decrease in duration of payments from an average of 10 weeks to 9.8 weeks.
Exp.			129,359	{ 129,000 †12,000 }	119,000 —22,000	

Compliance activities, Mexican farm labor program.....	652	NOA Exp.	1,140 1,131	{ 1,282 ††45 1,292 }	870 840	-457 -452	Appropriation provides 6-months financing. Program expires Dec. 31, 1963. Legislation will be proposed to continue availability of Mexican nationals.
Salaries and expenses, Mexican farm labor program.....	652						
Limitation payable from farm labor supply revolving fund.		Exp.	(1,519) 1,476	(2,048) 1,995	(1,135) 1,130	(-913) -865	(Limitation is for 6 months. Program expires Dec. 31, 1963. Legislation will be proposed to continue availability of Mexican nationals.)
Temporary unemployment compensation.....	652	Exp.	-178				(The program is no longer in effect.)
Temporary extended unemployment compensation.....	652	NOA Exp.	340,000 332,922	900		-900	(Program for temporary extended unemployment compensation expired June 30, 1962. Expenditures are for prior obligations.)
Public enterprise funds:							
Farm labor supply revolving fund.....	652	Exp.	-367	-1,769	-876	893	(Estimate is for first 6 months of fiscal year 1964. Program expires Dec. 31, 1963. Extension will be proposed.)
Advances to employment security administration account, Unemployment trust fund.....	652	NOA Exp.	20,000 31,440	-89,980	-3,500	86,480	(No additional resources are needed.)
Total, Bureau of Employment Security.		NOA Exp.	508,140 495,833	{ 130,282 †12,000 ††45 41,456 †12,000 }	119,870 116,594	-22,457 63,138	

[†]Proposed for separate transmittal, other than pay increase supplementals.

^{††}Proposed for separate transmittal, pay increase supplementals.

¹ Includes \$82,570 thousand to carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (—)	Explanation of NOA requests
DEPARTMENT OF LABOR—Continued					
BUREAU OF VETERANS' REEMPLOYMENT RIGHTS					
General and special funds:					
Salaries and expenses..... 805 NOA	633	{ 633 ††20 639 }	790	137	Increase will provide for reducing a backlog of 3 thousand cases.
Exp.	606		760	121	
BUREAU OF LABOR STANDARDS					
Salaries and expenses..... 652 NOA	3,257	{ 4,395 ††149 4,094 }	3,470	-1,074	Decrease reflects establishment of a separate office to administer reporting activities under the Welfare and Pension Plans Disclosure Act.
Exp.	2,973		3,030	-1,064	
BUREAU OF LABOR-MANAGEMENT REPORTS					
Salaries and expenses..... 652 NOA	5,767	{ 5,635 ††262 5,566 }	5,900	3	No substantial change is expected in level of operations.
Exp.	5,144		5,400	-166	
BUREAU OF EMPLOYEES' COMPENSATION					
Salaries and expenses..... 906 NOA	3,798	{ 3,845 ††144 3,968 }	4,285	296	Total injuries reported are expected to increase by 3 thousand under Longshoremen's and Harbor Worker's Act as the result of a recent Supreme court decision.
Exp.	3,792		4,230	262	

Employees' compensation claims and expenses.....	906	NOA Exp.	64,000 63,906	62,071 62,071	53,838 53,838	-8,233 -8,233	About \$3 million in 1963 and \$13 million in 1964 additional will be obtained by reimbursement from the agencies.
Total, Bureau of Employees' Compensation.		NOA Exp.	67,798 67,698	{ 65,916 ††144 66,039	58,124 58,068	-7,936 -7,971	
WOMEN'S BUREAU							
Salaries and expenses.....	652	NOA Exp.	668 591	{ 874 ††39 868	785 750	-128 -118	The 1963 appropriation provided for financing the Commission on the Status of Women; this cost will not recur in 1964.
Intragovernmental funds: Advances and reimbursements	652	Exp.	-16	16	-----	-16	
Total, Women's Bureau.....		NOA Exp.	668 575	{ 874 ††39 884	785 750	-128 -134	
WAGE AND HOUR DIVISION							
General and special funds: Salaries and expenses.....	652	NOA Exp.	17,250 15,218	{ 17,511 ††588 18,140	19,300 19,123	1,201 983	Provides for mandatory cost increases; investigations for compliance with labor standards requirements will continue at substantially the same level.

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
DEPARTMENT OF LABOR—Continued					
OFFICE OF THE SOLICITOR					
General and special funds—Continued Salaries and expenses.....	652 NOA 4,107	{ 4,196 ††106 }	4,570	268	No change in the level of operations is contemplated. An estimated 1800 cases for litigation will be filed and 55 thousand wage determinations will be issued.
Limitation payable from Unemployment trust fund.	(122)	{ (122) (††3) }	(127)	(2)	
Exp.	3,825	4,222	4,450	228	
OFFICE OF THE SECRETARY					
Salaries and expenses.....	652 NOA 1,796	{ 2,026 ††71 }	2,664	567	General management activities and central services will be strengthened.
Limitation payable from Unemployment trust fund.	(132)	{ (132) (††4) }	(138)	(2)	
Exp.	1,697	2,078	2,640	562	
Youth employment opportunities.....	652 NOA Exp.	-----	†100,000 †60,000	100,000 60,000	Legislation will be proposed for a program of employment and training opportunities for youth.
Trade adjustment activities.....	652 NOA Exp.	†2,921 †2,376	{ 7,635 6,455 †545 }	4,714 4,624	Supplemental in 1963 is for new requirements of the Trade Expansion Act of 1962. Increase in 1964 will fund the program for a full year.

Intragovernmental funds:					
Working capital fund	652	Exp.	-158	-63	14
Advances and reimbursements	652	Exp.	-97		77
Total, Office of the Secretary	NOA	1,796	2,026 †2,921 ††71	10,299 †100,000	1,567
	Exp.	1,442	2,015 †2,376	9,109 †60,545	639
Total, Department of Labor	NOA	643,645	334,051 †14,921 ††2,320	427,220 †100,000	175,928
	Exp.	619,796	222,141 †14,376 ††2,198	372,563 †60,545 ††122	194,515

† Proposed for separate transmittal, other than pay increase supplementals.

†† Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
POST OFFICE DEPARTMENT					
General and special funds: Payment for public services.....505 NOA Exp.	62,700 62,700	-----	-----	-----	Public Law 87-793 eliminated the authorization for a public service appropriation. Such losses, estimated at \$400 million for 1963, and \$425 million for 1964 on an accrual basis, are now funded by the indefinite appropriation below.
Public enterprise funds: Contribution to the postal fund (indefinite).....505 NOA Exp.	811,460 734,176	{ 653,100 ††153,361 802,461 } 564,964	553,524	-241,497 -248,937	Estimated obligations of \$5,061 million, less estimated Postal fund revenues and reimbursements of \$4,496 million, leaves \$565 million to be contributed. This represents increase of \$333 million in obligations (largely mail volume and pay costs) and \$574 million increase in revenues (mail volume and rate increase). Included are estimated net revenues of \$127 million from proposed parcel post reformations, assumed to be effective July 1, 1963.
Authorizations and limitations on use of postal fund: Administration and regional operation.....	(82,000)	{ (75,840) ††3,871 } (85,700)	(5,989)	(Increase is mainly for strengthening management and inspection functions.)	
Research, development, and engineering.....		(12,115)	(13,700)	(1,585)	(Increase provides additional technical personnel and increased procurement of experimental mail handling equipment.)
Operations.....	(3,440,500)	{ (3,534,760) ††166,863 } (3,959,814)	(258,191)	(Increase is related to expected mail volume growth from 68.4 to 70.8 billion pieces, and to personnel cost increases.)	
Transportation.....	(582,000)	(592,500)	(611,750)	(19,250)	(Increase is due mainly to mail volume.)
Facilities.....	(159,000)	(172,512)	(195,000)	(22,488)	(Increase is for site acquisitions for facilities and added rentals.)

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Plant and equipment	(105,000)	$\begin{cases} (116,373) \\ (\dagger\dagger-17,373) \end{cases}$	(111,000)	(12,000)	(Increase is for procurement of major mechanical equipment for post offices.)
Total authorizations out of postal fund	(4,368,500)	$\begin{cases} (4,504,100) \\ (\dagger\dagger153,361) \end{cases}$	(4,976,964)	(319,503)	
Total, Post Office Department.	874,160	$\begin{cases} 653,100 \\ \dagger\dagger153,361 \end{cases}$	564,964	-241,497	
Exp.	796,876	$\begin{cases} 658,100 \\ \dagger\dagger144,361 \end{cases}$	544,524	-248,937	

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS						
General and special funds:						
Salaries and expenses	151	NOA	136,868	$\begin{cases} 141,140 \\ 6,000 \\ \dagger3,730 \end{cases}$	162,800	11,930
Exp.			122,114	$\begin{cases} 143,430 \\ \dagger1,200 \end{cases}$	158,000	18,170
Representation allowances	151	NOA	925	950	996	46
Exp.			894	925	975	50
Acquisition, operation, and maintenance of buildings abroad	151	NOA	10,000	10,000	¹ 27,000	17,000
Exp.			12,499	13,000	16,000	3,000
Acquisition, operation, and maintenance of buildings abroad (special foreign currency program)	151	NOA	4,650	2,205	3,900	1,695
Exp.			4,549	4,000	3,000	-1,000
Emergencies in the diplomatic and consular service	151	NOA	1,500	1,500	1,600	100
Exp.			1,855	1,700	1,700	

¹Proposed for separate transmittal, other than pay increase supplementals.¹Proposed for separate transmittal, pay increase supplementals.¹To carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
DEPARTMENT OF STATE—Continued					
ADMINISTRATION OF FOREIGN AFFAIRS—Continued					
General and special funds—Continued Extension and remodeling, State Department Building.....151	943	300	300	-----	(Construction was largely completed in 1962.)
Government in occupied areas.....151 Exp.	10	-----	-----	-----	(Remaining balances were liquidated in 1962.)
Replacement of passenger motor vehicles sold abroad (permanent, indefinite, special fund).....151 NOA Exp.	264 320	284 250	343 330	59 80	Proceeds available in 1964 will replace 130 vehicles.
Intragovernmental funds: Advances and reimbursements.....151 Exp.	214	-----	-----	-----	
Total, administration of foreign affairs..... NOA	154,208	{ 156,079 + 6,000 + 13,730 }	196,639	30,830	
	Exp.	{ 163,605 + 1,200 }	180,305 + 4,800 }	20,300	
INTERNATIONAL ORGANIZATIONS AND CONFERENCES					
General and special funds: Contributions to international organizations.....151 NOA	87,192	{ 68,392 + 835 }	81,821	12,594	Supplemental for 1963 is needed to cover the U.S. assessment for the Inter-American Institute of Agricultural Sciences and the Organization of American States. Over half of the 1964 increase is for the United Nations and its specialized agencies; balance is
	Exp.	{ 93,900 + 835 }	81,461	-13,274	

Missions to international organizations-----	151	NOA 2,115	2,250 †12 †63	2,745	420	largely for the Organization of American States, North Atlantic Treaty Organization, and the Organization for Economic Cooperation and Development.
		Exp. 2,015	2,158 †12	2,700	530	1963 supplemental is for American Group of Interparliamentary Union. Major increases in 1964 are for delegations to the United Nations, and to international organizations at Geneva.
International conferences and contingencies-----	151	NOA 1,943	2,792 †625	2,170	-1,247	Supplemental for 1963 is to finance holding World Food Congress in the United States and participating in unanticipated conferences. Net decrease in 1964 results from nonrecurrence of the U.S. contribution to the Laos International Control Commission in this account.
		Exp. 1,818	2,800 †450	1,750 †175	-1,325	
International tariff negotiations-----	151	NOA 171	169	495	495	Fifth round of negotiations ended during 1962. Sixth round will begin in April 1964.
		Exp. 374	400	231		
Loan to the United Nations-----	151	NOA -----	100,000	-----	-100,000	Bond purchases in 1963, matching purchases by other countries, will help alleviate United Nations financial difficulties.
		Exp. -----	100,000	-----	-100,000	
United States Citizens Commission on NATO-----	151	NOA 150	-----	-----	(Commission terminated in 1962.)	
Reappropriation-----		NOA 100	-----	-----		
		Exp. 131	28	-----	-28	
Total, international organizations and conferences.		NOA 91,671	173,434 †1,472 †63	87,231	-87,738	
		Exp. 98,157	199,055 †1,297	86,311 †175	-113,866	

†Proposed for separate transmittal, other than pay increase supplementals.

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
DEPARTMENT OF STATE—Continued					
INTERNATIONAL COMMISSIONS					
General and special funds—Continued International Boundary and Water Commission, United States and Mexico:					
Salaries and expenses.....401	NOA 604	{ 670 †23 } 677	729	36	Two project investigations will be initiated and work continued on five other feasibility studies.
Exp.	614	677	720	43	
Operation and maintenance.....401	NOA 1,950	{ 1,950 †23 } 1,967	2,043	70	There will be increased cost of maintenance on the completed Rio Grande flood control works and assumption of maintenance responsibilities at Douglas-August Prieta sanitation plant.
Exp.	1,773	1,967	2,000	33	
Construction.....401	NOA 13,168	11,000	8,354	—2,646	Provides for construction start on Amistad Dam and powerplant, participation in two sanitation projects, and continuation of Rio Grande gaging station and flood control projects.
	Exp. 7,867	14,500	9,780	—4,720	
American sections, international commissions.....401	NOA 415	415	500	85	Increase will finance additional water and smoke pollution investigations and boundary clearance.
Exp.	395	400	430	30	
International fisheries commis- sions.....404	NOA 1,910	1,910	2,053	143	Request provides U.S. share of expenses of eight international fisheries commissions.
Exp.	1,854	1,800	1,650	—150	
Passamaquoddy tidal power sur- vey.....401	Exp.	20	3	—3	(Previously appropriated funds will be used for additional review of the survey.)

Restoration of salmon runs, Fraser River system, International Pacific Salmon Fisheries Commission	Exp.	49	3	-46	(Activities under this account will be substantially completed in 1963.)
Total, international commissions.	NOA	18,047	{ 15,945 †† 46 19,396 }	13,679	-2,312
	Exp.	12,524	14,583	-4,813	
EDUCATIONAL EXCHANGE					
Mutual educational and cultural exchange activities	NOA	26,999	41,947	56,420	14,473
	Exp.	26,925	34,000	42,000	8,000
International educational exchange activities (special foreign currency program)	NOA	7,400	13,000	10,000	-3,000
	Exp.	11,450			
Center for Cultural and Technical Interchange Between East and West	NOA	3,300	8,340	5,690	-2,650
	Exp.	6,617	8,000	6,500	-1,500
Preservation of ancient Nubian monuments (special foreign currency program)	NOA	4,000	700	500	-200
	Exp.	2,393			
Educational, scientific, and cultural activities	Exp.	94	86		-86
Educational exchange fund, payments by Finland, World War I debt (permanent, indefinite, special fund)	NOA	396	396	396	
	Exp.	675	500	381	-119
Educational fund, interest payments by the Government of India (permanent, indefinite, special fund)	Exp.	156	50	19	-31
Total, educational exchange	NOA	42,095	50,683	62,506	11,823
	Exp.	48,312	56,336	59,400	3,064

†† Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
DEPARTMENT OF STATE—Continued					
OTHER					
General and special funds—Continued					
Rama Road, Nicaragua.....152	NOA 1,000	1,500		-2,350	Contracts to complete the road, being constructed under international agreement, will be let in 1963.
Contract authorization.....	NOA 850				
Liquidation of contract author- ization.....	Exp. 1,138	1,400	(850) 1,700	(850) 300	
Migration and refugee assistance 152	NOA Exp.	14,947 12,400	11,800 11,700	-3,147 -700	Decrease results from 18-month support for international organizations from 1963 funds, to be on a calendar year basis thereafter.
Pan American Health Organiza- tion building site.....151	NOA Exp. 217 1,092				(One-time item.)
Presentation of a statue to Uru- guay.....151	Exp. 13	1		-1	(One-time item.)
Payment to the Republic of Pan- ama (permanent).....151	NOA Exp. 1,930 1,930	1,930 1,930	1,930 1,930		Annual payment is made, under treaty, for Panama Canal rights. \$430 thousand of this is recovered from the Panama Canal Company.
Total, other.....	NOA Exp. 3,147 4,173	19,227 15,731	13,730 15,330	-5,497 -401	
Total, Department of State.....	NOA Exp. 309,168 306,564	415,368 † 7,472 †† 3,839 450,593 † 2,497 †† 3,530	373,785	-52,894 -95,716	

TREASURY DEPARTMENT

OFFICE OF THE SECRETARY							
General and special funds:							
Salaries and expenses.....	904	NOA	4,268	{ 4,510 †14 ††159	{ 5,080	397	Increase will strengthen the staff of the Secretary in fields of tax legislation, public affairs, and supervision of bureau operations.
		Exp.	4,185	{ 4,650 †12	{ 4,975 †2	315	
Expenses of administration of settlement of War Claims Act of 1928 (permanent, indefinite, special fund).....	904	NOA	6 Exp.	11	12 12	10 12	—2 Change in NOA reflects use of unobligated balances. Expenses remain constant.
Federal control of transportation systems (permanent, indefinite, special fund).....	904	Exp.	-----	1	1	-----	(Prior year balance is used to pay compensation to employees injured during World War I.)
Public enterprise funds:							
Liquidation of corporate assets:							
Reconstruction Finance Corporation liquidation fund.....	904	Exp.	(35)	-----	-----	-----	(Receipts will be lower in 1964.)
Limitation on administrative expenses, Reconstruction Finance Corporation limitation fund.....	904	Exp.	-1,380	-3,536	-375	3,161	
Liquidation of Federal Farm Mortgage Corporation.....	904	Exp.	-274	-394	-409	-15	(Collection of receivables from a Federal land bank.)

†Proposed for separate transmittal, other than pay increase supplementals.

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
TREASURY DEPARTMENT—Continued					
OFFICE OF THE SECRETARY—Con.					
Public enterprise funds—Continued					
Liquidation of corporate assets—Con.					
Civil defense loans: Civil defense program fund	—138	—136	—64	72	(Repayments and interest earnings exceed expense.)
Total, Office of the Secretary	4,274	{ 4,522 †14 ††159	{ 5,090	395	
Exp.	2,404	{ 597 †12	{ 4,140 †2	3,533	
BUREAU OF ACCOUNTS					
General and special funds:					
Salaries and expenses	904 NOA	3,716 { 3,800 ††87	{ 4,100	213	Major increases result from increase in volume of depositary receipts from 11.6 million to 12.3 million items and postal rate increases.
	Exp.	3,616 3,853	4,062	209	
Salaries and expenses, Division of Disbursement	904 NOA	25,700 { 26,499 †1,739	{ 31,500	3,262	Supplemental in 1963 is to pay postal rate increase. Increase in 1964 is for additional work volume (up 15.7 million items, from 337.4 million in 1963), purchase of electronic data processing equipment, and added postage expense.
	Exp.	24,529 { 26,421 †869	{ 30,130 †870	3,710	
Claims, judgments, and relief acts	910 NOA	39,147 970	-----	—970	Appropriations are made in individual private relief acts. For certain claims, and for judgments over \$100 thousand, the specific items are presented to Congress. Possible needs for 1964 are covered by the general allowance for contingencies.
	Exp.	38,337 1,990	-----	—1,990	

Permanent, definite.....	NOA Exp.	2 2	2 2	2 2	Awards in the total amount of \$1,620 are paid annually to 2 persons as a result of private relief acts.
Permanent, indefinite.....	NOA Exp.	4,802 4,802	5,000 5,000	5,000 5,000	Judgments of \$100 thousand or less are payable from this permanent appropriation.
Interest on uninvested funds (permanent, indefinite).....	NOA Exp.	10,357 10,357	11,207 11,207	12,456 12,456	1,249 1,249
Public enterprise funds:					
Fund for payment of Government losses in shipment.....	NOA Exp.	67	525 531	1,250 1,164	725 633
Total, Bureau of Accounts...	NOA Exp.	83,724 81,711	{ 48,003 †1,739 ††87 } { 49,004 †869 }	54,308 52,814 †870	4,479 3,811
BUREAU OF THE PUBLIC DEBT					
General and special funds:					
Administering the public debt.....	NOA Exp.	47,984 47,146	{ 47,750 †200 ††620 } { 48,070 †100 }	48,600 48,241 †100	30 171
OFFICE OF THE TREASURER					
Salaries and expenses.....	NOA Exp.	16,925 15,710	16,450 16,471	16,800 16,500	350 29
Public enterprise funds:					
Check forgery insurance fund.....	NOA Exp.	..... .....	1	50 12	50 11
Total, Office of the Treasurer.....	NOA Exp.	16,925 15,710	16,450 16,472	16,850 16,512	400 40

†Proposed for separate transmittal, other than pay increase supplementals.

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
TREASURY DEPARTMENT—Continued					
BUREAU OF CUSTOMS					
General and special funds: Salaries and expenses.....	904 NOA 63,281	{ 64,764 †250	76,100	8,301	Supplemental in 1963 will provide for wage board increases and the cost of initiating the screening of Communist political propaganda. Increase in 1964 will allow expansion to meet greater work volume in all activities. Funds are included for the first time to reimburse airports for space occupied by inspection forces.
	Exp. 62,699	{ †2,785 67,547 †235	75,267 †15	7,500	
INTERNAL REVENUE SERVICE					
Salaries and expenses.....	904 NOA 450,912	{ 484,609 ††18,500	578,300	75,191	Tax returns filed are expected to increase from 96.8 million to 98.8 million in 1964. Increase will cover the fourth step in a long-range plan to raise the level of enforcement and voluntary public compliance.
	Exp. 443,134	{ 500,558	569,599	69,041	
Refunding internal revenue collections, interest (permanent, indefinite).....	NOA 852 Exp. 67,868 67,806	70,694 70,629	70,665 70,600	—29 —29	Interest is paid at 6% per annum on internal revenue collections which must be refunded.
Internal revenue collections for Puerto Rico (permanent, indefinite, special fund).....	910 NOA 33,328 Exp. 29,777	34,000 34,391	34,000 34,000	—391	Taxes on articles produced in Puerto Rico are paid to Puerto Rico.
Total, Internal Revenue Service	NOA 552,109	{ 589,303 ††18,500	682,965	75,162	
	Exp. 540,718	{ 605,578	674,199	68,621	

BUREAU OF NARCOTICS						
Salaries and expenses.....	908	NOA	4,462	{ 4,580 ††197	{ 5,450	673
		Exp.	4,356	4,826	5,304	478
UNITED STATES SECRET SERVICE						
Salaries and expenses.....	908	NOA	4,800	{ 5,475 †131 ††220	{ 7,260	1,434
		Exp.	4,939	5,599 †123	7,060 †8	1,346
Salaries and expenses, White House Police.....	903	NOA	1,148	{ 1,216 †245 ††63	{ 1,732	208
		Exp.	1,145	{ 1,299 †229	{ 1,710 †16	198
Salaries and expenses, guard force.....	904	NOA	358	{ 369 ††15	{ 408	24
		Exp.	356	396	406	10
Contribution for annuity benefits (permanent, indefinite).....	903	NOA	269	360	380	20
		Exp.	269	360	380	20
Total, U.S. Secret Service.....		NOA	6,575	{ 7,420 †376 ††298	{ 9,780	1,686
		Exp.	6,710	{ 7,654 †352	{ 9,556 †24	1,574
BUREAU OF THE MINT						
Salaries and expenses.....	904	NOA	6,138	{ 6,480 ††102	{ 7,720	1,138
		Exp.	6,318	6,479	7,550	1,071

Increase provides for revised staffing structure and for added enforcement abroad.

Supplemental in 1963 will cover the cost of Public Law 87-829. Increase in 1964 is to meet mounting caseload, strengthen protection forces, and provide necessary new equipment and facilities.

Supplemental in 1963 will provide for protection of the Executive Office Building. Increases in 1964 will provide for pay increases and extended coverage for the full year.

Increase provides for increased pay cost.

The District of Columbia is reimbursed for benefit payments made for Secret Service employees.

Increase provides for 800 million additional coins and the 2d year increment in the equipment replacement program.

†Proposed for separate transmittal, other than pay increase supplementals.

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (—)	Explanation of NOA requests
TREASURY DEPARTMENT—Continued					
BUREAU OF THE MINT—Continued					
General and special funds—Continued					
Minor coinage profits, etc. (permanent, indefinite, special fund) NOA Exp. 904	324 433	462 430	552 489	90 59	Increase in appropriation of seigniorage is for transportation and other costs related to production of additional minor coins.
Silver profit fund (permanent, indefinite, special fund) NOA Exp. 904	306 561	618 557	737 674	119 117	Increase in appropriation of seigniorage is for transportation and other costs related to production of additional silver coins.
Total, Bureau of the Mint NOA Exp.	6,768 7,311	{ 7,560 ††102 7,466	9,009 8,713	1,347 1,247	
BUREAU OF ENGRAVING AND PRINTING					
Emergency repairs to Bureau of Engraving and Printing Annex Building NOA Exp. 904	645	62	-----	—62	(Repairs to the Annex Building are expected to be completed in 1963.)
Air-conditioning the Bureau of Engraving and Printing buildings NOA Exp. 904	-----	300 300	5,380 1,100	5,080 800	Increase covers the cost of building preparation and plant installation for air conditioning.
Intragovernmental funds: Bureau of Engraving and Printing fund NOA Exp. 904	—20	—500	1,751	2,251	(Increase provides for purchases of equipment.)
Total, Bureau of Engraving and Printing NOA Exp.	625	300 —138	5,380 2,851	5,080 2,989	

COAST GUARD						
General and special funds:						
Operating expenses	502 NOA	211,878	{ 219,962 †2,200 ††400	251,100	28,538	Supplemental in 1963 will cover the costs of increased basic allowances for quarters and increased lump-sum payments to reservists involuntarily released from active duty. The Ocean Station Program, previously funded by the Navy, will be funded from this appropriation in 1964. Additional funds are provided for facility maintenance, extension of Loran navigational service, and improved operational capability and military readiness.
	Exp.	208,385	{ 219,385 †2,200	230,000	8,415	
Acquisition, construction, and improvements	502 NOA	39,000	33,330	60,000	26,670	Includes construction of 10 replacement and 2 additional vessels, and acquisition of 7 replacement and 7 additional helicopters. Construction of 1 new air detachment and 1 new search and rescue station and improvements at existing facilities are planned. Navigational aids will be expanded and improved. Repair and supply facilities will be improved. Extension and improvement at the Coast Guard Academy will continue.
	Exp.	28,478	32,200	35,000	2,800	
Retired pay	502 NOA	31,350	32,350	33,600	1,250	A net average increase of 278 persons on the retired rolls is expected.
	Exp.	30,790	32,300	33,000	700	
Reserve training	502 NOA	16,000	16,500	18,800	2,300	Increase will provide for 432 additional reservists in paid status, activation of an additional vessel, and equipping of reserve units and improvement of facilities at Yorktown, Va.
	Exp.	15,903	16,500	15,707	-793	
Intragovernmental funds:						
Coast Guard supply fund	502 Exp.	-269	200	-----	-200	(Receipts will equal expenditures in 1964 with sales of \$17.5 million.)
Coast Guard yard fund	502 Exp.	569	33	-68	-101	(Receipts will exceed expenditures slightly in a \$13 million program.)
Total, Coast Guard	NOA	298,228	{ 302,142 †2,200 ††400	363,500	58,758	
	Exp.	283,857	300,618 †2,200	313,639	10,821	

†Proposed for separate transmittal, other than pay increase supplementals.

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (—)	Explanation of NOA requests
TREASURY DEPARTMENT—Continued					
INTEREST ON THE PUBLIC DEBT					
General and special funds: Interest on the public debt (per- manent, indefinite).....851	NOA 9,119,760 Exp. 9,119,760	9,700,000 9,700,000	10,020,000 10,020,000	320,000 320,000	The increase reflects a higher average level of outstanding interest-bearing debt.
Total, Treasury Department..	NOA 10,204,088 Exp. 10,173,006	{ 10,792,794 +4,779 +†23,148 10,786,151 +3,768 +†21,545	{ 11,297,032 11,229,633 +†1,011 +†1,603	476,311 420,783	
ATOMIC ENERGY COMMISSION					
General and special funds: Operating expenses.....058	NOA 2,351,978 Exp. 2,509,954	2,871,993 2,605,000	2,472,800 2,395,000	—399,193 —210,000	Estimate provides increases for the application of atomic energy to outer space (propulsion and power supply), for basic research in the physical and life sciences, and for civilian applications of radioisotopes and nuclear explosives. These will be more than offset by a reduction in procurement of uranium concentrates. Transfer of equipment to the capital appropriation reflects as a further reduction.
Plant and capital equipment.....058	NOA 195,360 Exp. 277,015	262,745 265,000	1 420,200 455,000	157,455 190,000	Estimate provides for equipment and for construction of production, research, and development facilities, including reactors and particle accelerators, in support of all operating programs. Funds for new construction are considerably above those appropriated in 1963. Funding of equipment results in an apparent increase in this appropriation.

Intragovernmental funds:						
Advances and reimbursements	058	Exp.	18,662			
Total, Atomic Energy Commission.		NOA Exp.	2,547,338 2,805,631	3,134,738 2,870,000	2,893,000 2,850,000	-241,738 -20,000

FEDERAL AVIATION AGENCY

General and special funds:						
Operations	501	NOA	433,386	{ 479,150 ††9,400 }	545,500	56,950
		Exp.	423,941	480,000	536,000	56,000
Facilities and equipment	501	NOA	119,986	125,000	127,000	2,000
		Exp.	137,018	130,000	125,000	-5,000
Grants-in-aid for airports	501	NOA	75,000			
Permanent		NOA		75,000	75,000	
Liquidation of contract authorization.		Exp.	(70,000)	(20,000)	(20,000)	
			56,921	75,091	62,000	-13,091
Research and development	501	NOA	59,990	35,000	50,000	15,000
		Exp.	48,372	52,000	49,000	-3,000
Operation and maintenance, National Capital airports	501	NOA	5,200	{ 6,725 ††28 }	8,000	1,247
		Exp.	5,372	7,100	7,500	400
Construction, National Capital airports	501	NOA	4,200	2,000	4,600	2,600
		Exp.	1,561	4,700	5,000	300
Civil supersonic aircraft development	501	NOA	11,000	20,000	-20,000	
		Exp.		21,000	10,000	-11,000

[†]Proposed for separate transmittal, other than pay increase supplementals.

^{††}Proposed for separate transmittal, pay increase supplementals.

[†] Includes \$208,262 thousand to carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
FEDERAL AVIATION AGENCY—Continued					
General and special funds—Continued					
Construction and development, NOA additional Washington airport	20,100 24,288	3,200 20,000	6,000	-3,200 -14,000	Expenditures decline with completion of construction of Dulles Airport.
Grants-in-aid for airports, Federal Airport Act	937 501	1,000	500	-500	
Claims, Federal Airport Act	501	Exp.	21	-21	
Construction of public airports in Alaska	501	Exp.	3	-3	
Total, Federal Aviation Agency	728,863 Exp.	746,075 ††9,428 782,289 ††8,626	810,100 800,198 ††802	54,597 10,085	

GENERAL SERVICES ADMINISTRATION

REAL PROPERTY ACTIVITIES					
General and special funds:					
Operating expenses, Public Buildings Service	905	NOA	179,416 Exp.	191,068 †2,400 ††1,270 191,000 †2,400	216,439 21,701 214,800 21,400

Increase for 1964 is primarily for operation of new Federal buildings, partial restoration of the level of services, and cost of additional leased space acquired in 1963.

Repair and improvement of public buildings.....	905	NOA Exp.	57,941 59,462	65,000 63,000	75,000 68,000	10,000 5,000	Increase provides for maintenance of new Federal buildings, and continuation of long-range program of general repairs and improvements.
Construction, public buildings projects.....	905	NOA Exp.	188,946 71,336	180,956 100,000	171,965 121,000	-8,991 21,000	Request provides for starts on 27 projects costing \$164.6 million and initiation of 6 extension and conversion projects costing \$7.4 million.
Sites and expenses, public buildings projects.....	905	NOA Exp.	24,949 17,296	{ 27,500 +3,000 26,000 +200 +2,000 }	{ 41,100 27,000 2,800 }	10,600	Estimate provides for design and site acquisition, where necessary for 77 projects involving improvement costs of \$184 million.
Payments, public buildings purchase contracts.....	905	NOA Exp.	5,200 4,654	{ 5,440 +†-290 5,150 }	5,200 5,200	50 50	Request provides for payments on 20 projects constructed through lease-purchase contracts.
Expenses, U.S. court facilities	905	NOA Exp.			1,587 1,450	1,587 1,450	Request provides for space expansion and furniture and furnishings of the U.S. courts.
Additional court facilities.....	905	NOA Exp.	4,500 493	8,500 5,000	5,000	-8,500	Appropriations in prior years will complete facilities for 73 additional judges.
Construction, Federal Office Building Numbered 7, Washington, D.C.....	905	NOA Exp.	23,700 92	1,000	6,000	5,000	(Construction in 1963 and 1964 is financed by 1962 appropriation.)
Hospital facilities in the District of Columbia.....	905	NOA Exp.	3,000 331	+375 800	1,500	-375 700	1963 supplemental is to provide for costs over original estimates for a Federal grant for construction of a new hospital in southeast Washington.
Acquisition of land and building, Chicago, Ill.....	905	NOA Exp.	2,715	2,921		-2,921	(Acquisition was completed in 1963.)
Construction, Federal Office Building Numbered 6, Washington, D.C.....	905	Exp.	1,272	26		-26	(Construction was completed in 1962.)
Construction, public buildings	905	Exp.	13	311		-311	(Construction of the last of five border stations is to be completed in 1963.)

†Proposed for separate transmittal, other than pay increase supplementals.

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
GENERAL SERVICES ADMINISTRATION—Continued					
REAL PROPERTY ACTIVITIES—Con.					
General and special funds—Continued Construction, U.S. Mission Building, New York, N.Y. 905	77	43	.....	—43	(Construction was completed in 1961.)
Defense public works, community facilities..... 905	7	.....	.....	.....	(Account has been liquidated.)
Liquidation of war assets..... 905 Exp.	1	.....	.....	.....	(Account has been liquidated.)
Repair, preservation, and equipment, outside the District of Columbia..... 905	1	1	.....	—1	(Account has been liquidated.)
Sites and planning, public buildings outside the District of Columbia..... 905	.....	14	.....	—14	(Balance available is reserved for contingencies.)
Intragovernmental funds: Buildings management fund..... 905 Exp.	—15,595	—1,064	—954	110	(Operating costs are estimated at \$374.5 million, an increase of \$37.5 million, due mainly to additional space to be serviced and increased communications business.)
Construction services, public buildings..... 905	—639	185	—500	—685	(Operating costs are estimated at \$14.8 million, an increase of \$2.5 million, mainly due to an increased repair and improvement program and additional projects assigned to GSA by other agencies.)
Total, real property activities NOA	490,368	{ 478,464 †5,775 ††980 394,387 †2,600 }	511,291	26,072	
	Exp.	319,381	{ 394,387 †2,600 }	448,496 †2,000	53,509

PERSONAL PROPERTY ACTIVITIES

General and special funds:					
Operating expenses, Federal Supply Service-----	905	NOA 4,101	{ 39,810 †2,925 ††995 }	{ 51,000 }	7,270
		Exp. 3,964	{ 37,647 †2,458 }	{ 48,833 †467 }	9,195
Expenses, supply distribution-----	905	NOA 30,189	2,509		-2,509
		Exp. 29,278			
Intragovernmental funds:					
General supply fund-----	905	NOA 13,500	{ 13,500 †30,000 }	{ 35,000 }	-8,500
		Exp. 32,567	{ 11,429 †24,510 }	{ 24,488 †5,490 }	-5,961
Administrative expenses, foreign aid procurements-----	905	Exp. 1			
Total personal property activities.		NOA 47,790	{ 53,310 †32,925 ††995 }	{ 86,000 }	-1,230
		Exp. 65,810	{ 51,585 †26,968 }	{ 73,321 †5,957 }	725
UTILIZATION AND DISPOSAL ACTIVITIES					
General and special funds:					
Operating expenses, Utilization and Disposal Service-----	905	NOA 8,233	{ 8,870 ††270 }	{ 10,000 }	860
		Exp. 7,437	8,970	10,000	1,030

The 1963 supplemental and the 1964 increase are primarily for further increased supply support to the Department of Defense.

(This appropriation was combined with the preceding account in 1963.)

The NOA in the 1963 supplemental and the 1964 appropriation are for additions to capital to finance expansion of sales (from \$440 million in 1962 to \$652 million in 1964) and equipment investment.

(Account has been liquidated.)

†Proposed for separate transmittal, other than pay increase supplementals.

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
GENERAL SERVICES ADMINISTRATION—Continued					
UTILIZATION AND DISPOSAL ACTIVITIES—Continued					
General and special funds—Continued Expenses, disposal of surplus real NOA and related personal property Exp. (permanent, indefinite, special fund)-----905	1,209 1,146	2,200 2,500	2,200 2,200	----- -300	Proceeds of sales are appropriated for certain expenses of disposals.
Total, utilization and disposal NOA activities.	9,443	{ 11,070 ††270	12,200	860	
Exp.	8,583	11,470	12,200	730	
RECORDS ACTIVITIES					
Operating expenses, National Ar- NOA chives and Records Service 905	13,968	{ 14,000 ††438	15,000	562	Increase is primarily for records management assistance, and to manage increased records volume. Records will total 8.2 million cubic feet; reference services will total 5.4 million.
Exp.	13,960	14,388	15,000	612	
TRANSPORTATION AND COMMUNICATIONS ACTIVITIES					
Operating expenses, Transporta- NOA tion and Communications Serv- ice-----905	3,960	{ 4,417 ††200	5,870	1,253	Increase is primarily for continued development of Federal telecom- munications system.
Exp.	3,328	4,600	5,800	1,200	
Operating expenses, Transporta- Exp. tion and Public Utilities Serv- ice-----905	125	-----	-----	-----	(Program is now covered by the preceding appropriation.)

Intragovernmental funds:				
Federal telecommunications fund.....	NOA	905	Exp.	10,000 5,207 -10,000 5,207
Total, transportation and communications activities.	NOA	3,960	Exp.	4,417 10,000 ††200 4,600 5,870 -8,747
		3,453		5,800 †5,207 6,407
DEFENSE MATERIALS ACTIVITIES				
General and special funds:				
Strategic and critical materials	NOA	39,977	Exp.	18,000 ††100 26,100 28,145 10,045
		33,635		26,700 600
Improvements, national industrial reserve plant No. 485.....	NOA	059	Exp.	1,150 †418 †378 -1,150 -40
Public enterprise funds:				
Abaca fiber program.....	059	Exp.	2	
Defense production guarantees, defense materials activities.....	059	Exp.	-88	
Intragovernmental funds:				
Advances and reimbursements	059	Exp.	-457	334 -78 -412
Total, defense materials activities.	NOA	39,977	Exp.	18,000 1,150 ††100 26,434 28,145 8,895
		33,092		26,622 †378 148

The 1963 supplemental is for initial capital for the fund established by Public Law 87-847.

Provides \$1.2 million for new material and upgrading of existing materials, \$22.2 million for inventory management and rotation, \$1.5 million for national industrial equipment reserve activities, and \$3.2 million for operating expenses.

New one-time appropriation is to provide improvements essential to national defense.

(The program was completed in 1960 and all assets sold.)

(No loan guarantees are outstanding or contemplated. Cumulative net earnings of \$6.3 million will be paid into the Treasury in 1963.)

†Proposed for separate transmittal, other than pay increase supplementals.
††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (—)	Explanation of NOA requests
GENERAL SERVICES ADMINISTRATION—Continued					
GENERAL ACTIVITIES					
General and special funds:					
Salaries and expenses, Office of Administrator..... 905	NOA 1,272	{ 1,350 ††58	1,500	92	Increase is primarily for pay increase.
	Exp. 1,205	1,408	1,500	92	
Allowances and office facilities for former Presidents..... 903	NOA 300	{ 320 ††-10	300	-10	Account provides for three former Presidents.
	Exp. 294	310	300	-10	
Refunds under Renegotiation Act (interest)..... 905	Exp. 4	71	-----	-71	(Interest on remaining refunds is covered by balances of prior appropriations.)
Public enterprise funds:					
Federal Facilities Corporation fund..... 905	Exp. -23	-----	-----	-----	(The Federal Facilities Corporation was dissolved in 1962.)
Reconstruction Finance Corporation liquidation fund..... 905	Exp. (42)	(25)	-----	-----	
Limitation on administrative expense.	Exp. -172	-148	-112	(-25) 36	(Volume of activity declines as liquidation continues.)
Intragovernmental funds:					
Administrative operations fund 905	Exp. (14,566)	(11,911)	(13,965)	(2,054)	(Financing requested is to provide integrated staff services for various GSA programs.)
Limitation on use of fund..... 905	Exp. -376	-200	-200	-----	

Working capital fund.....	905	NOA	100	47	22	-15	-37
		Exp.					
Total, general activities.....		NOA	1,672	{ 1,670	{ †48	1,800	82
		Exp.	980	1,463		1,473	10
Subtotal.....		NOA	607,179	{ 580,931	{ †49,850	660,306	26,494
		Exp.	445,259	{ †13,031	{ 504,327	{ 582,912	{ 62,141
Less: Court facilities and furnishings items transferred to The Judiciary chapter (contra)	905	NOA	-934	-2,354	-1,587	767	
		Exp.	-365	-2,067	-2,062	5	
Total, General Services Administration.....		NOA	606,244	{ 578,577	{ †49,850	658,719	27,261
		Exp.	444,893	{ †13,031	{ 499,386	{ 580,693	{ 62,146
				{ †29,986	{ †13,542	{ ††157	

† Proposed for separate transmittal, other than pay increase supplementals.

†† Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (—)	Explanation of NOA requests
HOUSING AND HOME FINANCE AGENCY					
OFFICE OF THE ADMINISTRATOR					
General and special funds:					
Salaries and expenses.....	551 NOA 12,726	{ 14,354 †290	} 16,675	2,031	Increase provides additional staff in supervision and coordination activities and in the urban renewal program. The appropriation will be consolidated with \$11.1 million in administrative funds, from other accounts. Nonadministrative expenses (recovered through fees) provide inspection and audit of certain projects and loans.
Limitation on nonadministrative expenses.	Exp. (3,000) 12,066	(3,250) 14,788	(3,650) 15,675	(400) 887	
Urban planning grants.....	553 NOA 17,100 6,828	18,000 15,000	23,500 17,000	5,500 2,000	Increase will provide expansion in comprehensive planning assistance to States, metropolitan areas, and regional planning agencies.
Urban studies and housing research.....	551 NOA 375 Exp. 328	{ 375 †10 350	} 2,500 2,000	2,115 1,650	Increase will provide for expansion of statistical series on housing markets to cover rental and existing housing, and special analytical surveys and studies on housing and urban problems.
Administrative expenses, mass transportation activities.....	553 NOA 158 Exp. 158	200 190	195 195	-5 5	This finances the administrative costs of the existing programs of mass transportation loans and demonstration grants.
Urban transportation assistance	553 NOA ----- Exp. -----		†100,000 †10,000	100,000 10,000	Authorization is proposed to finance direct Federal assistance for construction, improvement, and modernization of mass transportation systems. Expenditures under the current transportation program are included under "Public facility loans" and "Urban renewal fund."
Open-space land grants:					
Administrative expenses.....	553 NOA 110	250	325	75	Increased administrative costs result from higher program level.
Liquidation of contract authorization.	Exp. (34,890) 110	(14,750) 5,250	(32,000) 20,325	(17,250) 15,075	Increase will permit greater number of matching grants to local governments for the acquisition of permanent open spaces.

		20	40	65	25	
Low-income housing demonstration programs.....	NOA					
Contract authorization.....	NOA	(1,980)	(2,960)	¹ 5,000	5,000	
Liquidation of contract authorization.	Exp.	20	1,540	² (5,000)	(2,040)	525
Farm housing research.....	551	Exp.		2		-2
Public enterprise funds:						
College housing loans (permanent authorization to expend from public debt receipts).....	NOA	300,000	300,000	300,000		
Limitation on administrative expenses.	Exp.	(2,000)	{ (1,800) (+† 65) }	(1,925)	(60)	
Public facility loans.....	553	NOA	26,500	12,534	-12,534	
Limitation on administrative expenses.	Exp.	(1,050)	{ (1,150) (+† 40) }	(1,280)	(90)	
Public works planning.....	553	NOA	8,000	12,000	³ 20,000	8,000
	Exp.	7,734	8,000	12,000	4,000	
Revolving fund (liquidating programs): Limitation on administrative expenses.....	551	Exp.	(145)	(145)	(140)	(-5)
			-5,651	-1,243	-1,015	228
Urban renewal fund: Liquidation of contract authorization.....	553	Exp.	(215,842)	(319,766)	(205,000)	(-114,766)
			226,949	265,854	268,898	3,044
Community disposal operations	552	Exp.	-2,076	-1,332	-2,036	-704

[†]Proposed for separate transmittal, other than pay increase supplementals.

^{††}Proposed for separate transmittal, pay increase supplementals.

¹ To carry out authorizing legislation to be proposed.

² Includes \$3.8 million to carry out authorizing legislation to be proposed.

³ Includes \$18 million to carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
HOUSING AND HOME FINANCE AGENCY—Continued					
OFFICE OF THE ADMINISTRATOR—Continued					
Public enterprise funds—Continued					
Housing for the elderly fund 551 NOA	60,000	{ 45,000 †45,000 (725) (†100) (†20)	{ 125,000 (1,250)	35,000 (405)	Supplemental in 1963 and increase in 1964 will allow funds to be reserved for loans in amounts of \$100 million in 1963 and \$125 million in 1964. Supplemental increase in limitation in 1963 is for administrative costs of program to be financed by above supplemental appropriation. Increased 1964 administrative costs result from higher program level.
Limitation on administrative and nonadministrative expenses.	(513)				
Exp.	5,395	25,666	53,533	27,867	
Total, Office of the Administrator.	NOA Exp.	424,989 498,633	{ 403,053 †45,000 778,879 { 493,260 †100,000 695,650 †10,000	{ 145,207 —73,229	
<hr/>					
FEDERAL NATIONAL MORTGAGE ASSOCIATION					
Special assistance functions fund 551	Exp.	53,559	165,080	73,500	—91,580
(Expenditures decrease in 1964 largely due to mortgage sales estimated at \$200 million. Although commitments will rise to \$708 million, expenditures will occur mainly in later years.)					
Management and liquidating functions fund (permanent indefinite authorization to expend from public debt receipts) 551	NOA Exp.	53,307 —176,914	13,281 —140,247	15,000 —147,450	1,719 —1,203
(Receipts from mortgage repayments and other investments continue to exceed costs by substantial amounts.)					
Limitation on administrative expenses.	(8,000)	{ (8,250) †(175)	(9,125)	(700)	(Increased administrative costs result from increased mortgage purchase and sales activity.)
Total, Federal National Mortgage Association	NOA Exp.	53,307 —123,355	13,281 18,833	15,000 —73,950	1,719 —92,783

FEDERAL HOUSING ADMINISTRATION

Federal Housing Administration fund (permanent indefinite authorization to expend from corporate debt receipts).....	NOA	204,027	141,173	-----	-141,173	
Limitation on administrative expenses.		(9,800)	{ (10,400) ††375 }	{ (9,900) ††1,985 }	(-875)	
Limitation on nonadministrative expenses.		(64,650)	{ (67,500) ††1,985 }	{ (78,150) 109,974 }	(8,665) -142,999	
Exp.		199,218			-252,973	

Decrease results from increased use of private rather than FHA financing on resales of properties acquired as a result of defaults on insured mortgages. Volumes of applications, commitments, and mortgage insurance written are expected to continue rising. Mortgage insurance outstanding is estimated at \$48 billion by the close of 1964, and insurance reserves at \$1.3 billion. Property acquisitions will continue, but sales are estimated to exceed acquisitions in 1964. Increased initiation, maintenance and settlement activities require increased administrative support and operating expenses.

PUBLIC HOUSING ADMINISTRATION

Low-rent public housing program: Annual contributions.....	NOA	165,000	180,000	205,000	25,000	
Administrative expenses.....	NOA	13,968	{ 14,359 ††658 }	16,150	1,133	
Limitation on administrative expenses.		(13,968)	{ (14,359) ††658 }	(16,150)	(1,133)	
Limitation on nonadministrative expenses.		(1,200)	{ (1,200) ††25 }	(1,600)	(375)	
Exp.		164,830	180,710	206,636	25,926	
Total, Public Housing Administration.	NOA	178,968	{ 194,359 ††658 }	221,150	26,133	
Exp.		164,830	180,710	206,636	25,926	
Total, Housing and Home Finance Agency.	NOA	861,291	{ 751,566 †45,000 ††958 }	{ 729,410 †100,000 ††15 }	31,886	
Exp.		739,327	{ 1,087,453 ††943 }	{ 685,322 †10,000 ††15 }	-393,059	

Increase primarily reflects approximately 79,000 additional units receiving contributions for the first time under contracts previously executed.

Administrative expenses rise with the heavier management workload.

(Increase will permit accomplishment of repair and maintenance at three federally owned and operated projects.)

†Proposed for separate transmittal, other than pay increase supplementals.

††Proposed for separate transmittal, pay increase supplementals.

*Includes \$70 million to carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION						
General and special funds:						
Salaries and expenses.....	251 NOA Exp.	213,770 207,122	20,307		-20,307	(Merged into the appropriation "Research, development, and operation.")
Research, development, and operation.....	251 NOA Exp.	1,285,408 935,644	2,935,888 2,029,693	14,912,000 3,641,000	1,976,112 1,611,307	Approximately three-quarters of the increase is for manned space flight programs contributing to the manned lunar landing. Major emphasis will be on development and test of two-man and three-man spacecraft and the Saturn series of large launch vehicles. Increases are also planned for unmanned investigations of the lunar and planetary environments, including development of the Centaur launch vehicle. Increased resources will be devoted to synchronous orbit communications satellites. Research and development on nuclear rocket propulsion and nuclear-electric power generating systems will be continued. Aeronautics research will be continued in support of civil and military requirements. Increased funds are included for the operation of the worldwide tracking and data acquisition networks to meet flight program requirements, and for facility, training, and research grants to universities.
Construction of facilities.....	251 NOA Exp.	325,752 114,282	737,425 350,000	1800,000 559,000	62,575 209,000	Increase is for additional facilities for the manned lunar landing program, including the Advanced Saturn launch complex and supporting facilities at the Launch Operations Center in Florida, additional ground test facilities, and augmentation of the tracking and data acquisition network.
Total, National Aeronautics and Space Administration.	NOA Exp.	1,824,930 1,257,048	3,673,313 2,400,000	5,712,000 4,200,000	2,038,687 1,800,000	

VETERANS ADMINISTRATION

General and special funds:						
General operating expenses	805	NOA 161,746	{ 157,619 †3,801	{ 159,750	-1,670	Reduction reflects declining workloads as well as more efficient processing of benefit payments and insurance accounts, offset in part by pay increases.
		Exp. 161,263	160,992	157,036	-3,956	
Medical administration and miscellaneous operating expenses	804	NOA 43,842	{ 13,772 †221	{ 14,982	989	Increase provides additional management improvement activities, expanded medical education and training programs, and a study of possible alternative services for chronic patients in VA hospitals.
		Exp. 40,968	17,470	14,849	-2,621	
Medical and prosthetic research	804	NOA -----	30,500	33,742	3,242	Increase permits program expansion consistent with a 10-year planned objective.
		Exp. -----	27,944	33,455	5,511	
Medical care	804	NOA 989,354	{ 1,017,817 †6,509 †25,365	{ 1,087,688	37,997	Supplemental in 1963 is for wage board increases. The 1964 estimate will complete activation of a neuropsychiatric hospital at Brecksville, Ohio; eliminate the equipment replacement backlog; activate a second pilot restoration center; improve medical facility staffing; and provide a new audiology clinic and 5 new mental health day-care centers.
		Exp. 989,495	{ 1,035,126 †6,191	{ 1,071,929 †318	30,930	
Compensation and pensions:						
(Veterans service-connected compensation)	801	NOA 2,017,483	{ 2,044,421 †40,344	{ 2,061,283	-23,482	Supplemental in 1963 partially covers \$98 million cost-of-living increase in benefit rates. Estimate in 1964 includes a like amount, but reflects a decrease primarily from deaths of World War I and World War II veterans and transfers to pension rolls.
		Exp. 2,017,483	{ 2,044,421 †40,344	{ 2,061,283	-23,482	
(Veterans non-service-connected pensions)	802	NOA 1,427,559	1,733,287	1,799,840	66,553	Increase arises primarily in caseloads among World War I veterans and among survivors of veterans of World War I and World War II.
		Exp. 1,634,730	1,736,363	1,799,840	63,477	
(Other veterans benefits and services)	805	NOA 52,458	{ 54,292 †1,656	{ 59,877	3,929	Supplemental in 1963 covers newly authorized subsistence allowances to disabled peacetime ex-servicemen undergoing vocational rehabilitation. Increase in 1964 continues the new allowances and covers increase in burial allowances.
		Exp. 52,458	{ 54,292 †1,656	{ 59,877	3,929	

†Proposed for separate transmittal, other than pay increase supplements.

††Proposed for separate transmittal, pay increase supplements.

¹To carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests	
VETERANS ADMINISTRATION—Continued						
General and special funds—Continued						
Readjustment benefits.....	803 NOA	137,500	{ 91,500 163,575 93,104 163,575 }	101,100	-53,975	
	Exp.	151,755	{ 100,300 163,575 }		-56,379	
						Supplemental in 1963 is for education and training of Korean conflict veterans, for transfer to "Loan guaranty revolving fund," and for newly authorized program for disabled peacetime ex-servicemen undergoing vocational rehabilitation. Decrease in 1964 results primarily from training and education of fewer Korean conflict veterans and a smaller transfer to "Loan guaranty revolving fund," partly offset by increased rehabilitation caseload, resulting from new legislation.
Veterans insurance and indemnities.....	805 NOA	39,200	32,000	30,200	-1,800	
Permanent, indefinite, special fund.....	805 NOA	718	760	800	40	
	Exp.	41,226	38,747	31,115	-7,632	
						Decrease results principally from phaseout of indemnities paid to survivors of veterans and servicemen deceased during the Korean conflict. Permanent NOA is premium receipts on policies issued to certain disabled veterans of World War II.
Grants to the Republic of the Philippines.....	804 NOA	1,000	{ 500 -193 }		-307	
	Exp.	351	307	51	-256	
						Under existing legislation this program terminates in 1963.
Construction of hospital and domiciliary facilities.....	804 NOA	76,250	77,000	81,000	4,000	
	Exp.	53,052	65,000	67,000	2,000	
						The proposal for 1964 provides the fourth-year increment of a 15-year \$1,200 million modernization program. Includes \$3 million for construction of medical research facilities in 1964.
Maintenance and operation of supply depots.....	805 Exp.	170				
						(Costs previously financed from this account are included under "Supply fund," below.)
Public enterprise funds:						
Canteen service revolving fund.....	805 Exp.	-353	-341	-8	333	
						(Receipts from sales of food and merchandise to hospital patients and staff will continue to exceed expenses slightly.)

Direct loans to veterans and reserves (authorization to expend from debt receipts):						
Current.....	803	NOA	350,000			
Permanent.....		NOA Exp.	150,000 92,774	200,000 111,664	150,000 92,630	-50,000 -19,034
Loan guaranty revolving fund	803	Exp.	143,522	48,683	-179	-48,862
Rental, maintenance, and repair of quarters.....	805	Exp.	1			
Service-disabled veterans insurance fund.....	805	Exp.	710	106	-129	-235
Soldiers' and sailors' civil relief	803	Exp.	142	52	18	-34
Veterans special term insurance fund.....	805	Exp.	13,795	-14,062	-19,408	-5,346
Vocational rehabilitation revolving fund.....	805	Exp.	-15	-2		2
Intragovernmental funds:						
Supply fund.....	805	Exp.	-1,932	550	95	-455
Total, Veterans Administra- tion.		NOA	5,447,110	5,453,468 { †112,084 ††29,194}	5,580,262	-14,484
		Exp.	5,391,592	5,393,171 { †111,766 ††27,245}	5,467,805 { †318 ††1,949}	-62,110

†Proposed for separate transmittal, other than pay increase supplementals.

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
OTHER INDEPENDENT AGENCIES					
ADVISORY COMMISSION ON INTER-GOVERNMENTAL RELATIONS					
General and special funds: Salaries and expenses..... 910 NOA Exp.	375 277	375 475	385 376	10 -99	This Commission brings together representatives of Federal, State, and local governments for studies of intergovernmental cooperation.
ALASKA INTERNATIONAL RAIL AND HIGHWAY COMMISSION					
Salaries and expenses..... 506 Exp.	4	1	.....	-1	(The Commission made its final report to the Congress in 1961.)
AMERICAN BATTLE MONUMENTS COMMISSION					
Salaries and expenses..... 805 NOA Exp.	1360 { 1523 +50 +10 } 1,332 { 1,550 +50 }	1820	237	Supplemental in 1963 is for wage-board pay increases. Increase in 1964 will reduce maintenance deferred from prior years.	
Construction of memorials and cemeteries..... 805 Exp.	501	400	100	-300	(Account is available only to pay old obligations.)
Total, American Battle Monuments Commission.	1,360 { 1,523 +50 +10 } 1,833 { 1,950 +50 }	1,820	237		
		1,900	-100		

650000 0-63-19

CENTRAL INTELLIGENCE AGENCY

Construction	905	Exp.	7,497	2,563	81	-2,482	(Construction will be completed with use of unexpended balances.)
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CIVIL AERONAUTICS BOARD

Salaries and expenses	508	NOA	8,887	{ 9,125 †375 }	10,800	1,300	Increases will expedite case work, improve statistical and economic support functions, and strengthen accident investigation program.
		Exp.	8,373	9,471	10,709	1,238	
Payments to air carriers:							
Contract authorization (permanent, indefinite)	501	NOA	83,469	85,411	83,193	-2,218	Airline subsidy obligations are expected to decline in 1964.
Liquidation of contract authorization.			(78,250)	{ (79,564) †3,478 }	(83,775)	(733)	(Appropriations in 1964 liquidate that part of subsidy contract obligations for which payments are due during the year.)
		Exp.	82,423	{ 80,034 †3,478 }	83,775	263	
Total, Civil Aeronautics Board.		NOA	92,355	{ 94,536 †375 }	93,993	-918	
		Exp.	90,796	{ 89,505 †3,478 }	94,484	1,501	

CIVIL SERVICE COMMISSION

Salaries and expenses	906	NOA	21,344	{ 21,329 †496 †594 }	22,180	-239	Supplemental in 1963 for non-recurring cost of furniture for new building causes apparent decrease in the 1964 estimate, which reflects increased pay costs, partly offset by increased productivity.
		Exp.	20,973	22,049	{ 22,932 †496 }	1,379	
Investigation of United States citizens for employment by international organizations	908	NOA	430	{ 430 †178 †22 }	670	40	Supplemental in 1963 is for reduction of backlog. Increase in 1964 results from expanded workloads, partially offset by increased productivity.
		Exp.	440	{ 540 †90 }	{ 527 †88 }	-15	

†Proposed for separate transmittal, other than pay increase supplementals.

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
OTHER INDEPENDENT AGENCIES—Continued					
CIVIL SERVICE COMMISSION—Con.					
General and special funds—Continued					
Annuities under special acts—906	NOA Exp.	2,248 2,023	2,000 2,016	1,888 1,900	—112 —116
Government payment for annuitants, Employees health benefits fund—906	NOA Exp.	4,500 2,877	{ 4,200 5,823 †977 } { 5,823 †977 }	9,530 9,530	4,353 2,730
Trust fund: Limitation on administrative expenses, Employees health benefits fund.		(1,074)	{ (1,074) (††27) }	(1,157)	(56)
General and special fund: Government contribution, Retired employees health benefits fund—906	NOA	19,000	8,000	14,860	1,660
Reappropriation—	NOA Exp.	13,800	5,200 13,200	14,860	1,660
Trust fund: Limitation on administrative expenses, Retired employees health benefits fund.		{ (375) (††18) }	{ (392) }	(—1)	(Decrease for printing and special mailings is partially offset by an increase in workload.)
General and special fund: Payment to Civil service retirement and disability fund—906	NOA Exp.	44,637 44,637	†30,000 †30,000	{ 62,000 †—62,000 } { 62,000 †—62,000 }	—30,000 —30,000
					Estimates are to pay costs of additional retirement benefits granted in 1963. Legislation will be proposed for permanent financing to eliminate the need for the appropriation.

Trust fund: Limitation on administrative expenses, Employee life insurance fund.	(260)	{ (255) { (†10) }	(279)	(14)	The number of insured employees is increasing, with increase in work-load.
Intragovernmental funds: Investigations (revolving fund) <u>906</u> Exp.	727	-135	12	147	(The increase reflects a change in accounts receivable between 1963 and 1964.)
Advances and reimbursements <u>906</u> Exp.	-2				(The decrease in 1962 represents unpaid obligations carried forward.)
Total, Civil Service Commission.	NOA	92,159	{ 41,159 { 31,651 { †616 43,493 { 31,067 }	{ 111,128 { †-62,000 111,761 { †-61,416 }	{ -24,298 -24,215 }
	Exp.	85,474			
COMMISSION OF FINE ARTS					
General and special funds: Salaries and expenses <u>555</u> NOA	70	{ 80 { †3 83 }	91	8	Estimate provides for pay increase costs, temporary employment, and costs of increased travel.
	Exp.	68			
COMMISSION ON CIVIL RIGHTS					
Salaries and expenses <u>908</u> NOA	888	950	1 995	45	Assumes extension of Commission activity at current staff level beyond present legal authority, which expires on Nov. 30, 1963.
Exp.	744	950	975	25	
EXPORT-IMPORT BANK OF WASHINGTON					
Public enterprise funds: Export-Import Bank of Washington fund:					
Authorization to expend from NOA debt receipts <u>152</u>		†2,000,000		-2,000,000	The \$2 billion proposed for 1963 is to continue financing U.S. exports for the next several years. Loan repayments, sales of loans under repurchase agreements, and other receipts will exceed disbursements.
Limitation on operating expenses.		(1,300,000)	(1,295,000)	(-1,295,000)	
Limitation on administrative expenses.		(3,010)	{ (3,000) { (†129) }	(3,500)	
Exp.	101,089	-223,000	-647,000	-424,000	

[†]Proposed for separate transmittal, other than pay increase supplementals.

^{††}Proposed for separate transmittal, pay increase supplementals.

¹Includes \$485 thousand to carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (—)	Explanation of NOA requests
OTHER INDEPENDENT AGENCIES—Continued					
EXPORT-IMPORT BANK OF WASHINGTON—Continued					
Public enterprise funds—Continued					
Liquidation of certain Reconstruction Finance Corporation assets	Exp. -3	-1,253	-----	1,253	(Completion of liquidation is anticipated in 1963.)
152					
Total, Export-Import Bank of Washington.	NOA Exp. 101,087	†2,000,000 -224,253	-647,000	-2,000,000 -422,747	
FARM CREDIT ADMINISTRATION					
General and special funds:					
Administrative expenses (permanent, indefinite, special fund)	NOA 2,458	2,635	2,785	150	Activity is financed by assessments collected from the banks in the farm credit system. No significant change in administrative services is contemplated. The increase in 1964 is for pay increase costs.
352					
Limitation on administrative expenses.	Exp. (2,590)	{ (2,565) ††70 } (2,785)	(2,785)	(150)	
		2,635			
352					
Public enterprise funds:					
Federal Farm Mortgage Corporation fund	Exp. -693	-----	-----	-----	(This Corporation was abolished Oct. 4, 1961.)
352					
Short-term credit investment fund	Exp. 3,535	7,300	9,500	2,200	(Expenditures represent Government investment in Federal intermediate credit banks and production credit associations.)
352					
Banks for cooperatives investment fund	Exp. -11,470	-11,980	-10,500	1,480	(Negative expenditures represent a return of capital previously invested in banks for cooperatives.)
352					
Total, Farm Credit Administration.	NOA Exp. 2,458 -6,175	2,635 -2,045	2,785 1,785	150 3,830	

**FEDERAL COAL MINE SAFETY BOARD
OF REVIEW**

General and special funds:

Salaries and expenses ----- 652 NOA
Exp. 70 58

70
70
70

70
70

Appeals and hearings are expected to remain about constant.

**FEDERAL COMMUNICATIONS
COMMISSION**

Salaries and expenses ----- 508 NOA

Exp.

12,525 { 14,486 } 16,500 1,525

13,371 { †489 } 14,200 3,000

For increased workload in regulating the broadcasting industry, special radio services, and communications common carriers; also provides for 24-hour operation of secondary monitoring stations.

FEDERAL HOME LOAN BANK BOARD

Public enterprise funds:

Federal Home Loan Bank Board
revolving fund ----- 551
Limitation on administrative
and nonadministrative ex-
penses. Exp.

(1,865) { (2,038) } (2,470) (395)
-507 { (†37) } -45 -18 27

(Expenses are paid from assessments against the Federal home loan banks, the Division of Examination and Supervision, and the Federal Savings and Loan Insurance Corporation. Administrative and supervisory expenses increase with expansion of the industry.)

Federal Savings and Loan Insur-
ance Corporation fund ----- 551
Limitation on administrative
expenses. Exp.

(965) { (1,140) } (1,335) (173)
-236,283 { (†22) } -277,732 -292,432 -14,700

(Premiums and other receipts exceed current costs. Contingent liability will be \$91 billion. Increased administration and a strengthened data collection and analysis operation will result in higher expenses.)

Home Owners' Loan Corporation
fund ----- 551 Exp.

2 2 2 -----

(Only charge is for interest on matured bonds.)

Total, Federal Home Loan
Bank Board. Exp.

-236,788 -277,775 -292,448 -14,673

†Proposed for separate transmittal, other than pay increase supplementals.

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
OTHER INDEPENDENT AGENCIES—Continued					
FEDERAL MARITIME COMMISSION					
General and special funds: Salaries and expenses..... 508 NOA Exp.	1,306 1,163	2,220 2,170	2,898 2,798	678 628	Increase in 1964 is to finance growing caseload principally related to licensing ocean freight forwarders and to regulate dual-rate contracts, conference agreements, and tariff filings.
FEDERAL MEDIATION AND CONCILIATION SERVICE					
Salaries and expenses..... 652 NOA Exp.	4,521 4,479	{ 4,953 †234 5,210	5,940 5,887	753 677	Increase will permit strengthening mediation and special consultant efforts employed in strike situations involving increasingly complex issues.
FEDERAL POWER COMMISSION					
Salaries and expenses..... 401 NOA Exp.	8,793 8,732	{ 10,626 †400 10,951	12,675 12,582	1,649 1,631	The national power survey will be completed. Backlog of natural gas producer rate cases will be reduced and regulation of interstate electric power rates strengthened.
Payments to States under Federal Power Act (permanent, indefinite, special fund)..... 401	58 54	68 58	67 68	-1 10	States receive 37.5% of license receipts from hydroelectric projects in national forests and public lands.
Total, Federal Power Commission.	8,851 8,786	{ 10,694 †400 11,009	12,742 12,650	1,648 1,641	

FEDERAL TRADE COMMISSION

Salaries and expenses.....	508	NOA	10,315	{	11,278	}	13,028	1,446	
		Exp.	9,562	{	†304 11,500	}	12,700	1,200	

Increase is primarily for expanded enforcement activity under textile and fur statutes, greater emphasis on industry guidance, and pay increase costs.

FOREIGN CLAIMS SETTLEMENT COMMISSION

Salaries and expenses.....	151	NOA	625	{	684	}	2,320	1,561	
		Exp.	613	{	†75 590 †40	}	2,190	1,595	
Payment of Philippine war damage claims.....	151	NOA		{	73,000		-73,000		
		Exp.		{	20,500		35,000	14,500	
Total, Foreign Claims Settlement Commission.		NOA	625	{	73,684	}	2,320	-71,439	
		Exp.	613	{	21,090		37,190	16,095	
				{	†75 †40	}	†35		

Supplemental in 1963 is to institute programs under the new War Claims Act. Increase in 1964 results from full-year funding of this and other new claims programs and increased activity in Polish claims program.

Payments of claims will continue at an expanded rate in 1964. A lump sum appropriation in 1963 covers the entire program.

GENERAL ACCOUNTING OFFICE

Salaries and expenses.....	904	NOA	43,000	{	43,898	}	46,850	2,172	
		Exp.	41,039	{	†780 44,340	}	46,764	2,424	

Increase is primarily for pay act costs.

HISTORICAL AND MEMORIAL COMMISSIONS

Civil War Centennial Commission.....	910	NOA	100	{	100	}	107	3	
		Exp.	93	{	†14 111	}	107	-4	
Franklin Delano Roosevelt Memorial Commission.....	910	Exp.	7		2			-2	(Additional authorizing legislation was approved Oct. 18, 1962.)

†Proposed for separate transmittal, other than pay increase supplementals.

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
OTHER INDEPENDENT AGENCIES—Continued					
HISTORICAL AND MEMORIAL COMMISSIONS—Continued					
General and special funds—Continued James Madison Memorial Commission.....	8	1	-----	-1	(The Commission's work has been completed.)
United States Territorial Expansion Memorial Commission.....	.....	4	-----	-4	(The Commission is concerned with the Jefferson National Expansion Memorial, St. Louis, Mo.)
Total, historical and memorial commissions.	NOA Exp.	100 108	{ 100 114 118 }	107 107	3 -11
INDIAN CLAIMS COMMISSION					
Salaries and expenses.....	902 NOA Exp.	280 240	{ 290 290 }	313 305	16 15
INTERSTATE COMMERCE COMMISSION					
Salaries and expenses.....	508 NOA Exp.	22,075 21,971	{ 22,603 ††944 23,154 }	25,450 25,331	1,903 2,177
Payment of loan guarantees.....	506 NOA Exp.	14,700 14,676	-----	-----	(The 1962 appropriation was to liquidate creditor claims under previously guaranteed loans.)
Total, Interstate Commerce Commission.	NOA Exp.	36,775 36,646	{ 22,603 ††944 23,154 }	25,450 25,331	1,903 2,177

NATIONAL CAPITAL HOUSING AUTHORITY

Operation and maintenance of NOA properties..... 555 Exp.

	40	40	43	3
	41	41	43	2

Increase results from wage board and classified pay costs and other cost increases for 96 low-rent housing units. Receipts (\$46 thousand in 1964) are deposited in the general fund.

NATIONAL CAPITAL PLANNING COMMISSION

Salaries and expenses..... 555 NOA

Exp.

	525	{	587	717	55
		{	†75	717	45

Supplemental in 1963 will provide for a design study for Pennsylvania Avenue. Increase in 1964 provides for pay increase costs, continuation of the Pennsylvania Avenue study, and a study of open space requirements.

Land acquisition, National Capital park, parkway, and playground system..... 555 NOA Exp.

	500	100	—100	
	61	1,795	—178	

The United States will share costs of land for parks in Maryland and Virginia and for George Washington Memorial Parkway from prior year funds. Legislation will be proposed to acquire land for the National Cultural Center.

Total, National Capital Planning Commission. NOA

Exp.

	1,025	{	687	717	—45
		{	†75	717	—133

NATIONAL CAPITAL TRANSPORTATION AGENCY

Salaries and expenses..... 555 NOA

Exp.

	921	2,893	2,200	—693
	826	2,461	2,365	—96

Studies will be reduced and employment will remain level pending action on a proposal for rapid transit for the National Capital region.

Land acquisition and construction..... 555 NOA Exp.

	1,000	400	—400	
		700	700	

Agency will acquire land for rapid transit facilities near interstate routes 66 and 95 and George Washington Memorial Parkway.

Total, National Capital Transportation Agency. NOA Exp.

	1,921	3,293	2,200	—1,093
	826	3,161	3,065	—96

†Proposed for separate transmittal, other than pay increase supplementals.

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
OTHER INDEPENDENT AGENCIES—Continued					
NATIONAL LABOR RELATIONS BOARD					
General and special funds—Continued					
Salaries and expenses.....652 NOA	19,143	{ 20,186 †820	} 23,060	2,054	Estimates reflect an increase in caseload over 1963 of 9% for unfair labor practice cases, and 8% for representation cases.
Exp.	18,623	20,762	22,848	2,086	
NATIONAL MEDIATION BOARD					
Salaries and expenses.....652 NOA	1,787	{ 1,904 †37	} 1,950	9	Estimate reflects an increase of 16% over 1963 in grievance case closings.
Exp.	1,813	1,910	1,924	14	
NATIONAL SCIENCE FOUNDATION					
Salaries and expenses.....703 NOA	263,041	322,448	589,000	266,552	Grants will be increased to develop and improve institutional science programs (threefold), to support science education (by 74%) and basic research (by 35%).
Exp.	182,765	237,879	343,000	105,121	
International Geophysical Year.....703 Exp.	—43	55	-----	—55	(This account is being closed in 1963.)
Intragovernmental funds:					
Advances and reimbursements.....703 Exp.	—32	66	-----	—66	
Total, National Science Foundation.	NOA Exp.	263,041 182,689	322,448 238,000	589,000 343,000	266,552 105,000

**OUTDOOR RECREATION RESOURCES
REVIEW COMMISSION**

General and special funds:
Salaries and expenses----- 405 NOA
Exp. 550
664 93 ----- -93

(The Commission's work has been completed.)

PARTICIPATION IN INTERSTATE-FEDERAL COMMISSIONS

Delaware River Basin Commission:
Salaries and expenses----- 401 NOA
Exp. -----

{ 32
††2
32 } 39 5

This appropriation provides for the expenses of the U.S. Commissioner, his alternate, and their staff.

Contribution to the Delaware River Basin Commission 401 NOA
Exp. 20 80 117 37

100 117 17

The amount recommended is 24.2% of the net annual expense budget as adopted for 1964 by the Commission.

Total, Delaware River Basin Commission. NOA
Exp. 20 { 112
††2
132 } 156 42

156 24

Interstate Commission on the Potomac River Basin: Contribution 555 NOA
Exp. 5 5 5 5

The United States contributes \$5 thousand annually for the Commission's efforts to reduce pollution.

Total, participation in interstate-Federal commissions. NOA
Exp. 25 { 117
††2
137 } 161 42

161 24

PRESIDENT'S ADVISORY COMMITTEE ON LABOR-MANAGEMENT POLICY

President's Advisory Committee on Labor-Management Policy 652 NOA
Exp. 200 { 300
††5
292 } 312 7

313 21

Increase is for higher pay costs.

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
OTHER INDEPENDENT AGENCIES—Continued					
RAILROAD RETIREMENT BOARD					
General and special funds—Continued					
Payment to railroad unemployed NOA	10,000				
ment insurance account.....	7,000				
Exp.					(Program of temporary extended benefits has expired.)
Payment for military service NOA			†11,658	11,658	
credits (proposed legislation) Exp.			†11,658	11,658	
655					Estimate is first of proposed 10 annual installments to pay amount due the account for military service of railroad workers.
Trust fund:					
Limitation on salaries and ex- penses.	(9,740)	{ (9,640)	(10,900)	(980)	(Claims from railroad workers and numbers of beneficiaries are ex- pected to increase. Rented equipment will be purchased.)
} (†280)					
RENEGOTIATION BOARD					
General and special funds:					
Salaries and expenses.....	904	NOA			
Exp.	2,891		2,650	204	
	2,591		2,640	280	
SAINT LAWRENCE SEAWAY DEVELOP- MENT CORPORATION					
Public enterprise funds:					
Saint Lawrence Seaway Develop- ment Corporation fund.....	502				
Limitation on administrative ex- penses.	Exp.	(425)	(429)	(15)	(Operating costs, interest, and some additional construction will be financed from revenues of \$4.9 million and borrowing of \$1.8 million from Treasury.)
	536	3,000	1,800	-1,200	

**SECURITIES AND EXCHANGE
COMMISSION**
General and special funds:

Salaries and expenses-----508 NOA 11,374 { 12,730 } 14,400 1,184 Increases emphasis on investigations and enforcement, provides more frequent inspection of investment companies, and includes pay increase costs; special study of securities markets terminates in 1963.
Exp. 10,988 13,100 14,700 1,600

SELECTIVE SERVICE SYSTEM

Salaries and expenses-----059 NOA 36,980 { 37,432 } 38,140 572 Increase is principally increased pay costs and larger workloads. Registrations will increase 1.3% to 1,526 thousand.
Exp. 35,097 37,353 38,274 921

SMALL BUSINESS ADMINISTRATION

Salaries and expenses-----506 NOA 7,050 { 5,713 } 7,350 1,448 Increase provides for expansion of management, technical, and procurement assistance to small businesses and for increase in research.
Limitation to be derived from revolving fund. (18,947) (27,500) (29,400) (1,900) (Expansion of financial assistance (through the revolving fund) will require greater administrative expenses.)

Limitation to be derived from trade adjustment loan activities. ----- (50) (100) (50) (The supplemental limitation is for administrative expenses of initiating the newly authorized trade adjustment loan assistance program. Increase in 1964 is for full-year administrative costs.)

Limitation derived from Reconstruction Finance Corporation liquidation fund. (393) ----- (Balance of this fund has been transferred to revolving fund, and administrative expenses are now financed from that fund.)

Exp. 6,825 5,424 7,041 1,617
Trade adjustment loan assistance-----506 NOA ----- { 3,000 } 8,000 5,000 Supplemental in 1963 will provide loan funds for this newly authorized program. Increase in 1964 will fund the program on a full-year basis.
Exp. ----- { 2,300 } { 6,700 } 5,100

Grants for research and management counseling (indefinite, special fund)-----506 Exp. 445 538 ----- -538 (Old obligations will be fully liquidated by 1964.)

Public enterprise funds:

Revolving fund-----506 NOA 220,000 300,000 200,000 -100,000 Higher repayments and unreserved funds carried forward from 1963 will permit expanding programs with reduced appropriations in 1964.
Exp. 223,715 205,128 247,807 42,679

†Proposed for separate transmittal, other than pay increase supplementals.

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
OTHER INDEPENDENT AGENCIES—Continued					
SMALL BUSINESS ADMINISTRATION—Continued					
Public enterprise funds—Continued Reconstruction Finance Corporation liquidation fund.....	506 Exp.	-938	40	-----	-40 (Balance has been transferred to preceding fund.)
Intragovernmental funds: Advances and reimbursements	506 Exp.	-102	-1	-----	1
Total, Small Business Administration.	NOA	227,050	305,713 †3,000 ††189	215,350	-93,552
	Exp.	229,944	211,129 †2,300	261,548 †700	48,819
SMITHSONIAN INSTITUTION					
General and special funds: Salaries and expenses.....	704 NOA	9,097	10,840 ††169	13,324	2,315 Provides for pay increase costs, expenses related to opening of the new Museum of History and Technology, occupancy of the east wing of the Natural History Building, and broadened scientific programs.
	Exp.	8,452	10,278	12,704	2,426
Additions to the Natural History Building.....	704 NOA	4,336	5,272	3,280	-501 (Rehabilitation and modernization financed in prior years will be completed in 1964.)
Remodeling of Civil Service Commission Building.....	704 NOA	400	58	288	6,465 3,394 3,106 This building, to be transferred to the Institution in 1964, will house the National Portrait Gallery and the National Collection of Fine Arts.
Construction and improvements, National Zoological Park.....	704 NOA	1,275	1,000	1,736 1,711	461 711 Provides for replacement of exhibits, new service area, additional parking, road improvements, extension of utilities, and planning.

National Air Museum.....	704	NOA Exp.		511 400	511 400	The Institution will undertake preliminary planning for a National Air Museum.
Museum of History and Tech- nology.....	704	Exp.	9,867	9,000	1,054	-7,946 (Completion of the building, with balances of prior NOA, is scheduled for 1963).
Salaries and expenses, National Gallery of Art.....	704	NOA Exp.	1,932 1,944	{ 2,054 1149 2,065 }	2,138 2,123	35 58
Intragovernmental funds: Advances and reimbursements, Smithsonian Institution.....	704	Exp.	-81	47	18	-29
Total, Smithsonian Institu- tion.		NOA Exp.	15,765 25,512	{ 14,169 11218 26,459 }	24,174 24,684	9,787 -1,775
SUBVERSIVE ACTIVITIES CONTROL BOARD						
General and special funds: Salaries and expenses.....	908	NOA Exp.	395 331	395 415	448 450	53 35
TARIFF COMMISSION						
Salaries and expenses.....	151	NOA Exp.	2,760 2,641	2,950 2,940	3,375 3,348	425 408
TAX COURT OF THE UNITED STATES						
Salaries and expenses.....	904	NOA Exp.	1,750 1,683	{ 1,784 1145 1,827 }	1,893 1,911	64 84

†Proposed for separate transmittal, other than pay increase supplementals.

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
OTHER INDEPENDENT AGENCIES—Continued					
TENNESSEE VALLEY AUTHORITY					
Public enterprise funds:					
Tennessee Valley Authority fund:					
Power proceeds and revenue bonds.....	65,524	30,500	17,000	-13,500	(Power revenue of \$290 million, together with \$50 million from revenue bonds and \$15 million borrowing from the U.S. Treasury, will be used to finance power operations and a \$137 million investment in power facilities, including starting 500-kv. interconnections with the transmission network of Mississippi Power and Light Co. Payments to the general fund will include \$10 million for reduction of investment and a dividend of \$38.2 million. Returns to the general fund and revenue bond proceeds do not affect net expenditures.)
Appropriations and nonpower proceeds.....	38,203 37,445	35,071 39,500	44,284 42,200	9,213 2,700	An appropriation of \$44.3 million and \$27.6 million of other receipts will finance all operating costs except power operations and provide \$31.1 million for construction of navigation, chemical, and other non-power facilities. Increases are for additional operating expenses and for added capital outlay, including commencing a new lock at Hales Bar Dam and flood-control facilities, at Bristol, Va.
Total, Tennessee Valley Authority.....	38,203 102,969	35,071 70,000	44,284 59,200	9,213 -10,800	
UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY					
General and special funds:					
Arms control and disarmament activities.....	1,831 1,033	6,500 4,600	1 15,000 11,500	8,500 6,900	Increase provides planned expansion of Agency staff and contractual research.

UNITED STATES INFORMATION AGENCY

650000 O-63-20	Salaries and expenses	153	NOA	111,465	120,436 †750 ††2,100	146,550	23,264	The supplemental in 1963 is for a Latin American book translation program. Increase will provide \$12.4 million for the expansion of overseas programs and related media expenses principally in Latin America, Far East, and Africa and \$4.8 million for support of worldwide television, motion picture, press and publications and information center activities. Radio programing and facility operations will be increased \$4.1 million.
	Exp.			111,854	119,650 †250	141,000 †500	21,600	
20	Salaries and expenses (special foreign currency program)	153	NOA	9,300	8,500	11,950	3,450	Currencies excess to U.S. needs supplement the appropriation immediately above and are used to pay local expenses.
	Exp.			7,948	9,500	11,700	2,200	
20	Special international exhibitions	153	NOA	8,000	7,600	7,230	-370	Estimate covers 19 exhibits at international fairs, 11 labor missions, and special purpose exhibitions for the Soviet Union, East Europe, São Paulo, and Venice.
	Exp.			8,882	7,357	6,803	-554	
20	Special international exhibitions (special foreign currency program)	153	NOA	250	375	500	125	Currencies excess to U.S. needs supplement the appropriation immediately above and are used to pay local expenses.
	Exp.			737	809	497	-312	
20	Acquisition and construction of radio facilities	153	NOA	10,750	10,350 †9,600	46,000	26,050	Supplemental in 1963 is for first-year allocations for a Far East short-wave transmitting facility. Estimate in 1964 is largely for new transmitting facilities in the Far East and Eastern Mediterranean.
	Exp.			16,300	19,000 †1,000	12,284 †2,000	-5,716	
20	Philippine-American Cultural Foundation	153	Exp.	1,366	-----	-----	-----	(Funds were granted to the Philippine-American Cultural Foundation for construction and equipment of a binational center building.)
	Informational media guarantee fund	153	NOA	1,500	1,000	5,000	4,000	
20	Informational media guarantee fund	153	Exp.	1,383	2,942	2,430	-512	Estimate will allow the issuance of \$6.7 million in guarantees, an increase of \$2.2 million over 1963, as well as extension of the program to new countries in the Near East, Latin America, and the Far East.
	Total, United States Information Agency.		NOA	141,265	148,261 †10,350 ††2,100	217,230	56,519	
20			Exp.	148,469	159,258 †1,250	174,714 †2,500	16,706	

† Proposed for separate transmittal, other than pay increase supplementals.

†† Proposed for separate transmittal, pay increase supplementals.

1 Includes \$13,331 thousand to carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
OTHER INDEPENDENT AGENCIES—Continued					
U.S. STUDY COMMISSION—SOUTH-EAST RIVER BASINS					
General and special funds:					
Salaries and expenses..... 401 NOA Exp.	1,380 1,270	552 1,006	32	-552 -974	Final report is to be submitted in 1963.
U.S. STUDY COMMISSION—TEXAS					
Salaries and expenses..... 401 NOA	540			-237	
Reappropriation..... NOA Exp.		237 485	128	-128	Final report was submitted to the President on May 28, 1962. The Commission ceased to exist on Aug. 28, 1962.
Total, Other Independent Agencies.	1,087,948	1,242,749 †2,045,201 ††8,204 560,803 †38,250 ††7,678	1,531,802 †-50,342 400,970 †-46,513 ††526	-1,814,694	
	936,737			-251,748	
DISTRICT OF COLUMBIA					
General and special funds:					
Federal payment to District of Columbia..... 555 NOA Exp.	32,753	32,899	{ 34,868 †21,000 34,868 †21,000 }	22,969	Amount of \$32 million is to help defray expenses of the government of the District and \$2.9 million is for water and sewer services to the Federal Government. Supplemental in 1964 will be authorized by legislation to base the payment on a formula reflecting impact of the Federal Government on the District.

Loans to District of Columbia for capital outlay, general fund.....	NOA Exp.	20,400 17,000	18,700 10,000	†3,100 20,000	-15,600 10,000	Loans are 30-year-interest-bearing, to assist in constructing facilities. Supplemental in 1964 will be authorized by legislation for additional borrowing from the Treasury.
Loans to District of Columbia for capital outlay, highway fund.....	NOA Exp.	1,600 21,500	1,600 15,000	438	-1,600 -14,562	Loans are 30-year-interest-bearing, to assist highway construction. No new loans are contemplated in 1964.
Loans to District of Columbia for capital outlay, water fund.....	Exp.	2,750	3,700	900	-2,800	Loans are 30-year-interest-bearing, to assist water system construction. No new loans are contemplated in 1964.
Loans to District of Columbia for capital outlay, sanitary sewage works fund.....	NOA Exp.	8,600 1,750	3,242 5,800	8,000 3,600	4,758 -2,200	New 30-year-interest-bearing loans in 1964 will continue assistance for construction of separate storm drainage and sanitary sewers.
Federal contributions and loans to the Metropolitan area sanitary sewage works fund.....	NOA Exp.	2,800 1,250	18,000	5,750	-2,800 -12,250	No appropriation is requested in 1964. Previously authorized contribution (\$3 million) and loans (\$25 million) will continue work in 1964.
Repayable advances to the District of Columbia general fund (permanent indefinite).....	NOA Exp.	3,000 -5,000	-3,000		3,000	Temporary advances are made to avoid sale of investments, with later repayments. No advance is contemplated in 1964.
Advances to stadium sinking fund, Armory Board (permanent, indefinite authorization to expend from debt receipts).....	NOA Exp.	416 416	359 359	-775	-359 -1,134	Advances are made to meet interest payments on bonds which cannot be met from receipts. No advance is contemplated but repayment with interest will occur in 1964.
Total, District of Columbia.....	NOA Exp.	65,169 72,419	59,600 82,758	{ 42,868 †24,100 64,781 †21,000 }	7,368 3,023	

†Proposed for separate transmittal, other than pay increase supplementals.

††Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (—)	Explanation of NOA requests
ALLOWANCES FOR COMPARABILITY PAY ADJUSTMENT AND CONTINGENCIES					
Allowances, undistributed:					
Comparability pay adjustment	NOA Exp.		†200,000	200,000	Legislation will be proposed to provide for civilian pay scales more closely comparable with private employment.
			†200,000	200,000	
Contingencies	NOA Exp.	†100,000 †75,000	†250,000 †175,000	150,000 100,000	The allowance for contingencies is to cover unforeseen needs and smaller items of proposed legislation. Specific supplemental estimates will be transmitted as the need arises.
Total allowances	NOA Exp.	†100,000 †75,000	†450,000 †375,000	350,000 300,000	
GRAND TOTALS—ADMINISTRATIVE BUDGET					
Total new obligational authority	92,862,309	{ 99,276,029 †3,521,744 ††394,235 }	104,749,744 †3,177,468 }	4,735,204	
Expenditures:					
Subtotal	88,419,442	{ 93,707,871 †875,118 ††373,704 }	97,583,736 †1,877,339 ††20,531 }	4,524,913	
Interfund transactions (—)	—632,656	—646,132	—679,243	—33,111	
Total expenditures	87,786,786	94,310,561	98,802,363	4,491,802	

† Proposed for separate transmittal, other than pay increase supplementals.

†† Proposed for separate transmittal, pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
TRUST FUNDS					
LEGISLATIVE BRANCH					
Library of Congress: Gift and trust fund income accounts.....	700	NOA Exp.	1,442 1,351	1,377 1,440	1,377 1,467
					27
THE JUDICIARY					
Judicial survivors annuity fund.....	650	NOA Exp.	613 392	660 410	690 440
					30 30
FUNDS APPROPRIATED TO THE PRESIDENT					
Agency for International Development trust funds:					
Contract authorization.....	150	NOA	777,433	723,000	735,000
Other receipts appropriated: 050	NOA	91,445	138,000	218,000	12,000
150	NOA	1,389	3,000	3,000	80,000
Receipts to liquidate contract authorization: 050	Exp.	(263,499)	(430,000)	(500,000)	(70,000)
150	Exp.	360,909	435,000	571,000	136,000
		1,961	2,421	2,515	94
Peace Corps gifts and donations.....	150	NOA Exp.	19 15	66 63	73 73
					7 10
Total, funds appropriated to the President.....	NOA Exp.	870,286 362,885	864,066 437,484	956,073 573,588	92,007 136,104
DEPARTMENT OF AGRICULTURE					
Miscellaneous contributed funds.....	350	NOA Exp.	23,647 57,254	25,379 25,727	26,158 26,764
					779 1,037
Farmers Home Administration trust revolving fund.....	350	Exp.	918	-464	336
					800
(Funds of 39 States are administered in insured loan programs within those States.)					

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
TRUST FUNDS—Continued						
DEPARTMENT OF AGRICULTURE— Continued						
Forest Service: cooperative work and contributed funds	400 NOA Exp.	22,689 18,536	23,695 19,858	24,945 20,867	1,250 1,009	Advances from others are used in cooperative work, such as reforestation, in forests and on land adjacent to forests.
Total, Department of Agriculture.	NOA Exp.	46,336 76,708	49,074 45,121	51,103 47,967	2,029 2,846	
DEPARTMENT OF COMMERCE						
Bureau of Public Roads highway trust fund: 500						
Contract authorization	NOA	3,355,003	3,580,000	3,705,000	125,000	Contract authorization granted by Congress is explained in non-add entry under Administrative Budget items for Commerce above.
Current appropriation	NOA		2,000	500	-1,500	Receipts of the fund liquidate portions of the contract authorization. Proposed legislation will shift aviation and motorboat gas tax revenues to General Fund. Expenditures are mainly in form of grants to States, with \$40.6 million in 1964 for administration and research and \$1.8 million for improvement of Pentagon road network.
Receipts to liquidate contract authorization and finance current appropriation: (Excise taxes)		(2,948,690)	(3,212,000)	(3,319,000)	(94,000)	
				(†-13,000)		
(Interest on investments)	Exp.	(6,772)	(12,000)	(4,000)	-(8,000)	
		2,783,864	3,000,000	3,391,000	391,000	
Bureau of Public Roads international trust funds	150 NOA Exp.	4,146 5,640	4,200 4,201	4,200 4,200	-1	Advances from other countries are used for cooperative work and technical assistance.
Miscellaneous trust funds	500 NOA Exp.	6,930 32,785	6,935 18,828	5,664 6,274	-1,271 -12,554	Advances from States, local governments, and non-governmental interests are used for special services requested by those who pay.
Total, Department of Commerce.	NOA Exp.	3,366,079 2,822,289	3,593,135 3,023,029	3,715,364 3,401,474	122,229 378,445	

DEPARTMENT OF DEFENSE— MILITARY FUNCTIONS						
Miscellaneous trust funds.....	050	NOA Exp.	5,172 4,947	5,113 4,742	5,081 4,754	—32 12
DEPARTMENT OF DEFENSE—CIVIL FUNCTIONS						
Corps of Engineers advances and contributed funds.....	400	NOA Exp.	17,255 15,677	21,821 26,000	16,690 20,700	—5,131 —5,300
U.S. Soldiers Home, receipts appropriated:						
Current appropriation.....	800	NOA	6,155	6,280	6,622	342
Permanent appropriation.....		NOA Exp.	3	3	3	
			8,552	7,347	6,803	—544
U.S. Soldiers Home trust revolving fund.....	800	Exp.	—4	—	—	—
Total, Department of Defense—Civil Functions.		NOA Exp.	23,413 24,226	28,104 33,347	23,315 27,503	—4,789 —5,844
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE						
Federal old-age and survivors insurance trust fund.....	650	NOA	(11,995,968)	(13,780,810)	(15,568,910)	(1,788,100)
Receipts appropriated:						
(Employment taxes).....		NOA	10,585,022	12,289,000	13,884,000	1,595,000
(Deposits by States).....		NOA	869,621	973,000	1,100,000	127,000
(Interest on investments).....		NOA	539,049	516,325	519,438	3,113
(Payment for military service credits.).....		NOA	—	—	†62,700	62,700
(Other).....		NOA	2,276	2,485	2,772	287

Receipts include gifts, donations and bequests, used for the purposes specified. Funds also include ships' stores profits used for benefit of naval personnel, and the USS *Arizona* memorial fund.

Advances and contributions from local interests are used in construction and maintenance work. Unused balances are returned.

Receipts include fines, forfeitures and pay stoppages of Army and Air Force enlisted personnel. Current appropriations are for maintenance and capital outlay. Receipts unappropriated are (in thousands): 1962—\$3,923; 1963—\$3,616; 1964—\$3,221. Refunds are permanently authorized.

(Fund finances certain supply inventories of the Home.)

The Social Security program provides insurance against the loss of income by retirement, disability or death. Receipts are primarily from taxes on employers, employees, and self-employed. Receipts not immediately needed are invested at interest in U.S. securities until payments exceed receipts. Increase in receipts is largely caused by rate increase on January 1, 1963. In addition to receipts shown in 1962, \$15,000 thousand received in taxes were unappropriated at year end, but required no congressional action.

†Proposed for separate transmittal, other than pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
TRUST FUNDS—Continued					
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued					
Federal old-age and survivors insurance trust fund—Continued					
Expenditures:	Exp.	(13,270,183)	(14,518,345)	(15,330,624)	(812,279)
(Benefit payments).....		12,657,835	13,865,000	14,648,000	783,000
(Administrative expenses and construction).....		251,560	268,345	296,624	28,279
(Payment to Railroad Retirement Board).....		360,788	385,000	386,000	1,000
Disability insurance trust fund—650	NOA	(1,090,822)	(1,140,856)	(1,176,838)	(35,982)
Receipts appropriated:					
(Employment taxes).....		943,542	991,000	1,028,000	37,000
(Deposits by States).....		77,324	81,000	82,000	1,000
(Interest on investments).....		69,956	68,856	66,138	-2,718
(Payment for military service credits).....				700	700
Expenditures:	Exp.	(1,088,537)	(1,246,268)	(1,319,050)	(72,782)
(Benefit payments).....		1,011,376	1,167,000	1,231,000	64,000
(Payment to Railroad Retirement Account).....		11,030	10,000	10,000	—
(Administrative expenses).....		66,131	69,268	78,050	8,782
Miscellaneous trust funds—650	NOA	512	722	304	-418
	Exp.	268	832	548	-284
Total, Department of Health, Education, and Welfare.	NOA	13,087,301	14,922,388	16,682,652	1,823,664
	Exp.	14,358,987	15,765,445	16,650,222	884,777

DEPARTMENT OF THE INTERIOR

Indian tribal funds	400	NOA Exp.	79,060 63,973	62,279 62,658	60,389 74,460	3,793 11,802	Certain funds of Indian tribes are maintained in trust and administered by the Secretary for their benefit. Of receipts in 1962, \$1,571 thousand were unappropriated at year end. In 1963, \$5,683 thousand of prior year receipts are appropriated in addition to current receipts, without further congressional action.
Miscellaneous trust funds	400	NOA Exp.	14,955 13,966	10,030 13,611	9,181 9,790	-849 -3,821	Contributions, donations, and receipts from certain sources by law, are used for specified purposes or for the work of the Department.
Total, Department of the Interior.		NOA Exp.	94,014 77,939	72,309 76,269	69,570 84,250	2,944 7,981	
DEPARTMENT OF JUSTICE							
Alien property trust revolving funds	Exp.		5,440	33,404	56,659	23,255	(Seized property of belligerent nations or their nationals is liquidated and used for payment of claims and settlements.)
150							(Profits from sale of sundries in prison commissaries are used for the benefit of prison inmates.)
Federal prison system trust revolving fund	Exp.		-28				
Total, Department of Justice.	Exp.		5,411	33,404	56,659	23,255	
DEPARTMENT OF LABOR							
Unemployment trust fund:	650	NOA	(3,985,001)	(4,041,762)	(4,288,017)	(246,255)	The fund combines financial activities of the Federal-State and railroad unemployment systems. Payroll taxes of employers are the principal source of receipts. States and the Railroad Retirement Board draw upon the funds to pay weekly benefits to unemployed eligibles. Anticipated legislation would increase employer contributions for railroad unemployment to fully fund requirements, and other proposed legislation will improve benefits under the Federal-State system. In addition to receipts shown, \$371 thousand were unappropriated at year end, but required no congressional action.
Receipts appropriated:							
(Deposits by States)	NOA		2,728,617	2,775,000	2,770,000	-5,000	
(Federal unemployment taxes)	NOA		452,266	945,280	1,098,308	153,028	
(Railroad unemployment insurance—taxes)	NOA		147,111	152,000	{ 158,000 +2,000 }	8,000	
(Railroad unemployment insurance—other)	NOA		116,618	60,000	43,400	-16,600	
(Advance from revolving fund)	NOA		34,912	-86,412		86,412	
(Interest on investments)	NOA		172,555	195,894	216,309	20,415	
(Advances for temporary unemployment compensation)	NOA		332,922				

[†]Proposed for separate transmittal, other than pay increase supplementals.

¹ Includes wives under retirement age who have children in their care.

² Includes children of retired workers.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
TRUST FUNDS—Continued					
DEPARTMENT OF LABOR—Continued					
Unemployment trust fund—Con.					
Expenditures:	Exp.	(3,906,391)	(3,750,030)	(3,769,557)	(19,527)
(Withdrawals by States).....	Exp.	2,856,583	2,700,000	2,550,000	-150,000
(Railroad unemployment benefits).	Exp.	201,622	165,000	155,000	-10,000
(Federal extended benefits).....	Exp.	486,699	367,959	170,000	170,000
(Administrative expenses).....	Exp.			440,600	72,641
(Temporary extended unemployment compensation benefits).	Exp.	313,220	122		-122
(Repayment of advances for temporary extended benefits).	Exp.		468,000	310,000	-158,000
(Repayment of advances from Railroad retirement fund).	Exp.	24,825	20,000	20,000	
(Other).....	Exp.	23,442	28,949	123,957	95,008
Bureau of Employees' Compensation trust funds.....	NOA 900 Exp.	36 21	35 146	35 35	-111
Miscellaneous trust funds.....	650 NOA Exp.	36 36	44 29	28	-44 -1
Total, Department of Labor.....	NOA Exp.	3,985,073 3,906,448	4,041,841 3,750,205	4,286,052 3,599,620 170,000	246,211 19,415

The number of persons receiving benefits during 1962 (in thousands) was 6,316; the estimate for 1963 is 6,068, and for 1964, 5,940.

Receipts are from employers on the deaths of employees without eligible survivors, and from fines and penalties. Payments include certain permanent disability cases and rehabilitation maintenance benefits.

Includes advances from others for labor statistics studies and the administration of District of Columbia Workmen's Compensation Fund.

DEPARTMENT OF STATE

Foreign service retirement and disability fund: 650	NOA	(10,270)	(7,978)	(8,353)	(375)	A retirement and disability system for Foreign Service officers and most Foreign Service staff officers and employees is maintained. Employing agencies match employee payments of 6½% of basic salaries. Approximately 1,228 annuitants will be receiving benefits at the end of 1964. Fund balances are invested in interest-bearing U.S. securities.
Receipts appropriated: (Employing agency contributions.)	NOA	2,853	3,082	3,244	162	
(Deductions from salaries) -----	NOA	6,048	3,346	3,509	163	
(Interest on investments) -----	NOA Exp.	1,369 5,525	1,550 7,213	1,600 8,140	50 927	
Miscellaneous trust funds-----150	NOA Exp.	372 386	103 154	25 98	-78 -56	Funds advanced by other Governments for educational exchange, and gifts and bequests are used as intended.
Total, Department of State-----	NOA Exp.	10,642 5,911	8,081 7,367	8,378 8,238	297 871	
TREASURY DEPARTMENT						
National defense conditional gift fund-----050	NOA Exp.	6 11	-----	-----	-----	(Gifts for national defense are available for payment to the appropriation accounts most suitable for intended use.)
Foreign claims funds-----150	NOA Exp.	363 1,702	5,700 6,442	3,800 4,028	-1,900 -2,414	Polish and Rumanian funds will receive \$1,900 thousand each, for claims settled by the Foreign Claims Settlement Commission.
Coast Guard gift fund-----500	NOA Exp.	7 6	7 7	7 7	-----	Gifts and bequests are used for Coast Guard training as specified by the donors.
Miscellaneous trust funds-----900	NOA Exp.	15,143 16,174	16,235 16,256	17,517 18,448	1,282 2,192	Customs receipts collected in Puerto Rico and Virgin Islands are returned to those areas (\$16.8 million in 1964). Other trust receipts are used appropriately. Receipts unappropriated, but requiring no further congressional action, are (in thousands): 1962—\$321; 1963—\$104; 1964—\$104.
Total, Treasury Department-----	NOA Exp.	15,519 17,895	21,942 22,705	21,324 22,483	-618 -222	
FEDERAL AVIATION AGENCY						
Miscellaneous trust funds-----500	Exp.	135	52	-----	-52	(State, local, and private advances for air navigation facilities, in prior years, are used as intended.)

†Proposed for separate transmittal, other than pay increase supplementals.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
TRUST FUNDS—Continued					
GENERAL SERVICES ADMINISTRATION					
National Archives trust revolving fund.....	900 Exp.	-25	-28	-19	9 (Microfilm and reproduction service and admission fees to 3 Presidential libraries are used for operations.)
Miscellaneous trust funds.....	900 NOA Liquidation of contract authorization.	64 (3,714) 3,515	50 (2,193) 2,513	36	-50 (-2,193) -2,477 Receipts from the FDIC liquidate authority for GSA to construct a \$7 million building in Washington. Grants from foundations (NOA in 1962 and 1963) are used for historical research.
Total, General Services Administration.	NOA Exp.	64 3,490	50 2,485	17	-50 -2,468
HOUSING AND HOME FINANCE AGENCY					
Federal National Mortgage Association secondary market operations, trust revolving funds.....	550 NOA Authorizations to expend corporate debt receipts.	251,357 316,736	170,000 250,000	203,000 485,000	33,000 235,000 Program is planned at \$1 billion level for 1964, mainly mortgage purchases and loans. Receipts of \$0.5 billion include mortgage transactions and other income. Borrowing of \$410 million in debentures is planned. Government equity of \$198.5 million will compare with private equity of \$128.9 million at year end.
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION					
Gifts and donations.....	250 NOA	1			(Unconditional gifts and donations are kept for use in discretion of agency.)

VETERANS ADMINISTRATION

Life insurance funds.....	800	NOA	(718,176)	(734,792)	(728,151)	(-6,641)	
Receipts appropriated:							
(Premiums and other operating receipts.)		NOA	500,879	515,526	512,548	-2,978	
(Payments from general and special funds.)		NOA	7,051	9,790	8,750	-1,040	
(Interest on investments).....	800	NOA Exp.	210,246 722,594	209,476 869,572	206,853 546,243	-2,623 -323,329	
Miscellaneous trust funds.....	800	NOA Exp.	1,905 1,709	1,922 1,920	1,920 2,010	-2 90	
Total, Veterans Administra- tion.		NOA Exp.	720,081 724,304	736,714 871,492	730,071 548,253	-6,643 -323,239	
OTHER INDEPENDENT AGENCIES							
American Battle Monuments Com- mission contributed fund.....	800	NOA Exp.	4 3	4 4	3 3	-1 -1	Contributions for flowers and for repair of private war memorials are used as intended.
Civil Service Commission: Civil service retirement and disability fund.....	650	NOA	(2,075,256)	(2,152,066)	(2,330,529)	(178,463)	Most civilian workers are covered by this fund. Employee and employing agency each pay 6 1/2% of basic salaries. About 692 thousand persons are expected to be on annuity rolls by June 1964. Fund balances are invested in U.S. securities. Receipts shown include under Contributions \$44,637 thousand in 1962 and \$30,000 thousand in 1963 from general fund under Public Laws 85-465 and 87-793. Legislation is recommended to authorize payments of increased annuities from the retirement and disability fund in 1964.
Receipts appropriated:							
(Employing agency contribu- tions.)		NOA	851,251	881,396	951,283	69,887	
(Deductions from salaries).....	650	NOA	851,145	881,396	951,283	69,887	
(Voluntary contributions, etc.)		NOA	57,012	42,000	12,000	-30,000	
(Interest on investments).....	650	NOA Exp.	315,848 1,057,644	347,274 1,219,000	415,963 1,345,488	68,689 126,488	
Civil Service Commission trust re- volving funds.....	650	Exp.	-81,209	-41,917	-70,233	-28,316	Employees health benefit fund will have 2,058,000 participants; employees life insurance fund 2,200,000, and retired employees health benefits fund, 235,000.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (—)	Explanation of NOA requests
TRUST FUNDS—Continued					
OTHER INDEPENDENT AGENCIES— Continued					
Federal Communications Commission trust revolving fund.....500	Exp. -11				(Fund is used as clearinghouse for settlements with foreign governments on radiotelephone and radiotelegraph messages.)
Foreign Claims Settlement Commission war claims fund.....150	NOA Exp. 71	24,250 560	47,500 55,000	23,250 54,440	Alien Property fund receipts are appropriated here for claims under the General War Damage Claims Act.
General Accounting Office trust fund.....900	NOA Exp. 5 2	2 4	2 3	-1	Proceeds from estates of American citizens who die abroad are held for the legal claimants.
Historical and Memorial Commissions: Civil War Centennial Commission, donations.....900	Exp. -----	1		-1	(Donations are used under the terms received.)
National Capital Housing Authority trust revolving fund.....550	Exp. 111	57	-220	-277	(Activity of \$18.4 million involves 10,000 housing units.)
National Capital Planning Commission contributed fund.....550	NOA Exp. 11	677 396	611	-677 215	One-half the cost of land for the George Washington Memorial Parkway is contributed by Maryland and Virginia.
National Science Foundation donations.....700	NOA Exp. 2 1	1	1		Donations are used for the purposes intended by the donors.

Railroad Retirement Board: Railroad retirement account	NOA	(1,080,710)	(1,111,300)	(1,218,958)	(107,658)	The Railroad Retirement system serves as a combined social insurance and staff retirement system for workers in the railroad industry. Proposed legislation which increases contributions by railroad employees and employers is the principal reason for increase in receipts. The fund makes loans to the Railroad unemployment insurance account in the Unemployment trust fund; these are repaid later at 3% interest. Anticipated legislation would reduce need for these loans. Fund balances are invested in interest-bearing U.S. securities.
Receipts appropriated:						The number receiving monthly benefits at the end of each fiscal year is as follows (in thousands):
(Employment taxes)		564,264	580,000	{ 620,000 †50,000 }	90,000	
(Interest on investments)		107,413	107,500	112,000	4,500	
(Repayment of advances for unemployment insurance)		24,825	20,000	20,000		
(Payment from OASI trust fund)		360,788	385,000	386,000	1,000	
(Payment from Federal disability insurance trust fund)		11,030	10,000	10,000		
(Payment for military service credits)				†11,658	11,658	
(Other)		12,390	8,800	9,300	500	
Expenditures:	Exp.	(1,134,644)	(1,111,865)	(1,098,800)	(-13,065)	
(Benefit payments)		1,023,952	1,050,000	1,075,000	25,000	
(Administrative expenses)		9,222	9,865	10,800	935	
(Advances for unemployment insurance)		101,470	52,000	13,000	-39,000	
Smithsonian Institution trust fund	NOA	16	15	15		1962 actual estimate
	Exp.	14	15	15		1963 estimate
Tax Court of the United States trust fund	NOA	26	30	30		1964 estimate
	Exp.	2	16	16		
U.S. Information Agency trust funds	NOA	31	84	103	19	
	Exp.	76	86	109	23	
Total, Other independent agencies	NOA	3,156,050	3,288,429	{ 3,535,483 †61,658 }	308,712	
	Exp.	2,111,361	2,290,088	2,429,593	139,505	
DISTRICT OF COLUMBIA						
District of Columbia receipts appropriated:						
Current appropriations	NOA	550				
Permanent appropriations	NOA					
	Exp.					
		317,290	{ 335,813 †7,045 }	354,692 †30,596	42,096	
		1,042	1,029	695		
		333,529	388,161	{ 382,121 †18,283 }	12,243	

†Proposed for separate transmittal, other than pay increase supplementals.

Retired individuals	475	482	486
Disabled, and their dependents	99	99	99
Survivors	268	274	280

Donations, subscriptions, and fees are used for part of cost of the Canal Zone Biological Area.

Judges pay 3% (currently \$10 thousand), and the Government pays the remainder (\$20 thousand) to finance survivors annuity system.

Business concerns contribute toward trade fair and solo exhibits. Sale of films is also financed here.

Funds of the municipal government are accounted for through U.S. Treasury as trust funds. Congressional appropriations of municipal funds are required currently for most municipal activities.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code	1962 enacted	1963 estimate	1964 estimate	Increase or decrease (-)	Explanation of NOA requests
TRUST FUNDS—Continued					
DEPOSIT FUNDS					
Federal agencies.....	Exp. -517,475	627,719	-29,105	-656,824	(Net change in suspense account balances is reported here.)
GOVERNMENT-SPONSORED ENTERPRISES					
Farm Credit Administration:					
Banks for Cooperatives.....	352 Exp. 50,500	40,000	40,000	-----	(Bank operations are financed by \$106.8 million of Government capital and \$67 million of private capital as of June 1962.)
Federal Intermediate Credit Banks	352 Exp. 129,191	160,000	150,000	-10,000	(Bank operations are financed by \$146.4 million of Government capital and \$40.5 million of private capital as of June 1962.)
Federal Land Banks.....	352 Exp. 194,506	200,000	175,000	-25,000	(Bank operations are wholly privately-owned enterprise.)
Federal Home Loan Bank Board:	Exp. 872,105	-100,000	150,000	250,000	(Bank operations are wholly privately-owned enterprise.)
Home loan banks.....	551				
Federal Deposit Insurance Corporation.....	506 Exp. -154,300	-165,000	-162,500	2,500	(Premium receipts exceed current claims and expenses; corporation has no capital stock.)
Total, Government-sponsored funds.	Exp. 1,092,003	135,000	352,500	217,500	

GRAND TOTALS—TRUST FUNDS

Total new obligational authority.....	25,951,777	{ 28,140,125 †7,045 }	30,644,920 †157,654 }	2,661,087
Expenditures:				
Subtotal.....	25,728,859	27,765,965	{ 28,647,044 †188,283 }	1,069,362
Interfund transactions (—).....	—527,797	—490,898	—453,816	37,082
Total expenditures.....	25,201,092	27,275,067	{ 28,193,228 †188,283 }	1,106,444

†Proposed for separate transmittal, other than pay increase supplementals.

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PART 6

SPECIAL ANALYSES

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SPECIAL ANALYSIS A

THREE MEASURES OF FEDERAL FINANCIAL TRANSACTIONS

Data on Government financial transactions are used for many purposes. No single set of accounts can serve all purposes equally well. As a result, various concepts and forms have been developed to meet different needs. Three of them are used in this document: (1) the administrative budget (set forth in the first three columns of table 1), (2) the consolidated cash statement of Federal transactions (table 2), and (3) the Federal sector of the national income accounts (table 7).

ADMINISTRATIVE BUDGET

The administrative budget covers receipts and expenditures of funds owned by the Federal Government—the general fund, special funds, public enterprise funds, and intragovernmental revolving and management funds. Although budget documents placed before the Congress have regularly included both federally owned funds and funds held in trust by the Government, since 1930 only the former have been used to calculate budget totals.

For many years, the administrative budget has served as the principal financial plan for conducting the affairs of Government. As such, it represented a focal point of decisionmaking on many economic matters, where competing claims of national policy were ranked in order of priority and resources allocated accordingly. As long as federally owned funds provided the bulk of the program support, the administrative budget provided adequate coverage of Federal financial transactions.

In recent years, however, trust fund operations have grown rapidly. Several major parts of the Government's program are now carried out through trust funds, particularly those for labor, welfare, and highway activities. This means the flow of financial transactions between the Federal Government and the public is considerably larger than indicated by the administrative budget.

CONSOLIDATED CASH STATEMENT OF FEDERAL TRANSACTIONS

The consolidated cash statement of Federal receipts and payments, which is emphasized in this budget document, is designed to show the flow of transactions (excluding borrowing) between the Federal Government and the public. It is more comprehensive and complete than the administrative budget in that it includes the receipts and expenditures of trust funds as well as funds wholly owned by the Federal Government.

Relationship to the administrative budget. Certain adjustments are needed to derive this statement from administrative budget totals. These are set forth in table A-1.

Table A-1. DERIVATION OF CONSOLIDATED CASH TOTALS

[Fiscal years. In billions of dollars.]

Description	RECEIPTS			EXPENDITURES		
	1962	1963	1964	1962	1963	1964
Administrative budget funds.....	81.4	85.5	86.9	87.8	94.3	98.8
Trust funds.....	24.3	26.9	29.5	25.2	27.3	28.4
Intragovernmental transactions (—) ¹	—3.8	—3.9	—4.2	—3.8	—3.9	—4.2
Debt issuance in lieu of checks (—).....				—0.9	—1.0	—0.6
Change in outstanding checks, etc.....				—0.6	0.1	0.1
Total, consolidated cash basis.....	101.9	108.4	112.2	107.7	116.8	122.5

¹ Receipts figures also include seigniorage.

1. *Trust funds.*—In addition to administrative budget receipts and expenditures, the consolidated cash statement covers the financial transactions of Federal trust funds (including Government-sponsored enterprises). Accordingly, excise taxes that support the highway trust fund, employment taxes, deposits by States for unemployment insurance, veterans life insurance premiums, and other trust fund receipts are included along with the corresponding disbursements made by the trust accounts.

2. *Intragovernmental transactions.*—Administrative budget receipts include amounts paid into the Treasury by trust funds (these amounts

Table A-2. INTRAGOVERNMENTAL TRANSACTIONS EXCLUDED FROM THE CONSOLIDATED CASH TOTALS

[Fiscal years. In millions of dollars.]

Description	1962	1963	1964
Administrative budget receipts which are trust fund expenditures:			
Franchise taxes from Government-sponsored enterprises.....	5	5	4
Dividends, interest, etc., from Federal National Mortgage Association.....	20	27	25
Reimbursements for expenses and services.....	56	62	64
Repayment of advances.....	2	479	415
Total, administrative budget receipt items.....	84	573	509
Trust fund receipts which are administrative budget expenditures:			
Interest on investments of trust funds.....	1,433	1,470	1,555
Contributions for military service credits.....			75
Payments to District of Columbia (including D.C. portion of aid to all State and local governments).....	102	119	121
Employing agencies' payments to employees' retirement funds.....	893	908	948
Payments to Indian tribal funds.....	33	20	30
Advances to unemployment trust fund.....	375	—86	—
Contributions to veterans life insurance funds.....	7	10	9
Other.....	14	1	1
Total, trust fund receipt items.....	2,857	2,441	2,738
Deductions from employees' salaries for retirement.....	848	878	948
Total, intragovernmental transactions.....	3,789	3,893	4,195

are also reported as trust fund expenditures). Similarly, there are trust fund receipts, such as interest on U.S. securities, which are also reported as administrative budget expenditures. To consolidate the transactions of budget and trust funds, the intragovernmental transactions are eliminated from the combined receipts and expenditures—no exchange of cash with the public is involved in these operations.

3. *Exercise of monetary authority.*—These receipts are now mostly from seigniorage, that is, they represent the difference between the cost of the metal and minting of coins, on the one hand, and the actual value of the coins as money on the other. Seigniorage is included in the administrative budget receipts; it is not part of the cash receipts from the public. (For the years 1962, 1963, and 1964, seigniorage is \$58, \$39, and \$49 million, respectively.)

4. *Debt issuance in lieu of checks.*—In a few cases, Government expenditures are made by issuing bonds or notes, or increasing the value of such bonds outstanding, in lieu of issuing checks. Such transactions are recorded in the administrative budget as expenditures when the debt is thus increased, even though no cash transfers take place until the debt instrument is redeemed.

For example, the administrative budget records interest on savings bonds when it accrues (and is added to the redemption value currently payable) rather than when it is actually paid. In computing cash payments to the public, interest payments are included only when the actual transfer of cash takes place. Therefore, an adjustment is made for the difference between the amount of interest accrued and the amount paid.

Table A-3. DEBT ISSUANCE IN LIEU OF CHECKS

[Fiscal years. In millions of dollars.]

Description	1962	1963	1964	End 1964 outstanding
Interest added to value of debt (savings bonds, etc.) net...	641	619	610	11,049
Treasury notes issued for:				
International Monetary Fund.....	171	295	—	2,962
International Development Association.....	58	36	—22	129
Inter-American Development Bank.....	55	70	25	150
Armed Forces leave bonds issued.....	—1	—1	—1	7
Adjusted-service bonds issued.....	*	*	*	2
Excess profits tax refund bonds issued.....	1 *	—	—	1
Total, debt issuance in lieu of checks.....	923	1,019	612	14,300

*Less than 1 million.

Note.—Negative figures represent net redemption.

¹ Reported as refunds of receipts.

A second example involves transactions in special notes used to pay certain U.S. Government obligations. The Government has paid a portion of its subscriptions to the International Monetary Fund, the International Development Association, and the Inter-American Development Bank in non-interest-bearing notes. The notes are considered administrative budget expenditures and become part of the public debt when they are issued. However, they are not counted as a payment to the public until they are redeemed for cash, at which time they cease to be part of the public debt. Conversely, when the

institutions return cash to the Treasury in exchange for notes, payments to the public are reduced by the amount of the cash receipts and a corresponding increase in the public debt takes place.

5. *Changes in outstanding checks.*—Administrative budget and trust fund expenditures, in most cases, are recorded at the time checks are issued. To reflect the point in time at which cash flows to the public, an adjustment is made to place expenditures on a checks paid basis.

FEDERAL SECTOR ACCOUNT OF THE NATIONAL INCOME ACCOUNTS

The Federal sector of the national income and product accounts is designed to provide a measure of the direct impact of Federal fiscal activity on the Nation's current flow of income and output.

Like the consolidated cash statement, the Federal sector account is more comprehensive than the administrative budget in that it includes most trust fund transactions. However, in contrast both to the consolidated cash statement and administrative budget, only those receipts and expenditures which directly affect the current flow of income and output are recorded. Therefore, the Federal sector of the income and product accounts excludes transactions involving exchanges of secondhand or existing assets as well as purely financial claims; such transactions represent neither the production of current output nor incomes earned in production, even though they have indirect effects on the level or composition of economic activity.

Further, both the administrative budget and consolidated cash statement count business tax receipts as they are collected. In contrast, the Federal sector account records some tax receipts, particularly corporate income taxes, as they accrue, on the grounds that the main economic impact of these taxes is closer to the accruing of liabilities than to actual cash collections. Also, the Federal sector records the purchase of goods and services when delivery is made, while the administrative budget and consolidated cash statement generally count expenditures at the time of payment.

The national income accounts.—The national income accounts, as developed and prepared by the Department of Commerce's Office of Business Economics, is a dual-entry accounting system for making estimates of the current productive activity of U.S. residents.¹ The term "residents" is defined to include State and local governments, corporations incorporated under U.S. laws (but not their foreign branches or subsidiaries), individuals employed in the United States proper, and U.S. citizens employed by the Federal Government abroad (civilian as well as military). "Nonresidents" include governments, individuals (other than employees of the Federal Government), and businesses in foreign countries, as well as in Puerto Rico, the Virgin Islands, and other U.S. possessions.

The output side of the national income accounts depicts the total market value of the currently produced output of goods and services, classified by type of expenditures—consumer expenditures, gross private-domestic investment in new construction, equipment, and inventories, Federal, State, and local government purchases of goods and services, and net exports. The total, as obtained by summing these items, is called the gross national product (GNP).

¹ The accounts are discussed in detail in the Department of Commerce's *National Income, 1954* edition, pp. 143-149, and *U.S. Income and Output, 1958* edition, pp. 53-57, and 99-101. Each is a "Supplement to the Survey of Current Business." Current estimates on a quarterly and an annual basis are provided in the *Survey of Current Business* and in the *Economic Indicators*.

The total value of gross national product is balanced by an equal amount of gross income earned in producing output.² The income side of the accounts portrays this total, classified by type of income; for example, wages and salaries, professional income, corporate profits, rent, and net interest. Additional data are provided showing various transfers of income from one sector to another, such as business gifts to nonprofit institutions and social security benefits from the Government.

It should be pointed out that national income data, although based on accounting statements of economic units, are statistical aggregates rather than accounting totals in the ordinary sense.

The Federal sector account.—Federal expenditures on a national income basis are classified in the following categories: (1) purchases of goods and services, (2) transfer payments, (3) grants-in-aid to State and local governments, (4) net interest paid, and (5) subsidies less current surplus of Government enterprises. The definitions of the categories have been developed by the Department of Commerce on a consistent basis within the framework of accounts covering the Nation's total economic activity.

1. *Purchase of goods and services.*—These purchases represent the value of the Nation's currently produced output bought directly by the Federal Government. They are reported in the national income accounts net of sales of goods and services.

Purchases include the pay of active military and civilian employees of the Federal Government, employer contributions to retirement, insurance and other benefits for Federal employees, outlays on new equipment and supplies for defense and other programs, new construction, research and development contracts with corporations organized for profit, expenditures for the purchase of commodities (even if the commodities are then donated or transferred, domestically or abroad), and generally, the administrative expenditures for programs.

2. *Transfer payments.*—Transfer payments consist of expenditures by the Federal Government for which no current services have been rendered; in other words, they are payments to certain recipients for which there is no market test or for which no contribution to national production is made during the time period under consideration. There are two important criteria which must be met by an expenditure classified as a transfer payment: (a) the recipient must be an individual, an institution not organized for profitmaking purposes (a "not-for-profit" institution) or a nonresident (for example, a foreign government), and (b) the expenditure must also be in monetary form and not in commodities.

Examples of transfer payments are veterans compensation, pensions, and benefits, retired pay to Federal civilian or military personnel, unemployment benefits and old-age, survivors, and disability insurance, cash gifts and contributions to nonresidents, nonrepayable outlays for scholarships and fellowships, and research and development expenditures for contracts let to private individuals and private educational institutions.

For national income purposes, net interest paid to nonresidents is considered a transfer payment. All other transactions involving interest expenditures and receipts (that is, to and from residents) are reported in the net-interest paid category.

² "Gross income" includes capital consumption allowances and certain charges against production.

3. *Grants-in-aid to State and local governments.*—Grants, for purposes of the national income accounts, are Federal payments to State and local governments (other than for interest on the public debt), including educational institutions. Included in grants are all of the grants-in-aid and the shared revenues in Special Analysis H of the budget, except (a) outlays to nonprofit and privately owned institutions, (b) outlays-in-kind such as commodities distributed to State and local governments, and (c) payments to Puerto Rico, the Virgin Islands, and other possessions. In addition, the national income accounts record as grants research and development outlays for contracts to public educational institutions.

4. *Net interest paid.*—Net interest paid consists of the interest outlays to residents minus the interest received from this source.

5. *Subsidies less current surplus of Government enterprises.*—This category consists of two elements which are consolidated for analytical and statistical reasons: (a) subsidy payments to (resident) businesses, and (b) the "current surplus" (or deficit as the case may be) of Government enterprises.

(a) In principle a Government expenditure becomes a subsidy when it enables a producer to sell goods and services below the cost-price relationship determined by market forces or when it is a payment made to curtail production. By definition, therefore, subsidies are made only to businesses organized for profitmaking purposes (including farms). Examples of subsidies are Government payments to farmers for land retirement, certain outlays for the export of surplus agricultural commodities by business, payments to air carriers, and the operating differential subsidy of the Maritime Administration.

(b) Government enterprise is the term applied to those functions of the Government (usually appearing in the budget as public enterprise revolving funds) whose operating costs are to a great extent covered by the sale of goods and services to the public, as opposed to being financed by tax receipts. In short, Government enterprises conduct operations which are of a commercial nature. Because of this, part of their operations are reported in the business sector of the national income accounts and part in the Federal sector. The Federal sector covers the excess of sales over operating costs, interest expenses, and capital formation.

Relationship to the consolidated cash statement.—There are a number of important differences between the Federal sector account and the consolidated cash statement. These are set forth in table A-4.

1. *Coverage.*—With respect to coverage, the Federal Government part of the income and product accounts excludes the revenues and expenditures of the District of Columbia, which are classified by the Department of Commerce in the State and local government sector.

2. *Netting and consolidation.*—The Federal sector account records both interest paid by the Government and Government purchases on a net basis. Accordingly, interest received by the Government is excluded from receipts and subtracted from Federal interest payments. Similarly, receipts from sales of Government products are subtracted from Government purchases. Neither adjustment influences the surplus or deficit, for in effect, both receipts and expenditures are decreased by the same amount.

Adjustments for consolidation are needed to reflect in the income and product account a few transactions such as employer and em-

ployee contributions to Federal employees' retirement funds. Although these contributions are considered to be part of the total compensation of Government employees in the national income accounts, they are excluded from the consolidated cash statement. Again, the deficit or surplus is unaffected by the adjustment, since total receipts and expenditures are both increased by the same amount.

Table A-4. DERIVATION OF THE FEDERAL SECTOR ACCOUNT

[Fiscal years. In billions of dollars.]

Description	RECEIPTS			EXPENDITURES		
	1962	1963	1964	1962	1963	1964
Consolidated cash statement.....	101.9	108.4	112.2	107.7	116.8	122.5
Coverage:						
Less: District of Columbia.....	.3	.4	.4	.3	.4	.4
Netting and consolidation:						
Less: Interest and related earnings.....	1.0	1.1	1.2	.9	1.4	1.3
Plus: Contributions to Federal employees' retirement funds, etc.....	1.8	1.8	1.9	1.8	1.8	1.9
Timing:						
Plus: Excess of corporate tax accruals over collections, personal taxes, etc.....	2.5	1.4	-.1			
Plus: Excess of interest accruals over payments, excess of deliveries over expenditures, and guarantees of non-recourse loans.....					1.8	1.3
Less: Commodity Credit Corporation foreign currency exchanges.....				.9	1.0	1.0
Capital transactions:						
Less: Realization upon loans and investments, sale of Government property, etc.....	.8	1.4	1.0			
Less: Loans, FNMA secondary market mortgage purchases, redemption of IMF notes, etc. ¹					2.1	2.4
Less: Deposit funds, land, and other items.....					1.3	1.5
Federal sector account.....	104.0	108.8	111.4	105.7	113.2	119.0

Note.—Receipts reflect retroactively to January 1, 1962, revenue losses occasioned by both the Revenue Act of 1962 and the 1962 administrative depreciation reform. To this extent, receipts shown for fiscal 1962 differ from those published to date by the Department of Commerce in the national income accounts.

¹ Excludes farm price support loans.

3. *Timing.*—Business taxes are recorded in the national income accounts as they are accrued by the private sector, rather than when they are collected by the Government. The principal timing adjustments for expenditures are: (a) The Federal sector account records Federal purchases in terms of the delivery of goods and services to the Government, whereas cash payments for these deliveries may precede or follow; (b) the account also records guarantees of nonrecourse loans by the Commodity Credit Corporation as purchases at the time the guarantees are made, rather than when the collateral is surrendered; (c) interest on savings bonds and Treasury bills is treated as an expenditure in the Federal sector account when the interest is accrued, rather than when it is actually paid out in cash; and (d) certain foreign currency activities of the Commodity Credit Corporation also

require an adjustment—the Corporation facilitates exports of surplus agricultural commodities by paying exporters in dollars and, in return, accepting foreign currencies for the exports. Expenditures in the Federal sector account are recorded only at the time these foreign currencies are subsequently used for Government programs. The consolidated cash statement, on the other hand, includes the dollar payments to exporters but excludes both the receipt and the subsequent expenditure of a large part of these foreign currencies.

4. *Capital transactions.*—Many capital or financial transactions which are included in the consolidated cash statement are excluded from the Federal sector account. These items consist primarily of loans, mortgages, and other financial claims. Also excluded are purchases and sales of existing assets, such as land and secondhand property.

USES AND LIMITATIONS

Each of the three measures—the administrative budget, consolidated cash statement, and the Federal sector of the income and product accounts—is useful for specific kinds of analysis, and the selection of which to use should be determined by the problem at hand. The Federal sector account is especially suited for an analysis of fiscal policy. It was specifically designed to complement the data on private expenditures and incomes contained in the national income accounts.

The national income accounts, however, exclude a substantial volume of financial transactions through which the Federal Government significantly affects the capital and credit markets. Moreover, in financial markets, the actual flow of cash payments to the Government may be more significant than the accrual of tax liabilities. As a result, for purposes of analysis of the Federal impact on such markets, the consolidated cash statement is generally more useful than the national income accounts.

For certain types of problems, no overall measure of receipts and expenditures will serve adequately. Since the various receipt and expenditure transactions have different economic effects, a given aggregate will have an economic impact which depends importantly on the composition of the total.

In addition, many Government activities besides receipts and expenditures affect the economy. For example, a rapid expansion in new appropriations and in Government orders could stimulate a rise in business activity well before either the delivery of goods, the performance of services, or the payment for them. The management of the public debt is a further factor which has a significant impact in the money and credit markets of the economy. Consequently, in evaluating the economic impact of Federal Government activities, there is no substitute for complete and detailed analysis of the Government program in all its aspects.

SPECIAL ANALYSIS B

PUBLIC ENTERPRISE AND TRUST FUNDS

In addition to the general fund, there are several other types of funds, as explained on page 124. Of these, the two types which are largest and most significant are the public enterprise funds and the trust funds. Both of these groups include some funds which carry on borrowing and investment transactions, in addition to ordinary receipts and expenditures. This analysis presents selected information on these two types of funds, with special reference to financing. The programs which these funds finance are set forth, along with other Government programs, in the preceding parts of the budget.

The public enterprise funds are federally owned funds which carry on a cycle of operations with the public, organized usually on a business-type basis. Their expenditures have been included, on a net basis, in the administrative budget for many years. The general fund usually supplies them with capital; the provision of such capital, its return, and any dividends given to the general fund are treated as nonexpenditure, nonreceipt transactions.

The trust funds are administered in a fiduciary capacity by the Government. They are not included in the administrative budget, and transactions between the general fund and the trust funds are conducted "at arm's length"—that is, payments between them are reported as expenditures and receipts of the funds involved.

For the first time this budget includes with the expenditures of the trust funds certain transactions of five Government-sponsored enterprises, although these enterprises do not submit detailed budgets for review or for inclusion in the budget appendix. The transactions reported for them in this budget relate to investments in U.S. securities and debt issuances for which the Treasury acts as a financial agent. Amounts equal to the net debt issuance or net disinvestments of such enterprises are reported as expenditures. In this analysis the Government-sponsored enterprises are identified separately wherever they are included.

EXPENDITURES AND RECEIPTS

Public enterprise funds.—Expenditures of public enterprise funds are estimated to be \$23.4 billion in 1964, and their receipts will be \$19.9 billion (table B-1), resulting in net expenditures of \$3.5 billion which are included in the administrative budget totals. The Commodity Credit Corporation and the postal fund together account for more than half of the transactions.

Table B-1. GROSS EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS (in millions of dollars)

Description	GROSS EXPENDITURES			RECEIPTS FROM OPERATIONS		
	1962 actual	1963 estimate	1964 estimate	1962 actual	1963 estimate	1964 estimate
Funds appropriated to the President:						
Foreign assistance—Economic-----	497	843	1,000	77	63	76
Other-----	84	37	42	73	40	43
Department of Agriculture:						
Commodity Credit Corporation-----	8,957	10,581	9,473	6,321	7,395	8,085
Other-----	518	627	1,254	417	535	876
Department of Commerce-----	8	39	111	10	14	19
Department of Defense:						
Military functions-----	109	18	11	81	18	12
Civil functions (Panama Canal Co.)-----	102	116	113	101	107	111
Department of Health, Education, and Welfare-----	4	5	8	4	5	8
Department of the Interior-----	138	167	181	44	53	59
Department of Labor-----	323	175	261	292	267	266
Post Office Department-----	4,354	4,722	5,050	3,620	3,920	4,496
Treasury Department-----	*	1	2	2	4	1
General Services Administration-----	2	*	*	2	*	*
Housing and Home Finance Agency:						
College housing loans-----	273	432	346	45	58	128
Urban renewal fund-----	324	371	429	97	105	161
Federal National Mortgage Association-----	1,250	1,383	1,632	1,373	1,364	1,706
Federal Housing Administration-----	443	566	645	244	456	788
Public Housing Administration-----	342	461	505	177	280	298
Other-----	42	118	174	17	16	23
Veterans Administration-----	566	663	583	315	517	511
Other independent offices:						
Export-Import Bank of Washington-----	962	545	727	861	769	1,374
Small Business Administration-----	384	414	493	161	208	245
Tennessee Valley Authority-----	382	371	377	279	301	318
Other-----	25	33	35	269	309	324
Total-----	20,089	22,688	23,450	14,884	16,804	19,925

*Less than one-half million dollars.

The expenditures in table B-1 include certain interfund payments to the general fund for expenses, principally interest (see note at end of table 14). The receipts shown in table B-1 are generally from the public; but they include some transactions from within the Government—notably, the sales of Commodity Credit Corporation inventories and services to appropriations for special activities, accounting for \$3 billion of the Commodity Credit Corporation receipts shown for 1964. The sales of Tennessee Valley Authority power to Government agencies, payments by all agencies to the Post Office for postal services, subsidy payments from the Veterans Administration for its guaranteed loan program and interest to certain funds on their investments are other examples of such intragovernmental receipts included in table B-1. In total, such receipts are about \$2.9 billion each for 1962 and 1963, and \$3.7 billion for 1964.

Trust funds.—Trust fund expenditures are estimated to be \$28.4 billion in 1964, with receipts of \$29.5 billion, as shown in table B-2. The transactions of the Federal old-age and survivors insurance fund are slightly more than half of the totals. The unemployment trust fund has the next largest volume of transactions.

Table B-2. EXPENDITURES AND RECEIPTS OF TRUST FUNDS
(In millions of dollars)

Description	Expenditures			Receipts		
	1962 actual	1963 estimate	1964 estimate	1962 actual	1963 estimate	1964 estimate
Federal old-age and survivors insurance trust fund	13,270	14,518	15,331	12,011	13,781	15,569
Federal disability insurance trust fund	1,089	1,246	1,319	1,092	1,141	1,177
Unemployment trust fund	3,906	3,750	3,770	3,985	4,042	4,288
Railroad retirement account	1,135	1,112	1,099	1,081	1,111	1,219
Federal employees' funds	982	1,184	1,283	2,086	2,160	2,339
Highway trust fund	2,784	3,000	3,391	2,955	3,224	3,310
Veterans life insurance funds	723	870	546	718	735	728
Federal National Mortgage Association trust funds	317	250	485			
Other trust funds	948	1,073	1,288	925	1,160	1,364
Deposit funds	-517	628	-29			
Interfund transactions (-)	-528	-491	-454	-528	-491	-454
Subtotal	24,109	27,140	28,029	24,325	26,863	29,540
Government-sponsored enterprises	1,092	135	352			
Total	25,201	27,275	28,382	24,325	26,863	29,540

Some receipts of certain trust funds are expenditures of another, as indicated in the note at the end of table 14; these constitute the interfund deductions in the above table.

The trust funds include a small group of trust revolving funds which, like the public enterprise funds, are stated on a net expenditure basis in the figures used elsewhere in the budget. The gross figures for these funds are as follows:

Table B-3. EXPENDITURES AND APPLICABLE RECEIPTS OF TRUST REVOLVING FUNDS (in millions of dollars)

Description	GROSS EXPENDI- TURES			RECEIPTS FROM OPERATIONS		
	1962 actual	1963 estimate	1964 estimate	1962 actual	1963 estimate	1964 estimate
Civil Service Commission (Employees' life insurance and health benefits)	344	483	532	525	525	602
Federal National Mortgage Association	966	745	1,013	649	495	528
All other trust revolving funds	141	67	89	35	34	32
Total, trust revolving funds	1,451	1,295	1,634	1,209	1,054	1,162

TREASURY FINANCING OF THE FUNDS

Public enterprise funds.—Capital requirements of the public enterprise funds are usually supplied through new obligational authority (either appropriations or some other form of NOA) from the general fund. While most public enterprise funds are operated to be self-sustaining over a period of years, the two largest—the Commodity Credit Corporation and the postal fund—have incurred substantial losses in most years. Appropriations have been made regularly to make up for the losses in these two funds and in a few smaller funds. Unneeded capital of the public enterprise funds is returned to the general fund from time to time (or lapsed from undrawn balances of NOA not needed by the public enterprise fund concerned), and some of the funds also transfer dividends to the general fund out of their retained earnings. Table B-4 shows the amounts made available from the general fund and the returns to the general fund.

Table B-4. NEW OBLIGATIONAL AUTHORITY AND WRITEOFFS OF PUBLIC ENTERPRISE FUNDS (in millions of dollars)

Description	New obligational authority ¹			Writeoffs (including capital transfers) ¹		
	1962 actual	1963 estimate	1964 estimate	1962 actual	1963 estimate	1964 estimate
Funds appropriated to the President:						
Foreign assistance—Economic	1,112	1,430	1,848	*	11	12
Other						
Department of Agriculture:						
Commodity Credit Corporation	3,045	2,440	2,868	4	1	
Other	2,326	5	2,449	6	7	86
Department of Commerce	122	115	190	104	4	
Department of Defense—Military functions				1	102	
Department of Health, Education, and Welfare						
Department of the Interior	68	119	(²) 114	3	8	2
Department of Labor	20			2	2	1
Post Office Department	811	806	565	38		
Treasury Department			1	3	4	1
General Services Administration				1	7	*
Housing and Home Finance Agency:						
College housing loans	300	300	300			
Federal National Mortgage Association	53	13	15	75	73	166
Public Housing Administration	179	195	221	6	*	*
Other	94	115	145	22	4	4
Veterans Administration	500	200	150	4	25	27
Other Independent Offices:						
Export-Import Bank of Washington		2,000		30	36	35
Small Business Administration	220	300	200	1	1	
Tennessee Valley Authority	38	34	44	47	49	48
Other	2	1	5	37		
Total	6,891	8,675	7,116	381	333	383

* Less than one-half million dollars.

¹ Excludes NOA in form of indefinite authorization for Federal Housing Administration to expend from corporate debt receipts, and reductions in such borrowing.

² Excludes transfers received upon initiation of new funds: \$2 million for Farmers Home Administration in 1962, \$1,066 million for Rural Electrification Administration in 1964, and \$1 million for Food and Drug Administration in 1964.

Trust funds.—The principal transactions between the general fund and the trust funds are shown in table A-2. The most significant items are those for interest paid by the general fund on public debt investments of the trust funds.

BORROWING (OTHER THAN FROM THE GENERAL FUND)

The Tennessee Valley Authority has authority to borrow \$750 million from the public. The Federal Housing Administration has an indefinite authorization to issue short term debentures in connection with its settlements. The Federal National Mortgage Association trust revolving fund has authority to issue its own debt instruments in an amount equal to ten times the aggregate of its capital and retained earnings. The District of Columbia Armory Board was authorized to issue bonds for the financing of the stadium erected recently. A few funds in liquidation are retiring earlier debt issuances. Government-sponsored enterprises also have their own borrowing authority. Some Government enterprise debt is guaranteed by the Treasury; some is not formally guaranteed. Borrowing and repayments pursuant to these authorities are shown in table B-5.

Table B-5. DEBT ISSUANCES BY GOVERNMENT ENTERPRISES (OTHER THAN BORROWING FROM THE TREASURY GENERAL FUND)
(In millions of dollars)

Description	1962 actual	1963 estimate	1964 estimate	End 1964, estimate out- standing
Borrowing from the public:				
By public enterprise funds:				
Federal Housing Administration.....	124	165	-73	349
Federal National Mortgage Association.....	*	*	-	-
Federal Farm Mortgage Corporation.....	*	*	*	*
Home Owners Loan Corporation.....	*	*	*	*
Tennessee Valley Authority.....	95	-	50	195
By trust funds:				
D.C. Armory Board.....	-	-	-	20
Federal National Mortgage Association.....	369	216	480	3,254
By Government-sponsored enterprises:				
Banks for Cooperatives.....	48	40	40	547
Federal Intermediate Credit Banks.....	132	160	150	2,213
Federal Land Banks.....	192	200	175	2,924
Federal Home Loan Banks.....	750	-	200	1,997
Total, borrowing from the public.....	1,710	781	1,022	11,499
Borrowing from other funds:				
By public enterprise funds:				
Federal Housing Administration.....	80	-24	2	145
By trust funds:				
Federal National Mortgage Association.....	-11	-	-	-
Total, borrowing from other funds.....	69	-24	2	145
Total, debt issuances by Government enterprises.....	1,780	757	1,024	11,644

*Less than one-half million dollars.

Note.—Negative figures represent net retirement of debt.

INVESTMENTS IN UNITED STATES SECURITIES

A few public enterprise funds may purchase Treasury bonds or notes for investments, and a substantial number of trust funds may invest in Treasury bonds or notes. The Government-sponsored enterprises also do so. In addition, the Federal National Mortgage Association acquires some of the debentures issued by the Federal Housing Administration, and the Federal Housing Administration acquires some of its own debentures as investments. These investment transactions in securities issued by the Government or its agencies are shown in table B-6.

Table B-6. INVESTMENTS IN UNITED STATES SECURITIES BY GOVERNMENT-ADMINISTERED FUNDS (in millions of dollars)

Description	Transactions			End 1964, estimate out- stand- ing
	1962 actual	1963 estimate	1964 estimate	
Investments in Treasury issuances (public debt):				
By public enterprise funds:				
Federal Housing Administration.....	-32	7	64	795
Federal Savings and Loan Insurance Corporation.....	229	284	293	1,170
Tennessee Valley Authority.....	-18	-10		
Veterans Administration.....	-18	9	10	107
By trust funds:				
Federal old-age and survivors insurance trust fund.....	-1,089	-734	79	17,780
Federal disability insurance trust fund.....	21	-104	-145	2,157
Unemployment trust fund.....	72	293	519	6,600
Railroad retirement account.....	-63	-1	120	3,816
Federal employees' funds.....	1,098	999	1,053	14,443
Highway trust fund.....	202	224	-91	569
Veterans life insurance fund.....	1	-136	183	6,878
District of Columbia municipal government funds.....	-8	-26	-10	19
All other.....	-25	-8	-1	9
By Government-sponsored enterprises:				
Federal Deposit Insurance Corporation.....	154	165	163	2,921
Banks for Cooperatives.....	-3			43
Federal Intermediate Credit Banks.....	3			111
Federal Land Banks.....	-2			104
Federal Home Loan Banks.....	-122	100	50	1,482
Total, investments in Treasury issuances.....	398	1,061	2,288	59,004
Investments in issuances of other funds:				
By public enterprise funds:				
Federal Housing Administration.....		33	14	53
Federal National Mortgage Association.....	42	-28	-7	87
Tennessee Valley Authority.....	-11			
By trust funds:				
Federal National Mortgage Association.....	38	-29	-5	5
Total, investments in issuances of other funds.....	69	-24	2	145
Total, investments in U.S. securities.....	468	1,038	2,290	59,149

Note.—Negative figures represent net reduction of investments.

The investments shown here relate only to the group of funds covered by this budget generally. While they include five Government-sponsored enterprises (see page 124), they exclude the investments of deposit funds and other such holdings. Among the larger investments not here shown (and therefore not included in the public debt held by Government-administered funds in table 11) are the holdings of the Postal Savings System, the Exchange Stabilization Fund, and Indian Tribal Funds.

BALANCES AVAILABLE FOR SPENDING

Public enterprise funds.—The balances of public enterprise funds are shown in table B-7. They are there divided between the balances which are accounted for as assets of the funds (cash in banks, fund balances with the Treasury, and U.S. securities), and the undrawn authorizations to obtain capital from the Treasury or to borrow.

Table B-7. BALANCES OF PUBLIC ENTERPRISE FUNDS (in millions of dollars)

Description	Cash, Balances in Treasury and U.S. Securities as of June 30			Undrawn Authorizations as of June 30		
	1962 actual	1963 estimate	1964 estimate	1962 actual	1963 estimate	1964 estimate
Funds appropriated to the President:						
Foreign assistance—Economic.....	2,171	2,811	3,721	199	199	199
Other.....	15	5	5	124	137	138
Department of Agriculture:						
Commodity Credit Corporation.....	32	34	34	1,510	762	2,243
Other.....	352	258	244	*		1,065
Department of Commerce.....	47	132	230	300	300	300
Department of Defense—Military functions.....	126	24	25			
Department of Defense—Civil functions.....	20	10	9	10	10	10
Department of Health, Education, and Welfare.....	1	1	2			
Department of the Interior.....	53	47	43	10	14	8
Department of Labor.....	209	299	302			
Post Office Department.....	373	377	388			
Treasury Department.....	1	*	*	250	250	250
General Services Administration.....	7	*	*			
Housing and Home Finance Agency:						
College housing loans.....	47	23	25	748	698	778
Urban renewal fund.....	173	227	163	4,075	3,756	3,550
Federal National Mortgage Association.....	134	104	97	4,089	4,040	3,969
Federal Housing Administration.....	814	845	917			
Public Housing Administration.....	59	66	75	1,468	1,475	1,480
Other.....	112	182	252	1,070	1,010	930
Veterans Administration.....	281	310	360	300	300	300
Other Independent Offices:						
Export-Import Bank of Washington.....	2	2	1	4,170	6,358	6,971
Small Business Administration.....	230	325	277			
Tennessee Valley Authority.....	41	22	24			
Loans to Federal Deposit Insurance Corporation.....				3,000	3,000	3,000
Loans to Federal Home Loan Banks.....				1,000	1,000	1,000
Federal Savings and Loan Insurance Corporation.....	604	882	1,174	750	750	750
Other.....	117	121	122	27	22	23
Total.....	6,023	7,108	8,493	23,100	24,080	26,964

*Less than one-half million dollars.

In most cases, a large part of the balances are obligated or reserved—that is, they are reserved to pay loan commitments, purchase and construction contracts, or other obligations which have been entered into but on which the other party has not yet required or earned the money.

The preceding table excludes balances of authority to borrow from the public. The Tennessee Valley Authority has such undrawn balances of \$605 million on June 30, 1962; \$540 million, 1963; and \$475 million, 1964.

Trust funds.—Trust fund balances with the Treasury and U.S. securities are shown in table B-8. These balances are reserved to carry out the purposes of the trust.

Table B-8. TRUST FUND BALANCES (in millions of dollars)

Description	As of June 30			
	1961 actual	1962 actual	1963 estimate	1964 estimate
Federal old-age and survivors insurance trust fund.....	20,900	19,641	18,904	19,142
Federal disability insurance trust fund.....	2,504	2,508	2,402	2,260
Unemployment trust fund.....	5,753	5,832	6,123	6,642
Railroad retirement account.....	3,843	3,789	3,788	3,909
Federal employees' funds.....	11,420	12,524	13,500	14,555
Highway trust fund.....	299	471	695	614
Veterans life insurance funds.....	6,847	6,842	6,708	6,890
Federal National Mortgage Association trust fund.....	62	104	70	65
All other trust funds.....	864	840	929	1,005
Deposit funds.....	1,323	1,840	1,212	1,241
Total.....	53,816	54,387	54,330	56,322

Note.—Excludes Government-sponsored enterprises.

The figures shown above differ somewhat from those on an authorization basis shown in table 10. The reconciliation is as follows:

	As of June 30			
	1961	1962	1963	1964
Balances available on an authorization basis (table 10).....	62,722	64,036	64,527	66,819
Unappropriated receipts:				
Available as needed on an indefinite basis.....	28	47	47	47
Available for appropriation by Congress:				
District of Columbia.....	-126	-114	-87	-66
U.S. Soldiers' Home.....	94	98	102	108
Highway trust fund.....	141	106	79	139
Unfinanced contract authorization.....	-8,053	-8,901	-9,497	-10,163
Undrawn authorizations to borrow.....	-990	-882	-836	-559
Balances available on a cash basis.....	53,816	54,387	54,330	56,322

SPECIAL ANALYSIS C

FOREIGN CURRENCY AVAILABILITIES AND USES

Many agencies of the Government are engaged in activities throughout the world which involve payments in 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. This analysis presents in summary form data on foreign currency availabilities and uses.

Table C-1. CASH AVAILABILITY OF FOREIGN CURRENCIES
(In millions of dollar equivalents)

	1962 actual	1963 estimate	1964 estimate
For U.S. uses:			
Excess currencies.....	904	1,076	1,232
Nonexcess currencies:			
Restricted.....	170	144	138
Unrestricted.....	258	235	197
Subtotal, for U.S. uses.....	1,332	1,455	1,567
For country uses.....	2,542	2,497	2,479
Total.....	3,875	3,953	4,045

Foreign currency availabilities are divided in table C-1 between those available for U.S. uses and those available for country uses. In both cases the currencies belong to this Government and are kept in Treasury accounts or those of other Government agencies. The country use currencies, however, are committed by the terms of the international agreements under which they are received to be used on a loan or grant basis for mutually beneficial purposes in the country by agreement with its government. U.S. use currencies, on the other hand, are available for the purposes of U.S. agencies.

U.S. use currencies are further divided between those which are excess and those which are nonexcess. The excess currencies are those of which the Treasury has found (after reviewing the amounts of currency on hand, prospective receipts for U.S. uses, and prospective requirements) the supply to be great enough to more than cover the demand for the next 2 or 3 years. For 1964, a prospective excess condition is anticipated in Burma, India, Indonesia, Israel, Pakistan, Poland, United Arab Republic (Egypt), and Yugoslavia.

Some nonexcess U.S. use currencies are restricted in that they have had conditions placed on their use by international agreement, or by administrative action pursuant to law, which require their use for

particular purposes. Such currencies are not, therefore, available to finance regular U.S. activities and must be reserved, frequently for lower priority programs. Restrictions of this nature in international agreements are currently being avoided to the extent possible.

Most currencies accrue to the credit of the United States because of past or current international agreements authorized under several laws. In most cases, these international agreements deal (1) with sales arrangements, wherein commodities (usually surplus agricultural commodities) are sold to foreign purchasers for local currencies, or (2) with loans, 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 other kinds of international agreements and from the normal operations of the U.S. Government abroad.

Limits on uses of foreign currencies.—The amount of foreign currencies accruing to the credit of the United States is large and is increasing. 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 international financial position of the purchasing country is usually such that it must minimize the real cost of the sales to itself in terms of export of its resources. As a result, large amounts of currencies acquired by the United States from the sale of farm commodities are restricted by the sales agreement so they can only be loaned or granted back to the buying country.

Second, virtually all of the currencies are inconvertible under the laws and regulations of the purchasing countries. 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.

Need for foreign currencies.—Many agencies of the U.S. Government carry on activities overseas in which foreign currencies are needed. As indicated in table C-2, the need for foreign currencies in U.S. operations often does not correspond to their availability on a country-by-country basis. A strong effort is made at the time that commodity sales agreements are negotiated to obtain the maximum amount for U.S. uses to which the other government will agree, in those countries in which we have an insufficient supply of currencies. Despite this, in the normal course of its worldwide operations the Government must purchase large amounts of the currencies of many countries while at the same time it is accumulating large inconvertible balances of others.

Procedure for use of foreign 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 the particular foreign currencies required are not available, they must be purchased through banking channels. Treasury sales are generally at the most advantageous rate at which currencies may be legally obtained, and thus foreign currency expenditures are reported on a comparable basis whether they are obtained from Treasury or from commercial sources.

All currencies purchased by agencies are reflected in Treasury and agency accounts and in the budget as dollar expenditures as they are

used, with a corresponding credit to miscellaneous receipts or to the fund (e.g., Commodity Credit Corporation) which financed the transaction from which the currency derived.

Table C-2. FOREIGN CURRENCIES AVAILABLE TO MEET U.S.
REQUIREMENTS, 1964 (in millions of dollar equivalents)

Country	Supply	Requirements (expenditures)		Amounts available for use after 1964	Requirements for com- mercial purchase in 1964
		Other than special programs	Special programs		
Excess currencies:					
Burma	11	1	2	8	-----
India	362	9	15	338	-----
Indonesia	32	*	2	30	-----
Israel	54	2	5	47	-----
Pakistan	123	5	6	112	-----
Poland	486	1	4	481	-----
UAR (Egypt)	75	5	4	66	-----
Yugoslavia	89	1	2	86	-----
Total excess currencies	1,232	24	40	1,169	-----
Nonexcess currencies:					
Canada	1	106	-----	-----	105
France	12	167	1	3	159
Germany, Federal Republic of	10	1,020	*	2	1,012
Italy	12	53	1	2	44
Japan	13	268	1	2	258
Korea	15	66	*	7	58
Philippines	4	33	*	*	29
Spain	18	55	1	9	47
United Kingdom	16	89	1	6	80
Other countries	234	244	6	133	150
Total nonexcess currencies	335	2,101	12	164	1,942
Total	1,567	2,124	52	1,333	1,942

*Less than one-half million dollars.

U.S. uses of foreign currencies.—Table C-3 summarizes foreign currency transactions of U.S. use currencies as they are reflected in the budget.

Recommendations for special uses, 1964.—Most U.S. uses of foreign currencies are covered by unrestricted dollar appropriations. For those situations where currencies are available in the Treasury in excess of amounts needed for regular appropriations or where there remain unobligated balances of currencies restricted by international agreement or understanding for particular U.S. uses, separate appropriations are proposed for special foreign currency programs. These appropriations are summarized in table C-4.

Table C-3. SUMMARY OF FOREIGN CURRENCY TRANSACTIONS, U.S. USES
(In millions of dollar equivalents)

	1962 actual	1963 estimate	1964 estimate
Cash balances brought forward:			
Excess currencies.....	810	871	1,019
Nonexcess currencies:			
Restricted.....	150	114	114
Nonrestricted.....	76	79	42
Subtotal, cash balances brought forward.....	1,036	1,065	1,175
Collections:			
Public Law 480 sales.....	113	176	167
Foreign assistance programs.....	21	17	8
Other nonloan collections:			
Contributions for support of U.S. forces abroad.....	9	5	5
Surplus property and lend-lease.....	26	13	10
Informational media guarantees.....	4	4	3
Interest on public deposits.....	22	25	27
Miscellaneous.....	10	36	37
Loan repayments (principal and interest):			
Public Law 480 loans.....	29	36	43
Foreign assistance loans (including Development Loan Fund).....	58	78	91
Subtotal, collections.....	292	391	392
Transfer of Development Loan Fund balances from country uses.....	38	-----	-----
Transfer of U.S. uses currencies to country use.....	-34	-----	-----
Total availabilities.....	1,332	1,455	1,567
Expenditures:			
Without dollar control.....	16	11	13
With dollar credits to:			
Miscellaneous receipts of the general fund.....	80	96	92
Commodity Credit Corporation, Agriculture.....	147	170	126
Informational media guarantee fund, USIA.....	4	3	2
Foreign buildings program, State.....	*	-----	-----
Subtotal, expenditures.....	248	280	233
Adjustments due to changes in exchange rates.....	-19	-----	-----
Cash balances carried forward.....	1,065	1,175	1,333

*Less than one-half million dollars.

Table C-4. SPECIAL FOREIGN CURRENCY PROGRAM APPROPRIATIONS—
NEW OBLIGATIONAL AUTHORITY (in thousands of dollar equivalents)

	1962 enacted	1963 enacted	1964 estimate
Library of Congress: Collection and distribution of library materials.....	364	630	898
Funds Appropriated to the President: Agency for International Development: Development grants.....	100	2,800	2,000
Department of Agriculture:			
Agricultural Research Service: Salaries and expenses.....	5,265	5,265	2,500
Foreign Agricultural Service: Salaries and expenses.....	3,444	4,000	-----
Department of Commerce:			
National Bureau of Standards: Research and technical services.....	1,000	500	1,000
Weather Bureau: Research and development.....			1,000
Department of Health, Education, and Welfare:			
Office of Education: Educational research.....		400	800
Office of Vocational Rehabilitation: Research and training.....	1,372	2,000	3,000
Public Health Service: Scientific activities overseas.....	9,000	2,800	6,647
Social Security Administration: Research and training.....	1,607	-----	1,200
Department of Interior: Bureau of Commercial Fisheries: Management and investigations of resources.....	300	300	300
Department of State:			
Acquisition, operation, and maintenance of buildings abroad.....	4,650	2,205	3,900
International educational exchange activities.....	7,400	-----	-----
Preservation of ancient Nubian monuments.....	4,000	-----	-----
United States Information Agency:			
Salaries and expenses.....	9,300	8,500	11,950
Special international exhibits.....	250	375	500
Total.....	48,052	29,775	35,695

U.S. uses without dollar controls.—Unexpended balances remain for Defense family housing and for exports to third countries from allocations given to agencies prior to 1961, when these uses were generally made subject to appropriation requirements. A new authorization, with the appropriation requirement waived, was made in 1963 to the Agency for International Development, to permit the use of Indian rupees in Nepal. These uses are summarized in table C-5.

Table C-5. SUMMARY OF U.S. USES WITHOUT DOLLAR CONTROLS
(in thousands of dollar equivalents)

	1962 actual	1963 estimate	1964 estimate
New authorizations to expend foreign currency receipts:			
Agency for International Development.....		15,000	-----
Department of State.....	892	-----	-----
Expenditures:			
Agency for International Development.....	8,034	5,000	8,500
Department of Defense.....	7,443	6,350	4,637
Department of State.....	847	-----	-----
Total expenditures.....	16,324	11,350	13,137

Country uses.—A far larger amount of foreign currencies are used outside of the appropriations process for loans and grants in the host country. These are country use currencies which are committed by the terms of the sales agreements of surplus agricultural commodities to be used for programs of mutual benefit in agreement with the host country. These purposes include the common defense, economic development, and loans to American and certain foreign private enterprise. These uses are summarized in table C-6.

Table C-6. SUMMARY OF FOREIGN CURRENCY TRANSACTIONS—
COUNTRY USES (in millions of dollar equivalents)

	1962 actual	1963 estimate	1964 estimate
Cash balances brought forward.....	1,544	1,655	1,622
Collections:			
Public Law 480 sales.....	872	836	854
Foreign assistance program.....	117	6	2
Development Loan Fund.....	12	.....	.....
Subtotal, collections.....	1,002	842	856
Transfer of Development Loan Fund balances to U.S. uses.....	—38	.....	.....
Transfer of currencies from U.S. uses.....	34	.....	.....
Total availabilities.....	2,542	2,497	2,479
Expenditures:			
Without dollar control:			
Public Law 480 country loans and grants.....	657	760	826
Public Law 480 loans to private enterprise.....	35	32	33
Other foreign assistance programs.....	149	83	38
With dollar credits to:			
Development Loan Fund.....	1	.....	.....
Military assistance appropriation.....	8	.....	.....
Subtotal, expenditures.....	849	875	898
Adjustments due to changes in exchange rates.....	—37	.....	.....
Cash balances carried forward.....	1,655	1,622	1,581

SPECIAL ANALYSIS D

INVESTMENT, OPERATING, AND OTHER EXPENDITURES

This analysis is designed to contribute to a greater understanding of Government activities by dividing Federal budget and trust fund expenditures into several categories: (1) additions to Federal assets; (2) additions to State, local, and private assets; (3) expenditures for developmental purposes; (4) current expenses for aids and special services; and (5) other services and current operating expenses. For certain trust fund expenditures, an additional, special category has been established, (6) retirement and social insurance benefits. In each category, national defense expenditures are reported separately from those for all other (civil) programs.

Basically, this classification distinguishes between two types of expenditures: those yielding benefits primarily beyond the year in which they are made and those providing benefits largely in the current year. The former are essentially outlays of an investment nature while the latter are principally current expenses for aids, special services, and social insurance benefits. Expenditures yielding benefits over a period of years are shown in the first three classes, while outlays providing mainly current benefits are grouped in the remaining categories.

Trust fund expenditures are included in the analysis this year for the first time. For each of the categories above, tables D-1 and D-2 show expenditures for budget funds separate from trust funds. Because there are intragovernmental transactions, among other factors, the sum of the budget and trust fund totals overstates the total of cash payments to the public.

1. *Additions to Federal assets.*—This category includes administrative budget expenditures for direct loans, such as loans to improve housing and encourage home ownership, to help small businesses, to finance college dormitory construction, to aid farm ownership and operation, to finance rural electric and telephone systems, and to promote economic development abroad. It also includes administrative budget expenditures for capital subscriptions to mixed-ownership enterprises and certain international organizations, for public works, for increases in major commodity inventories, for major equipment, and for the acquisition and improvement of real property and other physical assets.

Trust fund expenditures in this category are primarily for mortgage purchases (net of sales) made by the Federal National Mortgage Association in support of its secondary mortgage market operations and for net loans made by two Government-sponsored enterprises—banks for cooperatives and the Federal intermediate credit banks.

Table D-1. SUMMARY OF INVESTMENT, OPERATING, AND OTHER EXPENDITURES (in millions of dollars)

Description	Administrative budget funds			Trust funds		
	1962 actual	1963 estimate	1964 estimate	1962 actual	1963 estimate	1964 estimate
Additions to Federal assets:						
Civil.....	4,316	6,100	4,565	695	642	864
National defense.....	17,315	18,063	18,854	*	*	*
Additions to State, local, and private assets:						
Civil.....	1,305	1,519	1,756	3,783	3,031	3,611
National defense.....	16	25	72			
Expenditures for other developmental purposes:						
Civil.....	3,202	4,558	6,729	46	50	76
National defense.....	7,760	8,189	8,772			
Subtotal, investment and developmental type expenditures:						
Civil.....	8,823	12,177	13,050	4,524	3,723	4,551
National defense.....	25,091	26,277	27,698	*	*	*
Current expenses for aids and special services:						
Civil.....	16,241	16,610	17,023	828	683	798
National defense.....	1,395	1,737	1,438	361	435	571
Retirement and social insurance benefits—civil.....				19,598	20,755	21,442
Other services and current operating expenses:						
Civil:						
Interest.....	9,198	9,782	10,103			
Other.....	3,053	3,309	3,495	97	203	254
National defense.....	24,616	24,990	26,298	5	5	5
District of Columbia, deposit funds, and other unclassified items.....				317	1,962	1,215
Allowances:						
Comparability pay adjustment.....			200			
Contingencies.....		75	175			
Interfund transactions (-).....	-633	-646	-679	-528	-491	-454
Grand total.....	87,787	94,311	98,802	25,201	27,275	28,382

*Less than one-half million dollars.

2. *Additions to State, local and private assets.*—Federal outlays made under this category add directly to State, local, and private assets. Expenditures which augment the physical assets of State and local governments, through grants-in-aid, are primarily for the construction of highways (financed mainly through the Highway Trust Fund), hospitals, airports, waste-treatment works, watershed protection projects, schools in federally affected areas, and public facilities under the recently enacted program of accelerated public works. Federal expenditures which increase the value of privately owned

assets are made largely for the conservation and improvement of private farm land and water, for grants to States for the building of private hospitals and other health facilities, and for construction subsidies to the merchant fleet. Trust fund expenditures in this category also include the net loans made by the Federal land banks and the Federal home loan banks (Government-sponsored enterprises in which the Federal Government no longer holds any capital stock); these loans finance farming and strengthen lending institutions which promote private thrift and individual home ownership.

3. *Developmental expenditures.*—This class of Federal expenditures includes outlays principally for research and development, education and health, and other programs which do not directly add to physical assets but rather increase the Nation's fund of knowledge and technical skills and the physical vigor of the population. The amounts of spending shown in this category do not fully reflect the Federal Government's contributions to the productivity of the economy, partly because they exclude additions to physical assets, but also because they exclude certain other programs which help further this end although not primarily designed to promote it. Such activities are classified in accordance with their principal purpose; thus, veterans educational benefits are listed as veterans aids rather than as developmental outlays. Similarly, the training of military personnel or other persons in Government service are not treated as part of the Government's education and training program but as operating expenses.

4. *Current expenses for aids and special services.*—This category contains expenditures which provide—mainly in the year in which the outlays are made—aids or special services to certain groups. In addition to such items as losses on farm programs, maritime subsidies, veterans pensions, and grants to foreign nations for economic and military assistance, the category includes (a) administrative and other operating expenses attributable to most of the investment-type programs discussed previously, and (b) the costs of maintaining the physical assets related to some of these investment-type programs.

This classification only reflects part of the Federal Government's aid to special groups since it is by definition limited to current expenses. It does not cover, for example, subsidies for the construction of private merchant ships which are classified as additions to private assets. Similarly, outlays for which the Federal Government receives assets or collateral (as the acquisition of farm commodities by the Commodity Credit Corporation) are treated as additions to Federal assets, although realized losses on such assets are included in this category. Some Government aids are indirect and are excluded from this classification because they are not reflected in expenditures or cannot be readily measured. Examples of such indirect benefits include low interest rates on some loans and certain preferential tax treatments.

Although the category deals essentially with expenditures of a direct aid or service character, some of the outlays included contribute indirectly to the Nation's future development. Among these are grants for slum clearance and urban renewal, and contributions to local authorities for low-rent public housing.

5. Other services and current operating expenses.—The outlays reported under this category are for a wide range of activities. They consist mainly of current expenditures for pay and subsistence of military personnel; for the repair, maintenance, and operation of physical assets of the national military establishment and general purpose public buildings; for the conduct of foreign affairs; for tax collection; for the payment of interest on the national debt; and for the operation and administration of other direct Federal programs not elsewhere classified.

6. Retirement and social insurance benefits.—This category applies only to trust fund benefits under programs which (a) are financed from special taxes or contributions and (b) provide insurance against the loss of income due to unemployment, retirement, disability, or death. It does not include Government employees' health and life insurance trust fund expenditures, which are in the form of subscription and premium payments to approved private companies. It also excludes programs such as public assistance grants, military retired pay, and veterans disability and death compensation and pensions which are financed from the general fund.

Recoverability of expenditures.—In general, Government expenditures for assets are not expected to be recovered by specific revenues. However, most loans, investment in commodity inventories, the construction of powerplants, and outlays for range and forest improvements on public domain and national forest lands are offset in whole or in part by receipts to the Treasury in the form of sales, specific charges or recoveries. Where such activities are carried on through revolving funds, receipts are credited directly against the expenditures, so that the amounts reported for these programs in the budget and in this analysis are net of receipts. In other cases, these returns are included in miscellaneous receipts to the Treasury rather than as offsets to expenditures.

Whether recovered by specific revenues or not, these investment and developmental expenditures in both physical and human capital add to the wealth and income of the Nation and, by helping to expand the tax base, augment the Government's potential future revenues. However, this analysis does not attempt to measure the degree of recoverability of these outlays, the potential gain in public revenues which will be forthcoming from them, nor the duration of future benefits and their discounted present value.

Comparison with capital accounting, budgeting, and funding.—The purpose of this analysis is to provide a broad framework for understanding Federal expenditures, recognizing not only outlays to increase physical capital and intangible assets, but also developmental expenditures which represent an investment in human capital. It does not distinguish precisely between capital and current items, although it does provide useful general magnitudes. Moreover, it does not make any allowance for depreciation and obsolescence on existing physical assets, anticipated losses on loan programs, or profit or loss on sales of assets at figures different from their book value. Such allowances are recorded by the agencies only for those transactions where the data will serve program and management needs, as in the

case of the public enterprise funds. As a result, it is not possible to determine directly from this analysis the net addition to the value of federally owned assets.

This analysis does not purport to be a capital budget in the sense of a long-range program for the acquisition of assets. Nor is it a plan for separate financing of capital expenditures. Some foreign governments and some State and local governments fund a portion of their capital expenditures by separate borrowing and they usually exclude such expenditures from their computation of budget totals, except for annual charges to amortize these capital outlays over a number of years. The Federal budget, on the other hand, treats both investment items and outlays for other purposes as expenditures in computing the budget surplus or deficit.

Table D-2. INVESTMENT, OPERATING, AND OTHER EXPENDITURES
(in millions of dollars)

Description	1962 actual	1963 estimated	1964 estimated
Administrative Budget Funds			
ADDITIONS TO FEDERAL ASSETS			
Loans and investments:			
Civil loans:			
To domestic private borrowers:			
Department of Agriculture:			
Commodity Credit Corporation: Price support and grain storage loans.....	449	124	-719
Rural Electrification Administration.....	293	330	269
Farmers Home Administration.....	232	308	205
Department of Commerce:			
Area redevelopment fund.....	1	19	78
Other.....	-1	-1	*
Department of Health, Education, and Welfare: De- fense educational activities and other.....	77	89	143
Housing and Home Finance Agency:			
Federal National Mortgage Association.....	-92	53	-43
College housing loans.....	115	190	112
Federal Housing Administration.....	29	-44	-67
Housing for the elderly.....	5	25	54
Other.....	-5	-3	-3
Veterans Administration:			
Housing loans:			
Veterans direct loans.....	112	128	111
Loan guarantee revolving fund.....	72	-1	-2
Other.....	1	1	1
Small Business Administration.....	211	181	218
Other agencies.....	12	-4	-1
Total, to domestic private borrowers, civil.....	1,513	1,396	359
To State and local governments:			
Housing and Home Finance Agency:			
College housing loans.....	115	190	112
Public facility loans.....	19	70	88
Urban renewal fund.....	64	10	-38
Other.....	7	2	8
District of Columbia.....	40	50	30
Other agencies.....	27	53	83
Total, to State and local governments, civil.....	272	374	283

* Less than one-half million dollars.

Table D-2. INVESTMENT, OPERATING, AND OTHER EXPENDITURES
(in millions of dollars)—Continued

Description	1962 actual	1963 estimated	1964 estimated
Administrative Budget Funds—Continued			
ADDITIONS TO FEDERAL ASSETS—Continued			
Loans and investments—Continued			
Civil loans—Continued			
To foreign borrowers, other than investments in international institutions:			
Funds appropriated to the President: Foreign assistance—economic	627	939	1,034
Department of State: Loan to the United Nations		100	
Export-Import Bank of Washington	200	-102	-503
Total, to foreign borrowers, civil	827	936	531
Total, civil loans	2,612	2,707	1,173
National defense loans: To domestic private borrowers	-16	-3	-10
Total, loans	2,596	2,703	1,163
Other financial investments:			
Investments in quasi-public institutions and trust funds:			
Department of Labor: Advances to unemployment trust fund	31	-90	-4
Other agencies	-8	-5	-1
Total, investments in quasi-public institutions and trust funds	24	-95	-4
Investments in international institutions:			
Funds appropriated to the President:			
International Development Association	62	62	62
Inter-American Development Bank	110	60	50
Total, investments in international institutions	172	122	112
Total, other financial investments	195	27	107
Total, loans and investments	2,791	2,730	1,270
Public works—sites and direct construction:			
Civil:			
Legislative Branch	33	32	23
Funds appropriated to the President: Public works acceleration		120	97
Department of Agriculture:			
Forest Service	51	75	87
Other	5	8	7
Department of Commerce:			
National Bureau of Standards: Construction	7	24	37
Other	2	6	6
Department of Defense—Civil Functions:			
Corps of Engineers	758	820	844
The Panama Canal	27	22	17
Other	1	1	1
Department of Health, Education, and Welfare	31	38	44

Table D-2. INVESTMENT, OPERATING, AND OTHER EXPENDITURES
(in millions of dollars)—Continued

Description	1962 actual	1963 estimated	1964 estimated
Administrative Budget Funds—Continued			
ADDITIONS TO FEDERAL ASSETS—Continued			
Public works—sites and direct construction—Continued			
Civil—Continued			
Department of the Interior:			
Bureau of Reclamation.....	261	256	278
Bonneville Power Administration.....	17	18	26
National Park Service.....	48	55	64
Bureau of Indian Affairs.....	42	59	64
Other.....	24	26	24
Post Office Department.....	21	56	51
Department of State.....	14	15	17
Federal Aviation Agency.....	145	144	124
General Services Administration: Public buildings.....	122	166	200
National Aeronautics and Space Administration.....	114	350	559
Veterans Administration: Hospitals.....	58	70	73
Smithsonian Institution.....	16	15	10
Tennessee Valley Authority.....	199	159	165
Other agencies.....	52	42	39
Total, public works, civil.....	2,046	2,575	2,856
National defense:			
Department of Defense—Military Functions:			
Military construction (excluding infrastructure).....	1,314	1,180	1,170
Family housing.....		151	289
Other.....	5	12	16
Atomic Energy Commission.....	273	263	285
Total, public works, national defense.....	1,592	1,607	1,760
Total, public works, sites and direct construction.....	3,637	4,182	4,616
Major commodity inventories:			
Civil:			
Department of Agriculture: Commodity Credit Corporation: Agricultural commodities.....	-1,090	91	-33
Other agencies.....	1	1	19
Total, major commodity inventories, civil.....	-1,089	91	-14
National defense:			
Funds appropriated to the President: Expansion of defense production.....	27	2	8
Department of Agriculture: Defense food stockpiling.....			30
Department of Defense—Military Functions: Civil defense.....	16	60	55
Department of Health, Education, and Welfare: Emergency health activities.....	3	17	129
Other agencies.....	8	6	10
Total, major commodity inventories, national defense.....	54	85	132
Total, major commodity inventories.....	-1,035	177	118

Table D-2. INVESTMENT, OPERATING, AND OTHER EXPENDITURES
(in millions of dollars)—Continued

Description	1962 actual	1963 estimated	1964 estimated
Administrative Budget Funds—Continued			
ADDITIONS TO FEDERAL ASSETS—Continued			
Major equipment:			
Civil:			
Department of Commerce:			
Meteorological satellite operations.....		12	34
Other.....	20	34	43
Post Office Department.....	47	42	45
Treasury Department.....	16	30	29
Federal Aviation Agency.....	30	34	24
Other agencies.....	7	13	10
Total, major equipment, civil.....	120	165	186
National defense:			
Department of Defense—Military Functions.....	14,305	15,020	15,713
Atomic Energy Commission.....	142	157	170
Total, major equipment, national defense.....	14,447	15,177	15,884
Total, major equipment.....	14,567	15,342	16,070
Other physical assets—acquisition and improvement:			
Civil:			
Department of Agriculture.....	11	14	16
Department of the Interior.....	24	43	47
Housing and Home Finance Agency:			
Federal Housing Administration.....	299	372	141
Other.....	-1	-2	*
Veteran's Administration.....	87	89	38
Other agencies.....	12	18	14
Total, other physical assets, civil.....	432	535	257
National defense: Atomic Energy Commission.....	1,238	1,197	1,088
Total, other physical assets—acquisition and improvement.....	1,671	1,732	1,345
Total, additions to Federal assets.....	21,631	24,162	23,419
ADDITIONS TO STATE, LOCAL, AND PRIVATE ASSETS			
State and local assets:			
Civil:			
Funds appropriated to the President: Public works acceleration.....		177	299
Department of Agriculture: Flood prevention and watershed protection.....	39	54	60
Department of Commerce:			
Bureau of Public Roads.....	31	45	39
Area redevelopment.....	*	4	11
Department of Health, Education, and Welfare:			
School construction in federally affected areas.....	42	46	50
National education program.....			20
Hospital construction activities.....	68	66	65
Waste treatment works construction.....	42	52	65
Other.....	4	3	2

*Less than one-half million dollars.

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Table D-2. INVESTMENT, OPERATING, AND OTHER EXPENDITURES
(in millions of dollars)—Continued

Description	1962 actual	1963 estimated	1964 estimated
Administrative Budget Funds—Continued			
ADDITIONS TO STATE, LOCAL, AND PRIVATE ASSETS—Continued			
State and local assets—Continued			
Civil—Continued			
Federal Aviation Agency: Grants-in-aid for airports.....	58	76	62
Housing and Home Finance Agency.....	5	5	30
District of Columbia.....	5	5	28
Other agencies.....	13	36	27
Total, State and local assets, civil.....	301	569	759
National defense:			
Department of Defense—Military Functions: Civil defense.....	15	25	72
Other agencies.....	1		
Total, State and local assets, national defense.....	16	25	72
Total, State and local assets.....	318	594	831
Private assets—civil:			
Department of Agriculture:			
Agricultural stabilization and conservation.....	613	545	535
Soil conservation.....	105	113	121
Other.....	1	1	1
Department of Commerce: Merchant ships.....	143	103	101
Department of Health, Education, and Welfare:			
Private hospital construction.....	95	108	115
Health research facilities.....	30	33	33
Other.....	3	9	11
National Science Foundation.....	14	37	69
Other agencies.....		1	10
Total, private assets.....	1,004	950	997
Total, additions to State, local, and private assets.....	1,322	1,544	1,828
EXPENDITURES FOR OTHER DEVELOPMENTAL PURPOSES			
Education, training, and health:			
Civil:			
Department of Agriculture: Cooperative extension work.....	70	75	77
Department of Health, Education, and Welfare:			
Office of Education:			
Defense educational activities.....	100	108	117
National education program.....			65
Payments to school districts.....	226	260	298
Vocational education.....	40	41	41
Other.....	34	37	41
Office of Vocational Rehabilitation.....	75	89	108
Public Health Service:			
Indian health activities.....	53	56	58
National Institutes of Health.....	146	180	215
Other.....	70	107	159
Social Security Administration:			
Grants, maternal and child welfare.....	68	79	104
Other.....		10	2
Other.....	8	11	15

Table D-2. INVESTMENT, OPERATING, AND OTHER EXPENDITURES
(in millions of dollars)—Continued

Description	1962 actual	1963 estimated	1964 estimated
Administrative Budget Funds—Continued			
EXPENDITURES FOR OTHER DEVELOPMENTAL PURPOSES—Continued			
Education, training, and health—Continued			
Civil—Continued			
Department of the Interior: Bureau of Indian Affairs: Education and welfare services.....	60	67	76
Department of Labor:			
Youth employment opportunities.....			60
Other.....	.5	5	5
National Science Foundation.....	78	91	150
Other agencies.....	17	19	21
Total, education, training, and health, civil.....	1,051	1,234	1,612
National defense: Atomic Energy Commission.....	13	15	17
Total, education, training, and health.....	1,065	1,249	1,629
Research and development:			
Civil:			
Department of Agriculture:			
Agricultural Research Service.....	113	86	97
Cooperative State Experiment Station Service.....		38	40
Other.....	37	41	42
Department of Commerce:			
National Bureau of Standards.....	18	23	28
Other.....	17	26	35
Department of Health, Education, and Welfare:			
Public Health Service:			
National Institutes of Health.....	398	517	593
Other.....	36	54	74
Other.....	25	32	52
Department of the Interior:			
Bureau of Mines.....	25	29	30
Geological Survey.....	23	26	31
Other.....	29	40	51
Federal Aviation Agency.....	43	59	56
National Aeronautics and Space Administration.....	1,143	2,050	3,641
Veterans Administration.....	23	25	28
National Science Foundation.....	84	105	116
Other agencies.....	30	45	59
Total, research and development, civil.....	2,045	3,196	4,973
National defense:			
Funds appropriated to the President: Military assistance.....	28	13	12
Department of Defense—Military Functions:			
Military personnel: Research and development.....	242	240	248
Procurement: Test and evaluation support.....	119	156	167
Research, development, test, and evaluation.....	6,319	6,599	7,120
Civil defense.....	9	15	17
Atomic Energy Commission.....	1,029	1,150	1,192
Total, research and development, national defense.....	7,747	8,174	8,755
Total, research and development.....	9,792	11,370	13,729

Table D-2. INVESTMENT, OPERATING, AND OTHER EXPENDITURES
(in millions of dollars)—Continued

Description	1962 actual	1963 estimated	1964 estimated
Administrative Budget Funds—Continued			
EXPENDITURES FOR OTHER DEVELOPMENTAL PURPOSES—Continued			
Engineering and natural resource surveys—civil:			
Department of the Interior:			
Geological survey.....	27	29	32
Other.....	18	23	27
Other agencies.....	61	76	84
Total, engineering and natural resource surveys.....	106	128	144
Total, expenditures for other developmental purposes.....	10,963	12,747	15,501
CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES			
Agriculture—civil:			
Department of Agriculture:			
Commodity Credit Corporation and special export programs:			
Sales for foreign currencies.....	1,455	1,212	1,282
Price support, supply, and related programs.....	2,693	2,638	2,560
Losses on long-term sales contracts.....	29	247	288
Transfer to supplemental stockpile.....	193	86	62
National Wool Act.....	65	63	106
International Wheat Agreement.....	90	78	72
Special milk program.....	92	—1	—4
Other.....	*	—2	—4
Agricultural Stabilization and Conservation Service:			
Sugar Act.....	80	82	84
Other.....	10	105	115
Agricultural Marketing Service:			
Removal of surplus agricultural commodities.....	215	225	200
Special milk program.....		97	102
Other.....	6	7	31
Other.....	71	83	90
Other agencies.....	7	7	8
Total, agriculture.....	5,007	4,926	4,995
Business—civil:			
Department of Commerce:			
Maritime Administration: Ship operating subsidies and administration.....	186	245	230
Patent Office.....	24	27	30
Other.....	41	55	73
Department of Defense—Civil Functions:			
Corps of Engineers: Operation and maintenance.....	101	104	109
Other.....	—14	—11	—13
Post Office Department.....	722	696	449
Treasury Department: Coast Guard: Navigation aids.....	205	218	225
Federal Aviation Agency.....	387	437	491
Civil Aeronautics Board: Payments to air carriers.....	82	84	84
Other agencies.....	16	27	29
Total, business.....	1,750	1,882	1,706

*Less than one-half million dollars.

Table D-2. INVESTMENT, OPERATING, AND OTHER EXPENDITURES
(in millions of dollars)—Continued

Description	1962 actual	1963 estimated	1964 estimated
Administrative Budget Funds—Continued			
CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES—Continued			
Labor—civil:			
Department of Labor:			
Payment to Federal extended compensation account.....	333	1	
Manpower development and training activities.....		48	116
Other.....	15	23	27
Other agencies.....	13	7	6
Total, labor.....	361	78	149
Homeowners and tenants—civil:			
Housing and Home Finance Agency:			
Public housing.....	165	187	211
Urban renewal.....	163	256	306
Federal National Mortgage Association.....	-31	-34	-31
Federal Housing Administration.....	-129	-218	-218
Other.....	9	16	14
Federal Home Loan Bank Board.....	-233	-268	-286
Total, homeowners and tenants.....	-57	-61	-5
Veterans—civil:			
Department of Health, Education, and Welfare: Reimbursement for military service credits.....			63
Veterans Administration:			
Compensation and pensions.....	3,705	3,877	3,921
Readjustment benefits.....	152	157	100
Hospitals and medical care.....	1,003	1,057	1,087
Insurance.....	55	24	10
Housing loans.....	-19	-16	-19
Loan guarantee revolving fund.....	-16	-40	-37
General operation and other.....	159	161	157
Other agencies.....	9	10	23
Total, veterans.....	5,048	5,229	5,306
International aids:			
Civil:			
Funds appropriated to the President:			
Foreign assistance—economic.....	1,204	1,155	1,256
Peace Corps.....	11	47	80
Other.....	*	-1	-2
Department of Agriculture: Commodity Credit Corporation and special export programs:			
Emergency famine relief to friendly peoples.....	242	195	246
Export-Import Bank of Washington.....	-99	-122	-144
Other agencies.....	18	34	40
Total, international aids, civil.....	1,376	1,308	1,476
National defense:			
Funds appropriated to the President: Military assistance.....	1,362	1,737	1,438
Department of Defense—Military Functions:			
Military construction (infrastructure).....	33		
Total, international aids, national defense.....	1,395	1,737	1,438
Total, international aids.....	2,772	3,045	2,914

*Less than one-half million dollars.

Table D-2. INVESTMENT, OPERATING, AND OTHER EXPENDITURES
(in millions of dollars)—Continued

Description	1962 actual	1963 estimated	1964 estimated
Administrative Budget Funds—Continued			
CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES—Continued			
Other aids and special services—civil:			
Funds appropriated to the President: Disaster relief.....	15	35	30
Department of Agriculture: School lunch program.....	169	169	182
Department of Health, Education, and Welfare:			
Public assistance.....	2,432	2,838	2,950
Hospitals and medical care.....	50	47	49
Assistance for Cuban refugees.....		45	63
Other.....	27	37	48
Department of the Interior: Bureau of Indian Affairs.....	37	51	50
Other agencies.....	27	25	25
Total, other aids and special services.....	2,757	3,247	3,397
Total, current expenses for aids and special services.....	17,637	18,346	18,464
OTHER SERVICES AND CURRENT OPERATING EXPENSES			
Repair, maintenance, and operation of physical assets (excluding special services):			
Civil:			
Department of Agriculture: Forest Service.....	139	144	134
Department of Defense—Civil Functions: Corps of Engineers.....	54	63	65
Department of the Interior:			
Bureau of Reclamation.....	41	45	50
Bureau of Land Management.....	21	25	26
National Park Service.....	38	43	48
Other.....	28	33	37
General Services Administration: Real property activities.....	192	220	241
Tennessee Valley Authority.....	—113	—108	—127
Other agencies.....	29	35	36
Total, repair, maintenance, and operation, civil.....	428	501	510
National defense:			
Department of Defense—Military Functions:			
Operation and maintenance.....	11,594	11,500	11,690
Family housing.....		250	260
Atomic Energy Commission.....	110	88	99
Total, repair, maintenance, and operation, national defense.....	11,703	11,838	12,049
Total, repair, maintenance, and operation of physical assets.....	12,131	12,339	12,558
Regulation and control:			
The Judiciary.....	57	65	69
Department of Agriculture:			
Agricultural Stabilization and Conservation Service: Acreage allotments and marketing quotas.....	44	*	
Agricultural Marketing Service.....	28	30	32
Agricultural Research Service.....	78	88	94
Other.....	1	1	1

*Less than one-half million dollars.

Table D-2. INVESTMENT, OPERATING, AND OTHER EXPENDITURES
(in millions of dollars)—Continued

Description	1962 actual	1963 estimated	1964 estimated
Administrative Budget Funds—Continued			
OTHER SERVICES AND CURRENT OPERATING EXPENSES—Continued			
Regulation and control—Continued			
Department of Health, Education, and Welfare.....	20	29	33
Department of Justice:			
Federal Bureau of Investigation.....	126	136	145
Legal activities and general administration.....	52	58	61
Immigration and Naturalization Service.....	63	67	69
Federal prisons.....	43	46	52
Department of Labor.....	20	23	25
Treasury Department:			
Bureau of Customs.....	62	67	75
Other.....	29	31	34
Federal Aviation Agency.....	30	34	36
Interstate Commerce Commission.....	22	23	25
Other agencies.....	85	99	113
Total, regulation and control.....	762	797	863
Operation and administration of other civil activities:			
International activities:			
Department of State:			
Foreign affairs administration.....	134	157	172
International organizations and conferences.....	98	100	86
Educational exchange.....	42	48	53
Other.....	3	2	2
Foreign Claims Settlement Commission.....	1	21	37
United States Information Agency.....	132	138	162
Other agencies.....	1	1	2
Total, international activities.....	410	468	514
Federal financial activities:			
Treasury Department:			
Internal Revenue Service.....	443	501	570
Bureau of Accounts.....	28	32	36
Bureau of the Public Debt.....	47	48	48
Other.....	27	28	32
General Accounting Office.....	41	44	47
Other agencies.....	4	4	5
Total, Federal financial activities.....	591	657	737
Other direct Federal programs:			
Legislative Branch.....	108	110	116
Department of Commerce:			
Weather Bureau.....	55	63	72
Other.....	2	2	3
Department of Defense—Civil Functions.....	33	37	41
Treasury Department: Claims, judgments, and private relief acts.....	43	7	5
General Services Administration.....	93	111	119
Other agencies.....	58	62	67
Total, other direct Federal programs.....	392	392	424

Table D-2. INVESTMENT, OPERATING, AND OTHER EXPENDITURES
(in millions of dollars)—Continued

Description	1962 actual	1963 estimated	1964 estimated
Administrative Budget Funds—Continued			
OTHER SERVICES AND CURRENT OPERATING EXPENSES—Continued			
Operation and administration of other civil activities—Con.			
Retirement, unemployment, and accident compensation for Federal employees:			
Department of Labor:			
Employees' compensation claims and expenses.....	64	62	54
Unemployment compensation for Federal employees.....	129	141	119
Treasury Department: Coast Guard retired pay and Secret Service annuities.....	31	33	33
Civil Service Commission.....	63	52	26
Other agencies.....	2	6	6
Total, retirement, unemployment, and accident compensation for Federal employees.....	290	293	239
Shared revenues and grants-in-aid—civil:			
Department of Agriculture: Forest Service.....	26	28	31
Department of the Interior:			
Bureau of Land Management.....	54	63	62
Other.....	29	34	39
Treasury Department.....	30	34	34
District of Columbia: Federal payment.....	25	25	25
Other agencies.....	16	18	18
Total, shared revenues and grants-in-aid.....	180	201	209
Total, operation and administration of other civil activities.....	1,862	2,011	2,122
Other national defense operation and administration:			
Department of Defense—Military Functions:			
Military personnel (excluding research and development).....	12,790	12,860	14,007
Family housing.....		118	121
Civil defense.....	45	98	50
Other.....	9	14	6
General Services Administration: Strategic and critical materials.....	33	24	25
Other agencies.....	36	37	40
Total, other national defense operation and administration.....	12,913	13,152	14,249
Interest:			
On the public debt.....	9,120	9,700	10,020
Other interest:			
On refunds: Treasury Department.....	68	71	71
On uninvested funds: Treasury Department.....	10	11	12
Total, other interest.....	78	82	83
Total, interest.....	9,198	9,782	10,103
Total, other services and current operating expenses.....	36,867	38,082	39,895

Table D-2. INVESTMENT, OPERATING, AND OTHER EXPENDITURES
(in millions of dollars)—Continued

Description	1962 actual	1963 estimated	1964 estimated
Administrative Budget Funds—Continued			
Allowances, undistributed:			
Comparability pay adjustment.....			200
Contingencies.....		75	175
Subtotal.....	88,419	94,957	99,482
Interfund transactions (—).....	—633	—646	—679
Total, administrative budget funds	87,787	94,311	98,802
Trust Funds			
(Includes deposit funds and Government-sponsored enterprises)			
ADDITIONS TO FEDERAL ASSETS			
Loans—civil:			
To domestic private borrowers:			
Housing and Home Finance Agency: Federal National Mortgage Association: Secondary market operations.....	349	270	512
Veterans Administration: Life insurance funds.....	125	128	127
Farm Credit Administration:			
Banks for cooperatives.....	50	40	40
Federal intermediate credit banks.....	129	160	150
Other agencies.....	1	—1	*
Total, to domestic private borrowers.....	654	597	829
To State and local governments.....	1	—3	—3
Total, loans	655	594	826
Public works—sites and direct construction—civil:			
Department of Defense—Civil Functions:			
Corps of Engineers.....	16	26	21
Other.....	3	1	*
Other agencies.....	22	21	16
Total, public works, sites and direct construction.....	40	48	37
Other physical assets—acquisition and improvement—civil.....	*	*	1
Total, additions to Federal assets	695	643	864
ADDITIONS TO STATE, LOCAL, AND PRIVATE ASSETS			
State and local assets—civil:			
Department of Commerce: Public roads.....	2,717	2,931	3,286

*Less than one-half million dollars.

Table D-2. INVESTMENT, OPERATING, AND OTHER EXPENDITURES
(in millions of dollars)—Continued

Description	1962 actual	1963 estimated	1964 estimated
Trust Funds—Continued			
ADDITIONS TO STATE, LOCAL, AND PRIVATE ASSETS—Continued			
Private assets—civil:			
Farm Credit Administration: Federal land banks.....	195	200	175
Federal home loan banks.....	872	-100	150
Total, private assets.....	1,067	100	325
Total, additions to State, local, and private assets.....	3,783	3,031	3,611
EXPENDITURES FOR OTHER DEVELOPMENTAL PURPOSES			
Research and development—civil:			
Department of Commerce: Public roads and other.....	40	44	70
Other agencies.....	6	6	6
Total, research and development.....	46	50	76
CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES			
Agriculture—civil:			
Department of Agriculture: Food stamp redemption and other.....	35	*	*
Business—civil:			
Department of Commerce:			
Maritime Administration.....	27	12	1
Public roads.....	28	32	39
Other.....	4	4	5
Federal Deposit Insurance Corporation.....	-154	-165	-162
Total, business.....	-95	-117	-118
Labor—civil:			
Department of Labor: Unemployment trust fund.....	508	386	459
Home owners and tenants—civil:			
Housing and Home Finance Agency: Federal National Mortgage Association: Secondary market operations.....	-33	-20	-27
Veterans—civil.....	15	18	17
International aids—civil.....	8	7	7
International aids—national defense: Funds appropriated to the President: Foreign assistance advances.....	361	435	571

*Less than one-half million dollars

Table D-2. INVESTMENT, OPERATING, AND OTHER EXPENDITURES
(in millions of dollars)—Continued

Description	1962 actual	1963 estimated	1964 estimated
Trust Funds—Continued			
CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES—Continued			
Other aids and special services—civil:			
Department of Health, Education, and Welfare:			
Federal old-age and survivors insurance trust fund.....	248	265	294
Federal disability insurance trust fund.....	66	69	78
Department of the Interior:			
Indian tribal funds.....	64	62	74
Other.....	3	3	2
Other agencies.....	9	10	11
Total, other aids and special services.....	390	410	460
Total, current expenses for aids and special services.....	4,189	4,118	4,369
RETIREMENT AND SOCIAL INSURANCE BENEFITS			
Social Security benefits—civil:			
Department of Health, Education, and Welfare:			
Federal old-age and survivors insurance trust fund.....	12,658	13,865	14,648
Federal disability insurance trust fund.....	1,011	1,167	1,231
Total, Social Security benefits.....	13,669	15,032	15,879
Unemployment benefits—civil: Department of Labor.....	3,371	2,865	2,875
Other retirement and social insurance benefits—civil:			
Veterans Administration:			
National service life insurance fund.....	510	670	364
United States Government life insurance fund.....	81	62	46
Civil Service Commission: Civil Service retirement and disability fund.....	937	1,068	1,194
Railroad Retirement Board: Railroad Retirement account.....	1,024	1,050	1,075
Other agencies.....	6	8	9
Total, other retirement and social insurance benefits.....	2,558	2,858	2,688
Total, retirement and social insurance benefits.....	19,598	20,755	21,442
OTHER SERVICES AND CURRENT OPERATING EXPENSES			
Repair, maintenance, and operation of physical assets—civil (excluding special services)	10	10	10
Regulation and control:			
Department of Agriculture.....	22	24	26
Other agencies.....	3	4	4
Total, regulation and control.....	25	28	30

Table D-2. INVESTMENT, OPERATING, AND OTHER EXPENDITURES
(in millions of dollars)—Continued

Description	1962 actual	1963 estimated	1964 estimated
Trust Funds—Continued			
OTHER SERVICES AND CURRENT OPERATING EXPENSES—Continued			
International activities:			
Department of Justice:			
Alien property fund, World War II.....	5	32	56
Other.....	*	1	1
Foreign Claims Settlement Commission: War claims fund.....	*	1	55
Other agencies.....	2	7	4
Total, international activities.....	7	41	116
Federal financial activities.....	1	*	1
Other direct Federal programs:			
Civil Service Commission:			
Civil Service retirement and disability fund.....	121	151	151
Other.....	-81	-42	-70
Other agencies.....	2	2	2
Total, other direct Federal programs.....	42	111	83
Shared revenues and grants-in-aid—civil.....	12	13	14
Other national defense operation and administration.....	5	5	5
Total, other services and current operating expenses.....	102	208	259
UNCLASSIFIED			
Department of Health, Education, and Welfare:			
Federal old-age and survivors insurance trust fund.....	361	385	386
Federal disability insurance trust fund.....	11	10	10
Department of Labor: Unemployment trust fund.....	27	499	435
Railroad Retirement Board: Railroad retirement account.....	101	52	13
District of Columbia.....	334	388	400
Deposit funds.....	-517	628	-29
Total, unclassified.....	317	1,962	1,215
Subtotal.....	25,729	27,766	28,835
Interfund transactions (-).....	-528	-491	-454
Total, trust funds.....	25,201	27,275	28,382

*Less than one-half million dollars.

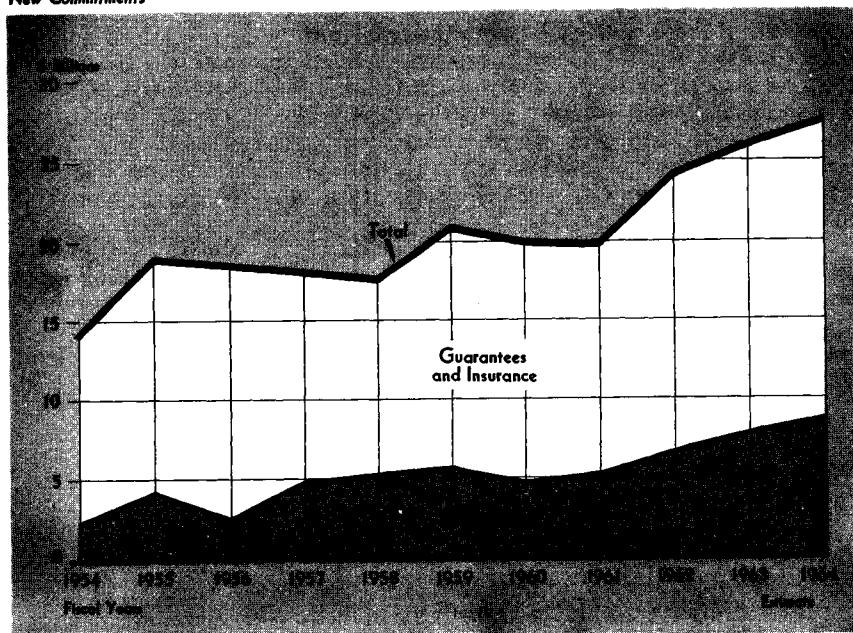
SPECIAL ANALYSIS E
FEDERAL CREDIT PROGRAMS

INTRODUCTION

Federal credit aids help achieve basic objectives of Government programs in six major areas. Most important are the loan, loan insurance, and loan guarantee programs for: (a) improvement of private housing and encouragement of home ownership; (b) development of agricultural and other natural resources; and (c) promotion of economic development abroad. In addition, Federal credit programs provide significant assistance for: (d) domestic business, e.g., small business generally, shipping, aviation, railroads, and commercial fisheries; (e) community development and public housing; and (f) higher education.

Federal Credit Programs

New Commitments



These programs are intended to supplement, rather than to substitute for private credit. In some cases, they fill gaps by providing or stimulating a type of credit not otherwise generally available to important groups of borrowers. Often they assume or share in risks which private lenders, at least initially, cannot reasonably be expected to undertake. Similarly, the terms on which the assistance is pro-

vided often are more liberal, with longer maturities, smaller down-payments, or lower interest rates than are generally available otherwise. In several programs the loans are part of a package of Federal assistance, which may include, for example, research grants to help discover promising new industries for depressed areas, or technical aids to help underdeveloped countries plan and construct basic transportation systems.

Unlike almost all other Government programs, the initial expenditures involved for credit programs are largely or wholly repayable, so that the ultimate net cost is normally low. Some programs are fully self-supporting; in most others, the income from interest payments or insurance and guarantee fees covers most of the current expenses and/or provides reserves for future losses. Customarily, administrative expenses are paid from income, but occasionally separate appropriations are made to finance them. Thus, these programs are mainly methods of helping borrowers to help themselves.

COVERAGE OF SPECIAL ANALYSIS

The number of types of assistance and the overall level of activity in Federal credit programs has been gradually increasing—as new programs are authorized by the Congress and existing programs broadened. The analysis this year presents separate information on major credit programs administered by seven cabinet departments and five other agencies. Separate information is presented for the first time on the following programs: Department of the Interior—reclamation loans; Department of State—loans to the United Nations; Treasury Department—loans to the District of Columbia and to the International Monetary Fund. In addition, the 1964 figures reflect proposed legislation to authorize the Farmers Home Administration and the Department of Health, Education, and Welfare to provide broader credit aids.

The analysis includes (in tables E-2 and E-3) the total amounts, but no detailed information on net expenditures and outstanding loans and guarantees for various smaller or relatively inactive lending programs administered by seven departments and four other agencies. Loan programs of important quasi-public agencies are excluded from tables E-1 to E-5, but their outstanding loans are shown in table E-6. The analysis excludes borrowing from the Treasury by other Federal agencies, whether for loans or other programs.¹

NEW COMMITMENTS

New commitments are the best single measure of the trends in most Federal credit programs. They also give the best advance indication of trends in the economic impact of these programs, since changes in the level of new commitments usually precede corresponding changes in the volume of loans disbursed by either public agencies or private lenders and in the purchase of goods and services by the ultimate borrowers.

In this analysis, commitments are defined as approvals by Federal agencies of direct loans or of insurance or guarantees of private loans.

¹ Supplementary material containing brief summaries of each of the major programs (including the major quasi-public credit programs) with emphasis on current developments is available on request from the Bureau of the Budget.

They are shown on a gross basis, including commitments which do not later result in actual credit extensions, as well as the unguaranteed portions of loans partially covered by Federal guarantees.

Table E-1. NEW COMMITMENTS FOR MAJOR FEDERAL CREDIT PROGRAMS CLASSIFIED BY TYPE OF ASSISTANCE, MAJOR AGENCY OR PROGRAM (in millions of dollars)

Agency or program	1962 actual		1963 estimate		1964 estimate	
	Direct loans	Guarantees and insurance	Direct loans	Guarantees and insurance	Direct loans	Guarantees and insurance
Department of Agriculture:						
Commodity Credit Corporation	465	2,197	472	2,295	387	1,887
Rural Electrification Administration	353		445		445	
Farmers Home Administration	483	109	616	167	526	489
Department of Commerce:						
Aircraft loan guarantees		8		4		6
Area Redevelopment Administration	59		177		190	
Maritime Administration		8		55		57
Department of Health, Education, and Welfare	75		92		537	
Department of the Interior	13		12		17	
Department of State:						
Loans to United Nations			100			
Agency for International Development	1,788	55	1,994	115	2,396	270
Treasury Department: Loans to District of Columbia	48		53		31	
Housing and Home Finance Agency:						
Community Facilities Administration	460		531		589	
Urban Renewal Administration	131	312	156	397	169	432
Federal National Mortgage Association	297		525		743	
Federal Housing Administration	158	11,850	251	12,276	87	12,732
Public Housing Administration	370	439	403	499	471	580
Veterans Administration	335	2,286	428	2,200	398	2,000
Export-Import Bank of Washington	1,093	268	1,071	174	1,193	208
Interstate Commerce Commission	15	39		25		28
Small Business Administration	367	41	415	68	488	99
Expansion of defense production		70		65		60
Total by type of assistance	6,510	17,682	7,741	18,340	8,667	18,848
Grand total		24,192		26,081		27,515

Direct loans.—New commitments of \$8.7 billion estimated for direct loans in 1964 are \$2.2 billion or one-third higher than actual commitments in 1962. Most of the major programs will share in the expansion. Substantially larger commitments are anticipated for development loans by the Agency for International Development, reflecting the continuing shift of emphasis in the economic assistance programs from grants to loans. The proposed new authority for college facility and other educational loans, if enacted, will permit an estimated \$445 million in commitments in the first year of operation. Commitments to purchase mortgages by the Federal National Mortgage Association mainly to finance construction of housing for moderate-income families will also increase significantly.

Guarantees and insurance.—New commitments for guarantee and insurance of private loans will rise more gradually to an estimated \$18.8 billion in 1964. Two-thirds of the total new commitments and an even larger share of the rise over the 2-year period are expected to be in housing loans insured by the Federal Housing Administration. Other major increases are expected in the proposed new insurance program to help finance rural housing under the Farmers Home Administration and in guarantees of foreign loans by the Agency for International Development.

Overlapping commitments.—The total estimated commitments of \$27.5 billion include several cases where two or more types of Federal assistance are provided for the same borrower or on the same property at different stages in the financing process. The most significant overlap is probably the \$0.7 billion of commitments for purchase of insured or guaranteed mortgages by the Federal National Mortgage Association. In some cases, builders construct houses with the aid of commitments for mortgage insurance from the Federal Housing Administration, but later sell them to veterans whose purchases are financed by mortgages guaranteed by the Veterans Administration.

DISBURSEMENTS AND REPAYMENTS

Direct loans can have a major budgetary impact, since the difference between disbursements and repayments represents net expenditures or receipts. Federal guarantees and insurance of private loans, on the other hand, ordinarily have only a minor effect on Federal expenditures, since they result primarily in expenditures by private financial institutions. Net expenditures for Federal credit assistance, therefore, give only a partial picture of the economic impact of most of these programs.

Net expenditures of all Government lending programs (with the exception of loans from trust funds or by quasi-public agencies) are included in the administrative budget totals. In most currently active loan programs, collections are offset directly against expenditures. In the case of the Rural Electrification Administration, collections on loans are deposited to miscellaneous receipts, but legislation is proposed for 1964 to put this program on a revolving fund basis. In the case of foreign loans, disbursements and repayments in foreign currencies are included in the analysis, though they are not included in budget expenditures and receipts. Also included is sales credit extended to buyers of federally owned assets, though no budget expenditures are involved.

Gross loan disbursements of major credit programs are expected to rise by over \$1.5 billion during 1963 to \$8.6 billion, declining to \$8.1 billion in 1964. However, repayments will rise sharply in both years to an estimated \$6.6 billion in 1964. As a result, net expenditures in 1964 will fall to \$1.6 billion, or nearly \$1.2 billion below the 1963 level. After adding in net expenditures for other credit programs and adjusting for repayments going directly to miscellaneous receipts, for loans in foreign currencies and for sales credit extensions involving no budget expenditures, net budget expenditures for loans in 1964 will amount to an estimated \$1.2 billion. This compares with \$2.6 billion in 1962 and \$2.7 billion estimated for 1963.

Table E-2. DISBURSEMENTS AND REPAYMENTS FOR MAJOR FEDERAL CREDIT PROGRAMS CLASSIFIED BY AGENCY OR PROGRAM
(In millions of dollars)

Agency or program	1962 actual		1963 estimate		1964 estimate	
	Disbursements	Repayments	Disbursements	Repayments	Disbursements	Repayments
Department of Agriculture:						
Commodity Credit Corporation	2,366	1,916	3,030	2,905	2,088	2,807
Rural Electrification Administration	293	136	330	134	410	141
Farmers Home Administration	587	373	740	457	807	630
Department of Commerce:						
Area Redevelopment Administration	1	*	28	*	98	1
Maritime Administration		22		21		20
Department of Health, Education, and Welfare	75	*	89	*	147	*
Department of the Interior	18		22	*	14	*
Department of State:						
Loans to United Nations		3	100	3		3
Agency for International Development	1,036	78	1,416	383	1,551	97
Treasury Department:						
Loans to District of Columbia	48	8	53	4	31	1
Loan to United Kingdom		54		55		56
Housing and Home Finance Agency:						
Community Facilities Administration	282	25	509	30	468	91
Urban Renewal Administration	157	93	109	99	115	152
Federal National Mortgage Association	208	300	343	291	401	444
Federal Housing Administration	158	23	267	134	196	154
Public Housing Administration	171	172	269	275	289	293
Veterans Administration	329	142	401	269	388	275
Export-Import Bank of Washington	903	704	490	592	670	1,173
Interstate Commerce Commission	15					
Small Business Administration	348	130	369	170	445	196
Expansion of defense production	24	39	17	20	10	19
Total	7,019	4,218	8,582	5,842	8,128	6,553
Net addition to loans:						
Major agencies or programs		2,801		2,740		1,575
Other agencies or programs		132		32		30
Adjustment for repayments going directly into miscellaneous receipts		295		582		162
Adjustment for net extensions of sales credit, deduct		255		213		134
Adjustment for net expenditures in foreign currencies, deduct		377		438		470
Total administrative budget expenditures ¹		2,596		2,703		1,163

*Less than one-half million dollars.

¹ See special analysis D, p. 351.

The sharply reduced net impact on the budget anticipated in 1964 reflects mainly a considerable fall now expected in disbursements on Commodity Credit Corporation loans from the unusually high 1963 level together with substitution of private for public credit, primarily by the Export-Import Bank, the Federal National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration.

Neither current repayments, nor net expenditures provide any measure of the ultimate recoverability of the loans made. As previously indicated, interest or premiums cover most or all expenses and losses for many programs. In some, the legislative mandates make losses probable from time to time, such as for the nonrecourse loans of the Commodity Credit Corporation and the loan guarantee program of the Veterans Administration.

OUTSTANDING DIRECT AND GUARANTEED LOANS

The best index of the level of Federal credit programs over a period of years is provided by the total outstanding direct and guaranteed loans. By the close of 1964, these will total \$119.0 billion for major programs, and with numerous smaller programs nearly \$119.6 billion.

Table E-3. OUTSTANDING DIRECT LOANS, GUARANTEES, AND INSURANCE FOR MAJOR FEDERAL CREDIT PROGRAMS CLASSIFIED BY AGENCY OR PROGRAM (in millions of dollars)

Agency or program	1962 actual		1963 estimate		1964 estimate	
	Direct loans	Guarantees and insurance	Direct loans	Guarantees and insurance	Direct loans	Guarantees and insurance
Department of Agriculture:						
Commodity Credit Corporation.....	1,353	902	1,471	639	751	825
Rural Electrification Administration.....	3,525	-----	3,720	-----	3,910	-----
Farmers Home Administration.....	1,293	316	1,572	507	1,746	987
Department of Commerce:						
Aircraft loan guarantees.....	28	-----	26	-----	26	-----
Area Redevelopment Administration.....	1	-----	29	-----	126	-----
Maritime Administration.....	131	395	110	475	90	515
Department of Health, Education, and Welfare: Office of Education.....	206	-----	294	-----	441	-----
Department of the Interior: Bureau of Reclamation.....	52	-----	74	-----	88	-----
Department of State:						
Loans to United Nations.....	45	-----	141	-----	135	-----
Agency for International Development.....	5,169	55	6,202	170	7,656	440
Treasury Department:						
Loans to District of Columbia.....	73	-----	122	-----	151	-----
Loan to United Kingdom.....	3,260	-----	3,205	-----	3,149	-----
Housing and Home Finance Agency:						
Community Facilities Administration.....	1,341	-----	1,821	-----	2,198	-----
Urban Renewal Administration.....	143	843	153	1,032	115	1,244
Federal National Mortgage Association.....	3,324	-----	3,377	-----	3,335	-----
Federal Housing Administration.....	556	39,278	650	43,806	659	48,132
Public Housing Administration.....	97	4,125	91	4,433	87	4,853
Veterans Administration.....	1,804	29,584	1,935	28,740	2,049	27,841
Export-Import Bank of Washington.....	3,569	1,083	3,466	1,747	2,963	2,705
Interstate Commerce Commission.....	15	149	15	170	15	195
Small Business Administration.....	694	62	894	103	1,143	170
Expansion of defense production.....	142	146	137	168	126	146
Total by type of assistance:						
Major agencies or programs.....	26,793	76,966	29,479	82,016	30,933	88,079
Other agencies or programs.....	471	1	503	2	536	5
All agencies.....	27,264	76,967	29,982	82,018	31,469	88,084

Outstanding direct loans will rise by an estimated \$2.7 billion during 1963 and another \$1.5 billion during 1964. One-quarter of the outstanding amount in 1964 and over a half of the net increase during the 2-year period will be in loans of the Agency for International Development. Other substantial increases are anticipated in outstanding loans of the Community Facilities Administration, Small Business Administration, Farmers Home Administration, and the Rural Electrification Administration. On the other hand, sharp reductions in the present portfolio of the Commodity Credit Corporation and the Export-Import Bank are expected, primarily during 1964.

Guaranteed and insured loans outstanding will increase by an estimated \$11.1 billion over the 2-year period. The rise of almost \$9 billion estimated in outstanding loans insured by the Federal Housing Administration accounts for most of the net increase. Other substantial increases are expected for the Export-Import Bank, the Farmers Home Administration, and the Public Housing Administration. However, outstanding loans guaranteed by the Veterans Administration will be an estimated \$1.7 billion lower, since amortization and repayments on outstanding loans substantially exceed the volume of new loans insured.

The amounts shown include both the guaranteed and unguaranteed portion of outstanding loans in order to give a clearer picture of the economic impact of these programs and to tie in better with banking statistics. Thus, they do not indicate the estimated contingent liability of the Federal Government. The major program for which the contingent liability differs materially from the principal amount of the loans is the veterans loan guarantee program; by the end of 1964, the Government's liability will be about \$12 billion lower than the outstanding amount of such loans.

NEW COMMITMENT AUTHORITY

New commitment authority includes any additional loan or loan guarantee authority made available or recommended. There are several kinds of new commitment authority. Budget authorizations are those included in budget totals of new obligational authority; they consist either of appropriations or of authorizations to expend from public or corporate debt receipts. Other authorizations, which do not normally give rise to budget expenditures, mainly consist of insurance and guarantee authorizations.

Table E-4 summarizes new commitment authority of the major agencies or programs which have received, or will need, additional authority available during the period. New commitment authority required for 1964 is estimated at \$15.1 billion, a little less than now estimated for 1963 and somewhat higher than provided in 1962. The increase represents mainly the considerably higher authority required for the Commodity Credit Corporation and somewhat smaller increases for the Agency for International Development. The proposed \$2 billion increase in lending authority for the Export-Import Bank in 1963 is expected to be adequate for the next several years.

Table E-4. NEW COMMITMENT AUTHORITY FOR MAJOR FEDERAL CREDIT PROGRAMS CLASSIFIED BY TYPE OF AUTHORIZATION, AGENCY, OR MAJOR PROGRAM (in millions of dollars)

Agency or program	1962 actual		1963 estimate		1964 estimate	
	Budget authorizations	Other	Budget authorizations	Other	Budget authorizations	Other
Department of Agriculture:						
Commodity Credit Corporation	1,018	-----	2,279	-----	2,799	-----
Rural Electrification Administration	408	-----	480	-----	344	151
Farmers Home Administration	336	175	55	227	107	480
Department of Commerce:						
Aircraft loan guarantees	-----	7	-----	4	-----	5
Area Redevelopment Administration	122	-----	115	-----	190	-----
Department of Health, Education, and Welfare	82	-----	98	-----	542	-----
Department of the Interior	13	-----	12	-----	17	-----
Department of State:						
Loans to United Nations	-----	100	-----	-----	-----	-----
Agency for International Development	1,355	538	1,462	662	1,898	757
Treasury Department:						
Loans to District of Columbia	32	-----	26	-----	11	-----
Loan to International Monetary Fund	2,000	-----	-----	-----	-----	-----
Housing and Home Finance Agency:						
Community Facilities Administration	395	-----	415	-----	445	-----
Urban Renewal Administration	-----	184	-----	211	-----	309
Federal National Mortgage Association	53	140	13	226	15	177
Federal Housing Administration	-----	4,605	-----	4,511	-----	4,584
Public Housing Administration	-----	386	-----	310	-----	422
Veterans Administration	500	1,141	200	1,100	150	1,000
Export-Import Bank of Washington	-----	545	2,000	525	-----	400
Interstate Commerce Commission	15	-----	-----	-----	-----	-----
Small Business Administration	220	4	303	33	208	37
Expansion of defense production	-----	40	-----	35	-----	25
Total by type of authorization	6,549	7,765	7,558	7,844	6,726	8,347
Grand total	14,314	-----	15,402	-----	15,073	-----
Definite limitation	6,424	-----	7,703	-----	6,932	-----
Indefinite limitation	7,890	-----	7,699	-----	8,141	-----

New commitment authority for most credit programs has been provided by the Congress in the basic legislation rather than in appropriation acts. Since most new commitments can be financed out of uncommitted balances of prior authorizations, or out of funds made available by collections on outstanding loans, many programs do not need new commitment authority in any one year. In 1964, congressional approval is requested or anticipated for new commitment authority for 10 agencies.

In most loan insurance and guarantee programs the authority provided by the basic statute is indefinite. In these cases, the tabulations show new authorizations equal to the net amount of the guaranteed or insured portion of new commitments.

INTEREST RATES AND MATURITIES

Two of the major ways in which Federal credit programs help achieve program objectives are by providing credit with more favor-

able interest rates or maturities than many borrowers can obtain from other sources. Table E-5 summarizes the current range of interest rates charged by the various major credit programs on direct loans (or prevailing on insured or guaranteed loans) and the customary maturities for both direct and insured and guaranteed loans.

Table E-5. INTEREST RATES AND MATURITIES FOR MAJOR CREDIT PROGRAMS CLASSIFIED BY AGENCY OR PROGRAM, DECEMBER 1962

Agency or program	Direct loans		Guaranteed and insured loans	
	Interest rate (percent)	Maturity (years) ¹	Interest rate (percent)	Maturity (years)
Department of Agriculture:				
Commodity Credit Corporation	3½-4	½-4	3½-4	½-4
Rural Electrification Administration	2	10-35		
Farmers Home Administration	3-5	1-50	5-5½	20-40
Department of Commerce:				
Aircraft loan guarantees	3½-4	25-40	5½-6	10
Area Redevelopment Administration	(1)	(1)	4.2	20-25
Maritime Administration				
Department of Health, Education, and Welfare	3-4½	10-20		
Department of the Interior: Bureau of Reclamation	3½	50		
Department of State:				
Loan to United Nations	2	25		
Agency for International Development	¾-8	10-40	5½-6	10-20
Treasury Department: Loans to District of Columbia	3½	30-40		
Housing and Home Finance Agency:				
Community Facilities Administration	3½-3¾	20-50		
Urban Renewal Administration	3½	½	1.6-3¾	½-36
Federal National Mortgage Association	3½-6	10-40		
Federal Housing Administration	5½	30-40	2 3½-6	2 3-40
Public Housing Administration	3-4½	Demand	1.6-3.2	½-40
Veterans Administration	5½	30	5½	30
Export-Import Bank of Washington	5¾-7	1-25	4½-6½	1-5
Interstate Commerce Commission			4½-5½	15
Small Business Administration	3-5½	5-25	5-8	5-25
Expansion of defense production	(1)	(1)	4½-6	½-5

¹ Currently inactive.

² In addition, property improvement loans are insured for \$4 to \$5 discount per year (equivalent to over 8% simple interest), and with 1-5 year maturities.

Interest rates charged on direct loans vary greatly both among the various Federal credit agencies and sometimes among the various types of loans made by a single agency. Many of the differences in rates reflect mainly differences in the cost of providing the loan, including the cost of borrowing the necessary funds, of administering the varying types of loans and of incurring the varying degrees of risk of probable loss. In many cases, the rate charged is governed by statutory limits or formulas. These sometimes are intended to assure loans at rates below those prevailing in the private market or below the probable cost to the Government, in order to provide special assistance to particular groups of borrowers as a method of accomplishing Federal program objectives. In some cases, the rates charged reflect mainly Government borrowing costs in earlier periods, rather

than current market yields of Government obligations, and thus may be the product of historical accidents.

Interest rates charged on insured and guaranteed loans tend to correspond more closely to market rates of interest on comparable loans by private lenders—allowing for the reduction or removal of the normal private credit risk. In a few cases, interest rates on insured loans are deliberately set below the market rate and a secondary market provided to assure the willingness of the private lender to make the initial loans; for example, the Federal Housing Administration was authorized in the Housing Act of 1961 to insure certain types of loans to finance moderate-income housing at rates well below those prevailing in the private market and the Federal National Mortgage Association purchases all of such mortgages.

Maturities, both on direct and on insured or guaranteed loans, often are substantially more liberal than on private loans of similar types. Private lenders are often limited by law or supervisory policy to shorter maturities. When a Federal agency insures or guarantees the loans, however, these limitations customarily do not apply. When borrowers are acquiring assets yielding income or tangible benefits over a long period of years, long-term loans reduce periodic installments and make it possible for borrowers to undertake such acquisitions with reasonable assurance of repayment.

QUASI-PUBLIC CREDIT PROGRAMS

The Federal Government also has certain responsibilities for the credit programs of mixed-ownership corporations and other public

Table E-6. OUTSTANDING LOANS FOR MAJOR QUASI-PUBLIC CREDIT PROGRAMS CLASSIFIED BY AGENCY AND PROGRAM (in millions of dollars)

Agency	Outstanding at end of fiscal year			
	1961 actual	1962 actual	1963 estimate	1964 estimate
Mixed ownership enterprises and trust funds:				
Farm Credit Administration:				
Banks for cooperatives.....	595	692	726	761
Federal intermediate credit banks.....	1,831	1,998	2,150	2,300
Housing and Home Finance Agency: Federal National Mortgage Association (Secondary market operations trust fund).....	2,522	2,871	3,142	3,657
Veterans Administration:				
National service life insurance fund.....	368	418	465	515
U.S. Government life insurance fund.....	106	102	98	94
Subtotal, mixed ownership and trust funds.....	5,422	6,081	6,581	7,327
Other quasi-public credit programs:				
Farm Credit Administration: Federal land banks.....	2,728	2,968	(1)	(1)
Federal Home Loan Bank Board: Federal home loan banks.....	1,869	2,767	(1)	(1)
Federal Reserve, Board of Governors: Federal Reserve banks.....	72	136	(1)	(1)
Subtotal, other quasi-public credit programs.....	4,669	5,871	.....	.....
Total.....	10,091	11,952	.....	.....

¹ Estimates are not available for 1963 and 1964.

agencies operating in whole or in part with private funds. Table E-6 summarizes the outstanding loans for eight institutions or groups of institutions of this type which have important lending operations.

Outstanding loans of the five groups of mixed-ownership enterprises and trust funds for which estimates of future fiscal years as well as data on the actual past year are available will increase from a total of \$5.4 billion in 1961 and \$6.1 billion in 1962 to an estimated \$7.3 billion by the end of the fiscal year 1964. Most of the anticipated increase is in the secondary market operations of the Federal National Mortgage Association.

The three other groups of institutions, which are wholly privately owned, increased their outstanding loans from \$4.7 billion at the end of 1961 to \$5.9 billion on June 30, 1962, primarily because of the 50% increase in advances by the Federal home loan banks during 1962. No data are available on the expected change in loans for these programs in later years.

SPECIAL ANALYSIS F

FEDERAL ACTIVITIES IN PUBLIC WORKS

This special analysis brings together, from the numerous budget accounts and trust funds, information on Federal public works activities. Many types of structures are required to carry on the Federal Government's program responsibilities. Some of these structures are built by Federal agencies; others are built by State and local authorities, with Federal financial assistance in the form of grants or loans. The Federal Government also provides construction aids to cooperatives, nonprofit groups and private interests through loans, loan guarantees, grants and other incentives. These, however, are not within the scope of this analysis.

Expenditures shown in the following tables reasonably approximate the value of work put in place for direct Federal projects, most of which are constructed under contracts with private enterprise. In the case of federally aided State and local projects, the Federal budget expenditures may precede or follow the construction put in place.

The public works totals in this analysis include expenditures from the administrative budget and trust funds. Prior to this budget, the public works analysis included expenditures from major trust funds; thus, the coverage of trust funds in this analysis differs only slightly from that in previous special analyses on public works.

Total expenditures for Federal public works activities are estimated to be \$9.0 billion in fiscal year 1964, an increase of \$939 million over the 1963 level. Expenditures of \$7.2 billion in 1964 for civil public works make up 80 percent of the total. More than half of the civil public works expenditures will be for grants to State and local governments, including \$3.3 billion from the Highway trust fund.

**Table F-1. FEDERAL EXPENDITURES FOR PUBLIC WORKS,
FISCAL YEARS 1955-64 (in millions of dollars)**

From budget accounts and trust funds

Year	Total, civil and defense public works	Civil public works				National defense public works
		Total	Federal construction	Grants	Loans (net)	
1955.....	4,123	1,716	1,025	776	-85	2,408
1956.....	4,103	1,784	869	889	26	2,319
1957.....	4,492	2,243	1,076	1,103	65	2,249
1958.....	5,070	3,106	1,254	1,735	117	1,964
1959.....	6,684	4,535	1,521	2,871	143	2,150
1960.....	6,846	5,011	1,643	3,211	156	1,835
1961.....	6,823	4,925	1,878	2,897	149	1,898
1962.....	6,938	5,310	2,085	3,018	207	1,627
1963 estimate.....	8,074	6,463	2,624	3,494	345	1,612
1964 estimate.....	9,013	7,203	2,893	4,023	288	1,810

Note.—In this and the following tables, nonconstruction costs are excluded; proposed legislation is included for the years 1963 and 1964. Details may not add to totals because of rounding.

Expenditures by the Department of Defense account for 84 percent of the \$1.8 billion estimated for national defense public works in the 1964 budget.

Table F-2. EXPENDITURES AND 1964 NEW AUTHORIZATIONS FOR CIVIL PUBLIC WORKS, BY AGENCY (in millions of dollars)

From budget accounts and trust funds

Type of program and agency	Expenditures			New authorizations 1964 estimate
	1962 actual	1963 estimate	1964 estimate	
Federal construction:				
Architect of the Capitol	33	31	21	-----
Department of Agriculture	65	94	106	106
Corps of Engineers—Civil	773	846	864	897
Department of the Interior:				
Bureau of Reclamation	264	256	278	293
Bureau of Indian Affairs	42	59	64	75
National Park Service	50	58	65	74
Other	41	45	51	92
Post Office Department	21	56	51	46
Federal Aviation Agency	145	144	124	107
General Services Administration	126	169	200	256
Veterans Administration	58	70	73	81
National Aeronautics and Space Administration	114	350	559	800
Tennessee Valley Authority	199	159	165	30
Public Works Acceleration	-----	120	97	-----
Other	154	167	175	197
Total, Federal construction	2,085	2,624	2,893	3,054
Grants to State and local governments:				
Bureau of Public Roads	31	45	39	43
Bureau of Public Roads (trust funds)	2,717	2,931	3,286	3,815
Soil Conservation Service	38	53	59	73
Office of Education	42	46	70	246
Public Health Service	114	120	132	232
Federal Aviation Agency	58	76	62	75
Area Redevelopment Administration	*	4	11	35
Public Works Acceleration	-----	177	299	-----
District of Columbia	5	5	28	28
Housing and Home Finance Agency	-----	-----	10	100
Other	12	36	27	25
Total, grants	3,018	3,493	4,023	4,672
Loans to State and local governments, net:				
Bureau of Reclamation	18	22	14	17
Housing and Home Finance Agency	141	261	208	170
District of Columbia	44	52	31	11
Area Redevelopment Administration	*	9	19	30
Office of Education	-----	-----	5	200
Other	4	1	11	10
Total, loans	207	345	288	438
Civil public works:				
Budget accounts	2,553	3,487	3,883	4,330
Trust funds	2,757	2,976	3,320	3,833
Total, civil public works	5,310	6,463	7,203	8,163

*Less than one-half million dollars.

CIVIL PUBLIC WORKS

Civil public works expenditures in 1964 are estimated to be 11 percent higher than in 1963. Major increases in direct Federal construction for 1964 include \$209 million by the National Aeronautics and Space Administration and \$31 million by the General Services Administration. The estimated \$530 million increase in grants includes \$357 million under the Federal-aid highway program and \$122 million for the public works acceleration program, initiated in fiscal year 1963. Expenditures under the loan programs are on a net basis and therefore do not reflect adequately the amount of construction aided by the Federal Government.

Public works acceleration program.—In calendar year 1962 the President recommended and the Congress enacted legislation to accelerate public works programs of the Federal Government and State and local bodies, both to provide employment opportunities and to meet longstanding needs for public works. Projects eligible

Table F-3. PUBLIC WORKS ACCELERATION PROGRAM (in millions of dollars)

Agency	New obligational authority 1963	Expenditures	
		1963 estimate	1964 estimate
Allocations through December 31, 1962:			
Public works:			
Housing and Home Finance Agency (grants).....	176	70	106
Public Health Service (grants).....	87	23	64
Forest Service (includes grants).....	27	21	6
Bureau of Public Roads.....	15	8	7
Bureau of Indian Affairs.....	12	10	2
Corps of Engineers.....	10	7	3
Fish and Wildlife Service (includes grants).....	9	3	6
National Park Service.....	9	8	1
Bureau of Land Management.....	7	5	2
Post Office.....	3	*	3
Bureau of Prisons.....	2	1	1
Soil Conservation Service.....	2	1	1
Other agencies.....	4	3	1
Subtotal, public works.....	363	161	202
Administration.....	2	2	*
Total through December 31, 1962.....	365	163	202
Future allocations from \$35 million enacted and \$500 million proposed supplemental:			
Grants for public works.....	322	83	125
Direct Federal public works.....	208	53	69
Administration.....	5	1	3
Total after December 31, 1962.....	535	137	198
Total program:			
Grants for public works.....	593	177	299
Direct Federal public works.....	300	120	97
Administration.....	7	3	3
Total, enacted and proposed.....	900	300	400

*Less than one-half million dollars.

for aid must be located in redevelopment areas or in areas suffering substantial unemployment and can be substantially completed within 1 year after initiation. In addition to the types of small public works facilities constructed by Federal agencies and those aided under regular Federal grant programs, other types of State and local public works are now eligible for Federal grants if the criteria stipulated in the law are met.

Of the \$900 million authorized for public works acceleration, \$400 million has been appropriated. The budget includes a 1963 supplemental appropriation for the additional \$500 million. The lump-sum amounts appropriated for this program are allocated to Federal agencies for direct Federal projects and grants to States and local bodies. Table F-3 provides information on the funds which have been allocated.

New and continuing work.—The major share of the \$2.9 billion of expenditures in 1964 on direct Federal construction will be spent for work started in prior years. As shown in table F-4, \$2.6 billion, or 90 percent, will be for work underway. An estimated \$7.9 billion of expenditures will be required after 1964 to complete this work. New projects proposed for 1964 will require \$228 million of expenditures in 1964, with additional commitments of \$2.9 billion in future years.

In the water resources area, funds are recommended in the 1964 budget for the Corps of Engineers to start or resume work on 32 projects, including 8 navigation projects, 1 bridge alteration, 4 beach erosion control projects, 13 local flood protection projects, 3 flood control reservoirs, and 3 multiple-purpose projects with hydroelectric power facilities. The Bureau of Reclamation will start 7 projects and will make a loan to a local group for starting a small reclamation project. The budget also includes funds for the Tennessee Valley Authority to initiate construction of a navigation lock and a flood control project estimated to cost \$25 million in total. Appropriations of \$1.8 million are requested for the Bureau of Indian Affairs to start construction of the \$135 million Navajo Indian irrigation project. The Bonneville Power Administration will start construction on 12 new transmission lines, including high voltage interconnections of the power systems of the Pacific Northwest and Pacific Southwest. Also, the Southwestern Power Administration will start construction on a new transmission line.

The 1964 budget includes \$790 million to finance approximately 100 new facilities to be constructed by the National Aeronautics and Space Administration to meet the requirements of the manned lunar landing and other programs for civilian space exploration. Funds are recommended for the General Services Administration to construct 33 new public buildings. Construction will begin on a \$15.5 million psychiatric prison-hospital in North Carolina, to serve the needs of the Federal Prison System. The Veterans Administration will begin construction of a new hospital, modernization of several projects and replacement of 3 hospitals, as well as construction and planning of new medical research facilities.

Public works planning and surveys.—The 1964 budget includes \$73 million for advance planning of projects, including acquisition of sites by the General Services Administration for public buildings. Significant amounts also will be spent for preliminary surveys and general investigations to assure economical design and construction of projects.

Table F-4. ESTIMATED COST OF 1964 DIRECT FEDERAL CIVIL PUBLIC WORKS BY CONTINUING AND NEW WORK (in millions of dollars)

From budget accounts and trust funds

Agency or program	Total estimated Federal cost	Cumulative to June 30, 1963	1964 estimated expenditures	Required to complete
Continuing work:				
Corps of Engineers—Civil	10,696	5,645	831	4,220
National Aeronautics and Space Administration	1,188	510	485	193
Bureau of Reclamation	4,713	2,986	268	1,459
General Services Administration	694	207	166	321
Tennessee Valley Authority	704	470	131	103
Public Works Acceleration Program	300	120	97	83
Federal Aviation Agency	406	143	92	171
Forest Service	537	438	84	15
Veterans Administration	310	137	67	106
National Park Service	1,056	336	62	658
Bureau of Indian Affairs	523	306	57	160
Post Office	119	7	48	64
Bureau of Standards	109	29	36	44
Architect of the Capitol	140	119	21	
Public Health Service	118	34	19	65
Other	943	577	129	237
Total, continuing work	22,556	12,064	2,593	7,899
New projects and features in 1964:				
National Aeronautics and Space Administration	790	-----	64	726
Tennessee Valley Authority	287	*	33	254
Federal Aviation Agency	115	-----	32	83
Corps of Engineers—Civil	348	10	16	322
Forest Service	18	-----	15	3
Bureau of Indian Affairs	186	-----	7	179
Bureau of Reclamation	283	*	6	277
Bureau of Prisons	35	2	6	27
General Services Administration	733	-----	5	728
Veterans Administration	77	*	4	73
Bonneville Power Administration	126	-----	4	122
Post Office Department	46	-----	3	43
United States Information Agency	44	-----	3	41
National Park Service	14	-----	1	13
Other	87	1	29	57
Total, new projects and features	3,189	13	228	2,948
Advance planning:				
General Services Administration ¹	184	75	29	80
Corps of Engineers—Civil	64	23	18	23
National Aeronautics and Space Administration	10	-----	10	-----
Bureau of Reclamation	35	26	4	5
Veterans Administration	13	2	2	9
National Park Service	21	8	1	12
Other	19	2	9	8
Total, advance planning	346	136	73	137
Total, direct civil public works	26,091	12,213	2,893	10,984

^{*}Less than one-half million dollars.¹Includes some sites as well as planning costs.

The amounts for surveys and investigations are not included in the public works expenditures in this analysis.

The 1964 budget for water resources activities gives special emphasis to coordinated comprehensive river basin planning by certain major Federal agencies concerned. Funds are provided to carry forward comprehensive studies in a number of the Nation's river basins. These studies provide long-range economic, hydrologic, and land-use projections for the various river basins, and serve as a general framework for planning individual water resources projects to be undertaken in later years. Expenditures for this purpose by four major Federal agencies are shown below. The Tennessee Valley Authority also carries on a substantial amount of comprehensive river basin planning.

Agency	Expenditures (millions of dollars)		
	1962 actual	1963 estimate	1964 estimate
Corps of Engineers—Civil.....	1.3	2.2	5.0
Bureau of Reclamation.....	.6	.7	1.7
Public Health Service.....	2.2	3.9	6.2
Soil Conservation Service.....	.9	1.9	3.5
Total.....	5.0	8.7	16.4

Authorized reserve of direct Federal public works.—Table F-5 summarizes the reserve of Federal projects which have been authorized by substantive legislation and thus require only financing and planning for starting. This reserve provides a basis for a wise selection of projects for advance planning and for starting in accordance with program needs and budgetary policy.

Table F-5. RESERVE OF PRESENTLY AUTHORIZED PROJECTS AND PROGRAMS FOR UNDERTAKING AFTER 1964 (in billions of dollars)

Agency	Esti- mated total Federal cost	Cost of authorized reserve					
		Status of plans as of June 30, 1963			Status of plans as of June 30, 1964		
		Planned to stage where contract could be let	Plans in process	Plans not started	Planned to stage where contract could be let	Plans in process	Plans not started
Corps of Engineers—Civil.....	4.8	0.5	2.6	1.7	1.2	2.2	1.4
Bureau of Reclamation.....	2.6	.8	.9	.9	.8	.9	.9
Tennessee Valley Authority.....	1.3	.1	.8	.4	.4	.8	.1
Forest Service.....	1.7	.3	1.4	-----	.3	1.4	-----
Federal Aviation Agency.....	1.1	.2	.4	.5	.3	.5	.3
General Services Administration.....	.6	.1	.3	.2	.2	.4	-----
Other agencies.....	1.5	.1	.1	1.3	.1	.4	1.0
Total.....	13.6	2.1	6.5	5.0	3.3	6.6	3.7

Civil public works by function.—Expenditures of \$4 billion for the commerce and transportation function in 1964 make up 56% of the total for civil public works. The next largest component—23%—is the \$1.6 billion for the natural resources function. A large share of this amount will be for water resources programs. Table F-6 brings together the expenditures under the various functions for water resources development.

Table F-6. BUDGET EXPENDITURES FOR WATER RESOURCES AND RELATED DEVELOPMENTS (in millions of dollars)

Type	1962 actual	1963 estimate	1964 estimate
Flood control works:			
Corps of Engineers—Civil.....	286.8	340.7	370.0
Grants.....	(1)	17.0	11.8
Bureau of Reclamation.....	1.8	1.4	8.3
Soil Conservation Service (mostly grants).....	35.7	49.4	54.2
International Boundary and Water Commission.....	.8	1.2	1.0
Tennessee Valley Authority.....		2.5	3.6
Total, flood control works.....	325.1	412.2	448.9
Beach erosion control: Corps of Engineers—Civil.....	1.1	1.4	.9
Irrigation and water conservation works:			
Bureau of Reclamation.....	84.7	77.9	80.5
Loan and grant program.....	17.6	21.8	14.0
Soil Conservation Service (mostly grants).....	6.3	8.7	9.6
Bureau of Indian Affairs.....	3.2	4.5	5.0
Total, irrigation works.....	111.8	112.9	109.1
Navigation facilities:			
Corps of Engineers—Civil.....	216.1	226.0	222.4
Saint Lawrence Seaway Development Corporation.....	.2	2.5	1.2
Tennessee Valley Authority.....	15.2	10.1	11.3
Total, navigation facilities.....	231.5	238.6	234.9
Multiple-purpose dams and reservoirs with hydroelectric power facilities:			
Bureau of Reclamation.....	134.3	125.2	141.5
Corps of Engineers—Civil.....	253.6	252.0	250.4
International Boundary and Water Commission.....	7.0	12.8	7.9
Tennessee Valley Authority.....	15.4	14.8	3.6
Total, multiple-purpose facilities.....	410.3	404.8	403.4
Steam-electric powerplants: Tennessee Valley Authority.....	132.4	86.1	87.2
Power transmission facilities:			
Tennessee Valley Authority.....	33.6	36.9	50.6
Bureau of Reclamation.....	40.5	51.1	47.2
Bonneville Power Administration.....	16.9	18.4	26.4
Southwestern Power Administration.....	1.1	1.1	3.5
Total, power transmission facilities.....	92.1	107.5	127.7
Waste treatment facilities: Public Health Service grants.....	42.0	52.0	65.0
Total, water resources and related developments.....	1,346.3	1,415.5	1,477.1

¹ \$50 thousand or less.

Most of the expenditures in the education function and the health, labor, and welfare function consist of grants and loans to States and local bodies for schools, college housing, hospitals, and waste treatment works. The 1964 budget includes new obligational authority of \$392.5 million for grants and loans under the President's proposed National education program. Information on civil public works activities by function is presented in table F-7.

NATIONAL DEFENSE PUBLIC WORKS

National defense public works include those of the Department of Defense—Military and the Atomic Energy Commission.

Department of Defense—Military.—The military public works program includes overseas and domestic construction to support Army, Navy, Air Force, Reserve, and National Guard activities. The bulk of these projects forms part of the long-range programs of the Regular Armed Forces to strengthen and modernize facilities for training, maintenance, research and development, supply, medical care, troop housing, and administration. Projects for the Reserve and National Guard programs include training centers, armories, and aviation facilities.

Facilities are to be constructed for additional hardened Minuteman missiles in an improved configuration, and funds are included to provide improvements for greater safety and more reliability to the earlier ballistic missile systems, Atlas and Titan. Additional facilities will be provided for the Polaris missile system in both the Atlantic and Pacific. Facilities to accommodate and maintain greater survival dispersion for the interceptor aircraft, such as the F-101, F-102, and F-106, are to be constructed. The Nike-Hercules air defense missile system includes facilities and modifications to provide the system with protection against radiation fallout. About 10% of the new program is represented by research and development facilities.

The 1964 program proposes the construction of an additional 12,100 units of family housing, as well as rehabilitation and improvement of existing units.

Expenditures in 1964 for military construction (excluding civil defense) are estimated at \$1,459 million, which is \$128 million greater than the 1963 estimate. This increase represents the influence of the family housing program which, starting in 1963, is being funded by direct appropriations for new construction rather than mortgage financing under title VIII of the National Housing Act.

Under the civil defense program Federal expenditures for grants in 1964, estimated at \$35 million, will provide for shelter construction in selected community buildings, such as schools and hospitals, and for construction of State emergency operating centers. New obligational authority of \$160 million is recommended in 1964.

Atomic Energy Commission.—Major projects on which work will be continued in 1964 include the production reactor facility for special nuclear materials, the advanced test reactor, installations for the Project Rover and the linear electron accelerator. Among the new projects will be modifications and additions to existing production plants, weapons development facilities, and facilities for research and development related to reactor development and life sciences.

Table F-7. FEDERAL ACTIVITIES IN PUBLIC WORKS (in millions of dollars)
By major function and agency

Function, organization unit, and program	NEW AUTHORIZATIONS			EXPENDITURES		
	1962 enacted	1963 estimate	1964 estimate	1962 actual	1963 estimate	1964 estimate
CIVIL PUBLIC WORKS						
International Affairs and Finance						
Department of State:						
State Department and Foreign Service buildings	1.3	-----	11.1	5.7	.6	7.2
Cultural and Technical Interchange Center, Hawaii (grant)	-----	1.5	.3	5.0	2.5	1.5
United States Information Agency: Radio facilities	9.8	18.4	44.4	14.7	18.9	12.7
Total, international affairs and finance	11.1	19.9	55.8	25.4	21.9	21.4
Space Research and Technology						
National Aeronautics and Space Administration:						
Research and space flight facilities	325.8	737.4	800.0	114.3	350.0	559.0
Agriculture and Agricultural Resources						
Department of Agriculture:						
Laboratories, research facilities, and library	1.6	3.6	2.5	3.8	6.5	6.4
Soil Conservation Service: Flood prevention and watershed protection:						
Direct work	.8	.8	.7	.8	1.0	1.0
Grants	62.5	68.7	72.8	38.5	53.2	58.6
Loans	3.5	3.9	7.5	2.8	3.8	4.1
Farmers Home Administration: Rural renewal loans	-----	-----	2.0	-----	-----	1.5
Total, agriculture and agricultural resources	68.3	77.0	85.6	45.7	64.5	71.5
Natural Resources						
Department of Agriculture:						
Forest Service:						
Roads and research, recreational and protective facilities	63.7	104.1	103.0	50.7	75.0	87.0
Trust funds	-----	-----	-----	9.7	11.0	12.0
Department of Defense—Civil:						
Corps of Engineers—Civil: Flood control, navigation, and multiple-purpose projects with power	796.9	849.4	880.5	757.6	820.1	843.7
Trust funds	17.3	21.8	16.7	15.7	26.0	20.7
Grants	(1)	17.0	11.8	(1)	17.0	11.8
Department of the Interior:						
Office of Saline Water: Demonstration plants	5.8	.4	.8	2.1	3.2	1.4
Power transmission facilities:						
Bonneville Power Administration ²	21.3	29.6	60.3	17.4	18.9	26.8
Southwestern Power Administration	1.0	7.2	3.5	1.1	1.1	3.5

See footnotes at end of table.

Table F-7. FEDERAL ACTIVITIES IN PUBLIC WORKS
(in millions of dollars)—Continued

By major function and agency

Function, organization unit, and program	NEW AUTHORITY-ZATIONS			EXPENDITURES		
	1962 enacted	1963 estimate	1964 estimate	1962 actual	1963 estimate	1964 estimate
CIVIL PUBLIC WORKS—Continued						
Natural Resources—Continued						
Department of the Interior—Continued						
Bureau of Land Management: Roads	7.9	8.4	10.6	8.5	6.9	7.7
Bureau of Indian Affairs: Irrigation works, roads, and schools ²	51.9	70.1	74.6	42.2	59.1	64.0
Bureau of Reclamation:						
Irrigation and multiple-purpose projects with power	202.9	260.1	292.6	261.3	255.6	277.5
Trust funds	2.5	.4	(1)	2.7	.5	.2
Loans, small irrigation projects	13.2	12.3	17.1	17.6	21.7	13.9
Grants	(1)	.1	.1	(1)	.1	.1
Geological Survey: Laboratories						
Bureau of Mines:						
Laboratories and other structures	.8	.4	6.7	1.8	1.5	2.8
Anthracite mine drainage, grants					.1	.8
Fish and Wildlife Service: Facilities	14.6	15.4	8.6	7.1	10.6	6.8
National Park Service: Parkways, roads, buildings, and utilities	64.1	70.7	73.3	48.4	54.8	64.4
Trust funds	2.5	.4	.4	1.7	3.2	.4
Department of State: International Boundary and Water Commission:						
Water resources projects	13.2	11.0	8.4	7.9	14.5	9.8
Restoration of salmon runs, Fraser River system						
Tennessee Valley Authority: Power, water resources, and chemical facilities	26.5	23.9	29.7	198.9	158.9	164.7
Total, natural resources	1,306.1	1,502.9	1,600.4	1,452.6	1,560.4	1,620.9
Commerce and Transportation						
Funds appropriated to the President:						
Public works acceleration:						
Grants		592.5			177.0	299.0
Direct work		300.0			120.0	97.0
Department of Commerce:						
Bureau of Public Roads:						
Highway and other trust funds:						
Grants	3,286.5	3,504.0	3,815.4	2,716.6	2,930.6	3,285.8
Loans				.7	-3.2	-3.0
Woodrow Wilson Bridge, and other direct Federal work				1.2	.9	
Forest and public lands highways, grants	34.6	46.2	40.3	30.9	43.2	36.3
Control of outdoor advertising, grants			2.0	3.0	2.0	3.0
Coast and Geodetic Survey: Observatory	.2	.3	.6	.3	.4	.6
Weather Bureau: Facilities	2.4	.5	.4	.4	1.9	1.3

See footnotes at end of table.

Table F-7. FEDERAL ACTIVITIES IN PUBLIC WORKS
(in millions of dollars)—Continued

By major function and agency

Function, organization unit, and program	NEW AUTHORITY- ZATIONS			EXPENDITURES		
	1962 enacted	1963 estimate	1964 estimate	1962 actual	1963 estimate	1964 estimate
CIVIL PUBLIC WORKS—Continued						
Commerce and Transportation—Con.						
Department of Commerce—Continued Participation in New York World's Fair: Buildings.....	7.0				3.0	4.1
National Bureau of Standards: Laboratories.....	35.4	22.8	12.3	6.7	24.0	36.9
Area Redevelopment Administration: Grants for public facilities.....	40.0	35.0	35.0	.1	4.0	11.0
Loans for public facilities.....	14.3	24.3	30.4	.1	8.9	19.3
Department of Defense—Civil: Panama Canal Company: Canal and harbor improvements.....				12.7	13.8	9.6
Thatcher Ferry bridge.....				10.8	2.2	-----
Department of the Interior: Office of Territories: Alaska Railroad.....				1.2	1.1	.8
Post Office Department: Improvements and alterations.....	54.8	46.0	46.0	20.5	55.9	50.9
Treasury Department: Coast Guard: Lifeboat stations and other aids.....	13.0	14.4	16.5	22.5	22.3	26.5
Department of Defense transfer.....				-10.0	-20.0	-20.5
Federal Aviation Agency: Air traffic control and navigation fa- cilities.....	54.5	71.0	92.0	118.4	117.5	102.4
Research facilities.....	.2	2.0	10.0	.3	1.9	10.4
Washington, D.C. and Alaska airports.....	24.3	5.2	4.6	25.8	24.7	11.0
Federal-aid airport program: Grants.....	75.0	75.0	75.0	57.9	76.2	62.5
Federal Communications Commission: Monitoring facilities.....	(1)	(1)	.1	(1)	(1)	.1
Saint Lawrence Seaway Development Corporation.....				.2	2.5	1.2
Total, commerce and transpor- tation.....	3,642.3	4,741.2	4,181.6	3,017.3	3,610.8	4,046.3
Housing and Community Development						
Housing and Home Finance Agency:						
Office of the Administrator: Mass transportation grants.....			100.0			10.0
Public facility loans.....	26.5	12.5		19.1	69.9	88.0
Advance planning, non-Federal pub- lic works: Loans.....	8.0	12.0	20.0	7.7	8.0	12.0
Liquidating programs: Community facilities: Loans.....				-.2	-.1	-.1
Public Housing Administration: Low- rent public housing loans.....				-.4	-6.0	-4.0
National Capital Transportation Agency: Land acquisition and construction.....	1.0	.4			.7	.7

See footnotes at end of table.

Table F-7. FEDERAL ACTIVITIES IN PUBLIC WORKS
(in millions of dollars)—Continued
By major function and agency

Function, organization unit, and program	NEW AUTHORIZATIONS			EXPENDITURES		
	1962 enacted	1963 estimate	1964 estimate	1962 actual	1963 estimate	1964 estimate
CIVIL PUBLIC WORKS—Continued						
Housing and Community Development—Continued						
District of Columbia:						
Loans for highway, sewage and water systems and other structures.....	29.0	26.0	11.1	44.2	52.2	30.7
Grants for sewage works.....	5.0	5.0	28.0	5.0	5.0	28.0
Federal payment to District: Grant.....						
Total, housing and community development.....	69.5	56.3	159.1	75.5	130.0	165.4
Health, Labor, and Welfare						
Department of Health, Education, and Welfare:						
Food and Drug Administration: Buildings.....	3.3	.3	14.0	.9	2.2	2.5
Public Health Service:						
Federal research facilities and National Library of Medicine.....	18.2	33.2	19.1	5.3	10.4	16.0
Indian health facilities ²	8.6	9.8	6.2	8.7	9.5	9.7
Grants for public hospitals.....	88.5	90.2	81.5	67.4	65.0	64.3
Grants for health research facilities.....	30.0	50.0	50.0	1.4	2.7	2.9
Grants for waste treatment works.....	80.6	90.0	100.0	42.1	52.0	65.0
Mental health facilities, Alaska (grant).....				3.2	.5	
Saint Elizabeths Hospital: Buildings.....	.6	8.1	.6	2.9	3.0	4.2
Bureau of Old-Age and Survivors Insurance: Building (trust fund).....	4.0			3.1	2.9	2.3
Total, health, labor, and welfare.....	233.9	281.6	271.4	135.0	148.1	166.9
Education						
Department of Health, Education, and Welfare: Office of Education:						
School construction in federally affected areas:						
At Federal installations.....	7.8	8.1	7.5	13.6	13.0	12.0
Grants.....	53.3	54.8	53.4	42.1	46.1	50.2
National education program, proposed legislation:						
Loans.....			200.0			5.0
Grants.....			192.5			19.8
Housing and Home Finance Agency: College housing loans.....	150.0	150.0	150.0	115.1	189.5	111.5
National Science Foundation: Research facilities.....	6.8	7.7	11.8	6.8	4.5	7.7
Smithsonian Institution: Museums.....	5.3	1.8	9.2	15.6	14.6	10.3
Total, education.....	223.1	222.3	624.4	193.1	267.7	216.4

See footnotes at end of table.

Table F-7. FEDERAL ACTIVITIES IN PUBLIC WORKS
(in millions of dollars)—Continued

By major function and agency

Function, organization unit, and program	NEW AUTHORIZATIONS			EXPENDITURES		
	1962 enacted	1963 estimate	1964 estimate	1962 actual	1963 estimate	1964 estimate
CIVIL PUBLIC WORKS—Continued						
Veterans Benefits and Services						
Department of Defense—Civil:						
Army: Cemeteries	1.1	.7	.4	.5	1.1	.7
United States Soldiers' Home (trust fund)				2.6	.9	.1
Veterans Administration: Hospital and domiciliary facilities	76.2	77.0	81.0	58.2	69.9	72.7
American Battle Monuments Commission: Memorials and cemeteries				.5	.4	.1
Total, veterans benefits and services	76.4	77.7	81.4	61.7	72.3	73.5
General Government						
Legislative branch:						
Architect of the Capitol: Buildings and library		18.8		33.3	31.4	21.1
Botanic Garden: Greenhouses				.1	.1	
Government Printing Office: Annex		6.4	3.8		.8	2.0
Office of Emergency Planning	.2			.3		
Department of Defense—Civil:						
Army: Power and water systems in the Ryukyu Islands:						
Direct work				.1		
Loans					.4	8.0
Canal Zone Government: Improvements	2.3	3.1	7.0	3.3	5.8	6.9
Department of the Interior:						
Office of Territories: Public buildings in Samoa and the Pacific Islands, grants	7.3	16.0	12.7	7.3	16.0	12.7
Alaska public works:						
Grants	.1			.1	(1)	
Loans				.2		
Virgin Islands Corporation: Water and power facilities	1.0	4.2		2.2	1.6	
Department of Justice:						
Federal Prison System: Prison facilities	2.4	3.5	17.8	8.7	9.1	8.4
Immigration and Naturalization Service: Border facilities	.2	.2	.5	.3	.2	.6
Treasury Department:						
Bureau of Customs: Border facilities	.3	.2	.2	.3	.3	.4
Bureau of Engraving and Printing: Air-conditioning			.3	5.4		.3
General Services Administration:						
Construction of public buildings, sites and planning	273.4	255.0	255.8	122.4	166.2	200.5
Trust funds	3.7	2.2		3.5	2.5	

See footnotes at end of table.

Table F-7. FEDERAL ACTIVITIES IN PUBLIC WORKS
(in millions of dollars)—Continued

By major function and agency

Function, organization unit, and program	NEW AUTHORITY-ZATIONS			EXPENDITURES		
	1962 enacted	1963 estimate	1964 estimate	1962 actual	1963 estimate	1964 estimate
CIVIL PUBLIC WORKS—Continued						
General Government—Continued						
Central Intelligence Agency: Headquarters				7.5	2.6	.1
Total, general government	290.8	310.1	303.2	189.3	237.2	261.8
Total, civil public works	6,248.2	8,026.4	8,162.9	5,310.1	6,462.9	7,203.1
Budget accounts	2,930.4	4,496.7	4,329.8	2,252.9	3,487.2	3,883.5
Trust funds	3,317.8	3,529.8	3,833.1	2,757.2	2,975.7	3,319.6
NATIONAL DEFENSE PUBLIC WORKS						
Office of Emergency Planning: Shelter areas (grants)				1.2		
Department of Defense—Military:						
Interservice activities:						
Construction, defense agencies		36.7	29.9		10.0	25.0
Advanced Research Projects Agency	.4			11.4		
Loran stations	10.0	20.0	20.5	10.0	20.0	20.5
Construction, foreign countries				33.3		
Family housing		193.4	319.8		151.3	289.1
Other activities, including trust fund	.2			.5	(¹)	(¹)
Civil Defense:						
Grants for shelter	3.0	8.0	160.0	.2	5.0	35.0
Emergency centers and shelters	19.8		20.0	5.1	12.0	16.0
Research and development grants	.7		25.0	.7		15.0
Army:						
Construction	171.3	151.4	249.5	174.2	165.0	175.0
Construction, Army Reserve	14.4	8.0	4.5	13.6	15.0	10.0
Construction, Army National Guard	21.9	7.0	3.5	18.4	17.0	13.0
Navy:						
Construction	198.6	161.4	269.9	179.6	200.0	210.0
Construction, Naval Reserve	7.0	7.0	6.0	9.6	8.0	6.5
Air Force:						
Construction	522.7	780.1	628.2	882.1	720.0	690.0
Construction, Air Force Reserve	4.6	5.0	4.0	2.6	4.0	4.0
Construction, Air National Guard	20.8	14.0	16.0	12.3	21.0	16.0
Total, Department of Defense—Military	995.4	1,391.0	1,756.8	1,353.6	1,348.3	1,525.1
Atomic Energy Commission: Facilities	195.4	262.7	253.6	272.6	263.0	284.6
General Services Administration: Facility		.6			.2	.2
Total, national defense public works:						
Budget accounts	1,190.8	1,654.3	2,010.4	1,627.1	1,611.5	1,809.9
Trust funds				.3	(¹)	(¹)
Total, civil and defense public works, budget accounts, and trust funds	7,439.0	9,680.7	10,173.3	6,937.5	8,074.4	9,013.0

¹\$50 thousand or less.

²Includes small amounts from trust funds.

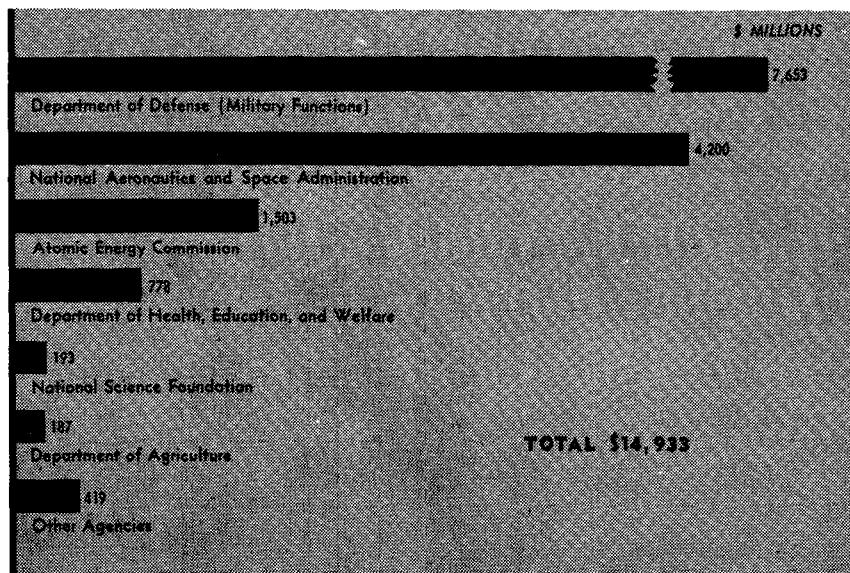
SPECIAL ANALYSIS G

RESEARCH AND DEVELOPMENT PROGRAMS AND SELECTED SCIENTIFIC AND TECHNICAL ACTIVITIES OF THE FEDERAL GOVERNMENT

This analysis summarizes Federal administrative budget expenditures in the fiscal years 1962, 1963, and 1964 for the conduct of research and development and for research facilities.¹ It also includes information on several scientific and technical activities of the Federal Government, of an interagency nature, selected because of their broad Governmentwide and national interest.

RESEARCH AND DEVELOPMENT PROGRAMS OF THE FEDERAL GOVERNMENT

Estimated Administrative Budget Expenditures for Research and Development in 1964



Expenditures of the Federal Government for research and development from administrative funds in 1964 are estimated to total \$14,933 million, an increase of \$2,693 million over 1963 and \$4,585 million over 1962. Expenditures from trust funds for research, excluded

¹ The term "Conduct of research and development" includes activities in which the primary aim is either to develop new knowledge or to apply existing knowledge to new uses. These activities may be carried out in Government installations or in the facilities of private, State, or local organizations using Federal funds. Generally excluded from this definition are expenditures for routine testing, experimental production, information activities, and training programs. This analysis also omits expenditures for research performed independently by contractors within overhead arrangements on some procurement contracts funded in Department of Defense procurement accounts and for the collection of general-purpose statistics by the Census Bureau and other agencies.

Expenditures for "Research and development facilities" include amounts for physical facilities such as land, buildings, and major equipment, regardless of whether the facility is to be used or owned by the Federal Government or by a private, State, or local organization.

from this analysis, total \$46 million in 1962; \$50 million in 1963; and \$76 million in 1964. These expenditures are chiefly for research under the highway trust fund of the Department of Commerce.

Table G-1. TOTAL ADMINISTRATIVE BUDGET EXPENDITURES FOR RESEARCH AND DEVELOPMENT (in millions of dollars)

Purpose	1962 actual	1963 estimate	1964 estimate
Conduct of research and development.....	9,793.0	11,371.0	13,745.2
Research and development facilities.....	555.0	869.0	1,188.2
Total.....	10,348.0	12,240.0	14,933.5

Note.—Totals in text tables may not add due to rounding.

Through its programs the Federal Government now supports over two-thirds of the research and development of the Nation. Of the total Federal expenditures for this purpose about two-thirds are made through contracts with private industry; over 10% through grants and contracts with universities and other nonprofit institutions; and the remainder by Government scientists in Federal facilities.

Table G-2. ADMINISTRATIVE BUDGET EXPENDITURES FOR RESEARCH AND DEVELOPMENT DIVIDED BETWEEN NATIONAL DEFENSE AND OTHER PROGRAMS, FISCAL YEARS 1953-1964 (in millions of dollars)

Fiscal year	National Defense	Other	Total
1953.....	2,832	269	3,101
1954.....	2,868	280	3,148
1955.....	2,979	289	3,268
1956.....	3,104	332	3,435
1957.....	4,027	433	4,460
1958.....	4,463	523	4,985
1959.....	5,048	744	5,792
1960.....	6,639	1,103	7,742
1961.....	7,719	1,572	9,291
1962.....	8,092	2,256	10,348
1963.....	8,515	3,725	12,240
1964.....	9,168	5,765	14,933

Note.—Amounts included in this table under "National Defense" for the Department of Defense have been compiled from the best available summary data to provide maximum possible comparability for the years shown.

In the following paragraphs are described the programs of the Federal agencies with the largest expenditures for research and development. The expenditures for these and other agencies are summarized in the table at the end of this text.

DEPARTMENT OF DEFENSE—MILITARY FUNCTIONS

The research and development programs of the Department of Defense include basic and applied research; exploratory, advanced, and engineering development of new components and systems with possible military applications; and development of weapons systems

approved for introduction into the operational forces. The principal amounts for these purposes and for the operation of research and testing facilities of the Department are carried in the budget in the research, development, test, and evaluation appropriations. As indicated in table G-3, certain supporting amounts are provided in the military personnel, procurement, and military construction appropriations, and research and development related to civil defense is financed separately under that heading.

Table G-3. EXPENDITURES OF THE DEPARTMENT OF DEFENSE—MILITARY FUNCTIONS FOR RESEARCH AND DEVELOPMENT
(In millions of dollars)

Purpose and budget title	1962 actual	1963 estimate	1964 estimate
Conduct of research and development:			
Research, development, test, and evaluation.....	6,318.6	6,599.1	7,120.0
Military Personnel.....	242.2	240.0	247.8
Procurement.....	119.4	156.2	166.7
Civil Defense.....	9.8	15.0	32.0
Total, expenditures for the conduct of research and development.....	6,690.0	7,010.3	7,566.5
Research and development facilities:			
Military construction.....	90.7	78.6	86.8
Total, expenditures for research and development.....	6,780.7	7,088.9	7,653.3

As shown in table G-3, expenditures for research and development activities will continue to rise rapidly in 1964, as a result of increased obligations in 1962 and 1963. Obligations for research and development activities will be only slightly higher in 1964 than in 1963 as indicated in table G-4 which also shows, in terms of obligations, the composition of the programs of the Department by major fields of effort.

In 1964 there continue to be significant increases in obligations for basic and applied research and for development of conventional weapons, components, and subsystems while obligations for major strategic weapon-system development programs rise less rapidly or level off as development is completed of the costly ballistic missile systems—Atlas, Titan, Polaris, and Minuteman—which have been under simultaneous development in recent years.

The aircraft development activity includes effort on the new tactical fighter aircraft for use by both the Navy and the Air Force as well as smaller aircraft to increase the mobility of the ground forces. The missile development area includes the Army's project for an improved antiballistic missile known as Nike-X, the Navy's Polaris program, and the Air Force programs for a new Mobile Mid-Range Ballistic Missile and for improving the penetration capabilities of existing inter-continental ballistic missiles such as Minuteman.

The military astronautics program represents a major part of the military space program, for which the totals are given in table G-12. Included are specific military satellite programs for Department of Defense missions and experiments as well as basic engine and vehicle

development efforts such as the large solid rocket development program and the Titan III multi-purpose space booster program. The research and development totals also include substantial and increased effort in the various aspects of antisubmarine warfare research and development and in the development of improved combat vehicles for use by our land forces. Provision is also made for increased support of Government-owned laboratories and test installations such as the Atlantic and Pacific Missile Ranges.

Table G-4. OBLIGATIONS OF THE DEPARTMENT OF DEFENSE MILITARY FUNCTIONS FOR RESEARCH AND DEVELOPMENT (in millions of dollars)

Purpose, budget title, and program	1962 actual	1963 estimate	1964 estimate
Conduct of research and development:			
Research, development, test, and evaluation:			
Military sciences.....	765.5	936.2	978.4
Aircraft and related equipment.....	614.5	688.6	753.4
Missiles and related equipment.....	2,752.6	2,445.6	2,233.5
Military aeronautics and related equipment.....	784.8	1,247.1	1,277.2
Ships, small craft, and related equipment.....	204.6	212.0	294.2
Ordnance, combat vehicles, and related equipment.....	202.9	256.0	303.3
Other equipment.....	526.0	806.2	906.0
Programwide management and support.....	495.5	480.9	531.0
Emergency fund.....		120.4	150.0
Total, direct obligations, research, development, test, and evaluation.....	6,346.4	7,193.0	7,427.0
Military personnel.....	242.2	240.0	247.8
Procurement.....	109.1	178.1	147.6
Civil defense.....	18.0	11.0	40.0
Total, direct obligations for the conduct of research and development.....	6,715.7	7,622.1	7,862.4
Research and development facilities: Military construction.....	92.4	99.9	95.8
Total, direct obligations for research and development.....	6,808.1	7,722.0	7,958.2

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

All the activities of the National Aeronautics and Space Administration are classified as research and development for purposes of this special analysis. The National Aeronautics and Space Administration is responsible for the development, test, and operation of spacecraft and vehicles for manned and unmanned exploration of space and other nonmilitary applications, and for conducting the broad programs of supporting research and development required for these purposes. In addition, the National Aeronautics and Space Administration is responsible for conducting research to advance aircraft technology in support of both military and civilian interests.

Table G-5. EXPENDITURES OF THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION FOR RESEARCH AND DEVELOPMENT
(In millions of dollars)

Program	Conduct of research and development			Research and development facilities		
	1962 actual	1963 estimate	1964 estimate	1962 actual	1963 estimate	1964 estimate
Manned space flight-----	467.2	1,105.0	2,313.0	80.2	271.0	400.0
Space applications-----	60.6	82.0	123.0			1.0
Unmanned investigations in space-----	323.2	421.0	557.0	14.2	20.0	36.0
Space research and technology-----	183.2	249.0	400.0	13.0	32.0	75.0
Aircraft technology-----	28.0	41.0	43.0		1.0	3.0
Supporting operations-----	80.6	152.0	205.0	6.9	26.0	44.0
Total, National Aeronautics and Space Administration-----	1,142.8	2,050.0	3,641.0	114.3	350.0	559.0

Expenditures for manned space flight will move the manned lunar landing program forward with top priority. The primary method of accomplishing this mission will be by lunar-orbit rendezvous. This method consists of placing an Apollo spacecraft in orbit around the moon, from which a two-man lunar excursion module is dispatched to the surface of the moon. Funds during the current and coming years provide for the two-man Gemini flights in earth orbit, the development of the Apollo spacecraft and lunar excursion module, continued development of the Centaur, Saturn, and Advanced Saturn launch vehicles, and the ground support and tracking facilities required for accomplishment of the manned missions. In addition, the unmanned lunar exploration programs will be continued with the Ranger and Surveyor spacecraft. Programs for scientific investigations of space will be conducted by the large Orbiting Solar, Geophysical, and Astronomical Observatories, as well as by many smaller satellites and probes. The Mariner spacecraft and a larger Mariner-type spacecraft will be used for continued programs of planetary exploration.

Applications of space research include the meteorological programs, Tiros and Nimbus, and communications programs, Relay, Syncom, and Advanced Syncom. Other research, technology, and supporting operations include programs for chemical and nuclear propulsion, power-generation systems, electronics, and biological research. Funds will also provide for operation and improvement of the worldwide tracking facilities and for expansion of the capabilities of colleges and universities in scientific and technical fields related to space.

ATOMIC ENERGY COMMISSION

The Atomic Energy Commission's program of basic research and applied research and development constitutes more than half of the Commission's annual expenditures. Basic research is conducted in the physical and life sciences to secure a better understanding of nuclear structure, nuclear processes, and of the effects of nuclear radiation on living organisms. The applied research and develop-

ment programs include efforts to improve the production of special nuclear materials, to develop improved types of nuclear weapons, and to find ways of obtaining useful power from nuclear reactions.

An increasing portion of the development effort is devoted to civilian applications as opposed to military uses, which itself provides much information for the peaceful uses of atomic energy. The research and development programs are carried on in the Commission's contractor-operated laboratories, in universities, and other private research institutions, and by industrial contractors. In support of the actual conduct of research and development the Commission supplies the necessary laboratory facilities and equipment such as particle accelerators and research and test reactors.

Table G-6. EXPENDITURES OF THE ATOMIC ENERGY COMMISSION FOR RESEARCH AND DEVELOPMENT (in millions of dollars)

Program	Conduct of research and development			Research and development facilities		
	1962 actual	1963 estimate	1964 estimate	1962 actual	1963 estimate	1964 estimate
Special nuclear materials and weapons	400.6	413.7	344.0	13.5	20.5	21.7
Reactor development	396.7	469.3	527.3	92.4	87.1	109.4
Physical research	159.6	182.7	219.1	45.7	54.4	65.1
Biology and medicine	58.3	68.6	76.5	4.7	4.4	3.4
Other research and development	14.0	15.7	24.9	1.7	.7	.4
Major equipment not included above				96.2	95.9	110.8
Total, Atomic Energy Commission	1,029.2	1,150.0	1,191.8	254.2	263.0	310.8

The principal increases in 1964 occur in the reactor development and physical research programs.

The reactor development program comprises primarily efforts to develop reactors for the economic generation of electric power, for propulsion of submarines and naval ships, for propulsion of rockets (Project Rover), and for auxiliary long-lived power sources for satellites and space vehicles (Project SNAP). The space applications (Projects Rover and SNAP) will be expanded substantially in 1964.

The physical research program comprises research in high- and low-energy physics and in those aspects of chemistry, metallurgy, and mathematics of particular importance to nuclear science and technology. Included also is a continuing program to achieve a controlled thermonuclear reaction.

The "other research and development" item includes the isotopes development program, which is directed toward utilization of radio-isotopes and radiation for a variety of useful purposes, and Project Plowshare, a program to develop peaceful uses of nuclear explosives.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

The expenditures of the Department of Health, Education, and Welfare for research will total an estimated \$778.4 million in 1964 as compared with \$654.3 million in 1963 and \$493.8 million in 1962.

The major research programs of the Department are those of the Public Health Service for which expenditures will total \$721.8 million

in 1964, an increase of \$102.4 million over 1963. These expenditures are largely incurred by the National Institutes of Health, which is the major medical research arm of the Federal Government. The increase for the Public Health Service in 1964 is primarily for the additional cost of research projects supported by the National Institutes of Health. Research programs elsewhere in the Public Health Service will also expand in 1964 particularly for research in community and environmental health.

The Office of Education supports research related to the improvement of educational processes and techniques. These programs will be sharply expanded in 1964 as an integral part of the President's education recommendations and special attention will be given to such problem areas as the development of improved course content materials, the improvement of teacher training programs, and the reduction of school dropouts. Expenditures for these programs will total \$24.3 million in 1964, an increase of \$10.7 million over 1963.

Other research activities of the Department, for which additional funds are estimated in 1964, include programs of the Food and Drug Administration, the Office of Vocational Rehabilitation, and the Social Security Administration, which support a wide variety of research relating to their statutory missions.

NATIONAL SCIENCE FOUNDATION

The total expenditures of the National Science Foundation for research and research facilities are estimated at \$193.0 million in 1964 as compared with \$147.2 million in 1963 and \$104.8 million in 1962.

The 1964 budget will provide increased support for basic research project grants; the Antarctic research program; U.S. participation in the International Year of the Quiet Sun program, for observations timed to take advantage of a period of minimum solar activity; and for a program of research in the geology and geophysics of the deeper layers of the earth. Additional funds are also estimated in 1964 for optical astronomy observatories, the National Center for Atmospheric Research, oceanographic ships and shore facilities, and for specialized biological facilities. In addition, the Foundation is planning a major increase in its program of matching grants for facilities related to research and science training.

DEPARTMENT OF AGRICULTURE

The expenditures of the Department of Agriculture for research and development are estimated at \$187.2 million in 1964 as compared with \$175.6 million in 1963 and \$155.9 in 1962.

The Agricultural Research Service carries on research in the fields of animal husbandry, animal diseases and parasites, crops, entomology, soil and water conservation, agricultural engineering, the chemistry and utilization of farm products, human nutrition, and the consumer use of agricultural products. This agency has responsibility for the coordination of research in the Department and also administers a program of research carried out in foreign countries with foreign currencies derived from the sale of surplus agricultural commodities.

Institutional-type grants to the experiment stations of the land grant universities are administered by the Cooperative State Experiment Stations Service. Other agencies in the Department which carry on

research are the Forest Service, the Economic Research Service, the Agricultural Marketing Service, the Farmer Cooperative Service, the Foreign Agricultural Service, and the National Agricultural Library.

Expenditures in 1964 include additional funds to begin a program of grants to universities for forestry research authorized under Public Law 87-788, to provide for the staffing of new laboratories, and to expand economic research on land and water resources and on the economic analysis of foreign agriculture.

DEPARTMENT OF THE INTERIOR

The 1964 expenditures of the Department for research and development are estimated at \$122.8 million, compared with \$107.3 million in 1963, and \$83.6 million in 1962. These expenditures are directed primarily to the conservation and utilization of the Nation's natural resources. The increases in 1964 are primarily in the Geological Survey's programs of hydrology, geology, and marine geology; a new coal research laboratory for the Bureau of Mines; the research of the Office of Coal Research; the expanded research activities of the Fish and Wildlife Service; and the Office of Saline Water's research program to make available new sources of fresh water.

DEPARTMENT OF COMMERCE

Expenditures of the Department for research and development will increase from \$44.7 million in 1962 and \$78.2 million in 1963 to a total of \$105.8 million in 1964. Of the increase of \$27.6 million over 1963, approximately \$11 million is for the construction of the new National Bureau of Standards laboratory complex at Gaithersburg, Md.; an additional \$4 million will be spent towards completion of a high-intensity electron accelerator, a materials research reactor, and design or procurement of various equipments to complement the program in basic and applied research at the Central Radio Propagation Laboratory of the Bureau. Other selected research programs of the Bureau will also be strengthened, including a new program of applied fire technology, for a total of \$4.4 million in expenditures.

Inhouse research programs in other Commerce agencies are also being improved and expanded including programs of the Weather Bureau (atmospheric dynamics and hydrology), the Coast and Geodetic Survey (oceanography and geodesy), the Patent Office (information retrieval), the Office of Technical Services (mechanized indexing of research material), and the Census Bureau (statistical surveying and methodology).

Major new departmental programs which are being undertaken during 1963 and 1964 include civilian industrial technology and transportation research. Industrial research and development will be stimulated and assisted by a program, operated mainly through selected contracts and grants, which will utilize in part the research output of military and space programs to increase industrial labor productivity and make U.S. products more competitive abroad. Cooperative projects with specific industries and jointly funded engineering research and economic study projects will be among the techniques used to improve U.S. civil industrial technology in industries which are fragmented or for other reasons unable to bear the costs of heavy

research expenditure. A transportation research program, including an analysis of the problems of the Boston-Washington megalopolitan corridor proposed in 1963, will also be expanded in 1964 to provide a more comprehensive analysis of the various modes which comprise the U.S. transportation network.

SELECTED SCIENTIFIC AND TECHNICAL ACTIVITIES OF THE FEDERAL GOVERNMENT

In the following paragraphs details are provided of a number of scientific and technical activities of the Federal Government of broad national and governmentwide significance. Each of these activities involves the programs of a number of Federal agencies. Continuing efforts are being made to improve the planning, coordination and management of these and other scientific programs of the Federal Government on an interagency basis through the Office of Science and Technology, the Federal Council for Science and Technology and other organizations of the executive branch. Expenditures for research and development elements of certain of these scientific and technical activities are included, although these funds are not separately identified, in the agency expenditures reflected elsewhere in this analysis.

MEDICAL RESEARCH

The Federal Government now supports nearly two-thirds of the \$1.5 billion national expenditures for medical and health related research. The rapid increase in the support of such research in recent years, reflects chiefly the growth in the research grant programs of the National Institutes of Health of the Department of Health, Education, and Welfare. The Institutes currently account for about three-fifths of the Federal support of medical research and about 40 percent of the national expenditures in this field. The research programs of the Institutes include both specific disease-centered research through eight disease institutes and basic research which is supported principally through the National Institute of General Medical Sciences. Other elements of the Public Health Service support medical research largely dealing with the application of basic research findings to public health problems relating to environmental and occupational hazards, the prevention of accidents, and the control of tuberculosis, venereal and other communicable diseases.

The Atomic Energy Commission conducts and supports medical research related to the effects of radiation on living systems, practical health and safety problems connected with atomic energy programs and devices, the beneficial application of radioactive materials. Medical research supported by the Department of Defense is focused on preventive medicine and the medical problems of military operations. The National Aeronautics and Space Administration is particularly concerned with research bearing on the safety of man in space flights and also with extraterrestrial life. The Veterans Administration seeks to gain new knowledge to extend the clinical capability of VA medical staffs in the diagnosis and treatment of medical conditions of the veteran population. Health related research activities of the Department of Agriculture include diseases of livestock transmissible to man, the toxicological effects of pesticide

residues, and nutrition problems. The National Science Foundation supports basic research in the life sciences, a portion of which is relevant to health.

Table G-7. OBLIGATIONS OF FEDERAL AGENCIES FOR MEDICAL AND HEALTH RELATED RESEARCH (in millions of dollars)

Agency	1962 actual	1963 estimate	1964 estimate
Department of Health, Education, and Welfare:			
Public Health Service.....	588	755	874
(National Institutes of Health).....	(533)	(682)	(772)
Other.....	17	22	28
Total, Department of Health, Education, and Welfare.....	605	777	902
Department of Defense.....	66	83	94
Atomic Energy Commission.....	68	81	87
National Aeronautics and Space Administration.....	13	39	76
Veterans Administration.....	31	35	40
Department of Agriculture.....	24	25	25
National Science Foundation.....	22	26	31
Other.....	4	6	7
Total, medical and health related research.....	833	1,072	1,262
Total, conduct of research.....	(774)	(973)	(1,131)
Total, research facilities.....	(59)	(99)	(131)

Note.—Figures include obligations for research with other than medical or health objectives but related to health in terms of substance or probable applications as follows in millions of dollars: 1962, \$156; 1963, \$207; 1964, \$258.

METEOROLOGICAL ACTIVITIES

For purposes of this analysis meteorology is defined as those operations and research and development activities which are directed toward measuring, understanding, and predicting atmospheric states, processes and composition including exchange processes at the boundaries of the atmosphere. Excluded are programs where the principal objective concerns the effects of the atmosphere on man, plants, earth, etc.

Meteorological research and development activities reported in this analysis also contribute to the Government's atmospheric science program. The latter program however also includes studies of the upper atmosphere, while the activities reported herein are aimed at phenomena occurring within the first 50 miles above the earth's surface.

Major goals.—In 1964 the Federal Government will place increased emphasis on the application of advanced technology to the solution of research problems and to the conduct of weather services. Both the military services and the Weather Bureau will continue to progress toward automation of the weather service system through broader use of electronic data processing techniques for weather observing, forecasting and communications. New technology is also providing greater opportunity to undertake interdisciplinary study of the atmosphere which in turn is leading toward a gradual merger of aeronomy and meteorology into a unified field.

Table G-8. FEDERAL PROGRAMS IN METEOROLOGY

New Obligational Authority (in millions of dollars)

Summary Table

Agency	Operations			Research and Development			1964 total
	1962 actual	1963 estimated	1964 estimated	1962 actual	1963 estimated	1964 estimated	
Department of Agriculture.....				1.2	1.3	1.4	1.4
Atomic Energy Commission.....				3.9	4.6	4.6	4.6
Department of Commerce:							
Bureau of Standards.....				.3	.3	.4	.4
Weather Bureau ¹	107.3	102.9	92.4	8.9	10.8	12.8	105.2
Department of Defense:							
Advanced Research Projects Agency.....				1.7			
Army.....	.5	.5	.5	9.2	11.2	12.6	13.1
Navy.....	25.2	24.8	22.1	4.1	3.7	4.4	26.5
Air Force.....	83.1	86.0	97.2	8.8	9.1	8.9	106.1
Federal Aviation Agency.....	16.6	17.6	21.8	8.8	4.7	4.3	26.1
Department of Health, Education, and Welfare.....				7.3	10.0	12.1	12.1
Department of the Interior.....				.8	.9	1.1	1.1
National Aeronautics and Space Administration ²				34.4	57.3	63.7	63.7
National Science Foundation.....				5.2	8.8	12.3	12.3
Treasury Department: Coast Guard.....	.3	.3	4.8				4.8
Total.....	233.0	232.1	238.8	94.6	122.7	138.6	377.4

¹ Includes \$48 million in 1962, \$40 million in 1963, and \$23 million in 1964 for operational satellite program.

² For meteorological satellite research program.

Appropriations have been provided the NASA and Weather Bureau to develop and establish an operational meteorological satellite system. Because of the lag in development of the Nimbus satellite due to unexpected technical problems, the Weather Bureau has refrained from committing all of its funds and will finance its 1964 satellite program, in part, from balances from previous years. Exclusive of new obligational authority required for satellite activities, appropriations for all agencies are estimated to increase by \$23.7 million for operations and \$9.5 million for research and development.

Table G-9. NEW OBLIGATIONAL AUTHORITY FOR FEDERAL METEOROLOGICAL OPERATIONS PROGRAMS, FISCAL YEAR 1964
(In millions of dollars)

Agency	Measurement	Forecasts and services	Communications	Climatology	Total
Department of Commerce: Weather Bureau.....	61.3	22.8	5.1	3.2	92.4
Department of Defense:					
Army.....	.5				.5
Navy.....	10.0	7.2	4.9	⁽¹⁾	22.1
Air Force.....	34.0	37.9	21.4	3.9	97.2
Federal Aviation Agency.....	.9	.3	20.6		21.8
Treasury Department: Coast Guard.....	4.5	.2	.1		4.8
Total.....	111.2	68.4	52.1	7.1	238.8

¹ Less than \$50 thousand.

Weather service operations.—The Weather Bureau will supplement the NASA Tiros weather satellite research and development program to assure continued availability of operationally useful data until such time as the Nimbus satellite now under development becomes operationally reliable. The Weather Bureau will also continue to improve the ground satellite-data handling system, and upgrade its surface and upper air measurement equipments. Commencing in 1964 the costs of weather observing activities aboard the Coast Guard's ocean station vessels, formerly funded by the Navy and amounting to \$1.1 million, will be financed by the Weather Bureau.

The Navy will intensify its electronic weather data processing program and procure equipments that will permit its facilities to acquire data directly from satellites. The Air Force will introduce newer type aircraft into its weather reconnaissance fleet, increase the mobility of its weather service for tactical operations and continue modernizing of airbase weather facilities.

The Coast Guard will finance the operation of ocean station vessels which in previous years has been funded by the Navy. Approximately 25% (\$4.5 million) of the total operating costs of these multipurposed ships is ascribed to meteorology. Principal activities of the FAA involve improvement of its communications facilities to better meet aviation weather needs.

Table G-10. NEW OBLIGATIONAL AUTHORITY FOR FEDERAL METEOROLOGICAL RESEARCH AND DEVELOPMENT PROGRAMS, FISCAL YEAR 1964 (in millions of dollars)

	Physics of the atmosphere	Motions and weather systems	Weather service systems development	Engineering applications	Satellite and other equipment development	Facilities, networks and support services	Total
Department of Agriculture				1.4			1.4
Atomic Energy Commission	2.6	1.3		.7			4.6
Department of Commerce:							
Bureau of Standards	.4						.4
Weather Bureau	1.0	6.2	1.8	.2	2.4	1.2	12.8
Department of Defense:							
Army	1.2	4.8		.3	1.6	4.7	12.6
Navy	3.2	1.2					4.4
Air Force	3.0	1.8	3.0		1.0	.1	8.9
Federal Aviation Agency			2.7	1.6			4.3
Department of Health, Education, and Welfare	.7		.1	11.3			12.1
Department of the Interior	.2	.1		.8			1.1
National Aeronautics and Space Administration					63.7		63.7
National Science Foundation	3.9	4.5				3.9	12.3
Total	16.2	19.9	7.6	16.3	168.7	9.9	138.6

¹ Satellite equipment development: NASA, \$63.7 and Weather Bureau, \$.7.

Research and development.—An increasingly broad spectrum of meteorological research and development will be supported by the Federal Government in 1964. Advances in technology are creating a challenging resource of more precise meteorological data and very

high-speed computers are providing the scientists with new tools to attack the complex laws governing the behavior of the atmosphere.

The Department of Agriculture will place additional emphasis on meteorological problems relating to water resources and forest fire control. The Atomic Energy Commission will intensify development of high altitude sampling techniques and study the meteorological aspects of the disposition of debris from reentry burnup of nuclear-powered space systems. The Bureau of Standards will continue to explore physics of the lower atmosphere by means of radiowave propagation techniques.

The Weather Bureau will strengthen its aviation-related weather research activities, and study the effectiveness of the total meteorological system in providing services to its many users. It will also conduct atmospheric modeling experiments through the use of a very high-speed computer, explore new uses of satellite data and investigate the structure of tornadoes and hurricanes. A significant new activity which will be initiated in this budget is the expenditure of surplus foreign currencies to assist India and Pakistan to obtain more adequate soundings of the upper atmosphere.

The Army will continue meteorological team support for its other research and development activities and will also intensify research on sensors and on studies related to its bacteriological and chemical warfare programs. Navy programs include an expanded effort in cloud physics, storm electrification and marine meteorology. A joint effort with the Weather Bureau, which started in 1963, will test the possibilities of hurricane modification through cloud seeding techniques. The Air Force will expand studies of the upper atmosphere through its ozonesonde and rocketsonde measurement programs and improve sensing devices for this purpose. The meteorological aspects of toxic material distribution resulting from missile and rocket firings will be investigated as will the meteorological factors influencing missile and aircraft operations.

FAA programs will concentrate on the development of aviation weather data transmission and display techniques. Primary responsibility for work in the areas of weather forecasting and observing, relating to aviation, will be assumed by the Weather Bureau as part of its broader research and development program in 1964. The principal emphasis of the program of HEW is in the area of air pollution abatement and biometeorology and includes an expanded study of the transport of air pollutants within and between urban areas. In connection with its water resources programs, the Department of the Interior will study evaporation, climatic effects on glaciers and the effects of cloud seeding on precipitation.

The NASA will continue research and development work on meteorological satellites. Evaluation of Tiros performance will be continued and Nimbus, the more advanced satellite, will undergo flight testing—with initial launchings. The activities of the National Science Foundation will be directed toward a program of basic research conducted largely through graduate research and training at universities and through the National Center for Atmospheric Research. The Center which is concerned with both meteorology and aeronomy will enlarge its staff and facilities. The Foundation will also provide substantial financing for the meteorological portions of the International Indian Ocean Expedition and the International Year of the Quiet Sun programs.

OCEANOGRAPHY

The National Oceanographic Program of the Federal Government for 1964 will total \$155.9 million in obligations.

Planning and development of this program on a Governmentwide basis is being carried out by the Interagency Committee on Oceanography of the Federal Council for Science and Technology. Incorporating its best judgment as to balance and emphasis in terms of both long-range scientific needs and mission requirements of the Government agencies, the ICO (1) reviews current activities and plans of individual agencies in the context of long range goals; (2) develops recommendations for a Governmentwide program; and (3) studies special problems that may arise in implementing the National program as they relate to research, surveys, oceanographic ships, instrumentation and facilities, training and manpower, and international programs.

Table G-11. OBLIGATIONS OF FEDERAL AGENCIES FOR OCEANOGRAPHY
(in millions of dollars)

Agency	1962 actual	1963 estimate	1964 estimate
Departments of:			
Commerce.....	23.6	24.0	24.8
Defense.....	42.0	55.3	74.9
Health, Education, and Welfare.....	3.1	4.1	4.8
Interior.....	14.3	15.9	18.6
Treasury.....	.1	.5	1.2
Atomic Energy Commission.....	4.1	5.4	5.3
National Science Foundation.....	16.5	18.2	25.8
Smithsonian Institution.....		.4	.5
Total.....	103.7	123.8	155.9

The 1964 oceanographic program provides for a sizable increase in research to add to our knowledge of physical, chemical and biological properties of the oceans. This knowledge is useful for such vital activities as ocean fishing, weather prediction, and military operations. Also a larger program is planned for construction of modern ships for research and survey projects in the oceans of the world. Programs will be continued for multipurpose research surveys, development of more efficient equipments such as buoys, the construction of shoreside facilities for training and research, and participation in the International Indian Ocean Expedition to increase our knowledge of that little-known ocean.

SPACE PROGRAMS

As shown on table G-12, expenditures for the total Federal space programs are estimated at \$6.1 billion in 1964, two and one-half times the amount for 1962, and an increase of about 50% over 1963. New obligational authority is estimated to increase from \$3.3 billion in 1962 to \$7.6 billion in 1964. Virtually all of the amounts for the space programs are classified as research and development and are included in the totals in this special analysis.

Table G-12. NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES FOR FEDERAL SPACE PROGRAMS (in millions of dollars)

Agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1962 actual	1963 estimate	1964 estimate	1962 actual	1963 estimate	1964 estimate
National Aeronautics and Space Administration ¹	1,796.0	3,622.6	5,663.6	1,229.0	2,358.0	4,154.0
Department of Defense.....	1,284.3	1,617.6	1,667.6	1,028.8	1,421.0	1,622.0
Atomic Energy Commission.....	147.8	228.9	254.3	130.0	190.6	247.1
Department of Commerce:						
Weather Bureau.....	50.7	43.2	26.2	1.0	19.3	44.7
National Science Foundation.....	1.3	1.5	2.3	.9	1.1	1.5
Total.....	3,280.1	5,513.8	7,614.0	2,389.7	3,990.0	6,069.3
Research and development programs.....	(3,216.0)	(5,451.0)	(7,564.5)	(2,381.4)	(3,953.7)	(6,003.0)
All other programs.....	(64.1)	(62.8)	(49.5)	(8.3)	(36.3)	(66.3)

¹ Excludes aircraft technology.

The amounts shown for the National Aeronautics and Space Administration cover all activities of that agency except those specifically identified with aircraft technology. The estimates for the Department of Defense include all the principal amounts identifiable with the Department's space programs but exclude certain amounts which cannot be feasibly separated from other military expenses, such as the development of missiles which are also used in the space programs, military personnel costs, and various other operating costs. For the Atomic Energy Commission, the table includes the amounts associated with the development of nuclear rocket propulsion and nuclear power sources for space applications and amounts for reactor research. The Weather Bureau amounts are primarily those related to the establishment of an operational meteorological satellite system, which, therefore, are not included in the totals for research and development in this special analysis. The amounts for the National Science Foundation are for research related to a space telescope project.

WATER RESEARCH

Obligations of the Federal Government for water research and surveys will total an estimated \$76.8 million in 1964.

Table G-13. OBLIGATIONS OF FEDERAL AGENCIES FOR WATER RESEARCH AND SURVEYS (in millions of dollars)

Agency	1962 actual	1963 estimate	1964 estimate
Departments of:			
Agriculture.....	11.0	12.3	11.7
Commerce.....	2.1	1.9	2.0
Defense.....	1.8	2.4	3.8
Health, Education, and Welfare.....	8.2	19.0	17.4
Interior.....	17.5	24.8	34.9
Atomic Energy Commission.....	3.7	3.8	4.0
National Science Foundation.....	1.9	1.9	2.0
Tennessee Valley Authority.....	.5	.7	.9
Total.....	46.7	66.8	76.8

The amounts shown above are based on definitions and categories adopted by the Federal Council for Science and Technology. A new Committee of the Federal Council will work toward developing a balanced program of water research, consistent with our increasing national needs.

Water research is closely related to the missions of 8 major Federal agencies. The Department of Agriculture is concerned with water in relation to crops, forests, and soils. The Department of Commerce is primarily interested in water research as it relates to weather. The Corps of Engineers conducts research in support of its mission, while the Department of Health, Education, and Welfare supports a variety of research as part of its responsibilities for water supply and pollution control. The Department of the Interior carries on a large program of basic data collection in addition to basic and applied research in support of its variety of programs. The Atomic Energy Commission is concerned with disposal of radioactive wastes in relation to water. The National Science Foundation supports a variety of research programs which increase our knowledge of this vital resource.

NATURAL RESOURCES

At the direction of the President, the Committee on Natural Resources of the Federal Council has reviewed on-going research activities, particularly to determine ways to strengthen the total Government research effort in this field. Consideration is being given to the state of natural resources in the United States; the interest by the Federal Government and its agencies in resource problems; purposes of federally sponsored research and development; an inventory of this on-going research; and steps to relate research to policy formulation and resource planning.

Resource categories considered include minerals, biological resources, energy, land, air, water and economics of resources. Water research, described previously, has been studied by a special task force within this Committee.

SCIENCE INFORMATION

Increased attention is being directed to the adequacy of individual agencies' science information programs and particularly to their co-ordination with related activities of other agencies. Furthermore, the agencies are continuing their efforts to obtain additional and more reliable cost data on science information activities, a task made difficult because information handling is so closely integrated with other elements of particular research and development programs.

The budgetary data available for fiscal year 1964 together with future agency planning demonstrates a growing recognition of the importance of science information to the research and development effort of the Nation. Substantially increased research and development is programmed for scientific communication and documentation including methods of information retrieval, storage and dissemination, machine translation, and advanced mechanization techniques. Considerable increases are also planned for the publication and distribution of documents and for bibliographic and reference services, in-

cluding abstracting and indexing services. Likewise, there are some increases programed for scientific symposia and technical meetings, representing an orderly growth in this form of information exchange.

Table G-14. ADMINISTRATIVE BUDGET EXPENDITURES FOR FEDERAL RESEARCH AND DEVELOPMENT PROGRAMS (in millions of dollars)

Based on existing and proposed legislation

Description	Func- tional code	Conduct of research and development			Research and development facilities		
		1962 actual	1963 esti- mate	1964 esti- mate	1962 actual	1963 esti- mate	1964 esti- mate
Executive Office of the President:							
Office of Emergency Planning	900	0.5	0.7	0.2			
Funds Appropriated to the President:							
Foreign Assistance—economic:							
Agency for International Development	150	5.6	7.7	11.9			
Special foreign currency programs:							
Translation of publications and scientific cooperation	350	.6	3.0				
Total, Funds Appropriated to the President		6.1	10.6	11.9			
Department of Agriculture:							
Agricultural Research Service	350	77.7	85.5	96.9	3.8	6.5	5.0
Cooperative State Experiment Stations Service	350	35.7	38.3	40.3			
Economic Research Service	350	8.2	9.7	10.2			
Agricultural Marketing Service	350	6.5	6.9	6.5			1.0
Forest Service	400	20.6	22.7	23.6	1.7	4.3	1.7
Other	350	1.6	1.7	2.1			
Total, Department of Agriculture		150.4	164.8	179.6	5.5	10.8	7.6
Department of Commerce:							
Office of Business Economics	500	1.6	1.9	2.4			
Bureau of the Census	500	1.0	1.0	1.7			
Civilian Industrial Technology	500		.5	3.8			
Coast and Geodetic Survey	500	1.0	1.2	2.2	.2	.3	.6
National Bureau of Standards	500	18.4	23.2	27.3	9.3	26.8	42.0
Weather Bureau	500	7.4	9.4	13.1		1.6	
Maritime Administration	500	5.1	10.6	8.0			
Transportation Research	500		.5	1.8			
Other	500	.7	1.2	3.0			
Total, Department of Commerce		35.3	49.5	63.2	9.4	28.7	42.6
Department of Defense:							
Military functions	050	6,690.0	7,010.3	7,566.5	90.7	78.6	86.8
Military assistance	050	28.0	13.3	12.0			
Civil functions	400	2.3	3.4	5.1			
Total, Department of Defense		6,720.4	7,027.0	7,583.6	90.7	78.6	86.8

Table G-14. ADMINISTRATIVE BUDGET EXPENDITURES FOR FEDERAL RESEARCH AND DEVELOPMENT PROGRAMS (in millions of dollars)—Con.

Based on existing and proposed legislation

Description	Functional code	Conduct of research and development			Research and development facilities		
		1962 actual	1963 estimate	1964 estimate	1962 actual	1963 estimate	1964 estimate
Department of Health, Education, and Welfare:							
Food and Drug Administration	650	3.0	3.9	4.9	.9	2.2	2.5
Office of Education	700	10.8	13.6	24.3	—	—	—
Office of Vocational Rehabilitation	650	9.8	11.6	19.3	—	—	—
Public Health Service	650	434.2	571.3	666.0	33.5	48.1	55.8
Social Security Administration	650	1.6	3.6	5.5	—	—	—
Total, Department of Health, Education, and Welfare		459.4	604.0	720.1	34.4	50.3	58.3
Department of the Interior:							
Geological Survey	400	23.0	26.0	31.0	—	.1	.9
Bureau of Mines	400	24.1	27.6	28.3	1.8	1.2	2.8
Office of Coal Research	650	1.2	1.6	1.7	—	—	—
Fish and Wildlife Service	400	.4	2.5	4.0	—	—	—
Bureau of Reclamation	400	23.4	27.6	31.1	2.2	6.6	5.3
Office of Saline Water	400	2.4	2.6	3.5	—	—	—
Other	400	2.0	5.8	11.1	2.1	3.2	1.4
Total, Department of the Interior		77.5	95.0	112.1	6.1	12.3	10.7
Department of Labor	650	3.2	7.0	8.3	—	—	—
Post Office Department	500	7.2	7.8	8.6	—	—	—
Treasury Department:							
Bureau of Engraving and Printing	900	.3	.4	.4	—	—	—
Coast Guard	500	1.2	1.2	1.4	—	—	—
Total, Treasury Department		1.6	1.6	1.8	—	—	—
Atomic Energy Commission	050	1,029.2	1,150.0	1,191.8	254.2	263.0	310.8
Federal Aviation Agency	500	43.1	58.6	55.6	13.6	28.0	27.2
Housing and Home Finance Agency	550	.3	.4	2.0	—	—	—
National Aeronautics and Space Administration	250	1,142.8	2,050.0	3,641.0	114.3	350.0	559.0
Veterans Administration	800	22.6	25.1	27.8	3.0	3.3	6.4
Federal Communications Commission	500	.9	.5	.4	.4	.2	(1)
Federal Trade Commission	500	.1	.2	.2	—	—	—
National Science Foundation	700	84.2	105.2	116.0	20.6	42.0	77.0
Small Business Administration	500	.6	1.0	.6	—	—	—
Smithsonian Institution	700	3.7	4.5	5.6	2.6	1.9	1.6
Tennessee Valley Authority	400	3.3	3.7	4.3	(1)	(1)	.2
U.S. Arms Control and Disarmament Agency	150	.4	3.6	10.0	—	—	—
U.S. Information Agency	150	.1	.4	.5	—	—	—
Total, research and development		9,793.0	11,371.0	13,745.2	555.0	869.0	1,188.2

¹ Less than \$50 thousand.

SPECIAL ANALYSIS H

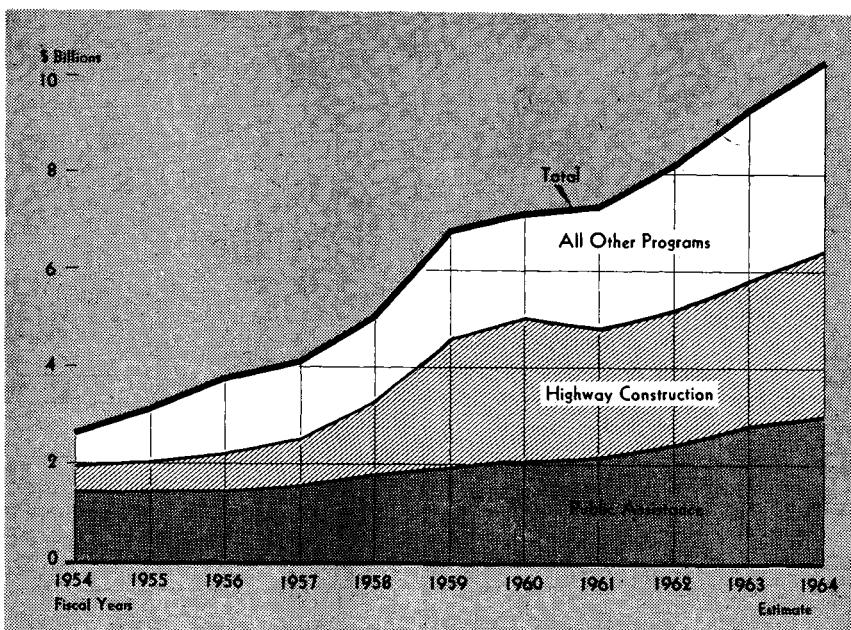
FEDERAL AID TO STATE AND LOCAL GOVERNMENTS

Federal aid to State and local governments in recent decades has become a major factor in the cooperative financing of essential government functions. The rudiments of the present system date back about 100 years to the Civil War with the enactment in 1862 of the Morrill Act which established the land-grant colleges and instituted certain federally required minimum standards, characteristic of the present grant-in-aid system. Federal aid was later initiated for agriculture, highways, vocational education and rehabilitation, forestry, and public health. In the depression years, Federal aid was extended to meet economic security and other social welfare needs.

In 1964 Federal financial assistance to State and local governments under existing or proposed programs will total an estimated \$10.4 billion, including net expenditures of \$6.6 billion from regular budget accounts and \$3.8 billion from the Highway and Unemployment trust funds. The total includes \$278 million under proposed legislation, of which \$215 million is for education. The remainder is for comprehensive maternal and child health services, increased contributions

Federal Aid to State and Local Governments

Budget and Trust Fund Expenditures



to the District of Columbia, urban transportation assistance, land and water conservation, and hospital construction.

The growth of Federal aid programs.—In 10 years, total Federal aid to State and local governments, especially for highways, will have almost quadrupled, rising from \$2.7 billion in 1954 to an estimated \$10.4 billion in 1964. In the same period, expenditures by State and local governments from their own funds will have more than doubled. Although the number and variety of Federal aid programs have increased markedly in the last several decades, more than 60% of total expenditures in 1964 for assistance to State and local governments will be for highway construction and public assistance grants. Over the last decade, highway construction grants have increased more than sixfold, rising from \$522 million in 1954 to an estimated \$3.4 billion in 1964, the largest increase in Federal aid for any purpose during this period. Grants for public assistance have more than doubled since 1954, increasing from \$1.4 billion to an estimated \$3 billion in 1964.

Increasing population and rapid urbanization have led to greater responsibility, particularly at the State and local level, for providing essential public services in education, health, housing, urban renewal, highways and public transportation, and the safeguarding of economic security. While the major burden of such public services rests with the 91,185 State and local governmental jurisdictions, the Federal Government has a vital role, both through direct operation of programs and by providing financial assistance to State and local governments.

The task of providing public services can be facilitated through improved intergovernmental cooperation and coordination concerning revenue sources and expenditure programs. The Advisory Commission on Intergovernmental Relations, established in 1959 for this and other purposes, is continuing to make valuable contributions in identifying areas in which intergovernmental action could improve the efficiency of the several levels of government in our Federal system.

Major program increases for 1964.—For 1964, the total of budget and trust fund expenditures under existing and proposed programs for financial assistance to other levels of government is expected to be \$1 billion more than in 1963 and \$2.2 billion larger than the actual total for 1962. The major increases over the 1963 estimate are expected to be in total Federal-aid highway construction, which is estimated to increase by \$379 million to \$3.4 billion; in public works acceleration for area redevelopment assistance, which is estimated to increase by \$168 million to \$317 million; in the educational assistance programs, which are estimated to rise by \$113 million to a total of \$560 million; in public assistance, which will increase by \$112 million to a total of \$3 billion; in the civil defense program, which will increase by \$49 million to a total of \$74 million; and in the housing and community development programs, which will rise by \$81 million to a total of \$693 million. The remaining increase is distributed among other programs including community and environmental health activities, maternal and child health, vocational rehabilitation, waste treatment construction and school lunch and special milk programs.

New legislation proposed for 1964.—Federal aid to State and local governments would be affected by several of the recommendations for legislative change which are provided for in the 1964 budget. A

significant increase in 1964 will result from the President's proposed program to assist education at all levels and to continue portions of expiring legislation providing payments to school districts on behalf of children whose parents work on Federal property. A large part of this new education program will be for aid to State and local governments. Because expenditures lag behind authorizations, the amount shown in this analysis is only \$215 million in 1964, including \$148 million for continuation of the impacted school-aid program.

Among the other recommendations for legislative change for which specific amounts are included in this analysis are: (1) land and water conservation grants, \$8 million; (2) urban transportation assistance grants, \$10 million; (3) increased Federal payments to the District of Columbia, \$21 million; (4) hospital construction activities, \$6 million; and (5) grants for comprehensive maternal and child health services, \$17 million.

Federal aid programs by function and agency.—In 1964, Federal aid for health, labor and welfare activities will amount to \$4.2 billion, slightly more than 40% of the total. Programs administered by the Department of Health, Education, and Welfare will account for \$3.5 billion of which \$3 billion will be for public assistance grants. About 37% of total Federal aid, \$3.8 billion will be spent for commerce and transportation activities of which highway construction under the Department of Commerce will account for \$3.4 billion. Of the remaining 23%, almost four-fifths will be equally distributed among housing and community development, agriculture and agricultural resources and education. The detailed table at the end of this analysis lists the various programs of Federal aid to State and local governments by function, type of aid, agency and major program groups.

Table H-1. FEDERAL-AID BUDGET AND TRUST FUND EXPENDITURES BY AGENCY (in millions of dollars)

Agency	1962 actual	1963 estimate	1964 estimate
Executive Office of the President.....	1.2		1.5
Funds Appropriated to the President.....	20.3	173.0	338.1
Department of Agriculture.....	838.4	986.5	1,004.7
Department of Commerce.....	2,783.6	3,026.8	3,425.9
Department of Defense—Military.....	15.6	25.0	72.0
Department of Defense—Civil.....	1.6	19.0	21.6
Department of Health, Education, and Welfare.....	3,219.1	3,709.1	4,007.8
Department of the Interior.....	123.2	151.0	152.8
Department of Labor.....	448.7	341.8	413.2
Department of State.....	6.6	8.0	6.5
Treasury Department.....	29.8	34.4	34.0
Federal Aviation Agency.....	57.9	76.1	62.5
General Services Administration.....	.3	.8	1.5
Housing and Home Finance Agency.....	529.2	721.7	722.0
Veterans Administration.....	8.5	8.5	8.4
Small Business Administration.....	6.8	18.9	31.5
Other independent offices.....	6.8	7.1	8.3
District of Columbia ¹	69.7	79.9	82.9
 Total, budget and trust fund expenditures for Federal aid.....	8,167.2	9,387.4	10,394.9

¹ Represents Federal payments, contributions, and loans to the District of Columbia for operations and capital improvements.

In 1964, Federal-aid budget and trust fund expenditures will be incurred primarily under programs administered by the Department of Health, Education, and Welfare (39%) and the Department of Commerce (33%). Federal-aid expenditures in 1964 by other agencies will make up the remaining 28% of the total, with the largest amounts by the Department of Agriculture, 10%; the Housing and Home Finance Agency, 7%; and the Department of Labor, 4%.

Federal aid in relation to total Federal and State-local outlays.—Estimated Federal aid in 1964 to State and local governments from budget accounts alone of \$6.6 billion will represent approximately 7% of total Federal budget expenditures. Total financial aid from budget and trust accounts of \$10.4 billion will represent about 8% of estimated total Federal cash payments to the public. As a source of State and local revenue, Federal-aid payments from both trust fund and budget accounts in 1962 was about one-seventh of all general revenue available to these jurisdictions.

Table H-2. FEDERAL-AID EXPENDITURES IN RELATION TO TOTAL FEDERAL EXPENDITURES AND TO STATE-LOCAL REVENUE

	Net budget expenditures for aid to State and local governments		Total expenditures for aid to State and local governments, budget and trust accounts		
	Amount (millions)	As a percent of total Federal administrative budget expenditures	Amount (millions)	As a percent of total cash payments to the public	As a percent of State-local revenue ¹
1954	\$2,657	4	\$2,657	4	10
1955	3,124	5	3,124	4	11
1956	3,753	6	3,753	5	12
1957	3,159	5	4,111	5	11
1958	3,576	5	5,072	6	12
1959	4,012	5	6,813	7	15
1960	4,259	6	7,174	8	14
1961	4,326	5	7,283	7	13
1962	4,966	6	8,167	8	14
1963 estimate	6,078	6	9,387	8	(2)
1964 estimate	6,629	7	10,395	8	(2)

¹ Based on compilations published by Governments Division, Bureau of the Census. Excludes Federal aid and State-local revenue from publicly operated utilities, liquor stores, and insurance trust systems.

² Not available.

Types of Federal aid.—Federal financial assistance to State and local governments takes the form of direct grants-in-aid, shared revenue, and net loans and repayable advances. Grants to States are the most significant type of Federal aid. In 1964, it is estimated that \$10 billion or 96% of total expenditures for all three types of aid will take the form of grants-in-aid. Shared revenue will account for \$146 million, or 1.4%, and net loans and repayable advances, \$284 million, or 2.6% of the grand total. Apart from these types of Federal aid, many other Federal expenditures affect the finances of State and local governments which are not included in this analysis, such as contractual payments or grants to public institutions for research and training in special fields.

Table H-3. FEDERAL AID TO STATE AND LOCAL GOVERNMENTS
(Expenditures in millions of dollars)

Agency and program	Functional code	1962 actual	1963 estimate	1964 estimate
BUDGET ACCOUNTS¹				
Grants-in-aid				
National defense:				
Executive Office of the President:				
Office of Emergency Planning: Federal contributions and State and local planning	059	1.2	-----	1.5
Department of Defense-Military: Civil defense shelters and financial assistance	051	15.6	25.0	72.0
Total, National defense		16.8	25.0	73.5
International affairs and finance:				
Department of State: East-West Cultural and Technical Interchange Center	153	6.6	8.0	6.5
Agriculture and agricultural resources:				
Department of Agriculture:				
Commodity Credit Corporation and removal of surplus agricultural commodities: Contributions to school lunch and other public agencies, food stamp program	351	394.9	512.3	498.5
Watershed protection, flood prevention, and resource conservation and development	354	38.8	53.7	59.8
Cooperative agricultural extension work	355	67.9	72.7	73.9
Agricultural experiment stations	355	35.0	37.0	39.0
Payments to States, territories, and possessions, Agricultural Marketing Service	355	1.3	1.4	1.4
Total, agriculture and agricultural resources		537.8	677.1	672.6
Natural resources:				
Department of Agriculture: Forest protection and utilization and assistance to States for tree planting	402	14.0	14.7	14.7
Department of Defense-Civil: Corps of Engineers: Payment to California, flood control	401	*	17.0	11.8
Department of Interior:				
Bureau of Reclamation: Boulder City municipal fund, disposal of Coulee Dam community and other grants	401	*	.1	.1
Bureau of Indian Affairs: Resources management	401	.7	1.2	.9
Drainage of anthracite mines	403	.1	.7	.8
Federal aid for fish and wildlife restoration	404	19.8	19.4	22.1
Proposed legislation: Land and water conservation	405	-----	-----	8.0
Total, natural resources		34.7	53.0	58.4
Commerce and transportation:				
Funds appropriated to the President: Public works acceleration: Area redevelopment assistance	507	-----	149.0	317.0
Department of Commerce:				
State Marine Schools	502	.5	.6	.6
Forest and public lands highways	503	30.9	43.2	36.3
Control of outdoor advertising	503	-----	2.0	3.0
Industrial and fire technology	506	-----	.3	2.6
Area redevelopment assistance	507	.1	4.0	11.0
Federal Aviation Agency: Federal-aid airport program	501	57.9	76.1	62.5

See footnotes at end of table, p. 416.

Table H-3. FEDERAL AID TO STATE AND LOCAL GOVERNMENTS
(Expenditures in millions of dollars)—Continued

Agency and program	Functional code	1962 actual	1963 estimate	1964 estimate
BUDGET ACCOUNTS¹—Continued				
Grants-in-aid—Continued				
Commerce and transportation—Continued				
Small Business Administration: Research and management counseling	506	0.4	0.5	-----
Total commerce and transportation		89.9	275.7	433.0
Housing and community development:				
Housing and Home Finance Agency:				
Low-income housing demonstration program	551	-----	1.5	2.0
Low-rent public housing program	552	154.3	173.7	196.5
Urban renewal and planning	553	169.4	264.1	313.5
Mass transportation demonstration grants	553	.8	6.0	10.0
Proposed legislation: Urban transportation assistance	553	-----	-----	10.0
Open space program	553	-----	5.0	20.0
National Capital Planning Commission: Acquisition of lands in Maryland	555	-----	.2	-----
District of Columbia:				
Federal payment and contribution	555	30.0	30.3	32.0
Proposed legislation: Increased payments	555	-----	-----	21.0
Total, housing and community development		353.7	480.8	605.0
Health, labor, and welfare:				
Funds Appropriated to the President: Disaster relief	655	14.4	21.0	18.1
Department of Agriculture: School lunch and special milk programs	655	258.1	263.1	281.2
Department of Health, Education, and Welfare:				
Hospital construction activities	651	162.5	172.6	172.5
Proposed legislation: Hospital construction activities	651	-----	-----	6.1
Portion to private, nonprofit institutions ²	651	(95.1)	(107.6)	(114.2)
Construction of waste treatment facilities	651	42.1	52.0	65.0
Community and environmental health activities	651	30.7	40.3	50.5
National Institutes of Health	651	15.7	15.0	15.8
Maternal and child welfare	651	66.6	76.8	82.6
Proposed legislation: Comprehensive maternal and child health services	651	-----	-----	17.2
Mental health facilities, Alaska	651	3.2	.5	-----
Hospital and medical care, Hawaii	651	.8	1.2	1.2
Public assistance	653	2,432.1	2,837.8	2,950.0
Vocational rehabilitation	655	65.1	73.6	89.8
Total, health, labor, and welfare		3,091.3	3,553.9	3,749.9
Education:				
Department of Health, Education, and Welfare:				
Assistance to schools in federally affected areas	701	268.4	306.0	200.3
Proposed legislation: Assistance to schools in federally affected areas	701	-----	-----	147.7
Defense educational activities:				
Assistance for elementary and secondary education	701	53.0	53.0	59.8
Other aid to education	704	12.8	14.9	14.8
Assistance to land grant colleges	702	14.5	14.5	14.5
Vocational education	704	40.2	41.0	41.3
Grants for library services	704	8.2	7.6	7.5
Teaching of the blind	704	.7	.7	.8

See footnotes at end of table, p. 416.

Table H-3. FEDERAL AID TO STATE AND LOCAL GOVERNMENTS
(Expenditures in millions of dollars)—Continued

Agency and program	Functional code	1962 actual	1963 estimate	1964 estimate
BUDGET ACCOUNTS —Continued				
Grants-in-aid —Continued				
Education —Continued				
Department of Health, Education, and Welfare—Con.				
Expansion of teaching in education of the mentally retarded	704	0.6	0.6	0.6
Educational television facilities	704	—	.5	2.0
Proposed legislation: New education program	700	—	—	62.5
Department of the Interior: Bureau of Indian Affairs: Education and welfare services	704	6.8	8.1	8.6
Total, education		405.2	447.0	560.0
Veterans benefits and services :				
Veterans Administration:				
Aid to State homes	804	7.4	7.5	7.5
State supervision of schools and training establishments	805	1.1	1.0	.9
Total, veterans benefits and services		8.5	8.5	8.4
General Government :				
Funds Appropriated to the President: Transitional grants to Alaska	910	5.9	3.0	3.0
Department of the Interior: Grants to territories and Alaska public works	910	15.7	27.6	27.6
General Services Administration: Hospital facilities in the District of Columbia	905	.3	.8	1.5
Total, general government		22.0	31.4	32.1
Total, grants-in-aid		4,566.4	5,560.4	6,199.8
Shared revenue				
Natural resources :				
Department of Agriculture: National forest and grass-land funds, payments to States and Counties	402	25.7	27.9	30.7
Department of Defense—Civil: Corps of Engineers: Flood Control Act of 1954 payments	401	1.6	1.6	1.8
Department of the Interior:				
Payments to States and counties from grazing receipts, sales of public lands and proceeds, and national grasslands	401	.8	.9	1.2
Boulder Canyon project, payments to Arizona and Nevada	401	.6	.6	.6
Oregon and California land-grant fund payments	402	14.5	15.4	14.4
Payments to Coos and Douglas Counties, Oregon	402	.1	.8	.9
Mineral Leasing Act payments	403	39.1	45.5	45.8
Payments to counties, Migratory Bird Conservation Act and national grasslands, and payments to Alaska, Alaska Game Lava and Pribilof Islands fund	404	1.0	1.3	.7
Tennessee Valley Authority: Payments in lieu of taxes	401	6.7	7.3	8.2
Miscellaneous shared revenue	400	.1	.1	.1
Total, natural resources		90.2	101.4	104.4

See footnotes at end of table, p. 416.

Table H-3. FEDERAL AID TO STATE AND LOCAL GOVERNMENTS
(Expenditures in millions of dollars)—Continued

Agency and program	Functional code	1962 actual	1963 estimate	1964 estimate
BUDGET ACCOUNTS¹—Continued				
Shared revenue—Continued				
General government:				
Department of the Interior: Internal revenue collections, Virgin Islands	910	6.2	7.7	7.2
Treasury Department: Tax collections for Puerto Rico	910	29.8	34.4	34.0
Total, general government		36.0	42.1	41.2
Total, shared revenue		126.2	143.4	145.5
Loans and repayable advances (net)				
Agriculture and agricultural resources:				
Department of Agriculture:				
Rural renewal	352			1.5
Watershed protection, flood prevention and resource conservation and development	354	2.8	3.8	4.1
Total, agriculture and agricultural resources		2.8	3.8	5.6
Natural resources:				
Department of the Interior: Irrigation projects	401	17.6	21.7	13.9
Commerce and transportation:				
Department of Commerce: Area redevelopment	507	.1	8.9	19.3
Small Business Administration: State and local development companies	506	6.4	18.2	31.5
Total, commerce and transportation		6.5	27.2	50.8
Housing and community development:				
Housing and Home Finance Agency:				
Community facilities	551	-.2	-.1	-.1
Low rent public housing program	552	-.4	-.6.0	-.4.0
Public facilities	553	19.1	69.9	88.1
Public works planning and urban renewal	553	71.8	18.1	-.25.5
District of Columbia: Capital outlays and operations	555	39.7	49.6	29.9
Total, housing and community development		130.0	131.4	88.4
Health, labor, and welfare:				
Department of Health, Education, and Welfare: Hospital construction activities	651	1.9	.5	.4
Education:				
Housing and Home Finance Agency: College housing	702	115.1	189.5	111.5
Department of Health, Education, and Welfare: Proposed legislation, New education program	700			5.0
Total, education		115.1	189.5	116.5
General government:				
Department of Defense—Civil: Corps of Engineers: Construction of power systems, Ryukyu Islands	910		.4	8.0
Department of the Interior: Alaska public works	910	.2		
Total, general government		.2	.4	8.0
Total, loans and repayable advances		274.1	374.5	283.7
Total, net budget expenditures		4,966.4	6,078.4	6,628.8

See footnotes at end of table, p. 416.

Table H-3. FEDERAL AID TO STATE AND LOCAL GOVERNMENTS
(Expenditures in millions of dollars)—Continued

Agency and program	Functional code	1962 actual	1963 estimate	1964 estimate
TRUST FUNDS				
Grants-in-aid				
Commerce and transportation:				
Department of Commerce: Highway trust fund: Federal-aid highway program.....	503	2,752.0	2,967.7	3,353.1
Health, labor and welfare:				
Department of Labor: Unemployment trust fund: Administration of employment security programs.....	652	448.7	341.8	413.2
Total, grants-in-aid.....		3,200.7	3,309.5	3,766.3
Total, budget and trust fund expenditures for Federal aid ³		8,167.2	9,387.4	10,394.9

Note.—Detail will not necessarily add to totals because of rounding.

* Less than 0.05 million.

¹ Many expenditures listed under budget accounts and trust funds are part of larger appropriation accounts or trust accounts.

² In 1964 \$4.8 million of this amount is contained under proposed legislation above.

³ The amount in 1962 for grants-in-aid and shared revenue from budget and trust accounts in this analysis totals \$7,893.1 million which compares with \$7,895.0 million distributed by States in the 1962 *Annual Report of the Secretary of the Treasury*, table 92, part A, "Federal Aid Payments to State and Local Units." The difference of \$1.9 million results because certain hospital construction activities are classified by Treasury as grants while in this analysis they are classified as loans and repayable advances.

SPECIAL ANALYSIS I

PRINCIPAL FEDERAL STATISTICAL PROGRAMS

The principal programs in the 1964 budget designed to collect statistical information for the use of the Government and the public are summarized in two categories: current and periodic. Recommendations for the current programs, reflecting the continuing year-to-year statistical activity of the various agencies, total \$91.9 million in 1964, an increase of \$17.6 million over 1963. The periodic statistical programs—the large-scale census-type surveys characteristically undertaken once or twice a decade—total \$17.2 million for 1964, \$3.8 million more than the amount available in 1963.

The functions of collection, processing, and analysis of current general purpose statistical information are often closely related to other agency objectives. To indicate the interrelationships of the statistical programs carried out by different agencies and to aid in evaluating the Government's overall statistical system, the significant components of current Federal statistical activity are brought together and classified by broad subject areas in this special analysis. These areas and the amounts involved are summarized in Table I-1. The increases shown for 1964 over 1963 reflect higher costs of existing programs in 1964, due to pay increases, as well as the costs of the program additions or improvements noted below.

The current statistical programs included in this analysis represent a substantial part of the data collection and processing activities of the Federal Government. Since it is not always possible to separate production or use of data from other aspects of agency administrative

Table I-1. DIRECT OBLIGATIONS FOR PRINCIPAL CURRENT STATISTICAL PROGRAMS, BY BROAD SUBJECT AREAS (in millions of dollars)

Program	1962 actual	1963 estimate	1964 estimate
Labor statistics (Departments of Agriculture, HEW, Interior, and Labor; National Science Foundation)-----	16.6	18.6	23.9
Demographic and social statistics (Departments of Agriculture, Commerce, and HEW; National Science Foundation)-----	8.1	9.9	13.0
Prices and price indexes (Departments of Agriculture and Labor)-----	4.4	5.2	5.6
Production and distribution statistics (Departments of Agriculture, Commerce, Defense, and Interior; Civil Aeronautics Board; Interstate Commerce Commission)-----	26.7	30.0	33.5
Construction and housing statistics (Department of Commerce; Federal Home Loan Bank Board; Housing and Home Finance Agency)-----	2.3	2.7	6.4
National income and business financial accounts (Departments of Agriculture, Commerce and Treasury; Securities and Exchange Commission, Federal Trade Commission)-----	6.4	7.9	9.5
Total, principal current programs-----	64.4	74.3	91.9

Note.—Detail will not necessarily add to totals because of rounding.

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responsibility, some statistical activity is not included. This analysis does include, for the first time, statistical programs in the following agencies: Bureau of Mines (Interior), Bureau of Old-Age and Survivors Insurance (HEW), Civil Aeronautics Board, Corps of Engineers (Defense), Interstate Commerce Commission, National Science Foundation, Housing and Home Finance Agency, and the Federal Home Loan Bank Board.

The periodic statistical programs for 1964 include (1) the major censuses scheduled by law at 5- or 10-year intervals; (2) the revision of the Consumer Price Index; and (3) the Census Bureau's program to modernize its data processing systems equipment.

The agencies included in the analysis of both current and periodic programs and the sums involved are shown in Table I-2.

The continuing objectives of the Federal statistical system are to provide accurate, comprehensive, and timely data needed for the operations of the Government, to insure efficient utilization of Government resources and minimum burden on respondents, and to furnish the public with information about the functioning of the economy and the welfare of the people. The attainment of these objectives requires continuous evaluation of the needs for statistical programs to achieve maximum benefit to the Government and the public. The programs provided for in this budget reflect the most urgent of the specific needs for data which have been emphasized by recent appraisals of and reports on the adequacy of existing economic and social statistics by the Joint Economic Committee of the Congress, the Subcommittee on Census and Government Statistics of the House Committee on Post Office and Civil Service, the President's Committee to Appraise Employment and Unemployment Statistics and other groups representing business, labor, and research organizations.

CURRENT PROGRAMS

Labor statistics.—Most of the increase recommended in this area is for improving and expanding statistics and research on the labor force, employment and unemployment, including the provision of more State and local area data. Information needed for research on concepts and labor force attachment of the population will be obtained from a new reporting panel of households.

Other subjects for which improved data are sought include fringe benefits and composition of payroll hours, the impact of automation and productivity, scientific manpower studies, and the extension of the National Register of Scientific and Technical Manpower to include more social scientists and engineers.

Demographic and social statistics.—About one-half of the recommended increase would permit the Bureau of the Census to expand its program of population statistics, including population estimates and projections for States and selected localities, make detailed demographic surveys and conduct basic research in methodology. Funds are provided for the National Health Center for further broadening of the health examination, records and vital statistics programs. An increase for the National Science Foundation is to provide statistical data on the relationship between the social and physical sciences. The Office of Education would receive additional funds to strengthen its basic statistical program, including pilot projects for improved

Table I-2. DIRECT OBLIGATIONS FOR PRINCIPAL STATISTICAL PROGRAMS, BY AGENCY (in millions of dollars)

Agency	1962 actual	1963 estimate	1964 estimate
CURRENT PROGRAMS			
Department of Agriculture:			
Economic Research Service.....	9.1	9.5	10.4
Statistical Reporting Service.....	8.7	10.0	11.6
Department of Commerce:			
Bureau of the Census.....	10.7	12.8	17.3
Office of Business Economics.....	1.6	1.9	2.4
Department of Defense: Board of Engineers for Rivers and Harbors: Commercial statistics.....	.9	.9	1.0
Department of Health, Education, and Welfare:			
Bureau of Old-Age and Survivors Insurance: Statistical activities.....	2.8	3.4	3.3
Office of Education: Educational statistics.....	1.1	1.3	1.8
Public Health Service: National health statistics.....	4.5	5.2	5.9
Department of the Interior: Bureau of Mines: Mineral statistics.....	2.0	2.2	2.3
Department of Labor:			
Bureau of Employment Security: Statistical activities.....	1.5	1.7	2.6
Bureau of Labor Statistics.....	12.7	14.6	18.7
Treasury Department: Internal Revenue Service: Statistical reporting.....	3.4	4.4	4.9
Civil Aeronautics Board: Statistics and research.....	.4	.5	.5
Federal Home Loan Bank Board: Statistical reporting.....	.4	.5	.7
Federal Trade Commission: Financial reports.....	.3	.3	.3
Housing and Home Finance Agency: Urban studies and housing research.....	.4	.4	2.5
Interstate Commerce Commission: Transport economics and statistics.....	1.3	1.4	1.5
National Science Foundation: Statistics and research.....	2.3	3.0	3.9
Securities and Exchange Commission: Operational and business statistics.....	.3	.3	.3
Total, current programs.....	64.4	74.3	91.9
PERIODIC PROGRAMS			
Department of Commerce: Bureau of the Census:			
1958 economic censuses.....	.2		
Eighteenth Decennial Census.....	6.7	2.8	
1962 Census of Governments.....	.9	1.3	.4
1963 economic censuses.....	1.0	3.1	8.6
1964 Census of Agriculture.....		.7	1.3
Modernization of computing equipment.....		4.0	4.6
Preparation for Nineteenth Decennial Census.....			.7
National Housing Inventory.....			.2
Department of Labor: Bureau of Labor Statistics: Revision of Consumer Price Index.....	2.1	1.5	1.3
Total, periodic programs.....	10.9	13.4	17.2
Total, principal statistical programs.....	75.3	87.7	109.1

data on teachers and school facilities, and to develop statistics on mental retardation.

Prices and price indexes.—A small increase for this area is requested to initiate an index of prices paid by Government for selected items and to carry on limited exploratory work on export prices and on actual prices paid in wholesale transactions.

Production and distribution statistics.—The activity for which the largest increase is recommended in this area is further extension of the improved crop and livestock estimates program initiated in 1961. An increase for various studies of farm economic problems is partially offset by a decrease in marketing economics. Increases are also provided to put the county business pattern report on an annual basis, for improvement of data on retail trade, industrial capacity, and transportation, and for tabulations of imports on a CIF basis.

Construction and housing statistics.—Most of the increase recommended for this area is for the Housing and Home Finance Agency to strengthen and expand its statistical and research programs, primarily in the field of basic housing market data. Funds requested for the Bureau of the Census would permit major improvements in the housing starts and construction activity series, further work on a price index for new home construction and the initiation of residential vacancy statistics for a number of metropolitan areas.

National income and business financial accounts.—A substantial part of the increase in this area is for the Internal Revenue Service and the Department of Commerce. In the Internal Revenue Service, increases will provide for tabulations from a larger number of tax returns, taking into account recent changes in tax laws, and for making special studies from tax returns for major users of statistics. In the Department of Commerce, increased funds for the Office of Business Economics will permit extending and improving basic estimates for the national accounts in areas of Government activity, capital formation, income for metropolitan areas, and U.S. Balance of Payments. At the Census Bureau, increases are for additional data on local governments and for planning a Census of Wealth.

PERIODIC PROGRAMS

Major censuses for which funds are included in this budget are: completion of the 1962 Census of Governments, collection of the major part of the data for the 1963 economic censuses, completion of preparation for the 1964 Census of Agriculture, and the first year of a 2-year feasibility test of alternative procedures for use in taking the 1970 population and housing censuses. Funds are also included for preparatory work for a National Housing Inventory to be conducted the following year, and for the second of the 2-year program of modernizing the electronic equipment in the Census Bureau. Funds requested for the Bureau of Labor Statistics will permit completion of the revision of the Consumer Price Index. They also provide for consumer expenditure surveys in six additional areas which, with the areas already surveyed, will provide the weights necessary to publish price indexes for all 22 Standard Metropolitan Statistical Areas with 1960 population over a million persons.

PART 7

HISTORICAL TABLES

Table 15. ADMINISTRATIVE BUDGET TOTALS AND PUBLIC DEBT,
1789-1964 (in millions of dollars)

Fiscal year	ADMINISTRATIVE BUDGET			Public debt at end of year	Fiscal year	ADMINISTRATIVE BUDGET			Public debt at end of year
	Receipts	Expenditures	Surplus (+) or deficit (-)			Receipts	Expenditures	Surplus (+) or deficit (-)	
1789-1849	1,160	1,090	+70	63	1931	3,116	3,577	-462	16,801
1850-1899	13,895	14,932	-1,037	1,437	1932	1,924	4,659	-2,735	19,487
1900	567	521	+46	1,263	1933	1,997	4,598	-2,602	22,539
1901	588	525	+63	1,222	1934	3,015	6,645	-3,630	27,053
1902	562	485	+77	1,178	1935	3,706	6,497	-2,791	28,701
1903	562	517	+45	1,159	1936	3,997	8,422	-4,425	33,779
1904	541	584	-43	1,136	1937	4,956	7,733	-2,777	36,425
1905	544	567	-23	1,132	1938	5,588	6,765	-1,177	37,165
1906	595	570	+25	1,143	1939	4,979	8,841	-3,862	40,440
1907	666	579	+87	1,147	1940	5,137	9,055	-3,918	42,968
1908	602	659	-57	1,178	1941	7,096	13,255	-6,159	48,961
1909	604	694	-89	1,148	1942	12,547	34,037	-21,490	72,422
1910	676	694	-18	1,147	1943	21,947	79,368	-57,420	136,696
1911	702	691	+11	1,154	1944	43,563	94,986	-51,423	201,003
1912	693	690	+3	1,194	1945	44,362	98,303	-53,941	258,682
1913	714	715	*	1,193	1946	39,650	60,326	-20,676	269,422
1914	725	725	*	1,188	1947	39,677	38,923	+754	258,286
1915	683	746	-63	1,191	1948	41,375	32,955	+8,419	252,292
1916	762	713	+48	1,225	1949	37,663	39,474	-1,811	252,770
1917	1,100	1,954	-853	2,976	1950	36,422	39,544	-3,122	257,357
1918	3,630	12,662	-9,032	12,455	1951	47,480	43,970	+3,510	255,222
1919	5,085	18,448	-13,363	25,485	1952	61,287	65,303	-4,017	259,105
1920	6,649	6,357	+291	24,299	1953	64,671	74,120	-9,449	266,071
1921	5,567	5,058	+509	23,977	1954	64,420	67,537	-3,117	271,260
1922	4,021	3,285	+736	22,963	1955	60,209	64,389	-4,180	274,374
1923	3,849	3,137	+713	22,350	1956	67,850	66,224	+1,626	272,751
1924	3,853	2,890	+963	21,251	1957	70,562	68,966	+1,596	270,527
1925	3,598	2,881	+717	20,516	1958	68,550	71,369	-2,819	276,343
1926	3,753	2,888	+865	19,643	1959	67,915	80,342	-12,427	284,706
1927	3,992	2,837	+1,155	18,512	1960	77,763	76,539	+1,224	286,331
1928	3,872	2,933	+939	17,604	1961	77,659	81,515	-3,856	288,971
1929	3,861	3,127	+734	16,931	1962	81,409	87,787	-6,378	298,201
1930	4,058	3,320	+738	16,185	1963 est.	85,500	94,311	-8,811	303,494
					1964 est.	86,900	98,802	-11,902	315,604

*Less than one-half million dollars.

Note.—A classification of administrative budget receipts and expenditures for the period 1954 to 1964, inclusive, is found in table 17 (page 424) and table 18 (page 425), respectively. The change in the public debt from year to year is not necessarily the same as the administrative budget surplus or deficit. It reflects also changes in the Government's cash on hand, and the use of corporate debt and investment transactions by certain Government enterprises.

Certain interfund transactions are excluded from administrative budget receipts and expenditures starting in 1932. For years prior to 1932 the amounts of such transactions are not significant.

Refunds of receipts are excluded from administrative budget receipts and expenditures starting in 1913; comparable data are not available for prior years.

Table 16. CONSOLIDATED CASH TOTALS AND FEDERAL SECTOR OF THE NATIONAL INCOME ACCOUNTS, 1940-64 (in billions of dollars)

Fiscal year	Consolidated cash statement			Federal sector of the national income accounts		
	Receipts	Payments	Surplus (+) or deficit (-)	Receipts	Expenditures	Surplus (+) or deficit (-)
1940	6.9	9.6	-2.7	7.6	9.0	-1.4
1941	9.2	14.0	-4.8	11.9	13.5	-1.6
1942	15.1	34.5	-19.4	19.5	33.5	-14.0
1943	25.1	78.9	-53.8	29.6	76.7	-47.1
1944	47.8	94.0	-46.1	43.4	91.3	-47.9
1945	50.2	95.2	-45.0	43.9	97.1	-53.2
1946	43.5	61.7	-18.2	37.3	56.6	-19.3
1947	43.5	36.9	+6.6	42.9	31.7	+11.2
1948	45.4	36.5	+8.9	43.7	32.3	+11.4
1949	41.6	40.6	+1.0	40.1	40.0	+.2
1950	40.9	43.1	-2.2	42.0	42.2	-.2
1951	53.4	45.8	+7.6	61.7	45.3	+16.3
1952	68.0	68.0	*	65.5	66.6	-1.1
1953	71.5	76.8	-5.3	69.9	76.2	-6.3
1954	71.6	71.9	-.2	65.9	74.5	-8.6
1955	67.8	70.5	-2.7	67.0	68.1	-1.1
1956	77.1	72.6	+4.5	76.3	69.5	+6.8
1957	82.1	80.0	+2.1	80.9	76.5	+4.4
1958	81.9	83.4	-1.5	77.8	82.8	-4.9
1959	81.7	94.8	-13.1	85.9	90.3	-4.4
1960	95.1	94.3	+.8	95.4	92.2	+3.3
1961	97.2	99.5	-2.3	95.5	97.7	-2.2
1962	101.9	107.7	-5.8	104.0	105.7	-1.7
1963 (estimated)	108.4	116.8	-8.3	108.8	113.2	-4.3
1964 (estimated)	112.2	122.5	-10.3	111.4	119.0	-7.6

*Less than \$50 million.

Note.—For an explanation of the consolidated cash statement and Federal sector of the national income accounts, see special analysis A (pages 324 to 331). Classifications of receipts and expenditures on both the consolidated cash and national income bases, for fiscal years 1954-64, are shown in table 19 (page 430), and table 20 (page 431), respectively.

Receipts, including those on a national income account basis, reflect retroactively to January 1, 1962, revenue losses occasioned by both the Revenue Act of 1962 and the 1962 administrative depreciation reform. To this extent, receipts shown for fiscal 1962 differ from those published to date by the Department of Commerce in the national income accounts.

Table 17. ADMINISTRATIVE BUDGET AND TRUST FUND RECEIPTS, 1954-64 (in millions of dollars)

Description	Actual									Estimate	
	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964
ADMINISTRATIVE BUDGET FUNDS											
Individual income taxes.....	29,542	28,747	32,188	35,620	34,724	36,719	40,715	41,338	45,571	47,300	45,800
Corporation income taxes.....	21,101	17,861	20,880	21,167	20,074	17,309	21,494	20,954	20,523	21,200	23,800
Excise taxes (net).....	9,945	9,131	9,929	9,055	8,612	8,504	9,137	9,063	9,585	9,900	10,430
Employment taxes.....	283	579	322	328	333	321	339	—*	—	—	—
Estate and gift taxes.....	934	924	1,161	1,365	1,393	1,333	1,606	1,896	2,016	2,060	2,125
Customs.....	542	585	682	735	782	925	1,105	982	1,142	1,278	1,390
Miscellaneous receipts.....	2,309	2,562	3,003	2,760	3,200	3,160	4,062	4,080	3,206	4,408	4,034
Interfund transactions (—).....	—235	—181	—315	—467	—567	—355	—694	—654	—633	—646	—679
Total administrative budget.....	64,420	60,209	67,850	70,562	68,550	67,915	77,763	77,659	81,409	85,500	86,900
TRUST FUNDS											
Employment taxes.....	5,100	5,587	6,905	7,192	8,233	8,446	10,728	12,404	12,561	14,805	16,630
Unemployment tax deposits by States.....	1,246	1,146	1,330	1,542	1,501	1,701	2,167	2,398	2,729	2,775	2,770
Excise taxes.....	—	—	—	1,479	2,026	2,074	2,539	2,798	2,949	3,212	3,306
Federal employee and agency payments for retirement.....	465	473	813	1,175	1,252	1,507	1,504	1,740	1,756	1,799	1,909
Interest on trust fund investments.....	1,193	1,178	1,212	1,324	1,350	1,323	1,337	1,414	1,433	1,470	1,555
Veterans life insurance premiums.....	426	441	441	452	485	478	482	504	501	516	513
Miscellaneous trust receipts.....	685	660	918	1,146	1,317	1,375	2,494	2,841	2,924	2,777	3,311
Interfund transactions (—).....	—18	—16	—12	—10	—11	—135	—908	—515	—528	—491	—454
Total trust funds.....	9,097	9,470	11,607	14,301	16,153	16,769	20,342	23,583	24,325	26,863	29,540

*Less than one-half million dollars.

Note.—Figures shown in this table are net of refunds, but correspond to the net figures used in the same classifications for fiscal years 1962 to 1964 in table 13 (pages 54 to 58).

Table 18. ADMINISTRATIVE BUDGET AND TRUST EXPENDITURES BY FUNCTION, 1954-64 (in millions of dollars)

Description	Actual									Estimate	
	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964
ADMINISTRATIVE BUDGET FUNDS											
050 National defense:											
051 Department of Defense military functions:											
Military personnel	11,643	11,403	11,582	11,409	11,611	11,801	11,738	12,085	13,032	13,100	14,255
Operation and maintenance	9,162	7,931	8,400	9,487	9,761	10,378	10,223	10,611	11,594	11,500	11,690
Procurement	15,957	12,838	12,227	13,488	14,083	14,409	13,334	13,095	14,532	15,521	16,350
Research, development, test, and evaluation	2,187	2,261	2,101	2,406	2,504	2,866	4,710	6,131	6,319	6,599	7,120
Military construction	1,744	1,715	2,079	1,968	1,753	1,948	1,626	1,605	1,347	1,180	1,170
Family housing										520	670
Civil defense										90	210
Revolving and management funds	-367	-617	-598	-323	-643	-179	-416	-300	-99	-330	-465
Total, Department of Defense military functions	40,326	35,531	35,792	38,436	39,070	41,223	41,215	43,227	46,815	48,300	51,000
057 Military assistance	3,629	2,292	2,611	2,352	2,187	2,340	1,609	1,449	1,390	1,750	1,450
058 Atomic energy	1,895	1,857	1,651	1,990	2,268	2,541	2,623	2,713	2,806	2,870	2,850
059 Defense-related activities	1,136	1,015	670	582	709	387	244	104	92	84	133
Total, national defense	46,986	40,695	40,723	43,360	44,234	46,491	45,691	47,494	51,103	53,004	55,433
150 International affairs and finance:											
151 Conduct of foreign affairs	130	121	129	157	173	237	217	216	249	396	326
152 Economic and financial programs	1,511	1,960	1,613	1,683	1,910	3,403	1,477	2,126	2,372	2,262	2,117
153 Foreign information and exchange activities	91	100	111	133	149	139	137	158	197	217	237
Total, international affairs and finance	1,732	2,181	1,853	1,973	2,231	3,780	1,832	2,500	2,817	2,874	2,679

See footnotes at end of table, p. 429.

Table 18. ADMINISTRATIVE BUDGET AND TRUST EXPENDITURES BY FUNCTION, 1954-64 (in millions of dollars)—Continued

Description	Actual									Estimate	
	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964
ADMINISTRATIVE BUDGET FUNDS—Continued											
250 Space research and technology:											
251 Space research and technology	90	74	71	76	89	145	401	744	1,257	2,400	4,200
350 Agriculture and agricultural resources:											
351 Farm income support and production adjustment	1,689	3,486	3,900	3,430	3,284	5,297	3,602	3,801	4,591	5,256	4,367
352 Financing farming and rural housing	272	236	232	248	269	311	289	349	234	320	230
353 Financing rural electrification and rural telephones	217	204	217	267	297	315	330	301	303	340	270
354 Agricultural land and water resources	252	290	305	374	315	376	368	397	426	414	414
355 Research and other agricultural services	142	173	215	227	255	291	293	324	341	401	415
Total, agriculture and agricultural resources	2,573	4,388	4,868	4,546	4,419	6,590	4,882	5,173	5,895	6,731	5,696
400 Natural resources:											
401 Land and water resources	1,056	935	804	925	1,139	1,184	1,235	1,394	1,564	1,691	1,750
402 Forest resources	117	119	139	163	174	201	220	331	280	319	326
403 Mineral resources	37	37	38	62	59	71	65	61	68	85	107
404 Fish and wildlife resources	38	43	45	51	60	68	68	73	81	97	108
405 Recreational resources	33	35	44	59	69	85	74	91	94	114	135
409 General resource surveys and administration	35	34	36	38	44	61	51	55	60	73	76
Total, natural resources	1,317	1,203	1,105	1,298	1,544	1,670	1,714	2,006	2,147	2,380	2,503
500 Commerce and transportation:											
501 Aviation	186	179	180	219	315	494	568	716	781	874	885
502 Water transportation	370	349	420	365	392	436	508	569	654	699	677
503 Highways	586	647	783	40	31	30	38	36	33	48	42
505 Postal service	312	356	463	518	674	774	525	914	797	802	554
506 Advancement of business	-281	-343	5	127	170	226	265	271	427	472	617
507 Area redevelopment ²					*				7	345	521

508 Regulation of business	45	38	41	45	49	58	59	67	74	84	94
Total, commerce and transportation	1,219	1,225	1,892	1,313	1,631	2,017	1,963	2,573	2,774	3,325	3,388
550 Housing and community development:											
551 Aids to private housing	-277	174	-67	-254	-126	732	-172	-44	-149	-108	-437
552 Public housing programs	-401	-116	31	60	51	97	134	150	163	179	205
553 Urban renewal and community facilities	37	56	4	49	78	108	130	162	261	365	417
555 National Capital region	14	22	23	27	26	33	30	51	74	89	91
Total, housing and community development	-628	136	-10	-118	30	970	122	320	349	525	276
650 Health, labor, and welfare:											
651 Health services and research	288	271	342	461	540	700	815	938	1,128	1,392	1,642
652 Labor and manpower	247	321	479	397	488	924	510	809	591	209	414
653 Public assistance	1,439	1,428	1,457	1,558	1,797	1,969	2,061	2,170	2,437	2,899	3,023
655 Other welfare services	148	145	184	216	234	284	304	326	368	415	534
Total, health, labor, and welfare	2,122	2,165	2,462	2,632	3,059	3,877	3,690	4,244	4,524	4,915	5,613
700 Education:											
701 Assistance for elementary and secondary education	184	215	181	174	189	259	327	332	337	375	422
702 Assistance for higher education	44	43	44	110	178	225	261	286	350	519	370
703 Assistance to science education and basic research	6	11	20	46	50	106	120	143	183	238	343
704 Other aid to education ³	91	109	98	108	124	141	156	181	207	229	257
New educational program (proposed legislation)											144
Total, education	326	377	343	437	541	732	866	943	1,076	1,361	1,537
800 Veterans benefits and services:											
801 Veterans service-connected compensation	1,731	1,829	1,864	1,876	2,024	2,071	2,049	2,034	2,017	2,085	2,061
802 Veterans non-service-connected pensions	700	801	884	951	1,036	1,153	1,263	1,532	1,635	1,736	1,800
803 Veterans readjustment benefits	789	879	944	977	1,026	864	725	559	388	317	193
804 Veterans hospitals and medical care	782	727	788	801	856	921	961	1,030	1,084	1,152	1,188
805 Other veterans benefits and services	339	286	331	266	242	280	266	259	279	255	242
Total, veterans benefits and services	4,341	4,522	4,810	4,870	5,184	5,287	5,266	5,414	5,403	5,545	5,484

See footnotes at end of table, p. 429.

Table 18. ADMINISTRATIVE BUDGET AND TRUST EXPENDITURES BY FUNCTION, 1954-64 (in millions of dollars)—Continued

Description	Actual										Estimate	
	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	
ADMINISTRATIVE BUDGET FUNDS—Continued												
850 Interest:												
851 Interest on the public debt	6,382	6,370	6,787	7,244	7,607	7,593	9,180	8,957	9,120	9,700	10,020	
852 Interest on refunds of receipts	83	62	54	57	74	69	76	83	68	71	71	
853 Interest on uninvested funds	5	5	6	6	8	9	10	10	10	11	12	
Total, interest	6,470	6,438	6,846	7,307	7,689	7,671	9,266	9,050	9,198	9,782	10,103	
900 General government:												
901 Legislative functions	49	60	76	90	89	102	109	118	135	139	132	
902 Judicial functions	29	31	38	40	44	47	49	52	57	66	69	
903 Executive direction and management	11	12	12	12	19	21	20	22	22	24	25	
904 Central fiscal operations	449	431	475	476	502	566	558	607	653	722	813	
905 General property and records management	157	168	173	201	245	295	372	372	419	508	567	
906 Central personnel management	93	96	304	602	84	95	84	140	153	140	108	
908 Protective services and alien control	186	185	220	219	233	255	263	289	300	323	345	
910 Other general government	253	183	278	100	69	86	88	109	136	120	135	
Total, general government	1,226	1,166	1,576	1,738	1,284	1,466	1,542	1,709	1,875	2,041	2,195	
Allowances, undistributed:												
Comparability pay adjustment											200	
Contingencies											75	175
Interfund transactions (—)	-235	-181	-315	-467	-567	-355	-694	-654	-633	-646	-679	
Total, administrative budget funds	67,537	64,389	66,224	68,966	71,369	80,342	76,539	81,515	87,787	94,311	98,802	
TRUST FUNDS												
050 National defense	146	164	143	93	344	229	256	196	366	440	576	
150 International affairs and finance	101	45	-29	13	1	21	48	13	15	47	123	
350 Agriculture and agricultural resources	137	73	288	426	357	645	458	417	432	425	392	

400	Natural resources	47	60	78	83	99	92	118	185	112	122	126
500	Commerce and transportation	-101	-97	-101	866	1,401	2,493	2,831	2,505	2,662	2,854	3,235
550	Housing and community development	-296	231	461	1,044	-295	1,263	1,439	-273	1,522	539	1,036
650	Health, labor, and welfare	6,036	7,423	7,999	9,585	12,775	14,306	16,358	19,236	20,382	21,812	22,802
700	Education	1	1	1	1	1	1	1	1	1	1	1
800	Veterans benefits and services	779	628	606	608	671	651	673	811	733	879	555
900	General government	9	7	8	8	10	10	17	17	20	19	19
Deposit funds		-130	58	239	219	-88	-6	-107	186	-517	628	-29
Interfund transactions (-)		-18	-16	-12	-10	-11	-135	-908	-515	-528	-491	-454
Total trust funds		6,711	8,577	9,681	12,938	15,265	19,573	21,185	22,780	25,201	27,275	28,382

*Less than one-half million dollars.

¹Amounts shown include estimated comparability adjustments not supportable by accounting records.

²Amounts shown for 1963 and 1964 include the Public works acceleration program which supplements expenditures in various other categories.

³Amounts shown for 1964 include expenditures under proposed legislation, most of which will subsequently be charged to the three subcategories immediately preceding.

Table 19. RECEIPTS FROM AND PAYMENTS TO THE PUBLIC, 1954-64 (in millions of dollars)

Description	1954 actual	1955 actual	1956 actual	1957 actual	1958 actual	1959 actual	1960 actual	1961 actual	1962 actual	1963 estimate	1964 estimate
RECEIPTS FROM THE PUBLIC											
Individual income taxes.....	29,542	28,747	32,188	35,620	34,724	36,719	40,715	41,338	45,571	47,300	45,800
Corporation income taxes.....	21,101	17,861	20,880	21,167	20,074	17,309	21,494	20,954	20,523	21,200	23,800
Excise taxes.....	9,945	9,131	9,929	10,534	10,638	10,578	11,676	11,860	12,534	13,112	13,736
Employment taxes.....	5,382	6,166	7,228	7,520	8,565	8,767	11,067	12,405	12,561	14,805	16,630
Estate and gift taxes.....	934	924	1,161	1,365	1,393	1,333	1,606	1,896	2,016	2,060	2,125
Customs.....	542	585	682	735	782	925	1,105	982	1,142	1,278	1,390
Deposits by States, unemployment insurance.....	1,246	1,146	1,330	1,542	1,501	1,701	2,167	2,398	2,729	2,775	2,770
Veterans life insurance premiums.....	426	441	441	452	485	478	482	504	501	516	513
Other budget and trust receipts.....	2,508	2,834	3,249	3,171	3,730	3,851	4,766	4,905	4,310	5,385	5,432
Total, receipts from the public.....	71,626	67,836	77,087	82,105	81,892	81,660	95,078	97,242	101,887	108,431	112,196
PAYMENTS TO THE PUBLIC											
National defense.....	47,138	40,852	40,854	43,434	44,552	46,681	45,915	47,685	51,462	53,438	56,006
International affairs and finance.....	1,696	2,044	1,624	2,637	2,651	2,398	1,574	2,153	2,492	2,467	2,743
Space research and technology.....	90	74	71	76	89	145	401	744	1,257	2,400	4,200
Agriculture and agricultural resources.....	2,617	4,399	4,977	4,627	4,347	7,052	4,877	5,183	5,977	6,830	5,764
Natural resources.....	1,360	1,259	1,178	1,377	1,639	1,752	1,824	2,103	2,223	2,479	2,596
Commerce and transportation.....	1,137	1,148	1,796	2,208	3,060	4,537	4,819	5,107	5,487	6,233	6,677
Housing and community development.....	-1,009	305	396	842	-319	2,141	1,440	-103	1,690	874	1,124
Health, labor, and welfare.....	8,083	9,485	10,254	12,108	15,757	18,017	19,107	22,364	23,961	25,799	27,424
Education.....	327	378	344	439	542	733	867	945	1,052	1,330	1,495
Veterans benefits and services.....	5,042	5,114	5,328	5,448	5,828	5,910	5,907	6,187	6,092	6,367	5,978
Interest.....	4,620	4,664	5,115	5,266	5,884	5,350	7,233	7,257	6,940	7,496	7,723
General government.....	1,235	1,172	1,583	1,744	1,293	1,475	1,559	1,724	1,882	2,044	2,197
Deposit funds (net).....	-130	58	239	219	-88	-6	-107	186	-517	628	-29
Undistributed adjustments.....	-348	-415	-1,145	-420	-1,823	-1,382	-1,114	-2,006	-2,289	-1,612	-1,422
Total, payments to the public.....	71,858	70,537	72,616	80,006	83,412	94,804	94,301	99,528	107,709	116,774	122,477
Excess of receipts (+) or payments (-).....	-232	-2,702	4,471	2,099	-1,520	-13,144	777	-2,286	-5,822	-8,343	-10,281

Note.—This table shows the flow of money between the Government and the public on a cash (collections and checks paid) basis, which is explained in more detail in special analysis A, pages 324 to 331.

Table 20. FEDERAL RECEIPTS AND EXPENDITURES IN THE NATIONAL INCOME ACCOUNTS, 1954-64
(Fiscal years. In billions of dollars)

Description	Actual									Estimate	
	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964
RECEIPTS, NATIONAL INCOME BASIS											
Personal tax and nontax	30.4	29.9	33.5	36.7	36.3	38.7	43.1	44.0	47.6	50.1	48.8
Corporate profits tax accruals	17.1	18.4	21.0	20.4	17.3	21.1	21.8	19.9	21.9	21.7	23.3
Indirect business tax and nontax accruals	10.7	10.4	11.2	12.1	12.0	12.3	13.9	13.6	14.6	15.3	15.8
Contributions for social insurance	7.7	8.3	10.5	11.7	12.3	13.8	16.7	18.0	19.8	21.8	23.4
Total receipts, national income basis	65.9	67.0	76.3	80.9	77.8	85.9	95.4	95.5	104.0	108.8	111.4
EXPENDITURES, NATIONAL INCOME BASIS											
Purchases of goods and services	53.9	45.0	45.2	48.3	50.5	53.9	53.1	54.8	59.8	64.4	68.2
Transfer payments	11.9	13.8	14.3	16.1	19.4	21.8	22.8	25.9	27.8	29.7	30.9
Grants-in-aid to State and local governments	2.8	2.9	3.1	3.6	4.5	6.0	6.7	6.6	7.3	7.8	8.8
Net interest paid	4.9	4.9	5.0	5.5	5.6	5.8	6.9	7.0	6.6	7.3	7.5
Subsidies less current surplus of Government enterprises	1.0	1.4	1.9	3.1	2.7	2.7	2.7	3.3	4.2	4.0	3.6
Total expenditures, national income basis	74.5	68.1	69.5	76.5	82.8	90.3	92.2	97.7	105.7	113.2	119.0
Surplus (+) or deficit (-), national income basis	-8.6	-1.1	+6.8	+4.4	-4.9	-4.4	+3.3	-2.2	-1.7	-4.3	-7.6

Source.—Actual data for 1954-62 are based on the quarterly estimates published by the Department of Commerce. Data for 1963 and 1964 are based on estimates by the Bureau of the Budget in cooperation with the Department of Commerce.

Note.—Receipts reflect retroactively to January 1, 1962, revenue losses occasioned by both the Revenue Act of 1962 and the 1962 administrative depreciation reform. To this extent, receipts shown for fiscal 1962 differ from those published to date by the Department of Commerce in the national income accounts.

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