THE BUDGET OF THE UNITED STATES GOVERNMENT

FISCAL YEAR 1979

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THE BUDGET DOCUMENTS

Data and analyses relating to the budget for 1979 are published in four documents:

The Budget of the United States Government, 1979 contains the information that most users of the budget would normally need, including the Budget Message of the President. The *Budget* presents an overview of the President's budget proposals and includes explanations of spending programs in terms of national needs, agency missions, and basic programs, an analysis of estimated receipts and a discussion of the President's tax proposals. This document also contains a description of the budget system and various summary tables on the budget as a whole. (Price $4.00.)

The Budget of the United States Government, 1979—Appendix contains detailed information on the various appropriations and funds that comprise the budget. The *Appendix* contains more detailed information than any of the other budget documents. It includes for each agency: the proposed text of appropriation language, budget schedules for each account, explanations of the work to be performed and the funds needed, proposed general provisions applicable to the appropriations of entire agencies or groups of agencies and schedules of permanent positions. Supplementals, and rescission proposals for the current year, and new legislative proposals, are presented separately. Information is also provided on certain activities whose outlays are not part of the budget totals. (Price $12.00.)

Special Analyses, Budget of the United States Government, 1979 contains 16 special analyses that are designed to highlight specified program areas or provide other significant presentations of Federal budget data. This document includes analytical information about: alternative views of the budget, i.e., current services and national income accounts; economic and financial analyses of the budget covering Government finances and operations as a whole; Government-wide program and financial information for Federal education, training and employment, health, income security, civil rights, environment, and research and development programs. (Price $3.25.)

The United States Budget in Brief, 1979 provides a more concise, less technical overview of the 1979 budget than the above volumes. Summary and historical tables on the Federal budget and debt are also provided, together with graphic displays. (Price $1.75.)

Each of these documents is for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. (Paper covers only.)

GENERAL NOTES

1. All years referred to are fiscal years, unless otherwise noted.
2. Detail in the tables, text, and charts of this volume may not add to the totals because of rounding.

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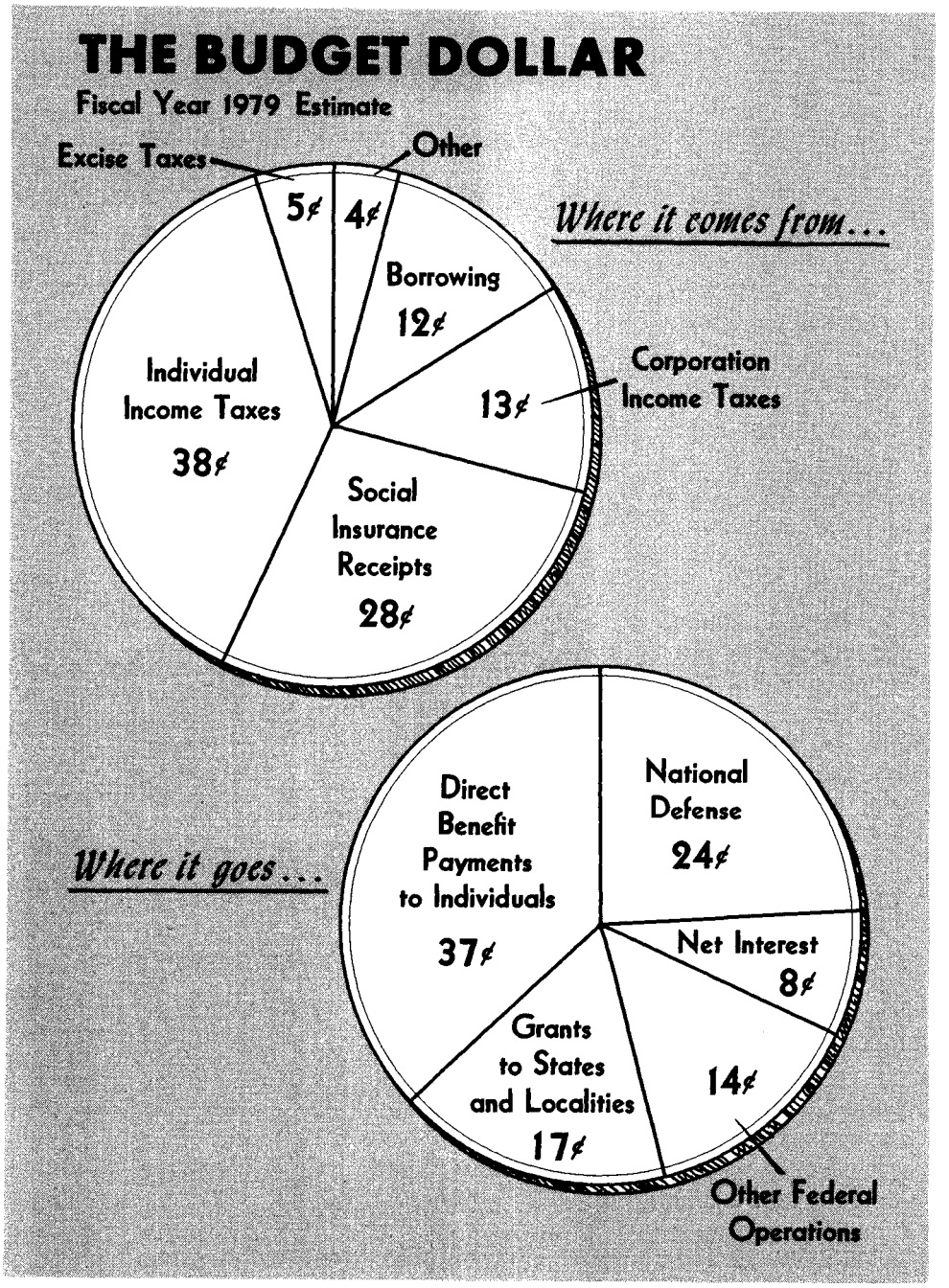
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PART 1

THE BUDGET MESSAGE OF THE PRESIDENT

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BUDGET MESSAGE OF THE PRESIDENT

To the Congress of the United States:

The first complete budget of any new administration is its most important. It is the administration's first full statement of its priorities, policies, and proposals for meeting our national needs. Last February, after just one month in office, I submitted a revised budget to the Congress. That revision changed the direction of the prior administration's budget, but was—of necessity—based upon a review of limited scope. I promised then that future budgets would reflect detailed, zero-based reviews of Federal spending programs, reform of the tax system, and reorganization of the Government. This budget is my first major step in meeting that promise. It reflects, I believe, a determination to face and make difficult decisions in a manner that places the common good above that of any particular interest.

This budget represents a careful balancing of several considerations:

—The importance of a fiscal policy that provides for a continuing recovery of the Nation's economy from the 1974–75 recession;

—The obligation of the Government to meet the critical needs of the Nation and its people;

—The fact that resources are limited and that Government must discipline its choices and its scope; and

—The need for careful and prudent management of the taxpayers' resources.

THE BUDGET TOTALS

[In billions of dollars]

	1977 actual	1978 estimate	1979 estimate
Budget receipts	357	400	440
Budget outlays	402	462	500
Deficit (−)	−45	−62	−61
Budget authority	465.2	502.9	568.2

My budget provides for total outlays of $500 billion, an increase of $38 billion, or 8%, over the 1978 budget, and receipts of $440 billion. This budget total is a restrained one that:

—Meets essential national needs;

—Imposes strict priorities upon Federal expenditures; and

—Decreases the share of the Nation's gross national product taken by the Federal Government from 22.6% to 22.0%.

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This budget places us on a path that will permit a balanced budget in the future if the private economy continues its recovery over the coming years.

At the same time, my budget embodies a fiscal policy that will strengthen the economic recovery. I propose a progressive tax reduction of $25 billion to help assure continued economic recovery and reduction in unemployment. An integral part of this tax reduction proposal is a set of recommendations for tax reform that will make the tax system simpler and more equitable. Without the reduction, I would have been able to announce a decline in the deficit of $15 to $20 billion between 1978 and 1979. With the reduction, the budget deficit will still decline slightly, because of careful restraints on expenditures. But I judged that the most important priority this year was to reduce the burdens on taxpayers. Only in this way can we ensure a vigorous economy, a declining unemployment rate, a strong expansion of private investment, and a stable budget balance in future years.

While the expenditures I recommend in this budget are restrained, they are, nevertheless, directed toward overcoming our Nation's crucial problems. I have looked carefully at existing approaches to these problems and improved those approaches where possible. The spending priorities of the past are now being shifted toward long-neglected areas. These new priorities are based on the following judgments:

—*An effective national energy plan is essential to reduce our increasingly critical dependence upon diminishing supplies of oil and gas, to encourage conservation of scarce energy resources, to stimulate conversion to more abundant fuels, and to reduce our large trade deficit.*

The national energy plan I proposed last spring defined these goals. This budget includes the programs and initiatives designed to meet those objectives. Included are increased emphases on conservation and nonnuclear research and development, energy grants and technical assistance to States and localities, accelerated acquisition of the strategic petroleum reserve, and greater emphases on nuclear waste management. I continue in the unswerving belief that the Nation's leaders have the obligation to plan for the future, and that the national energy plan is essential to the future health and vigor of the American economy. The United States also must take the lead in minimizing the risks of nuclear weapons proliferation as we advance nuclear power technology. Thus, this budget increases research and development funding for systems that present fewer risks than the plutonium-fueled liquid metal fast breeder reactor.

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—*The essential human needs of our citizens must be given high priority.*

In the spring of 1977 I proposed a long-overdue reform of the Nation's welfare system. This reform recognizes that this is a Nation of men and women who do not wish to be wards of the Government but who want to work and to be self-sufficient. It includes a combination of employment opportunities and incentives for those who should work, and a basic income for those who cannot. This budget anticipates that Congress will pass the program for better jobs and income, and begins the process of careful planning for the implementation of an efficient and equitable system.

The budget also recognizes that ensuring the opportunity to compete and excel remains very important to our people. To give all children the healthiest possible start in life, I propose major expansion of medical care and nutritional supplements for low-income expectant mothers and infants. In addition, I propose major increases in educational assistance at all levels. Because of the continued high level of unemployment, particularly among minorities, I believe public employment programs should be continued at high levels for another year. Major increases in programs stressing employment for unemployed youth are recommended. A new effort will be mounted to place more disadvantaged persons in private sector jobs by increasing the involvement of the business community in local employment and training programs.

I view a workable urban strategy as an important link in a well-articulated domestic program and essential to the continuing recovery of the national economy. This budget includes increases for many programs benefiting urban areas and supports several efforts to improve these programs. I anticipate sending to the Congress early in the spring a set of further proposals dealing with the Nation's urban problems.

—*The Nation's armed forces must always stand sufficiently strong to deter aggression and to assure our security.*

My request for defense provides for the steady modernization of our strategic forces, and for substantial improvements in the combat readiness of our tactical forces. To parallel commitments made by our European allies, I am proposing significant increases in our overall defense effort, with special emphasis on those forces and capabilities most directly related to our NATO commitments. The defense budget I recommend also emphasizes modernization and research and development to meet future challenges to our security. But at the same time, I am restraining defense expenditures by introducing important efficiencies and by placing careful priorities upon our defense needs. The 1979 defense budget is prudent and tight, but consists of

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a real growth in outlays of 3% above the current year's budget. Consistent with campaign pledges to the American people, it is $8 billion below the defense budget projected for 1979 by the previous administration.

—*The Federal Government has an obligation to nurture and protect our environment—the common resource, birthright and sustenance of the American people.*

This budget provides for substantially increased emphasis on protection of all our environmental resources, for new attention to our common heritage, and for substantial additions to our system of public lands. Planned use of our natural resources has been designed so that the most important of our unspoiled areas can remain forever in the hands of the people.

—*The Federal Government must lead the way in investing in the Nation's technological future.*

Shortly after taking office, I determined that investment in basic research on the part of the Federal Government had fallen far too low over the past decade. Accordingly, I directed that a careful review be undertaken of appropriate basic research opportunities. As a result of that review, this budget proposes a real rate of growth of almost 5% for basic research in 1979. I believe this emphasis is important to the continued vitality of our economy.

This budget also reflects this administration's commitment to two important approaches to making government work more efficiently and responsively: reorganization and zero-base budgeting.

The reorganization effort I have launched seeks more than just a streamlining of organization structure and the elimination of overlaps and duplication. It seeks to make our Government more responsive, more efficient, and more clearly focused on the most pressing needs of our society. In 1977 I proposed—and the Congress accepted—a Cabinet-level Department of Energy, a streamlined Executive Office of the President, and a consolidation of our international information activities. In 1978 I will propose further reorganizations in such areas as the Federal Government's civil rights activities and the Federal civil service system to make it more responsive and effective.

As I promised during my campaign, zero-base budgeting systems have been applied throughout the Federal Government. This budget is the product of a comprehensive zero-base review of all Federal programs, both existing and new. In reviewing each agency's proposals, I have used zero-base budget alternatives and agency rankings to compare and evaluate the many requests competing for resources. As a result of the first year's effort, we have gained a better understanding

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of Federal programs and have made better, more evenhanded judgments. Because of this system the budget includes dollar savings, and improvements in the way programs are operated. With experience, zero-based budgeting should be even more effective in future years.

Other significant changes in the budget process are reflected in this document. First: I have directed the Office of Management and Budget to establish a multi-year budget planning system using longer range budget projections. This will ensure that budget decisions are made with full awareness of their longer range implications. Second: we are using better techniques for estimating outlays so as to avoid the chronic "shortfalls" of recent years. Third: we have explicitly related the classification of the budget in terms of functions performed by Government programs to the national needs and agency missions served, as called for in the Congressional Budget Act of 1974.

In formulating this budget I have been made acutely aware once more of the overwhelming number of demands upon the budget and of the finite nature of our resources. Public needs are critically important; but private needs are equally valid, and the only resources the Government has are those it collects from the taxpayer. The competition for these resources and my belief and commitment that we must firmly limit what the Government taxes and expends have led me to the premises on which my first budget is based.

—Critical national needs exist—particularly human and social ones—to which resources must be directed.

—Government resources are scarce; their use must be planned with the full awareness that they come from the earnings of workers and profits of business firms.

—The span of government is not infinite. Priorities must be set and some old priorities changed. If we are to meet adequately the most critical needs, some demands must also be deferred. Government action must be limited to those areas where its intervention is more likely to solve problems than to compound them.

—We have an obligation to manage with excellence, and to maintain proper priorities within the $500 billion proposed in this budget. We all know that in a budget of this scale—larger than the gross national product of all but three nations in the world—there are dollars wasted and dollars misspent. These must be minimal.

These premises are unexceptionable in general, but difficult and controversial to apply. They have guided my actions in formulating this budget and they will continue to do so in the future. But to be successful I will need, and will work for, the help and cooperation of the Congress. Both the Congress and the Executive have a clear, joint

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interest in an approach that helps us to meet the demands of the future. In recent years the Congress has taken important steps—through the establishment of the congressional budget process—to improve its own means of establishing priorities. This administration has worked closely with the congressional appropriations and budget committees and has found them invaluable sources of advice. We will continue in this spirit of cooperation, and I look forward to working with the Congress and its leadership to obtain adoption of my budget for fiscal year 1979.

JIMMY CARTER.

JANUARY 20, 1978.

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PART 2

BUDGET SUMMARY

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BUDGET SUMMARY

This part of the budget summarizes the President's major budget proposals, and discusses management reform in the Government.

OVERVIEW OF THE PRESIDENT'S BUDGET

This budget is the product of nearly a year of wide-ranging policy review, and of systematic zero-based budget review of ongoing programs and new proposals. It contains significant changes in the allocation of the Federal Government's budget resources, particularly over the longer run. Tax reform proposals will affect both the amount and the source of funds available, while major proposals in high-priority areas such as energy, welfare, and defense account for large proposed changes in budget outlays. In addition, there are many significant smaller program reforms and changes in emphasis or direction. While these may not have the dramatic impact of major budget proposals, they are important.

To help identify the President's initiatives, this budget contains a comparison of the President's budget recommendations with the budget as it would be in the absence of those recommendations, i.e., on a current services basis. Current services estimates, which are required by the Congressional Budget Act, are projections of the costs of existing programs and receipts under existing law—unchanged by either congressional or Presidential actions. They include outlay increases that result from, for example, increased numbers of beneficiaries entitled to receive payments or, where required by law, increased benefits due to higher costs of living. They do not take into account any future policy changes either proposed by the President or contemplated by the Congress.

Current services estimates, therefore, provide a basis of comparison that highlights policy changes and recommendations in the President's budget for discretionary increases or decreases in program levels. Special Analysis A, which is published in a separate volume, includes a detailed comparsion of the President's budget for 1979 with current services estimates. It also explains more fully the basis on which the estimates are made.

The President's budget recommendations for 1979 are $500.2 billion—an increase of $7.8 billion over the current services level. On a current services basis, total outlays are projected to increase from $492.4 billion in 1979 to $612.9 billion in 1983. By 1983 the program changes recommended for 1979 in this budget would result in projected total outlays of $650.0 billion, $37.1 billion higher than the projected current services level for 1983.

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EFFECTS OF BUDGET PROPOSALS

[In billions of dollars]

	1977 actual	Estimate			Projection		
		1978	1979	1980	1981	1982	1983
Receipts:							
Current services	356.9	400.7	463.8	528.7	607.7	685.5	758.7
Income tax reductions and reforms	------	−.2	−23.5	−24.7	−27.0	−29.6	−33.8
Energy proposals	------	−.1	1.1	2.9	4.3	5.5	7.9
Other proposals	------	------	−1.9	−1.5	−1.0	−3.8	−6.6
Budget receipts	**356.9**	**400.4**	**439.6**	**505.4**	**583.9**	**657.6**	**726.1**
Outlays:							
Current services	401.9	460.4	492.4	528.9	552.1	581.7	612.9
Proposed legislation and discretionary charges	------	1.8	7.8	14.0	23.3	30.7	37.1
Budget outlays	**401.9**	**462.2**	**500.2**	**542.9**	**575.4**	**612.4**	**650.0**
Surplus or deficit:							
Current services	−45.0	−59.7	−28.5	−.2	55.6	103.8	145.8
Surplus or deficit (−)	**−45.0**	**−61.8**	**−60.6**	**−37.5**	**8.6**	**45.2**	**76.2**

Receipts under the President's tax proposals are expected to be $439.6 billion in 1979, a decrease of $24.3 billion from the current services level. This reflects the tax reduction and reform proposals in the budget. Without changes in the tax law beyond those proposed in this budget, receipts of $726.1 billion are projected for 1983, $32.6 billion below the current services level of $758.7 billion. However, since tax receipts tend to grow more rapidly than the economy as a whole, the President will carefully consider proposing further reductions between now and 1983 in keeping with his stated policy of holding the Federal budget to not more than 21% of the gross national product, and letting our citizens share the benefits of expenditure restraint in the form of reduced tax burdens.

The tax proposals in this budget are intended to increase the fairness of the tax system and to support the continued recovery of the economy. In the absence of these reductions, unemployment might not continue to decline in 1979. The spending proposals are intended to direct our resources toward critical national needs and to place us on a path permitting a stable budget balance. To avoid misinterpretation, it must be emphasized that the budget surpluses projected beyond

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1979 on both a Presidential and current services basis are not meant to indicate that such budget surpluses will in fact occur. The desirability of achieving these surpluses depends both on economic conditions too far in the future to forecast, and on the need for new or expanded programs or for further tax cuts.

FISCAL POLICY

The administration's fiscal policy proposals that were announced shortly after taking office in January have played an important role in continued economic recovery. Tax reductions in 1977, together with increased spending for public works, countercyclical revenue sharing, and public service jobs and other employment-related programs were instrumental in maintaining a strong economy in 1977. The effects of these programs increased during the year and helped to offset weakness in some sectors of private spending during the second half of the year, when the growth of real output slowed. For the year as a whole, real output increased by 4.9%. By the fourth quarter, real GNP was 5.7% above a year earlier.

The increase in employment in the last year was considerable, rising from 88.4 million in December 1976 to 92.6 million a year later. The unemployment rate dropped significantly over this period, from 7.8% in December 1976 to 6.4% a year later. This drop in unemployment would have been larger but for an unusually large number of new entrants—mostly women and teenagers—to the labor force.

The economic policies that have been put into effect in the last year, together with the policy recommendations proposed in this budget, will help sustain economic expansion in the years ahead. For 1978 and 1979, the tax reductions proposed in this budget, together with prudent increases in Federal spending, will help maintain the momentum of the current expansion.

Policies that support economic recovery will continue to receive high priority in the years ahead. The achievement of a high employment economy with a vigorously expanding private sector can do far more than any single Government program to solve the human and social problems that have been so evident in past years. Since unemployment remains unacceptably high, the budget will continue rather than phase down the public service employment program. Further, it will initiate a significant effort to increase private sector jobs for the disadvantaged, and substantially increase youth employment programs, especially for minority youth. But, this effort cannot be successful in the absence of a healthy economy, which can offer the hope of new careers and opportunities to the unemployed.

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BUDGET AUTHORITY

All budget outlays depend on the legal authority provided by the Congress to spend money. This budget authority in some cases results in outlays during the fiscal year for which it is granted, and in other cases results in outlays during subsequent years. For 1979, the President is requesting new budget authority of $568.2 billion, an increase over the current services level of $30 billion.

BUDGET AUTHORITY

[In billions of dollars]

	1977 actual	1978 estimate	1979 estimate
Available through current action by the Congress	317.5	327.4	366.9
Available without current action by the Congress	206.9	235.3	264.8
Deductions for offsetting receipts	−59.2	−59.8	−63.6
Total, budget authority	**465.2**	**502.9**	**568.2**
MEMORANDUM			
Budget authority, current services basis	465.2	499.5	538.3

FEDERAL DEBT AND LENDING

During 1979 the Federal debt held by the public is expected to increase from $617.8 billion to $690.8 billion. This increase is due largely to the anticipated budget deficit. In addition, off-budget Federal entities (discussed in Part 6 of this document) add significantly to the Government's borrowing requirements. Other factors, such as changes in cash balances held by the Treasury, also affect the debt.

During 1979 the direct loans of Federal agencies included in the budget are expected to total $4.3 billion net of repayments. Total new lending, however, will be $26.6 billion. In addition, off-budget Federal entities are expected to make loans totaling $17.6 billion. The Federal Government is also expected to guarantee or insure net loans totaling $23.2 billion. Unlike direct loans, guaranteed and insured loans generally do not result in budget outlays except in the case of default. They do, however, affect credit markets, and, thus, the economy as a whole.

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DEBT AND LOANS

[In billions of dollars]

	1977 actual	1978 estimate	1979 estimate
Outstanding debt, end of fiscal year:			
Gross Federal debt	709.1	785.6	873.7
Debt held by the public	551.8	617.8	690.8
Outstanding Federal and federally assisted loans, end of fiscal year: [1]			
Direct loans—on-budget	68.2	76.1	80.4
Direct loans—off-budget	32.7	43.9	56.8
Guaranteed and insured loans [2]	183.9	200.4	223.6
Government-sponsored enterprise loans [3]	98.9	115.2	130.1

[1] See Table F–7 in Special Analysis F, "Federal Credit Programs," published in a separate volume of this budget.
[2] Excludes loans held by Government accounts and Government-sponsored enterprises.
[3] Net of loans between Government-sponsored enterprises, and between such enterprises and Federal agencies.

FEDERAL CIVILIAN EMPLOYMENT

In keeping with the President's objective of holding Federal civilian employment to the minimum necessary for the efficient and effective operation of the Federal Government, full-time permanent employment in the executive branch (excluding the Postal Service) is estimated at 1,930,100 for the end of 1978 and 1,931,600 for the end of 1979. The 1978 estimate is about 15,000 below the level estimated for 1978 in the last budget of the previous administration.

MAJOR BUDGET PROPOSALS

Tax reductions and reforms.—The President's tax proposals will help maintain the momentum of the current economic recovery, encourage capital formation and improve productivity. They also take significant steps toward developing a simpler and more equitable tax system. In addition, reductions are proposed in excise taxes and unemployment insurance taxes that will help to mitigate rising prices.

These reduction and reform proposals will reduce individual taxes by about $17 billion in calendar year 1979, business taxes by about $6 billion, and excise and payroll taxes by about $2 billion. The individual income tax reductions are proposed to take effect on October 1, 1978. The main elements of the tax reduction proposals include:

—replacing the existing $750 deduction for personal exemptions and the general tax credit with a $240 credit;

—replacing the present 14% to 70% rate structure with rates ranging from 12% to 68%;

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—reducing the maximum corporate income tax rate by 3 percentage points, effective in October 1978, and by an additional 1 percentage point beginning in January, 1980;
—extending the investment tax credit of 10% to industrial and utility structures (it currently applies only to equipment); and
—permitting the investment tax credit to offset up to 90% of tax liabilities otherwise owed.

The income tax reduction proposals will reduce tax liabilities in calendar year 1979 by $32 billion. These reductions are partially offset, however, by a number of tax reform and simplification proposals, which would increase tax liabilities in 1979 by about $9 billion. They include:

—repeal of itemized deductions for gasoline taxes, sales taxes, and certain miscellaneous taxes;
—replacing itemized deductions for medical expenses and casualty losses with a new "extraordinary expense" deduction;
—reduction or elimination of business deductions for entertainment expenses;
—phase out over a 3-year period of preferential tax treatment for Domestic International Sales Corporations; and
—elimination of certain tax shelters.

Together, these proposals will reduce taxes for nearly all taxpayers, particularly for low and moderate income families. For example, as shown in the table below, a family of four with an adjusted gross income of $15,000 would have its tax liability reduced by $258, or 19%.

It is also proposed that the Federal excise tax on telephone services be repealed. Futher, the tax rate paid by employers under the Federal unemployment insurance system would be reduced from 0.7% to 0.5%. These tax reductions of $2 billion in 1979 will also have a modest anti-inflationary impact.

CHANGE IN TAX LIABILITY FOR A FAMILY OF FOUR

Adjusted gross income	Present tax rates and structure [1]	Proposed structure [2]	Tax saving	Percent saving
$10,000	446	134	312	70
$15,000	1,330	1,072	258	19
$20,000	2,180	1,910	270	12
$25,000	3,150	2,830	320	10
$30,000	4,232	3,910	322	8
$40,000	6,848	6,630	218	3

[1] Assumes standard deduction or itemized deductions equal to 23% of income, whichever is greater.
[2] Assumes standard deduction or itemized deductions equal to 20% of income, whichever is greater. Excludes rebates to individuals of the proposed wellhead tax, which are estimated to be about $15 per capita in calendar year 1978, $30 per capita in 1979, and $45 per capita in 1980.

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Energy.—This administration proposed last April a national energy program. The plan outlined taxes, programs, and regulations for achieving the Nation's energy objectives.[1] To help carry out this program, the Department of Energy was established on October 1, 1977, and the program and budget of the Department appear for the first time in this budget.

The energy strategy of the administration contains four central elements.

—an effective conservation program for all sectors of energy use;

—oil and gas pricing policies to provide certainty for investments and incentives for more production while protecting the consumer;

—conversion of industry and utilities to coal and other more abundant fuels; and

—a vigorous program to develop renewable and nearly inexhaustible resources for future energy needs.

This budget includes the following proposals in support of the national energy program:

—greater emphasis on nonnuclear energy research and development;

—full funding of the first 500 million barrels of petroleum for the strategic petroleum reserve and initial funding for construction of additional storage facilities;

—increased grants and technical assistance to States and localities for energy conservation, which will be coupled with legislation to improve the State grants program to be proposed in the spring, after completion of a study of the role of State governments in the energy area.

Closely related to the administration's energy strategy is its policy to assure the continued essential contribution of nuclear power to meeting the Nation's energy requirements and to prevent international proliferation of nuclear weapons material and technology.

Nuclear policy.—In April, the President announced his policy of deferring indefinitely the commercial reprocessing and recycling of nuclear fuel as well as the commercialization of the liquid metal cooled fast breeder reactor (LMFBR).

As part of this policy, cancellation of the LMFBR demonstration project at Clinch River, Tenn., an unnecessarily expensive and outdated project, was proposed. This policy also recognized the need to continue research and development in the search for advanced alternative reactors and approaches to recycling fuels that present less risk of international proliferation of nuclear weapons than the

[1] A detailed discussion of the taxes and programs is contained in Parts 4, Budget Receipts, and 5, Meeting National Needs—the Federal Program by Function, respectively.

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use of separated plutonium. The policy also reaffirmed the commitment to demonstrate safe disposal of nuclear wastes to insure the continued use of the current generation of nuclear powerplants.

The budget for the Department of Energy strengthens and continues the administration's nuclear policies and programs with the following proposals:

—a high-priority commitment to the completion of a thorough analysis of the various possible advanced nuclear fuel cycle and breeder reactor systems;

—provision of the resources necessary to develop and demonstrate by, the earliest possible date, 1985, an effective way for permanently disposing nuclear waste;

—increased efforts to assess the total United States and world uranium resource base; and

—a new research effort in the Department of Energy to examine ways to increase current generation reactor safety margins.

Better jobs and income proposal.—The better jobs and income proposal to reform the welfare system marks the first stage in fulfillment of the President's campaign pledge to abolish the existing fragmented welfare system and replace it with a single, coordinated, job-oriented program for those who can work, and an equitable income assistance program for those in need who are unable to work. Thus, the proposed program will provide:

—increased emphasis on finding jobs in both the public and private sectors;

—a work benefit for those who work but whose incomes are inadequate to support their families;

—simplification and improved administration of the present cumbersome and duplicative welfare system;

—income support for those unable to work because of age, disability, or family circumstances; and

—fiscal relief for States and localities from much of the welfare costs they now bear.

Welfare reform is designed to ensure that work will always be more profitable than welfare. It will reduce reliance on welfare payments by doubling the number of single-parent family heads who support their families primarily through earnings from work. The program will combine effective work requirements and strong work incentives together with improved efforts to place the disadvantaged in private sector jobs and up to 1.4 million public sector jobs at the minimum wage for family breadwinners if there are not enough unsubsidized jobs. Several existing and inconsistent income support programs will be replaced by a single cash assistance program providing a uniform

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minimum level of income support for the poor. This simplification will be accomplished by consolidating the programs of aid to families with dependent children, supplemental security income, and the food stamp program, all of which have differing eligibility requirements. There will be stronger incentives to keep families together, a reduction in fraud and error, and a significant reduction in pressure on State and local budgets.

The budget assumes that the President's welfare reform proposal will be fully operational by July 1, 1981, with the earned income tax credit expansion effective January 1, 1982. Estimated budget outlays in 1979 are relatively small—$160 million. However, in 1980, the program would add $1.4 billion to the total costs of the existing programs that will be replaced, $4.7 billion in 1981, and $8.8 billion in 1982. Total costs of the program are shown below.

ESTIMATED COSTS OF PROGRAM FOR BETTER JOBS AND INCOME

	1979	1980	1981	1982	1983
Cost of existing programs and other offsets	.....	1.0	9.6	30.0	30.8
Additional costs	.2	1.4	4.7	8.8	12.9
Total cost of program	.2	2.4	14.4	38.8	43.7

Retirement Commission.—Outlays for retirement programs account for more than 25% of the Federal budget today and an increasingly large share of the GNP. Payroll taxes and contributions to pension systems are an increasing burden on the income of our work force. The Employee Retirement Income Security Act has had a profound influence on private pension plans. Social security benefits and coverage have changed dramatically in recent years. State and local governments have, in many instances, increased benefit levels dramatically without necessarily developing the means by which they will be financed. Over the long run the ratio of retired people to working people in America is almost certain to change dramatically. These and other changes require that the structure of, and interrelationship among, retirement programs in the United States—Federal, State and local, or private—be carefully evaluated. The budget reflects proposed legislation to establish a Presidential Retirement Policy Commission. The Commission will evaluate the present and future problems of existing retirement, disability, and survivor plans in the public and private sector.

The Commission will be asked to make specific recommendations for reforms in the systems to insure that workers have adequate coverage and benefits. The Commission will also recommend how

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future retirement plans should be financed. It is expected to complete a series of reports to the President over a 2-year period.

Health.—Federal health care outlays will increase $5.4 billion, from an estimated $44.3 billion in 1978 to an estimated $49.7 billion in 1979. The largest share of this increase, almost $5 billion, will be spent on medicare and medicaid which provide health care and financial protection against illness for our aged, disabled, and poor citizens. The 1979 budget assumes enactment of legislation setting up the child health assessment program in medicaid which will make 1.7 million additional low-income children eligible for medicaid and will improve the medical and social services available to those children under medicaid. Another legislative proposal—for which $118 million in Federal outlays is estimated—will make medicaid family planning and prenatal services available to all low-income women.

The Department of Health, Education, and Welfare estimates that at least 2 million teenagers do not have access to organized family planning services. In addition to the $35 million provided for similar services last year, the budget proposes another $100 million in budget authority in 1979 for the prevention of unwanted adolescent pregnancies. This includes a separate appropriation of $60 million for new joint Federal and State efforts to establish networks of community based services.

The 1979 budget assumes enactment of legislation proposed by the administration last year that would limit the growth rate of hospital costs. The resulting savings in 1979 would be $2 billion in total: $730 million to medicare and medicaid; and $1.3 billion to private payers of hospital bills.

The administration expects to submit legislation this coming year on national health insurance. It will not, however, affect Federal outlays in 1979 or 1980, and therefore, funding is not included in the budget.

Urban revitalization.—Federal programs should not be viewed as a panacea for the ills of the cities, nor can every city be considered in financial difficulty. There must, however, be readily available assistance for those cities that, having exhausted existing resources and efforts, remain hard pressed.

The impact of Federal policies on the cities has been fragmented, difficult to assess, and in many instances contributed directly to the current problems. Programs often worked at cross purposes. An effective urban program should stimulate and encourage the urban development process by encouraging business development in the cities, thereby providing the jobs and tax revenues necessary for a healthy, broadly based, and growing urban economy. The Federal

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Government is currently providing extensive resources to urban areas, through grants to State and local governments and direct payments to individuals who live in the Nation's cities. In this budget, attempts have been made to improve delivery and target existing programs better. The budget includes increases of approximately $11 billion to these programs since 1977. During the coming months, the administration will develop proposals that deal with the need for new programs and resources and that assure more effective delivery of existing programs. Specific proposals will be submitted to the Congress in the early spring.

Transportation.—The need to reauthorize the Federal highway and transit programs in 1979 has provided an opportunity to narrow sharply the differences between these two programs. The administration is proposing new legislation that will provide more than $45 billion for a 4-year program for highways and transit. Numerous steps have been taken to reduce the number of rigid highway and transit program categories that limit the flexibility of States and localities to make transportation decisions. The bill will require States to decide by 1982 whether they will complete their portions of the interstate highway system, or use the funds for alternative transit or highway projects.

Basic research.—Basic research creates the fundamental scientific knowledge that underlies long-term advances in many areas of national concern such as defense, health, and energy. It contributes to long-term advances in technology and the continuing growth of our economy. The Federal Government now supports about two-thirds of all basic research undertaken in the United States.

The administration recognizes the special role that the Federal Government must play in assuring an adequate level of overall national support for basic research. The budget proposed for 1979 provides over $3.6 billion for the conduct of basic research. This represents real growth of 10.9% over 1978, about 5% above expected increases in the cost conducting basic research. The private sector is unlikely to invest heavily in such research because of the long-term nature and uncertainty of payoffs. Nonetheless, the administration believes that industry should seek to strengthen its support of basic research.

Foreign aid.—The 1979 budget provides for a 23% increase in budget authority for development assistance, with much of the increase to meet payments due on prior U.S. subscriptions to the international development lending institutions. The President is committed to further substantial increases in development assistance in the future

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provided that current efforts to increase its effectiveness are successful. Security supporting assistance and military assistance will decrease slightly in 1979, except for the countries of the Middle East where continuation of current programs is a central element of U.S. support for a peaceful settlement.

Defense.—The budget provides for prudent growth in our defense capabilities. This growth is undertaken in concert with that of our NATO allies in order to maintain the continued strength and security of the alliance. NATO-related portions of the defense budget receive special attention and increased funding in 1979. The remainder of the defense budget is level in real terms, with increases in some areas offset by savings in areas such as headquarters, support, and training.

The proposed defense increases are concentrated in the area of general purposes forces and relate primarily to modernizing equipment and combat readiness. Overall defense employment levels will be reduced slightly. Total 1979 outlays for the national defense function are estimated at $117.8 billion, 0.7% above the estimated current services level of $117.0 billion.

Education.—The major responsibility for education rests with the States; the Federal role is a limited but important one. It is to help assure that every American has access to a good education regardless of family economic condition, State of residence, skin color, sex, or physical handicap.

In recent years, American schools have come under criticism. Surveys indicate that many students are leaving school without adequate mastery of basic reading and mathematic skills, and college entrance scores are falling. Further, college tuition has increased so rapidly that even middle-income families, to say nothing of low-income families, have difficulty sending their children to college. This is particularly true at small- and medium-sized private institutions. Middle-income American families often find it very difficult or impossible to provide higher education for their children. The costs are more than they can afford, yet their incomes are often too high to qualify for either Federal assistance or private scholarships.

The 1979 budget responds to these problems in several ways. The Head Start program is being expanded so that by the time disadvantaged children are old enough to go to school, they will be ready for school. Aid to State and local education agencies is increased substantially. The impact aid program will be revised to direct funds only to those school districts truly burdened by the Federal presence. Educational research will be directed toward the educational problems

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of the disadvantaged groups—minorities, the poor, and the handicapped. Both low- and middle-income college students will be aided through an increased maximum level for basic educational opportunity grants.

Tax credits to offset part of the cost of higher education are often suggested as a remedy for the problems of middle income families, and this year received very serious consideration by the Congress. The administration, while recognizing the seriousness of the problem, believes that this approach to its solution has serious drawbacks. First, the amount of assistance that was under consideration by the Congress and that would be tolerable in terms of maintaining budget discipline would provide only marginal help to individual families, and would go to the very wealthy as well as the hard-pressed middle class. Second, the tax credit approach ignores the long-run benefits that individuals receive from their investment or the investment of their parents in education. Third, it would apply to public as well as private institutions, in effect adding additional Federal funds in an area that should continue to be largely the responsibility of State and local governments.

The administration plans to recommend a more effective alternative during the coming months which will address the needs of middle income families. The educational objectives that supporters of tuition-tax credit programs seek can be better achieved through alternative means.

Employment and training.—During the recent recession, the Federal Government has heavily supported temporary employment in State and local governments. Because unemployment remains unacceptably high, the 725,000 public service jobs provided in 1978 will continue through 1979. With an improved and expanding economy, the main focus of employment and training programs in 1979 will return to the primary goal of improving the long-run earnings and employment for individuals with special needs—youth, minorities, and others with especially high rates of unemployment. Programs designed specifically for youth will be increased. Legislation will be proposed to insure that resources are more closely targeted on meeting the needs of such individuals. A special effort, involving $400 million of Federal funds, will be started to bring private business into closer cooperation with State and local governments to increase access to good jobs for the disadvantaged and unemployed. Local business councils for this purpose will be supported and private sector job training increased. Special attention will be given to the employment needs of disadvantaged youth who are experiencing high rates of unemployment.

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BETTER MANAGEMENT OF THE FEDERAL GOVERNMENT

The effectiveness of the Federal Government in meeting the needs of the American people depends not only on what services the Government provides, but also on how it provides them. Therefore, the President is instituting or proposing major changes in the way the Government is managed. These include zero-base budgeting (ZBB), reorganization of the executive branch, multiyear budget planning, full funding for major construction and procurement programs, and stricter controls over Federal credit programs.

Zero-base budgeting.—The 1979 budget is the first prepared using zero-base budgeting. This process facilitated decisionmaking at policy levels, and greatly aided the President in his review of the budget. The President directed the use of this management process to:

—focus the budget process on a comprehensive analysis of objectives, needs, and activities, in order to make more effective use of the taxpayer's dollar;

—provide better coordination of planning, budgeting, and evaluation;

—cause managers to evaluate in detail the cost-effectiveness of their operations;

—expand management participation in planning and budgeting at all levels of the Federal Government.

The results of the first year effort have been encouraging. Program managers were more directly involved in preparing initial budget requests, and now have a better understanding of the relationship between policy initiatives, program planning, and resource allocation.

ZBB requires managers to articulate objectives. In many instances it helped to clarify the managers' functions and roles and increased their opportunities to eliminate unnecessary activities. A better understanding and clearer articulation of objectives is intended to make successful program completion more likely.

ZBB also required managers to identify and examine alternative methods of accomplishing major objectives. This forced a rethinking of whether the established ways of doing things is the most appropriate way. As a result, a number of agencies have recommended changes in the way they carry out programs. Another facet of ZBB required managers to analyze systematically the effects of various levels of performance and funding to carry out their mission. This generally began by identifying the minimum level of performance, below which the program could not be operated effectively.

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One or more levels above the minimum were then analyzed, thus providing policy officials a range of choices for each program. A ranking of priorities was then established among these various program levels. This stimulated trade-offs within and between programs when it became apparent, for example, that to gain a new initiative, an existing program would need to be curtailed or eliminated.

Some of the benefits of ZBB resulted in dollar savings, while others did not. Increased efficiency and effectiveness mean more than saving money. It means providing better and sometimes increased services for the citizen at the same cost.

Results of the first year's efforts are being assessed so that next year's process may build on this year's experience. Many agencies will increase the involvement of field offices in the zero-base budget process. There will be more extensive use of indepth zero-base budget reviews. Agencies will become more sophisticated in their preparation and review of ZBB materials, thus reducing the paperwork burden and making the decision process easier. The result should be greater benefits next year as the Federal Government realizes the full potential of zero-base budgeting.

Reorganization of the executive branch.—The President pledged to reorganize the Federal Government to make it more efficient and responsive. To help the President keep this pledge, the Congress passed the necessary authorizing legislation—the Reorganization Act of 1977 (Public Law 95–17). While the reorganization effort has been centered in the Office of Management and Budget, the Congress, interest groups, individual citizens, and other parts of the executive branch have been asked to help identify problems and propose solutions.

Reorganization proposals will take many forms. Some will seek to end unnecessary and burdensome intrusion by Government in the private sector—as in reducing Government regulation in some areas, and streamlining the regulatory process in others. Some will seek to improve Federal management practices—as in the reform of Federal personnel policies. Some will propose structural changes, in which related programs previously scattered across the Government and working at cross-purposes can be effectively combined. Three reorganization proposals have already been approved: The establishment of the Department of Energy, the reorganization of the Executive Office of the President, including a substantial reduction in staff, and the consolidation of the U.S. Information Agency and the State Department's Bureau of Educational and Cultural Affairs into the newly

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created International Communication Agency. In addition, numerous advisory committees in the executive branch, which have outlived their usefulness, are being eliminated.

In 1978, the President will announce reorganization proposals to consolidate Federal equal employment compliance activities and to reform the Federal personnel system. Later reorganization proposals will involve reform of:

—community and local economic development;
—education and human service programs;
—natural resources and environmental programs;
—border management;
—justice and law enforcement;
—disaster assistance;
—Federal cash management;
—regulatory practices;
—intergovernmental coordination mechanisms, and
—administrative services.

Multiyear budget planning.—Since 1970 the Federal budget has shown the longer range implications of administration policies by presenting long range projections of Federal outlays and receipts. These projections, however, have largely been limited to showing the longer run implications of budget year decisions. In most cases, explicit decisions regarding the years beyond the budget year were not made. As a result, the budget was difficult to control and changes in the allocation of resources difficult to make.

In order to remedy this problem, the President has asked each agency to prepare future budget requests within the context of a planning period that extends for 3 years beyond the budget year. This will have several important effects:

—it will expand the Government's planning horizon to 3 years beyond the budget year and fully integrate long-range planning into the executive budget cycle;
—it will ensure that the long-term consequences of programmatic changes and proposals are identified and highlighted throughout the decisionmaking process;
—it will provide a more useful structure for review and analysis of spending and tax policy choices.

All significant program and tax policy proposals prepared for the President or the Office of Management and Budget in the coming year will include an analysis that identifies the long-term effects of the proposals. The budget year amounts included in the 1979 Budget and the detailed long-range estimates prepared in connection with the budget will be the starting point for the multiyear planning system.

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These estimates will provide a basis for evaluating the budgetary effect of major programs or tax policy initiatives subsequently proposed to the President.

The result will be more effective use of the taxpayers' dollars and better control of the Federal budget. Further, the private sector, which makes wide use of multiyear budget planning, and the State and local sector will have a clearer view of Federal Government programs and intentions. Finally, the Congress will have a broader context within which to develop and project its concurrent resolutions on the budget and develop authorization and appropriation measures.

Full funding.—Under longstanding budget policy, budget authority for direct Federal major construction and major procurement projects covers the entire cost anticipated at the time the projects are initiated even though costs will be incurred and outlays made over a period extending beyond that fiscal year. This policy applies to all types of projects that are separate and distinct units. Activities such as operation and maintenance, and continuing research are fully funded on an annual basis under this policy. In the past certain construction programs were exempted from the full-funding policy, including the water resource projects of the Bureau of Reclamation (Department of the Interior) and construction projects of the Corps of Engineers. The administration proposes to remove these exceptions for all new projects. The policy of full funding will not be applied retroactively to programs already initiated. Annual fund increments will continue to be requested for existing programs until they are completed.

Control of Federal credit activities.—Federal lending and loan guarantees are a large and growing means of meeting objectives of Federal programs. Gross loans and loan guarantees by the Federal Government are expected to be $99.7 billion in 1979, and total Federal loans and loan guarantees outstanding are estimated to be $360.8 billion at the end of 1979. While plans for direct and guaranteed lending activity under individual Federal credit programs are reviewed during the annual budget process, there is no systematic mechanism in the Government for regularly reviewing total Federal credit activity. Consequently, there is no systematic way to consider the resource allocation implied by those plans or whether the share of credit transactions being made or guaranteed by the Federal Government is reasonable. In order for the Government to influence efficiently the allocation of economic resources and the behavior of financial markets and the economy as a whole, it must exercise control over guaranteed loans as well as over direct loans and other outlays and the ways in which these programs are financed.

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In testimony last year before congressional committees, the administration agreed to consider ways to achieve better control over credit programs. Consistent with that commitment, the Administration will propose to the Congress shortly a set of control procedures. The basic elements of the administration's proposal are likely to be the following:

—that, as part of the executive branch budget process, the President establish, (a) overall ceilings on the authority to make direct loans and on the authority to guarantee loans, and (b) overall annual ceilings for gross new direct loans and loan guarantees. (The annual ceilings would be based on a consideration of the impact of Federal lending activity on the allocation of available resources, the general economy, and financial market conditions.);

—that the President propose and request congressional approval of limitations in annual appropriation acts on the amounts of new direct loans and loan guarantees for each program;

—that the Congress establish similar controls in its budget process, including ceilings on aggregate lending activity in the budget resolutions.

The administration will work closely with the appropriate committees of the Congress to reach agreement on a mutually acceptable system of credit control.

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PART 3

ECONOMIC ASSUMPTIONS AND LONG-RANGE BUDGET PROJECTIONS

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ECONOMIC ASSUMPTIONS AND LONG-RANGE BUDGET PROJECTIONS

This part of the budget discusses the long-range budget outlook and the economic assumptions underlying that outlook. The first section presents economic assumptions for calendar years 1977 through 1983 and explains the nature of these assumptions. The second section examines the budget outlook for fiscal years 1979 through 1983, presenting projections of receipts by major source and budget authority and outlays by function and by agency.

ECONOMIC ASSUMPTIONS

The economy and the budget are interrelated. Economic conditions significantly affect the budget, and the budget, in turn, influences economic conditions. Both budget outlays and the tax structure have substantial effects on national output, employment, and inflation. Other activities of government outside the budget, such as loan guarantees and regulatory requirements, also affect the economy. Their effect is, however, less direct and less measurable.

At the same time, outlays for many Federal programs are directly linked to developments in the economy, and this linkage has become increasingly strong in recent years. For example, most retirement and other social insurance benefit payments are now tied by law to cost-of-living indexes. Medicare and medicaid outlays are affected directly by the price of medical services. Interest on the debt is linked to both market interest rates and the size of the budget surplus or deficit, both of which in turn are influenced by economic conditions.

Outlays for some benefits, such as unemployment compensation, vary with the unemployment rate and are thereby linked to economic events. In addition, budget receipts vary with individual and corporate incomes and wages and salaries, all of which respond to both real economic growth and inflation. Thus, receipts and some benefit payments serve as "automatic stabilizers" for the economy by either restraining inflation or cushioning economic downturns.

Because of these complex interrelationships between the budget and the economy, budget estimates depend significantly upon assumptions made about the economy. Therefore, the administration's economic assumptions are presented to assist in understanding the budget estimates and long-range projections and the fiscal strategy planned

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SHORT-RANGE ECONOMIC FORECAST

[Calendar years; dollar amounts in billions]

Item	Actual 1976	Forecast		
		1977	1978	1979
Gross national product:				
Current dollars:				
Amount	1,706	1,890	2,099	2,335
Percent change	11.6	10.8	11.0	11.2
Constant (1972) dollars:				
Amount	1,275	1,337	1,400	1,467
Percent change	6.0	4.9	4.7	4.8
Incomes (current dollars):				
Personal income	1,383	1,536	1,704	1,892
Wages and salaries	892	989	1,099	1,219
Corporate profits	157	172	192	217
Price level (percent change):				
GNP deflator:				
Year over year	5.3	5.6	6.1	6.2
Fourth quarter over fourth quarter	4.7	5.9	6.3	6.0
Consumer Price Index:				
Year over year	5.7	6.5	5.9	6.1
December over December	4.8	6.9	6.1	6.0
Unemployment rates (percent):				
Total:				
Yearly average	7.7	7.0	6.3	5.9
Fourth quarter	7.9	6.6	6.2	5.8
Insured [1]	6.4	4.6	4.1	3.6
Federal pay raise, October (percent) [2]	4.8	7.0	6.0	6.0
Interest rate, 91-day Treasury bills (percent) [3]	5.0	5.2	6.1	6.1

[1] Insured unemployment as a percentage of covered employment.
[2] These are the rates used in determining the dollar allowances for additional funds needed to cover pay increases. Agencies will be required to absorb any pay increases in excess of the allowances.
[3] Average rate on new issues within period. The forecast assumes continuation of market rates at the time the estimates were made.

by the President. These assumptions are presented on a calendar year basis, whereas the budget estimates are presented on a fiscal year basis.

The short-range economic assumptions for calendar years 1977 (for which only three-quarters of actual data were available when the forecast was made), 1978, and 1979 are forecasts of the probable economic conditions consistent with the administration's budget proposals. Real growth in calendar years 1978 and 1979 is projected to average about 4¾% with a decline in the unemployment rate to about 6.2% by the fourth quarter of calendar year 1978 and to 5.8% by the fourth quarter of 1979. Inflation is projected to remain at around 6% per year during this period.

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Accurate economic forecasts for the years 1978 and 1979 are difficult at best. For longer time periods, forecasts are subject to even greater uncertainty. Thus, in contrast to the short-range economic assumptions, *the longer-range assumptions, for the period 1980 to 1983, are not forecasts of probable economic conditions.* Instead, they are projections that assume progress in moving toward the administration's goals of a more fully employed economy and greater price level stability.

The administration will propose further fiscal actions—in particular, further tax reductions—during the 1980–83 period if such actions are required to sustain the progress of the economy toward these important goals.

The projections assume real economic growth of about 4¼% in the 1980 to 1983 period. The rate of unemployment falls to 4.9% by the end of 1981 and to 4.0% by the end of the projection period. Inflation is assumed to decline steadily—by a half percentage point per year—reaching 4% in 1983. The 1983 unemployment target, while desirable, will be particularly difficult to achieve simultaneously with the achievement of a lower rate of inflation and will require reexamination in subsequent years.

LONG-RANGE BUDGET PROJECTIONS

The effects of current decisions extend beyond the budget year They establish program trends that have important influences on the size and composition of budgets for years into the future. Just as the composition and level of the 1979 budget have been determined largely by past decisions, the decisions and proposals it embodies will affect subsequent budgets strongly.

Basic assumptions.—The receipts projections presented in this section are consistent with the foregoing economic assumptions, and with continuation of current tax laws as modified by the proposals contained in this budget. The outlay and budget authority estimates indicate the degree to which resources would be committed by the continuation during 1980–83 of existing and currently proposed programs at the program levels recommended for 1978 and 1979. Therefore, these projections are not forecasts of future receipts, outlays, or budget authority. Nor are the projections intended as *recommendations* for future budget levels. Instead, they are most accurately read as indications of the degree to which this and previous years' budget decisions commit us in the future. However, in coming years, under the multiyear budgeting system now being established by the administration, this need no longer be the case. Future budget projec-

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LONG-RANGE ECONOMIC ASSUMPTIONS

[Calendar years; dollar amounts in billions]

Item	Assumptions			
	1980	1981	1982	1983
Gross national product:				
Current dollars:				
Amount	2,587	2,858	3,133	3,400
Percent change	10.8	10.5	9.6	8.5
Constant (1972) dollars:				
Amount	1,537	1,614	1,690	1,761
Percent change	4.8	5.0	4.7	4.2
Incomes (current dollars):				
Personal income	2,095	2,315	2,538	2,754
Wages and salaries	1,363	1,521	1,670	1,812
Corporate profits	245	274	301	326
Price level (percent change):				
GNP deflator:				
Year over year	5.7	5.2	4.7	4.2
Fourth quarter over fourth quarter	5.5	5.0	4.5	4.0
Consumer Price Index:				
Year over year	5.7	5.2	4.7	4.2
December over December	5.5	5.0	4.5	4.0
Unemployment rates (percent):				
Total:				
Yearly average	5.4	5.0	4.5	4.1
Fourth quarter	5.3	4.9	4.4	4.0
Insured [1]	3.3	2.9	2.6	2.3
Federal pay raise, October (percent) [2]	6.0	6.0	5.7	5.4
Interest rate, 91-day Treasury bills (percent) [3]	6.1	6.1	5.8	5.3

[1] Insured unemployment as a percentage of covered employment.
[2] These are the rates used in determining the dollar allowances for additional funds needed to cover pay increases. Agencies will be required to absorb any pay increases in excess of the allowances.
[3] Average rate on new issues within period.

tions can in fact represent tentative plans for the long-term scheduling of major new initiatives, program reductions or terminations, and major tax law changes.

These projections provide for future cost-of-living adjustments to most benefit programs, for Federal pay raises, and for other built-in cost increases (such as interest) consistent with the economic assumptions outlined above. In general, the outlay projections assume that programs remain level in dollar terms except where projected beneficiary levels change or where there is an explicit budget plan to increase or decrease program levels over time.

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The budget outlook.—The following table summarizes the budget outlook from 1977 to 1983 based on current administration policy and on the economic assumptions shown above. Receipts are projected to increase by an average of 13% per year from 1979 to 1983, rising from $440 billion to $726 billion. Over the same period, outlays for current programs and those proposed in this budget are projected to rise by an average of 6.8% a year, from $500 billion to $650 billion. Thus, the budget is projected under current administration policies to move into surplus in 1981 with larger surpluses in subsequent years. The administration intends to restrain outlays to the President's stated limit of 21% of GNP so that a balanced budget in 1981 is achievable if the economy continues to recover along the path assumed in the long-range economic assumptions. However, since receipts depend directly upon economic performance, the goal of a balanced budget would have to be deferred if the President determined that the economy required further tax reductions.

THE BUDGET OUTLOOK, 1977–83

[In billions of dollars]

	1977	1978	1979	1980	1981	1982	1983
Outlays under current programs	401.9	461.5	499.6	541.0	569.1	604.2	641.5
Outlays under proposed legislation	-----	.7	.5	1.9	6.3	8.2	8.4
Total outlays	**401.9**	**462.2**	**500.2**	**542.9**	**575.4**	**612.4**	**650.0**
Receipts under current law	356.9	400.7	472.2	539.6	619.8	700.7	774.8
Effects of tax proposals	-----	−.4	−32.6	−34.2	−35.9	−43.1	−48.7
Total receipts	**356.9**	**400.4**	**439.6**	**505.4**	**583.9**	**657.6**	**726.1**
Budget surplus or deficit (−)	−45.0	−61.8	−60.6	−37.5	8.6	45.2	76.2

Projected increases in receipts from 1979 to 1983 are attributable largely to growth in incomes and increases in social security taxes scheduled under current law, offset in part by proposed income tax reductions. The table below shows projected receipts by source and the effect on receipts of administration tax proposals. The effect of the tax proposals is shown in comparison both to current law and to extension of temporary tax provisions.

The tax reductions proposed by the administration in this budget cause receipts as a percentage of GNP to fall to 19.3% in 1979. But, because of the progressive nature of the tax system, and because of scheduled increases in social security taxes, this percentage rises in subsequent years and, in 1981, is at about the 21% limit the President has established. The prospect that the tax burden imposed by the

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BUDGET RECEIPTS BY SOURCE

[In billions of dollars]

	1977	1978	1979	1980	1981	1982	1983
Individual income taxes	156.7	178.8	190.1	223.9	262.9	301.7	339.9
Corporation income taxes	54.9	58.9	62.5	69.1	77.7	86.5	94.6
Social insurance taxes and contributions	108.7	124.1	141.9	160.1	186.3	208.4	225.9
Excise taxes	17.5	20.2	25.5	31.1	34.7	36.7	39.5
Other	19.0	18.3	19.7	21.1	22.4	24.3	26.4
Total	**356.9**	**400.4**	**439.6**	**505.4**	**583.9**	**657.6**	**726.1**
Memorandum: Effect of proposed legislation:							
In comparison to current law:							
Individual income taxes	-------	−1.7	−31.1	−39.3	−42.8	−48.3	−55.2
Corporation income taxes	-------	−.6	−7.5	−11.2	−13.8	−16.2	−17.4
Social insurance taxes [1]	-------	-------	−.6	.2	.6	−.8	−.9
Excise taxes	-------	1.8	6.8	16.6	21.0	23.0	25.6
Other	-------	-------	−.2	−.5	−.8	−.8	−.9
Total [1]	-------	**−.4**	**−32.6**	**−34.2**	**−35.9**	**−43.1**	**−48.7**
In comparison to extension of temporary tax provisions;							
Individual income taxes	-------	−1.7	−23.9	−26.5	−29.3	−33.5	−39.6
Corporation income taxes	-------	−.6	−6.4	−8.6	−9.6	−9.8	−10.6
Social insurance taxes [1]	-------	-------	−.6	.2	.6	−.8	−.9
Excise taxes	-------	1.8	6.8	12.1	15.3	17.1	19.4
Other	-------	-------	−.2	−.5	−.8	−.8	−.9
Total [1]	-------	**−.4**	**−24.3**	**−23.3**	**−23.7**	**−27.8**	**−32.6**

[1] Includes the effect of accelerating State and local deposits of social security taxes, which can be accomplished by administrative action.

Government may exceed this limit, as currently projected for 1982 and 1983, would be another reason to consider further tax reductions.

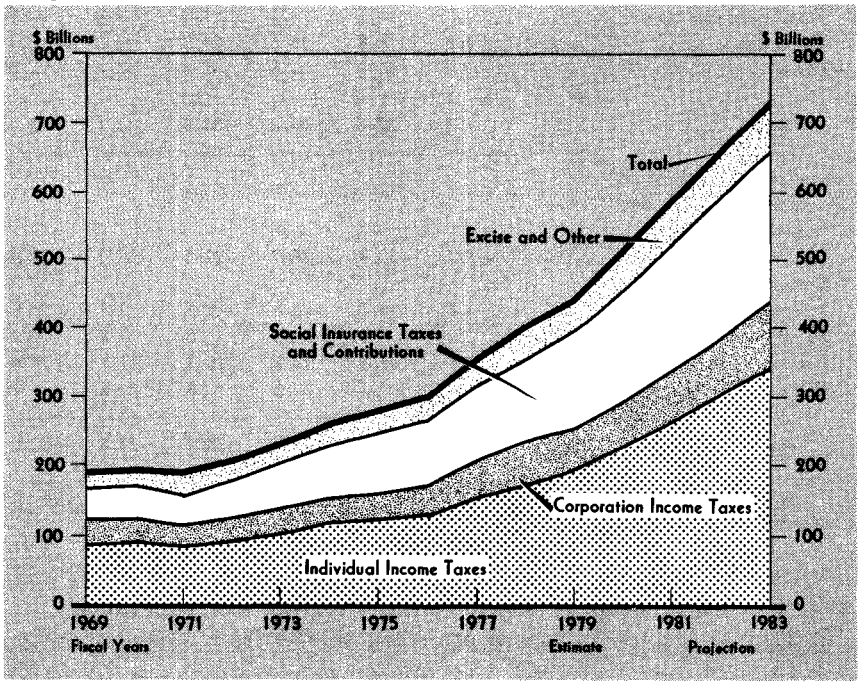
Individual income taxes are projected to rise from $190 billion in 1979 to $340 billion in 1983. Corporation income taxes rise by 51% over the same period, from $62 billion to $95 billion. In comparison to extension of temporary tax provisions, tax proposals included in the budget reduce individual and corporation income taxes by $30

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billion in 1979 and by $50 billion in 1983. The largest reductions result from tax reductions proposed to become effective October 1, 1978. The estimates also include refunds of the proposed wellhead tax on crude oil as part of the administration's energy proposals. For a more detailed discussion of these and other tax proposals, see Part 4 of the Budget.

Social insurance taxes and contributions, which increased from only 12.5% of receipts in 1957 to almost 30.5% two decades later, are projected to increase to 31.1% of total receipts in 1983. The social security tax rate, which increased from 11.7% to 12.1% on January 1, 1978, is scheduled to increase to 12.26% on January 1, 1979, and to 13.3% on January 1, 1981. The taxable earnings base is scheduled to increase annually, rising from its current level of $17,700 to a projected $34,800 by 1983. The estimates reflect proposed legislation to reduce the unemployment insurance tax rate from 0.7% to 0.5% effective January 1, 1979.

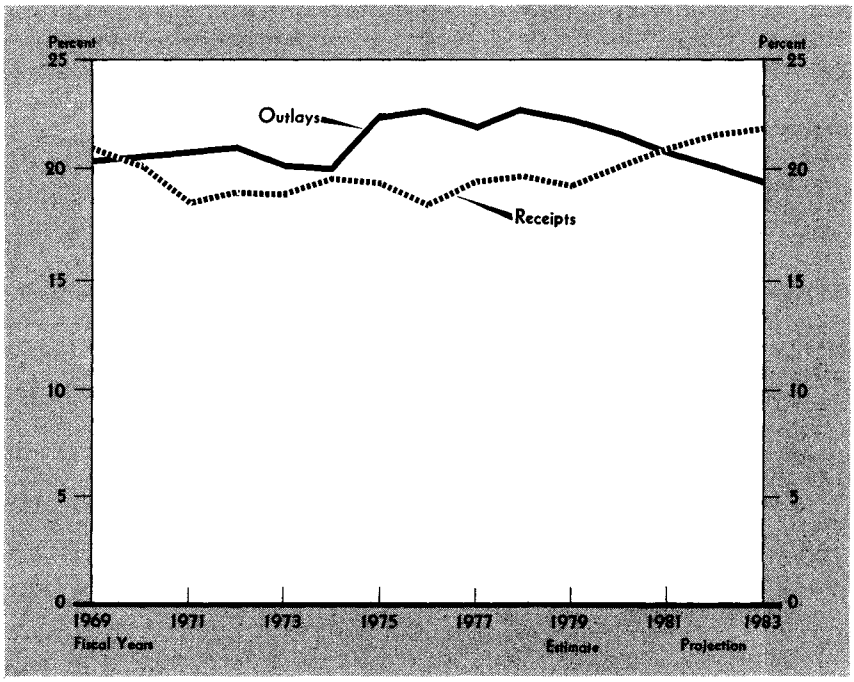
Budget Receipts: 1969-1983



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Estate and gift taxes, customs, excise taxes, and miscellaneous receipts are projected at $66 billion in 1983, an increase of $21 billion from 1979. The excise tax estimates reflect the administration's energy proposals announced last spring, which increase excise taxes significantly, together with increased spending and offsetting reductions in other taxes. They also reflect an administration proposal to eliminate the telephone excise tax (effective October 1, 1978). Finally, these estimates assume continuation of the 4 cents per gallon Federal excise tax on gasoline (scheduled under current law to expire on September 30, 1980) and airport and airway taxes, as amended by administration proposals (scheduled to expire on June 30, 1980).

Budget Outlays and Receipts as a Percent of GNP



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Budget trends.—The projections of budget authority and outlays shown in this section are extrapolations based on the economic assumptions shown above and the costs of programs proposed in the budget. These projections, then, represent an estimate of the degree to which future resources are committed by current administration policy. They also provide an indication of the resources currently projected to be available for future national needs.

Total budget outlays are projected to increase at an average annual rate of 6.8%, from $500 billion in 1979 to $650 billion in 1983. Outlays are projected to fall from 22.6% of GNP in 1978 to 20.6% of GNP in 1981, below the President's ceiling of 21%.

PERCENTAGE COMPOSITION OF BUDGET OUTLAYS

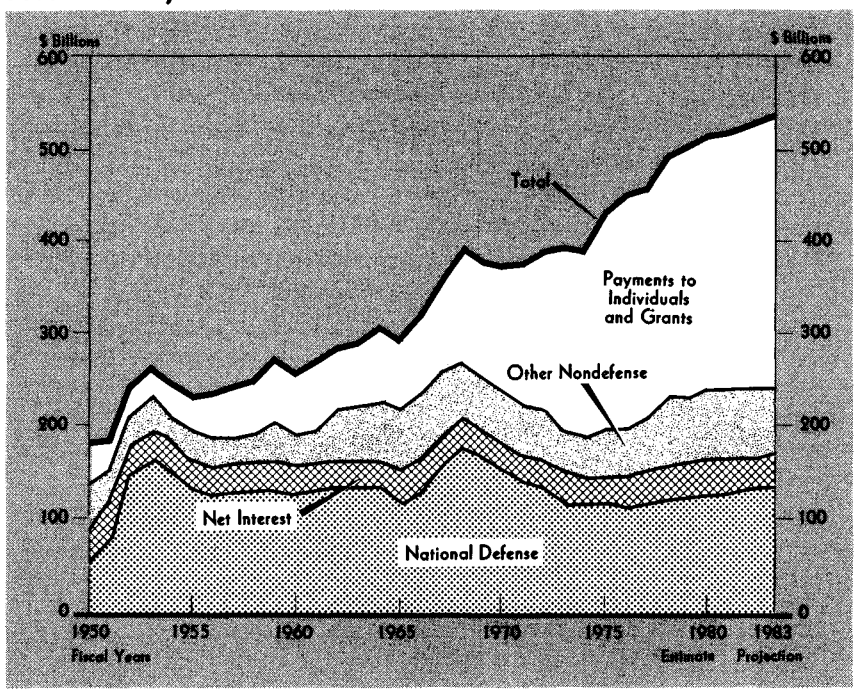
Category	Actual			Estimate		Projection		
	1969	1973	1977	1979	1980	1981	1982	1983
National defense:								
Direct Federal payments to individuals	1.3	1.8	2.0	2.0	2.1	2.1	2.1	2.1
Grants to States and localities	*	*	*	*	*	*	*	*
Other	41.7	28.4	22.2	21.5	21.6	22.1	22.5	22.8
Subtotal, national defense	43.0	30.2	24.3	23.5	23.7	24.2	24.6	24.9
Nondefense:								
Direct Federal payments to individuals	24.6	33.5	39.5	37.4	37.5	38.6	39.2	39.9
Payments for individuals through States and localities	4.0	5.3	5.7	5.4	5.4	5.5	5.5	5.5
All other grants to States and localities	6.9	11.6	11.3	11.5	11.1	10.8	10.7	10.3
Net interest	6.9	7.0	7.5	8.0	8.0	7.8	7.3	6.7
Other	14.5	12.4	11.8	14.0	14.2	13.1	12.8	12.6
Subtotal, nondefense	57.0	69.8	75.7	76.5	76.3	75.8	75.4	75.1
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

*Less than 0.1%.

The major change in the composition of budget outlays over the last 10 years has been the rapid growth in payments for individuals and the corresponding relative decline in resources devoted to other programs. Over the past decade, outlays for such payments have been growing more rapidly than the national output, and more rapidly than total Federal outlays. Until recently, spending for national

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Federal Outlays—Constant 1979 Dollars



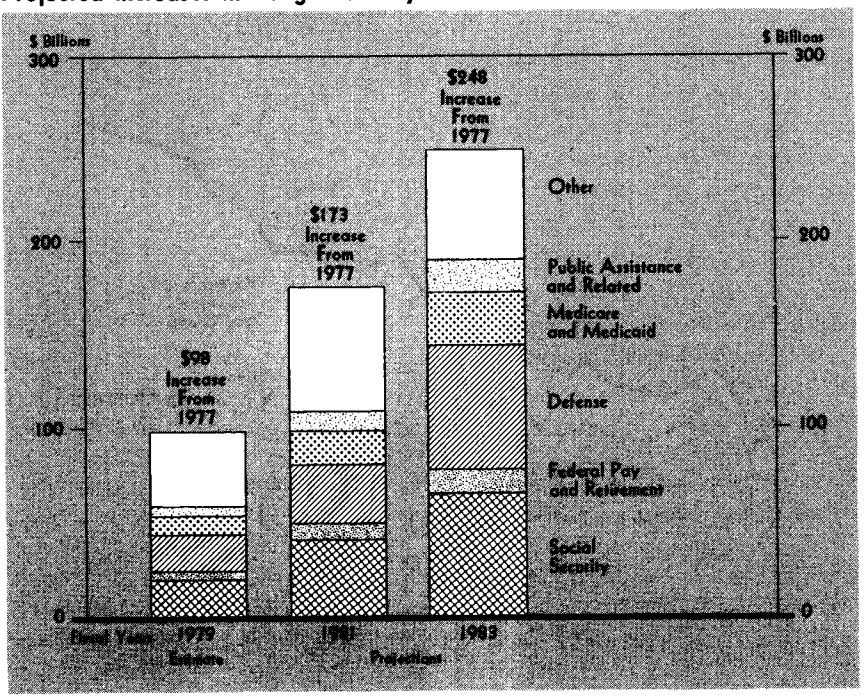
defense (in constant dollars) was declining. This trend has been reversed and defense spending is projected to increase modestly (in constant dollars) through 1983.

The $248 billion increase in budget outlays over the 1977–83 period is shown by major components in the accompanying chart. National defense, social security, medicare and medicaid, Federal pay and retirement, and public assistance and related programs account for more than 75% of the increase. A substantial portion of the increase in these programs results from demographic changes and inflation.

Projections of budget authority and outlays are shown on pages 43 to 45 by function and by agency. While total outlays are projected to increase by 30% from 1979 to 1983, projected outlays for international affairs, health, income security, and national defense increase faster. Outlays for these functions rise by 45%, 39%, 38%, and 38%, respectively. In comparison, GNP is projected to rise by 47% from 1979 to 1983. Projected outlays for some functions, such as interest and transportation, increase less rapidly than the budget as a whole, while others decline over the projection period. However,

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Projected Increases in Budget Outlays from 1977



the functional totals reflect certain adjustments used to develop the long-range projections. For example, most income security and health spending is adjusted for projected demographic and price level changes. National defense includes adjustments for increases in the prices of most purchased goods and services. A separate allowance for pay increases is also included in the national defense function. (If this allowance were removed, defense spending would increase by 29% from 1979 to 1983.)

In contrast, some programs do not contain separate adjustments for pay and price level changes. Instead, amounts for pay and price level increases in these programs are grouped as a single unallocated allowance. This allowance for each year also includes an amount to cover possible program initiatives and other contingencies. Thus, while the functional trends reflect the future implications of current law and budget proposals, they do not attempt to predict the eventual functional totals or the specific allocation of resources that may be required to meet national needs in the future.

The high-employment budget is an analytical concept based on the budget estimates that would be generated were the economy con-

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tinuously operating at a high level of employment. The unemployment rate at high employment is estimated to be 4.9% currently and to decline to 4.7% by 1983. These rates are consistent with a 4.0% rate in 1955, adjusted for changes in the composition of the labor force toward groups that typically experience higher rates of unemployment.

High-employment outlays exclude that portion of benefits under the regular unemployment insurance program that occur when the economy is not operating at high employment. They thus eliminate the fluctuations in actual outlays for these benefits due to year-to-year changes in the unemployment rate. The differences between these adjusted receipts and outlay estimates represent the high-employment budget surpluses or deficits. Changes in the high-employment budget balance from one year to the next provide a rough measure of the impact of discretionary fiscal policy (that is, excluding automatic stabilizers) on the economy.

HIGH-EMPLOYMENT RECEIPTS AND OUTLAYS

[In billions of dollars]

	1977	1978	1979	1980	1981	1982	1983
High-employment outlays	397	459	498	541	574	612	650
High-employment receipts	387	427	461	522	590	654	715
High-employment surplus or deficit (—)	−10	−32	−37	−19	16	42	65

High-employment outlays are estimated at $498 billion in 1979, rising to $650 billion in 1983. High-employment receipts are projected to increase from $461 billion in 1979 to $715 billion in 1983. The high-employment budget balance changes from a deficit of $37 billion in 1979 to a surplus of $65 billion in 1983. As noted earlier, however, these changes in the high-employment budget balance may not occur because of future tax cuts that may be required to achieve our economic goals.

Controllability.—Outlays in any one year are considered to be relatively uncontrollable by the President when the spending level is determined by existing statutes or prior contracts. Relatively uncontrollable outlays consist of two major categories: open-ended programs and fixed costs, and payments from prior-year contracts and obligations. As recently as 1967, open-ended programs and fixed costs amounted to 36% of the budget. By 1973 they were more than 50% of the budget and by 1979 they are expected to be 57%, rising to 59% by 1983. This substantial growth has been due primarily to the rapid increases in benefit payments for individuals.

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CONTROLLABILITY OF BUDGET OUTLAYS

[In billions of dollars]

Category	1979	1980	1981	1982	1983
Relatively uncontrollable outlays: [1]					
Social security and railroad retirement	108.0	119.1	130.6	142.8	154.9
Medicare and medicaid	42.1	48.4	55.1	62.4	70.4
Other payments for individuals	73.8	78.3	81.3	84.8	89.2
Net interest	39.9	43.4	44.8	44.9	44.0
General revenue sharing	6.9	6.9	6.9	6.9	6.9
Other open-ended programs and fixed costs	14.7	13.3	11.9	12.0	12.8
Subtotal, relatively uncontrollable outlays [1]	285.3	309.3	330.7	353.7	378.1
Relatively controllable outlays: [1]					
Proposed changes in open-ended programs and fixed costs	−1.0	−3.7	−3.9	−6.1	−8.2
New programs and other budget outlays [1]	221.0	242.9	254.6	271.2	286.7
Subtotal, relatively controllable outlays [1]	220.0	239.1	250.7	265.1	278.6
Undistributed employer share, employee retirement	−5.2	−5.5	−6.0	−6.4	−6.7
Total budget outlays	500.2	542.9	575.4	612.4	650.0

[1] For purposes of long-range projections, outlays from prior-year contracts and obligations, which are relatively uncontrollable, are included in the category "New programs and other budget outlays". These amounts are shown separately in table 14, Part 9.

In addition, outlays from "prior-year contracts and obligations" amount to an additional 15% to 20% of the budget that is considered relatively uncontrollable in the short run. Though this category cannot be projected beyond the budget year, current amounts suggest that the relatively uncontrollable portion of the budget will continue to represent 75% to 80% of the total.

The large proportion of the budget that is relatively uncontrollable has obvious fiscal policy implications. Without legislation to restrain the growth in such programs, attempts to control total budget outlays fall on an increasingly smaller portion of the budget. The President is instituting a multiyear budget planning system to provide greater control of the Federal budget. With a longer planning horizon, the options for changing both the scope and direction of Federal programs can be expanded substantially.

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BUDGET AUTHORITY BY FUNCTION

[In billions of dollars]

	Estimate		Projection		
	1979	1980	1981	1982	1983
National defense	128.4	139.6	150.9	162.7	174.9
Military personnel	(27.2)	(27.4)	(27.6)	(27.7)	(27.9)
Retired pay	(10.1)	(11.1)	(12.1)	(13.0)	(13.8)
Operation and maintenance	(37.4)	(39.1)	(40.8)	(42.8)	(44.2)
Procurement	(31.9)	(35.7)	(39.8)	(43.9)	(48.5)
Other	(21.8)	(26.2)	(30.7)	(35.4)	(40.4)
International affairs	13.8	14.4	14.3	16.5	16.7
General science, space, and technology	5.2	5.4	5.1	4.5	4.2
Energy	9.5	6.6	6.0	6.5	6.4
Natural resources and environment	12.7	12.8	12.6	12.5	12.5
Agriculture	7.2	4.6	4.9	5.3	4.6
Commerce and housing credit	6.6	7.7	7.5	7.5	7.7
Transportation	18.6	19.3	19.4	19.5	19.7
Community and regional development	7.7	7.7	7.5	7.6	7.7
Education, training, employment, and social services	33.6	34.1	35.2	37.7	38.9
Education	(14.4)	(13.6)	(13.7)	(13.7)	(13.7)
Training and employment	(12.3)	(14.8)	(15.7)	(18.2)	(19.3)
Other	(6.9)	(5.7)	(5.8)	(5.8)	(5.9)
Health	52.6	58.8	68.8	77.5	85.1
Medicare	(31.7)	(37.0)	(46.1)	(53.8)	(60.1)
Medicaid	(12.0)	(12.9)	(13.7)	(14.5)	(15.6)
Other	(8.9)	(9.0)	(9.1)	(9.2)	(9.3)
Income security	190.9	215.1	236.0	255.4	273.9
Social security	(100.2)	(115.8)	(135.8)	(154.7)	(170.6)
Federal employee retirement	(19.7)	(21.4)	(22.5)	(23.4)	(24.4)
Unemployment compensation	(17.0)	(15.5)	(12.1)	(10.6)	(11.0)
Public assistance and related programs	(49.1)	(57.3)	(60.2)	(61.2)	(62.2)
Other	(5.0)	(5.2)	(5.4)	(5.6)	(5.7)
Veterans benefits and services	19.1	19.7	20.0	20.2	20.5
Administration of justice	4.1	4.2	4.2	4.2	4.2
General government	4.4	4.6	4.4	4.3	4.2
General purpose fiscal assistance	16.6	15.8	20.5	20.4	18.7
Interest	49.0	53.7	56.5	58.0	58.8
Allowances:					
Civilian agency pay raises	1.2	2.3	3.6	5.1	6.5
Contingencies	3.0	2.8	5.5	7.2	8.8
Undistributed offsetting receipts:					
Employer share, employee retirement	−5.2	−5.5	−6.0	−6.4	−6.7
Interest received by trust funds	−9.1	−10.3	−11.7	−13.3	−15.1
Rents and royalties: Outer Continental Shelf	−1.8	−1.8	−1.8	−1.8	−1.8
Total budget authority	**568.2**	**611.7**	**663.5**	**711.4**	**750.3**
MEMORANDUM					
Budget authority, off-budget Federal entities	16.1	9.2	9.2	10.2	10.2
Budget authority, including off-budget entities	584.3	620.9	672.7	721.6	760.5

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BUDGET OUTLAYS BY FUNCTION

[In billions of dollars]

	Estimate		Projection		
	1979	1980	1981	1982	1983
National defense	117.8	128.6	139.3	150.6	162.1
Military personnel	(26.9)	(27.1)	(27.2)	(27.4)	(27.6)
Retired pay	(10.1)	(11.1)	(12.0)	(12.9)	(13.8)
Operation and maintenance	(36.5)	(37.9)	(39.8)	(41.6)	(43.3)
Procurement	(24.2)	(28.2)	(31.0)	(35.0)	(39.1)
Other	(20.1)	(24.3)	(29.3)	(33.6)	(38.4)
International affairs	7.7	8.5	9.5	10.4	11.2
General science, space, and technology	5.1	5.3	5.2	4.7	4.3
Energy	9.6	10.4	7.0	7.4	6.8
Natural resources and environment	12.2	13.1	13.2	12.9	12.7
Agriculture	5.4	5.0	3.7	3.9	4.9
Commerce and housing credit	3.0	4.5	3.2	3.0	2.9
Transportation	17.4	18.5	18.7	19.1	19.1
Community and regional development	8.7	8.0	7.3	7.5	7.7
Education, training, employment, and social services	30.4	33.2	35.3	37.7	38.9
Education	(12.0)	(13.2)	(13.6)	(13.7)	(13.7)
Training and employment	(12.8)	(14.2)	(15.9)	(18.2)	(19.3)
Other	(5.6)	(5.7)	(5.8)	(5.8)	(5.9)
Health	49.7	53.7	58.2	63.3	68.9
Medicare	(29.4)	(32.2)	(35.9)	(40.0)	(44.5)
Medicaid	(12.0)	(12.9)	(13.7)	(14.5)	(15.6)
Other	(8.3)	(8.6)	(8.6)	(8.7)	(8.8)
Income security	160.0	174.3	190.1	204.6	220.4
Social security	(103.1)	(113.4)	(124.5)	(136.3)	(148.0)
Federal employee retirement	(12.0)	(13.4)	(14.9)	(16.2)	(17.6)
Unemployment compensation	(11.8)	(11.4)	(10.4)	(9.5)	(9.1)
Public assistance and related programs	(27.8)	(30.5)	(34.6)	(36.8)	(39.7)
Other	(5.3)	(5.6)	(5.7)	(5.9)	(6.0)
Veterans benefits and services	19.3	19.7	19.9	19.9	20.3
Administration of justice	4.2	4.3	4.3	4.2	4.2
General government	4.3	4.6	4.3	4.3	4.2
General purpose fiscal assistance	9.6	9.4	9.5	10.1	10.8
Interest	49.0	53.7	56.5	58.0	58.8
Allowances:					
Civilian agency pay raises	1.1	2.3	3.6	5.1	6.5
Contingencies	1.7	3.5	6.1	7.2	8.8
Undistributed offsetting receipts:					
Employer share, employee retirement	−5.2	−5.5	−6.0	−6.4	−6.7
Interest received by trust funds	−9.1	−10.3	−11.7	−13.3	−15.1
Rents and royalties: Outer Continental Shelf	−1.8	−1.8	−1.8	−1.8	−1.8
Total budget outlays	**500.2**	**542.9**	**575.4**	**612.4**	**650.0**
MEMORANDUM					
Outlays, off-budget Federal entities	12.5	8.1	7.8	8.7	8.8
Outlays, including off-budget entities	512.7	551.0	583.1	621.2	658.7

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BUDGET AUTHORITY AND OUTLAYS BY AGENCY

[In billions of dollars]

Department or other unit	Estimate		Projection		
	1979	1980	1981	1982	1983
BUDGET AUTHORITY					
Legislative and Judicial branches	1.7	1.8	1.7	1.8	1.8
Executive Office of the President	.1	.1	.1	.1	.1
Funds appropriated to the President	11.0	10.1	10.0	12.1	12.3
Agriculture	20.0	18.8	19.7	20.5	20.3
Commerce	2.7	3.3	2.9	2.8	2.9
Defense—Military	125.6	136.9	148.2	160.1	172.3
Defense—Civil	2.5	2.5	2.5	2.5	2.5
Energy	11.6	8.7	7.9	8.1	7.6
Health, Education, and Welfare	185.0	205.6	237.8	266.0	290.3
Housing and Urban Development	33.1	39.9	39.9	40.0	40.1
Interior	4.5	4.6	4.4	4.3	4.3
Justice	2.5	2.5	2.4	2.4	2.4
Labor	29.9	30.8	28.7	29.9	31.4
State	1.5	1.6	1.7	1.8	1.9
Transportation	17.4	18.0	18.1	18.2	18.4
Treasury	69.6	74.1	82.0	83.6	82.9
Civil Service Commission	20.0	21.8	22.9	23.9	24.9
National Aeronautics and Space Administration	4.4	4.5	4.2	3.5	3.1
Veterans Administration	19.0	19.7	20.0	20.2	20.5
Other agencies	18.2	19.0	19.0	18.8	18.7
Allowances	4.2	5.1	9.1	12.3	15.3
Undistributed offsetting receipts	−16.0	−17.6	−19.5	−21.5	−23.6
Total budget authority	**568.2**	**611.7**	**663.5**	**711.4**	**750.3**
OUTLAYS					
Legislative and Judicial branches	1.7	1.8	1.7	1.7	1.8
Executive Office of the President	.1	.1	.1	.1	.1
Funds appropriated to the President	5.1	5.2	5.8	6.4	6.8
Agriculture	17.7	18.6	17.8	18.5	20.0
Commerce	4.4	4.1	2.7	2.7	2.8
Defense—Military	115.2	125.8	136.5	147.9	159.5
Defense—Civil	2.5	2.5	2.5	2.5	2.5
Energy	10.1	10.9	7.5	8.0	7.4
Health, Education, and Welfare	181.3	197.9	215.9	233.4	252.1
Housing and Urban Development	9.5	11.7	12.4	13.5	14.9
Interior	4.0	4.4	4.2	4.2	4.3
Justice	2.5	2.6	2.5	2.4	2.4
Labor	25.1	26.1	27.1	28.8	29.5
State	1.4	1.5	1.6	1.7	1.8
Transportation	15.8	17.0	17.4	17.9	17.9
Treasury	62.6	67.6	71.0	73.2	74.9
Civil Service Commission	12.3	13.8	15.2	16.7	18.1
National Aeronautics and Space Administration	4.3	4.5	4.2	3.7	3.3
Veterans Administration	19.2	19.7	19.9	19.9	20.3
Other agencies	18.5	19.0	19.0	18.5	17.8
Allowances	2.8	5.8	9.7	12.3	15.3
Undistributed offsetting receipts	−16.0	−17.6	−19.5	−21.5	−23.6
Total budget outlays	**500.2**	**542.9**	**575.4**	**612.4**	**650.0**

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PART 4

BUDGET RECEIPTS

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BUDGET RECEIPTS

This section of the budget discusses the major sources of budget receipts for 197 7 to 1980 and the legislative proposals affecting them. Budget receipts by source are shown in detail in table 10 of Part 9. The economic assumptions underlying the estimates are presented in Part 3 together with estimates of receipts for 1981–1983 and estimates of receipts at high employment. Part 6 contains an analysis of the difference between receipts for 1977 and the budget estimates for 1977 made 2 years ago.

SUMMARY

Budget receipts in 1979 are estimated to be $439.6 billion, an increase of $39.2 billion from the $400.4 billion in 1978. Receipts in 1980 are estimated at $505.4 billion. These estimates reflect the effects of:

- proposed tax reductions generally effective October 1, 1978, and tax reforms, generally effective January 1, 1979;
- proposed increases in energy excise taxes, but with largely offsetting refunds; and
- increases in social security payroll taxes resulting both from previous legislation and from the recently enacted Social Security Amendments of 1977.

Composition of budget receipts.—The Federal tax system relies predominantly on income and payroll taxes. In 1979, under the proposals in this budget:

- Income taxes paid by individuals and corporations are estimated to be $190 billion and $62 billion, respectively. Combined, these sources account for 57% of estimated total budget receipts.
- Social insurance taxes and contributions—composed largely of payroll taxes levied on wages and salaries, and most of which are paid equally by employers and employees—will produce an estimated $142 billion, 32% of the total.
- Excise taxes imposed on selected commodities, services, and activities are expected to provide $25 billion, 6% of the total.
- Other taxes and miscellaneous receipts are estimated to be $20 billion, 4% of the total.

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BUDGET RECEIPTS BY SOURCE

[In billions of dollars]

Source	1977 actual	1978 estimate	1979 estimate	1980 estimate
Individual income taxes	156.7	178.8	190.1	223.9
Corporation income taxes	54.9	58.9	62.5	69.1
Social insurance taxes and contributions	108.7	124.1	141.9	160.1
Excise taxes	17.5	20.2	25.5	31.1
Estate and gift taxes	7.3	5.6	6.1	6.5
Customs duties	5.2	5.8	6.4	7.0
Miscellaneous receipts	6.5	6.9	7.2	7.5
Total, budget receipts	**356.9**	**400.4**	**439.6**	**505.4**

ENACTED TAX CHANGES

Individual and corporation income taxes.—In the last 3 years, four major laws have changed individual and corporation income taxes. The first was the Tax Reduction Act of 1975 (Public Law 94–12), enacted March 29, 1975. It provided a partial rebate of calendar year 1974 individual income tax liabilities, a number of temporary reductions in individual and corporation income tax liabilities (generally applicable to calendar year 1975), and a few permanent changes in the tax structure. The most notable of the permanent changes were limits on percentage depletion for oil and gas producers and revisions in the tax treatment of certain foreign income. Because the law was not enacted until late March, withholding schedules were not changed to reflect the reduction in individual income tax liabilities until May 1, 1975. Individual income tax withholding rates were reduced by enough to effect the full year's reduction in liability during the 8 months remaining in the calendar year; the withholding rate reductions, therefore, had to be greater than if they had begun on January 1.

The second major tax statute was the Revenue Adjustment Act of 1975 (Public Law 94–164), which was enacted on December 23, 1975. This act, in effect, provided tax reductions for the first 6 months of calendar year 1976. For corporations, the act extended the rate reductions that were enacted in the Tax Reduction Act of 1975. For individuals, however, a larger reduction was enacted in order to avoid increasing the withholding rates that applied during the last 8 months of calendar year 1975.

The third major tax act affecting individual and corporation income taxes (as well as estate and gift taxes and, to a very small degree, excise taxes) was the Tax Reform Act of 1976 (Public Law 94–455), enacted October 4, 1976.[1] This act extended some temporary provisions

[1] The Congress also enacted interim legislation that extended individual income tax withholding rates. These rates were scheduled to increase July 1, 1976, and were extended because the Congress had not completed action on the substantive tax law changes that were later incorporated into the Tax Reform Act of 1976.

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scheduled to expire and made others permanent. It also enacted a number of major tax reforms and other changes, including: provisions limiting investment by noncorporate taxpayers in tax shelter devices; increasing the minimum tax on individuals and corporations; imposing new limitations on taxes deferred through Domestic International Sales Corporations (DISC's); and providing a comprehensive revision of estate and gift taxes.

The Tax Reduction and Simplification Act of 1977 (Public Law No. 95–30) was enacted May 23, 1977. This act extended for 1 year the temporary provisions of the Tax Reform Act that were scheduled to expire December 31, 1977. In addition, it enacted two major tax changes and a number of other reforms and simplifications.

The temporary provisions of the previous act that were extended for 1 year, to December 31, 1978, are:

- The general tax credit of $35 per exemption or 2% of the taxpayer's taxable income up to $9,000, whichever is larger.
- The earned income credit, for families with dependents, equal to 10% of earned income subject to a maximum of $400. The maximum credit is phased down to zero between adjusted gross income (or earned income, if greater) of $4,000 and $8,000.
- Corporate rate reductions, from 22% to 20% on the first $25,000 of income and from 48% to 22% on the second $25,000.

One major change enacted in this legislation was simplification of the structure of standard deductions. Previously, a taxpayer who did not itemize deductions could take either a minimum standard deduction (low-income allowance) of $2,100 for a joint return and $1,700 for a single person or a percentage standard deduction of 16% of adjusted gross income with a maximum of $2,800 for a joint return or $2,400 for a single person. The 1977 act replaced this two-part standard deduction with a flat standard deduction of $3,200 for taxpayers filing a joint return and $2,200 for a single person. This permanent change in liabilities was effective beginning in calendar year 1977, but lower withholding rates were not effective until June 1, 1977, following enactment in May. Unlike the Tax Reduction Act of 1975, withholding rates were not adjusted to effect the full $4 billion reduction in calendar year 1977 liabilities during the remaining 7 months of the year. As a result, refunds in the spring of 1978 will be about $2.1 billion higher than they would have been if withholding rates had been lowered January 1, 1977.

The other major change in the 1977 act was a temporary jobs tax credit. For calendar years 1977 and 1978, employers whose employment has increased by more than 2% over the previous year will generally be able to claim a tax credit of $2,100 per additional employee. The aggregate credit is limited to $100,000 per employer per year. Wages offset by the credit may not be treated as deductible business expenses.

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The following table shows the effect of these four acts on receipts for the years 1975–80.

EFFECT ON RECEIPTS OF MAJOR INCOME TAX LEGISLATION

[In billions of dollars]

	1975	1976	TQ	1977	1978	1979	1980
Tax Reduction Act of 1975:							
Individual income taxes	−9.4	−8.7	−.2	−.6	−.2	−.1	−.1
Corporation income taxes	−.8	−2.0	−.1	1.0	2.9	3.3	3.6
Subtotal	−10.2	−10.8	−.3	.4	2.8	3.2	3.4
Revenue Adjustment Act of 1975:							
Individual income taxes	------	−5.4	−.5	−1.4	−*	−*	------
Corporation income taxes	------	−.6	−*	−.4	------	------	------
Subtotal	------	−6.0	−.5	−1.8	−*	−*	------
Tax Reform Act of 1976: [1]							
Individual income taxes	------	------	−2.5	−13.2	−8.7	−3.8	−3.9
Corporation income taxes	------	------	−.3	−2.6	−3.5	−2.4	−2.5
Other (largely estate and gift)	------	------	------	1.4	−1.0	−1.2	−1.6
Subtotal	------	------	−2.8	−14.4	−13.2	−7.4	−8.0
Tax Reduction and Simplification Act of 1977:							
Individual income taxes	------	------	------	−2.1	−15.3	−11.3	−5.6
Corporation income taxes	------	------	------	−.6	−2.5	−2.3	−.2
Subtotal	------	------	------	−2.6	−17.8	−13.7	−5.8
Total effect of above acts:							
Individual income taxes	−9.4	−14.1	−3.2	−17.4	−24.2	−15.3	−9.6
Corporation income taxes	−.8	−2.6	−.4	−2.5	−3.1	−1.4	.9
Other	------	------	------	1.4	−1.0	−1.2	−1.6
Total	−10.2	−16.7	−3.6	−18.5	−28.2	−17.9	−10.3
ADDENDUM							
Further effect of Tax Reduction and Simplification Act of 1977 if temporary features were to be permanently extended: [2]							
Individual income taxes	------	------	------	------	------	−7.2	−12.8
Corporation income taxes	------	------	------	------	------	−1.1	−2.6
Total	------	------	------	------	------	−8.3	−15.4

*$50 million or less.

[1] Includes the effect of interim legislation that extended individual income tax withholding rates and corporation income tax rate reductions from July 1, 1976, to Oct. 4, 1976, when the Tax Reform Act of 1976 was enacted.

[2] Excludes extension of the jobs tax credit. Unlike other provisions of this act, the jobs tax credit is a short-term countercyclical provision.

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Social security taxes.—The recently enacted Social Security Amendments of 1977 will raise social security taxes significantly. These increases, which are in addition to increases that were already scheduled under prior law, were designed to place the social security system on a sound financial basis.

The table below shows the social security tax rate and taxable earnings base scheduled under prior law and the corresponding figures under the 1977 act. By 1981, the new legislation increases the combined employer-employee tax rate by 0.7 percentage points above what it otherwise would have been and increases the taxable earnings base by $7,800. The act legislates further increases in the rate and taxable earnings base in subsequent years over and above the increases scheduled to occur under prior law. Also, this legislation requires employers as well as employees to pay social security taxes on employee income derived from tips effective January 1, 1978. The 1977 act increases receipts by $38 million in 1978, $3.2 billion in 1979, and $8.8 billion in 1980.

SOCIAL SECURITY TAX RATE AND TAXABLE EARNINGS BASE

	Calendar years				
	1977	1978	1979	1980	1981
Before Social Security Amendments of 1977:					
Tax rate (percent)	11.7	12.1	12.1	12.1	12.6
Taxable earnings base ($)	16,500	17,700	18,900	20,400	21,900
After Social Security Amendments of 1977:					
Tax rate (percent)	11.7	12.1	12.26	12.26	13.3
Taxable earnings base ($)	16,500	17,700	22,900	25,900	29,700

PROPOSED TAX CHANGES

Income tax reductions and reforms.—The administration is proposing major tax reductions, generally effective October 1, 1978, and tax reforms, generally effective January 1, 1979. These proposals provide the economic stimulus to help maintain the momentum of the current economic recovery. They take significant steps toward developing a simpler, more efficient, and more equitable tax system, and will reduce taxes for nearly all taxpayers, particularly for low and moderate income families.

Individual income taxes.—Major tax reductions for individuals will result from substitution of a personal $240 credit for the current general tax credit and personal exemption of $750 and from reducing rates from the current range of 14–70% to 12–68%.

A number of proposed simplifications and reforms will increase receipts in 1979 and subsequent years partially offsetting the individual income tax reductions described above. They include:

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- Eliminating the deductions for State and local sales, gasoline, personal property, and miscellaneous taxes.
- Combining the separate deductions for medical expenses and uninsured casualty losses into a new "extraordinary expense" deduction available only to the extent that these items together exceed 10% of adjusted gross income.
- Eliminating the alternative tax of 25% on up to $50,000 of capital gains.
- Including unemployment compensation benefits in the adjusted gross income of single taxpayers with incomes above $20,000 and married couples filing joint returns with incomes above $25,000.
- Eliminating the deduction for half of regular taxes paid from the base for the minimum tax. Currently, individuals may deduct from this base (principally the untaxed half of net capital gains) the greater of $10,000 or half of regular taxes paid.
- Restricting tax shelter investments by eliminating or limiting accelerated depreciation on investments in real estate, taxing certain limited partnerships as corporations, taxing interest currently being accrued on large annuity contracts, and restricting deductibility of losses associated with certain investments to amounts that taxpayers have invested, or for which they are at risk. Some of these provisions would also affect corporate tax liabilities.
- Allowing State and local governments the option of issuing taxable bonds with a Federal interest subsidy in place of conventional tax-exempt bonds. The subsidy, which would be an outlay, would be 35% in 1979 and 1980 and 40% thereafter.

The estimates also reflect proposed extension of the earned income credit in its current form through calendar year 1981, at which time this credit would be expanded as part of the administration's welfare reform proposal.

Together, these and other reduction and reform proposals will reduce individual income taxes in 1979 by $18.3 billion relative to extension of temporary tax provisions.

Corporation income taxes.—Major reductions in corporation income taxes will result from proposed rate reductions and liberalization of the investment tax credit. The corporation income tax rate would be reduced effective October 1, 1978, from 20% to 18% on the first $25,000 of corporate income, from 22% to 20% on the second $25,000, and from 48% to 45% on income above $50,000. Effective January 1, 1980, the maximum corporate rate would be reduced to 44%. The investment tax credit, which currently applies only to equipment, would be extended to utility and industrial structures and certain pollution abatement facilities (retroactively to January 1, 1978) and made permanent at the current 10% rate. The credit would be allowed to offset up to 90% of the tax liability otherwise owed. Currently, the

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limit is 100% of the first $25,000 of tax liability and 50% of liability above $25,000. The investment tax credit liberalization would also affect individual income taxes on business income.

Partially offsetting the revenue losses from these provisions are reform proposals that include:

- Reducing the tax benefits for Domestic International Sales Corporations (DISC's) by one-third in calendar year 1979, two-thirds in 1980, and 100% thereafter.
- Phasing out over 3 years the tax deferral for the income of foreign subsidaries of U.S. corporations controlled by U.S. taxpayers.
- Reducing by 50% the otherwise allowable deduction for business meals and disallowing business deductions for tickets to entertainment events, membership dues in clubs, and the excess of first class air tickets over the cost of coach or second class tickets. These proposals would also limit business deductions claimed by individuals.
- Phasing in taxation of credit unions on a basis comparable to savings and loan institutions and mutual savings banks, repealing the special bad debt allowance for commercial banks, and reducing it for thrift institutions.

Together these and other reform proposals will reduce corporation income taxes in 1979 by $5.1 billion.

Energy tax proposals.—The President's national energy plan, submitted to the Congress last spring, contains tax proposals that would provide incentives to conserve energy and to convert energy use away from oil and natural gas toward greater use of non-petroleum-based fuels. The major proposals are:

- A crude oil equalization tax on existing domestic production in order to raise the price of petroleum products to their replacement value. Expected tax revenues would be refunded to individuals on a per capita basis, in the form either of tax refunds or direct payments. The refund (or payment) per capita would be about $15 in calendar year 1978, $30 in 1979, and $45 in 1980.
- An oil and natural gas consumption tax on certain industrial and utility use to accelerate the conversion to facilities that use non-petroleum fuels. Industrial firms and utilities would be able to obtain refunds of the tax by making investments in equipment that uses nonpetroleum fuels.
- An automoble fuel efficiency ("gas guzzler") tax to encourage conservation. All revenues would be refunded as subsidies for the purchase of fuel-efficient vehicles.
- Individual tax credits for insulating residences and installing solar energy equipment.

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- Business tax credits to promote investment in more energy-efficient equipment or modification of existing structures and equipment, co-generation facilities, and coal conversion and solar energy equipment.

The net effect on receipts of the administration's energy proposals is a reduction of $0.1 billion in 1978 and increases of $1.1 billion and $2.9 billion in 1979 and 1980, respectively. The administration expects that the Congress will enact energy legislation early in 1978. Changes from the administration's proposals could significantly affect the estimates of receipts.

Other receipt proposals.—A number of other tax proposals are reflected in estimated receipts. Repeal of the tax on telephone services is proposed, effective October 1, 1978. Under current law, this tax would decline from 4% to 3% on January 1, 1979, and would continue to phase out by 1 percentage point per year. This proposal reduces receipts by $1.0 billion in both 1979 and 1980.

A reduction in the Federal unemployment insurance tax rate from 0.7% to 0.5% is proposed as of January 1, 1979. This tax finances the administrative expenses of the Unemployment Insurance Service and the Federal State Employment Service as well as the Federal share of extended unemployment benefits paid when unemployment is high. This proposal, which will reduce employer payroll costs, will reduce receipts by $0.6 billion in 1979 and $0.9 billion in 1980.

The President has proposed that commercial users of inland waterways pay a substantial share of the costs of the facilities from which they directly benefit. They now bear none of the costs of constructing and maintaining the waterway system. User fees would start in 1980 and rise until 100% of the operating costs and 50% of new construction costs were recovered.

Other proposals affecting budget receipts are: an excise tax on crude oil to create a fund to pay damages and clean up costs of oil pollution; a 2-percentage-point reduction in the 8% passenger ticket tax and the 5% tax on airfreight; payments by the Federal Reserve System of interest on member bank deposits, which will reduce miscellaneous receipts; and an increase in the charge for migratory bird hunting stamps from $5 to $10.

The estimates assume that the 4-cents-per-gallon Federal gasoline tax is extended beyond its current expiration date of September 30, 1979, and that the airport and airway taxes, as amended by administration proposals, are extended beyond their current expiration date of June 30, 1980. Also included is the effect on receipts of an acceleration of State and local deposits of social security taxes, which can be accomplished by administrative action; this action will increase receipts in 1980 and subsequent years.

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EFFECT OF TAX PROPOSALS ON RECEIPTS IN COMPARISON TO EXTENSION OF TEMPORARY TAX PROVISIONS [1]

[In billions of dollars]

	1979	1980
Income tax reductions and reforms:		
Individual income taxes:		
Reduced tax rates and $240 credit	−22.5	−25.7
Repeal of itemized deductions for certain State and local taxes	2.7	4.3
Combining medical and casualty deductions into "extraordinary expense" deduction	1.3	2.1
Other	.1	1.1
Subtotal—individual income taxes	−18.3	−18.2
Corporation income taxes:		
Rate reductions	−4.0	−7.1
Liberalization of investment tax credit [2]	−2.3	−2.3
Reform of business deductions for meals and entertainment expenses [2]	.7	1.5
Phase out of DISC	.2	.8
Other	.2	.6
Subtotal—corporation income taxes	−5.1	−6.5
Energy tax proposals:		
Excise tax collections:		
Crude oil equalization tax	7.2	11.9
Oil and natural gas consumption tax	.5	1.7
Auto efficiency tax	.5	.5
Other	*	*
Refunds of excise tax collections	−5.0	−8.3
Tax credits for energy conservation and conversion	−2.2	−2.9
Subtotal—energy tax proposals	1.1	2.9
Other:		
Repeal of telephone excise tax	−1.0	−1.0
Reduction in unemployment insurance payroll tax rate	−.6	−.9
Acceleration of State and local deposits of social security taxes [3]	.....	1.1
Other	−.3	−.7
Subtotal—other	−1.9	−1.5
Total	−24.3	−23.3
ADDENDUM		
Effect of tax proposals on receipts by source:		
Individual income taxes	−23.9	−26.5
Corporation income taxes	−6.4	−8.6
Social insurance taxes [4]	−.6	.2
Excise taxes	6.8	12.1
Other	−.2	−.5

[1] Excludes extension of the jobs tax credit. Unlike the other temporary provisions, the jobs tax credit is a short-term countercyclical provision.

[2] This provision also applies to individuals and therefore directly reduces individual income taxes. This effect is included in the "other" line for individual income taxes.

[3] This action can be accomplished under current law by administrative action.

[4] Includes effect of accelerating State and local deposits of social security taxes, which can be accomplished by administrative action.

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CHANGES IN BUDGET RECEIPTS

Budget receipts are estimated to rise by $43.5 billion in 1978, $39.2 billion in 1979, and $65.8 billion in 1980. The year-to-year changes can be divided between those due to growth in the tax base and those due to revisions in the tax structure. Under the tax rates and structure in effect on January 1, 1975, receipts would have risen by $46.8 billion in 1978, $51.6 billion in 1979, and $49.4 billion in 1980. Thus, the combined effect of enacted and proposed tax law changes, which is shown in the table on the following page, reduces the growth in receipts by $3.3 billion in 1978 and $12.4 billion in 1979. In 1980 these changes increase the growth in receipts by $16.4 billion.

Growth in receipts (in billions of dollars):	1978	1979	1980
Administration budget proposals	43.5	39.2	65.8
Tax rates and structure in effect January 1, 1975	46.8	51.6	49.4
Difference	−3.3	−12.4	16.4

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CHANGE IN BUDGET RECEIPTS

[In billions of dollars]

	1977	1978	1979	1980
Receipts under tax rates and structure in effect Jan. 1, 1975	371.8	418.6	470.2	519.6
Administrative actions:				
Increase in sugar import duties	.1	.2	.2	.2
Reallocation of corporation deductions between foreign and domestic income	.1	.3	.4	.4
Enacted legislative changes:				
Income taxes:				
Tax Reduction Act of 1975	.4	2.8	3.2	3.4
Revenue Adjustment Act of 1975	−1.8	−*	−*	----
Tax Reform Act of 1976	−14.4	−13.2	−7.4	−8.0
Tax Reduction and Simplification Act of 1977	−2.6	−17.8	−13.7	−5.8
Social insurance taxes and contributions:				
Social security taxable earnings base increases: [1]				
$14,100 to $15,300 effective Jan. 1, 1976	2.4	2.9	3.5	4.3
$15,300 to $16,500 effective Jan. 1, 1977	.8	2.5	3.0	3.7
$16,500 to $17,700 effective Jan. 1, 1978	----	1.1	2.6	3.2
$17,700 to $22,900 effective Jan. 1, 1979	----	----	3.0	9.7
$22,900 to $25,900 effective Jan. 1, 1980	----	----	----	1.3
Social security tax rate increases: [1]				
11.7% to 12.1% effective Jan. 1, 1978	----	2.2	3.6	3.8
12.1% to 12.26% effective Jan. 1, 1979	----	----	1.1	1.5
Social security employer tax on tips	----	*	.1	.1
Unemployment tax rate and base increases	.3	1.5	3.1	3.2
Increase in SMI (medicare) premium	.2	.3	.5	.7
Reduction in telephone excise tax	−.4	−.9	−1.3	−1.9
Coal mine reclamation fees	----	.1	.2	.2
Total, receipts under existing legislation	356.9	400.7	472.2	539.6
Extension of temporary provisions: [2]				
Individual income taxes	----	----	−7.2	−12.8
Corporation income taxes	----	----	−1.1	−2.6
Excise taxes	----	----	----	4.5
Tax proposals in comparison to extension of temporary provisions:				
Individual income taxes	----	−1.7	−23.9	−26.5
Corporation income taxes	----	−.6	−6.4	−8.6
Social insurance taxes [3]	----	----	−.6	.2
Excises	----	1.8	6.8	12.1
Other	----	----	−.2	−.5
Total, receipts under existing and proposed legislation	**356.9**	**400.4**	**439.6**	**505.4**

[1] The effect of an increase in the taxable earnings base is calculated using the tax rate of the preceding year. The effect of a tax rate increase is calculated using the taxable earnings base for the same year.

[2] Excludes extension of the jobs tax credit. Unlike the other temporary provisions of the 1977 act, the jobs tax credit is a short-term countercyclical provision.

[3] Includes the effect of accelerating State and local deposits of social security taxes, which will be accomplished by administrative action.

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RECEIPTS BY SOURCE

Individual income taxes.—Individual income tax receipts are estimated at $178.8 billion in 1978, $190.1 billion in 1979, and $223.9 billion in 1980. The following table shows the effect of proposed tax law changes on these estimates in billions of dollars.

	1978	*1979*	*1980*
Individual income taxes, current law	180.5	221.2	263.2
Extension of temporary provisions	-----	−7.2	−12.8
Individual income taxes, current services	180.5	214.0	250.4
Reduction and reform proposals	−.2	−18.3	−18.2
Energy proposals:			
Rebates of crude oil taxes [1]	−1.3	−4.7	−7.6
Other	−.1	−.9	−.6
Other	-----	*	*
Individual income taxes, proposed	178.8	190.1	223.9

*$50 million or less.
[1] Excludes payments to social security and welfare recipients, which are included in outlays.

Corporation income taxes.—Corporation income tax receipts are estimated at $58.9 billion in 1978, $62.5 billion in 1979, and $69.1 billion in 1980. The following table shows the effect of proposed tax law changes on these estimates in billions of dollars.

	1978	*1979*	*1980*
Corporation income taxes, current law	59.5	70.0	80.4
Extension of temporary provisions	----	−1.1	−2.6
Corporation income taxes, current services	59.5	68.8	77.8
Reduction and reform proposals	----	−5.1	−6.5
Energy proposals	−.6	−1.2	−2.3
Other	----	*	*
Corporation income taxes, proposed	58.9	62.5	69.1

* $50 million or less.

Social insurance taxes and contributions.—This category includes social security and railroad retirement taxes, unemployment insurance taxes and deposits, Federal employee retirement contributions, and premium payments for supplementary medical insurance.

Receipts from this source are expected to be $124.1 billion in 1978, $141.9 billion in 1979, and $160.1 billion in 1980. These figures reflect increases in the social security tax rate and taxable earnings base that are scheduled under current law. The 1980 estimate also includes $1.1 billion from an administrative action to accelerate State and local deposits of social security taxes. These estimates also reflect the

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Unemployment Compensation Amendments of 1976, which increased the Federal unemployment insurance tax rate (from 0.5% to 0.7%) effective January 1, 1977, and tax base (from $4,200 to $6,000) effective January 1, 1978. Proposed legislation would repeal the rate increase effective January 1, 1979. The estimates also anticipate higher State deposits of unemployment taxes (which are included in budget receipts) as States raise their rates to repay borrowings from the Federal Government and replenish their balances in the unemployment trust fund.

Excise taxes.—Excise taxes are levied on a variety of products, services, and activities. Receipts from these taxes are estimated at $20.2 billion in 1978, $25.5 billion in 1979, and $31.1 billion in 1980. Excise tax receipts in these years reflect the administration's energy tax proposals, as described earlier. These proposals increase excise tax receipts by $1.8 billion in 1978, $7.9 billion in 1979, and $13.4 billion in 1980. The excise tax estimates also reflect the proposed repeal of the telephone excise tax effective October 1, 1978.

Other budget receipts.—Estate and gift taxes, customs, and miscellaneous receipts (the largest of which are deposits of earnings by the Federal Reserve System) are estimated to total $18.3 billion in 1978, $19.7 billion in 1979 and $21.1 billion in 1980. The miscellaneous receipts estimates reflect proposed legislation discussed earlier.

Proprietary receipts.—In addition to budget receipts, the Government receives significant proprietary income from the public. This income is derived from various market-oriented activities—such as interest, rents, royalties, and the sale of Government property, products, and services. Since this income arises from business-type transactions rather than from taxation, it is treated as an offset to related outlays and budget authority rather than as budget receipts. Proprietary receipts from the public are shown in table 11 of Part 9.

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PART 5

MEETING NATIONAL NEEDS: THE FEDERAL PROGRAM BY FUNCTION

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INTRODUCTION

National needs and the functional classification.—This section discusses the budget in terms of national needs, agency missions, and major programs. National needs are defined in 16 broad areas—termed budget functions—that provide a coherent and comprehensive basis for analyzing and understanding the budget.

The budget resources devoted to meeting national needs are classified by budget functions; so that budget authority and outlays of budget and off-budget Federal entities; loan guarantees; and tax expenditures are grouped in terms of national needs being addressed. To the maximum extent feasible, these groupings are made without regard to agency or organizational distinctions. They are also the categories used by the Congress in developing concurrent resolutions on the budget.

In keeping with the requirement of the Congressional Budget Act of 1974,[1] the national needs presentation is supported by analysis of agency missions and major programs. In general, the subfunction totals that make up each major functional category represent the resources devoted to agency missions. In a few instances, however, the subfunction totals represent amounts for overhead or similar activities, that cannot logically be attributed to a single mission category. Because of the relationship between national needs and major functions, and between missions and subfunctions, the functional structure was revised during the past year. The revisions are the product of a detailed review carried out in close consultation with the Appropriations and Budget Committees of both Houses of the Congress. The major changes are as follows:

- *Energy* has been established as a function separate from *natural resources and environment.*
- *Transportation* has been established as a function separate from *commerce and housing credit.*
- *Military assistance* has been reclassified from the *national defense* function to the *international affairs* function.
- The *health* subfunctions have been restructured to identify more clearly the major missions in the health area.
- Several functional and subfunctional titles have been changed to clarify the major needs or missions being served by these programs.

[1] See Part 7 for a further discussion of this requirement.

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All functional data presented in the budget have been adjusted so that they are on a comparable basis for all years. In addition, comparable data on Federal outlays by subfunction for all years since 1962 and by major function for all years since 1940 are available upon request from the Office of Management and Budget.

For purposes of the functional classification, each Federal activity must be classified in the one function that defines its most important purpose. This is necessary to avoid double counting and to assure that the components of the budget will add up to the total. However, many activities serve more than one national need or major mission. Therefore, the subsections in this part of the budget contain subsidiary information that identifies, to the extent feasible, those programs whose primary objective is to meet one category of national needs but that also make substantial contributions toward meeting other national needs.

Credit.—More information on Federal credit activities is presented than has previously been the case. In each national needs section with significant loan activity, there is a table showing the total amounts of direct and guaranteed loans that meet a particular national need. For direct loans the tables show both new loans and offsetting payments, sales, and adjustments. The resulting figures on net credit outlays represent the budget outlays for the direct loans identified.

The tables also show new guaranteed loans and the net amount of credit guaranteed. Unlike direct loans, guaranteed loans do not result, in general, in budget outlays except in the case of default. A further discussion of loans and loan guarantees may be found in Parts 2 and 6 of the Budget and in Special Analysis F in the Special Analyses volume of the budget.

Because loan guarantees have a relatively limited impact on budget outlays, they have, in the past, tended to receive less scrutiny in the executive and legislative branches than other Federal programs. The administration is proposing procedures that would subject both direct loans and loan guarantees to greater budget discipline. A discussion of this proposal is included in Part 2.

Tax expenditures.—Tax expenditures are revenue losses under the individual and corporation income tax laws that are attributable to special exclusions, exemptions, or deductions from gross income or to special credits, preferential rates of tax, or deferrals of tax liability. Nearly all tax expenditure provisions are intended either to encourage particular economic activities or to reduce the tax liabilities for taxpayers in special circumstances. They are, therefore, one means by which the Federal Government pursues its objectives, and in most

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cases can be viewed as alternatives to other instruments of Government policy such as outlays, loan guarantees, regulations, and other tax law provisions.

The most important tax expenditures are discussed in the national needs sections that follow in order to compare them with the outlays and loan guarantees that serve the same broad purpose. The 1979 estimates used in these discussions are consistent with the administration's tax reform proposals unless otherwise noted. In the past, some of the largest tax expenditures have been classified into three special categories—personal investment, business investment, and other tax expenditures. This year, however, they have all been classified in the budget functions into which they most closely fit. This is in accordance with the practice followed by the Congressional Budget Office. It further results in allocating all tax expenditures to national needs.

Tax expenditures are discussed further in Part 6 and in Special Analysis G, "Tax Expenditures." The latter includes a listing and an analysis of all tax expenditures, along with a discussion of the definition and measurement of tax expenditures. Estimates are presented there based on both current law and the administration's tax proposals.

Other Federal fiscal activities.—The Federal Government allocates resources by means other than those reflected in budget outlays, tax expenditures and loan guarantees. Outlays of the off-budget Federal entities, which are federally owned and controlled but excluded from the budget under provisions of laws, are similar in nature to budget outlays. The regulation of economic activity also has a major impact on the economy in many sectors. Finally, taxation affects the allocation of resources among private uses and the distribution of income among individuals in many important ways not covered by tax expenditures. Federal taxes other than income taxes affect the economy, as do tax rates, personal exemptions, and other features of the income taxes that are not treated as tax expenditures.

The national needs sections that follow include information on off-budget Federal entities, and discuss major issues regarding economic regulation. Off-budget Federal entities—along with privately owned, Government-sponsored enterprises—are also discussed in Part 6 of the Budget.

Structure of national needs sections.—Each of the sections that follow has a similar structure. In general, the structure is as follows:

- a statement of national needs;
- a listing of the major missions and the amount of outlays proposed for each mission in 1979;
- a brief summary of the major budget proposals and administration policies;

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- a table that displays outlays by national need, agency mission, and major program for the years 1977 through 1980, and budget authority for 1979;
- a more detailed discussion of the budget proposals for each major mission; and
- a table on credit programs, including both direct lending and loan guarantees.

In addition, each section discusses, to the extent feasible, related programs allocated to other major missions or national needs. The level of detail of this discussion depends on the degree to which there are substantial and important related programs, and is also affected by the availability of supporting data. The discussion of related programs is included either as part of the discussion of mission categories or for the section as a whole, whichever is more useful.

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NATIONAL DEFENSE

National Needs Statement:

- Protect America's people, its institutions, and its lands from foreign aggression.
- Preserve an overall military balance between the United States and its allies, and the Soviet Union and its allies, that is at least as favorable as the present balance.
- Maintain essential equivalence in strategic nuclear deterrence with the Soviet Union, preserving the capability to launch a retaliatory second strike that would inflict unacceptable damage.
- Maintain sufficient power, together with our allies, to defeat any aggressors swiftly, with full recovery of any territory lost initially.
- Seek international agreements to limit and reduce all armaments, to prevent proliferation of nuclear technology, to restrict arms trade, to settle disputes by peaceful means, and to strengthen international stability.

To meet these national defense needs, the budget proposes $128.4 billion in budget authority for 1979. The major defense components of this total are:

- strategic forces, $9.8 billion;
- general purpose forces and related, $55.3 billion;
- intelligence and communications, $8.3 billion;
- research and development, $11.0 billion;
- supporting activities in the Defense Department, $41.2 billion;
- atomic energy defense activities, $2.8 billion; and
- other defense-related activities of nondefense agencies, $43 million.

The following table lists major programs for the Department of Defense in greater detail. Total outlays for national defense are estimated at $117.8 billion for 1979, an increase of 9.4% over 1978.

To carry out the missions addressed to national defense needs, the budget makes the following proposals:

- Maintain the current basic force structure and increase real defense spending to offset Soviet force improvements.
- Continue to modernize the strategic forces in order to maintain the effectiveness and credibility of the U.S. deterrent against nuclear attack.
- Upgrade and improve conventional forces and general military capabilities.

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- Strengthen our ability, in conjunction with allied forces, to repel any attack launched against NATO nations.
- Maintain supply levels for U.S. forces sufficient to sustain them in combat at least as long as opposing forces can be sustained.
- Increase the firepower and mobility of the Army and Marine infantry divisions to provide greater flexibility to respond to threats outside the NATO area.
- Continue efforts to modernize naval forces through the construction of new ships and extensive overhaul of others.
- Identify and pursue efficiencies that reduce the costs of defense without diminishing military capability.

Department of Defense—Military.—National defense needs are met primarily by the military programs of the Department of Defense. Total obligational authority for these military activities is projected to rise from $108.3 billion in 1977 to $116.8 billion in 1978 and $126.0 billion in 1979. Outlays are estimated to increase by 9.4% between 1978 and 1979. The 1979 defense increases include allowances for civilian and military pay raises of $2.4 billion.

NATIONAL NEED: DEFENSE, MILITARY

[In billions of dollars]

Major military programs	Budget authority		
	1977 actual	1978 estimate	1979 estimate
Strategic forces	9.4	9.3	9.8
General purpose forces	38.6	41.5	46.8
Intelligence and communications	7.4	7.8	8.3
Airlift and sealift	1.5	1.6	1.8
Guard and Reserve	5.9	6.7	6.7
Research and development [1]	9.8	10.1	11.1
Central supply and maintenance	10.9	11.8	12.5
Training, medical, and other general personnel activities	22.6	23.9	26.0
Administration and associated activities	2.1	2.3	2.4
Support of other nations	.2	.3	.3
Total budget authority	**108.4**	**115.3**	**125.6**
Prior-year funds and other financial adjustments	−.1	+1.5	+.4
Total obligational authority	**108.3**	**116.8**	**126.0**

[1] Excludes R. & D. in other program areas on systems approved for production.

The combat and support capabilities of our military forces, compared to the capabilities of our potential opponents, determine whether or not a military balance exists and whether our fighting

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power is sufficient to deter attack. Soviet defense spending has increased by about 3% per year in real terms. These increases have enabled the Soviet Union to achieve nuclear parity with the United States and to acquire conventional military power comparable to that of the United States. However, in the present international environment, the most important measure of relative military strength is the balance that exists between the United States and its NATO allies, on the one hand, and the Soviet Union and its Warsaw Pact allies on the other. The defense efforts of the non-Soviet Warsaw Pact nations have shown little growth in the past decade. At the same time, our NATO allies have increased their defense efforts at an annual rate of 2–3% in real terms.

Our military forces and our alliances will at all times be kept as strong as is necessary to deter attack. Clearly, however, peace based on a balance of terror is precarious. Therefore, the United States is conducting negotiations with the Soviet Union and other nations on a wide range of agreements to reduce military forces and weapons and reliance upon force in international disputes. U.S. policy seeks to reduce stocks of nuclear weapons and limit their spread, to ban all nuclear weapons tests, and to control nuclear proliferation. We seek further agreement with the Soviet Union on limitation of strategic weapons. At the same time, we seek the cooperation of other weapons-producing nations in reducing the sale of arms and slowing the spread of advanced weapons technology throughout the world. In negotiations with the Soviet Union we also seek agreements to prevent an arms buildup in the Indian Ocean, to continue peaceful use of space, and to prohibit chemical, biological, and radiological warfare.

DEPARTMENT OF DEFENSE—MILITARY

[Proposed total obligational authority; in billions of dollars]

	1978	1979	1980	1981	1982
January 1977 budget	122.1	134.4	*144.8*	*155.7*	*165.9*
January 1978 budget	116.8	126.0	*137.2*	*148.6*	*160.5*

The defense levels proposed for 1979 provide prudent real growth in our defense capabilities but are considerably more moderate than those proposed last year at this time by the previous administration: $8.4 billion lower in 1979 and $7.6 billion lower in 1980. Additional real growth is made possible by savings proposed in training and in overhead and support activities. Proposals in this budget would:

- reduce military personnel end strengths (that is, year-end headcount) from 2,069 thousand in 1978 to 2,049 thousand in 1979, and civilian personnel end strengths from 912 thousand in 1978 to 905 thousand in 1979, largely by reducing headquarter staffs and

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other support organizations; further reduce indirect-hire foreign nationals;
- eliminate inequities and unnecessary differences between services in officer promotions, separations and retirement, and achieve a better match of the work force with job requirements;
- reduce the amount of time that military personnel spend in formal training activities, and the overhead costs of training; and
- reform the mechanism for setting blue-collar pay rates.

Strategic forces.—The primary mission of the strategic forces is to deter a nuclear attack on the United States, its allies, and other nations whose survival is vital to our security. These forces must be capable of damaging an aggressor so severely in a second-strike retaliatory attack that no nuclear power would dare initiate a nuclear attack on us. Our strategic forces also strengthen deterrence against nonnuclear attack.

The Strategic mission is carried out by maintaining essential equivalence between United States and Soviet strategic capabilities. The United States uses three separate types of strategic forces—land-based missiles, submarine-based missiles, and aircraft armed with missiles and nuclear bombs—each possessing formidable capabilities. These forces have differing survival and attack characteristics, thereby presenting different challenges to an opponent attempting to counter them. If one force should begin to become vulnerable, the others prevent any strategic instabilities from occurring while the vulnerability is being remedied.

Major proposals for the strategic forces in this budget, including portions funded in the research and development program, are:
- continue competitive development and procurement of air-launched cruise missiles for deployment on B–52 bombers and explore the possibility of using other aircraft as cruise missile carriers;
- continue development of the M–X intercontinental ballistic missile, which is to have improved accuracy and payload, and could be deployed in a mode less vulnerable to attack;
- continue development and testing of the B–1 bomber, though with no plans for production, and initiate studies of future strategic bomber requirements;
- procure the eighth Trident submarine and associated ballistic missiles to continue updating the sea-based strategic forces;
- continue research and development on ballistic missile defense systems as a hedge against possible future abrogation of the antiballistic missile treaty;
- improve strategic command, control, and communications systems; and

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- conduct research and development to improve satellite surveillance, reduce satellite vulnerability, and develop an antisatellite capability.

General purpose forces.—The mission of general purpose forces is to deter or counter aggression at levels below strategic nuclear conflict. Most of our general purpose forces are oriented toward the defense of NATO. This includes most of our Army land forces and Air Force tactical air forces. Some of our Naval and Marine forces are required to keep the sea lanes open and insure security on the flanks of NATO territory. This budget reflects the U.S. commitment, made in conjunction with our NATO allies, to improve NATO capabilities. Budget authority requested for Army weapons and equipment increases 18% from 1978 to 1979 in real terms. Budget authority requested for Air Force procurement related to NATO also increases.

The U.S. defense effort supports and is supported by allies throughout the world. Our combined efforts are designed to maintain deterrence by assuring that existing forces are in a high state of readiness, are prepared to respond rapidly and effectively to challenges, and are well supplied.

Budget authority of $46.8 billion is estimated for 1979 for general purpose forces, compared to $41.5 billion in 1978. This increase will be used primarily to strengthen the capability of the general purpose forces designated for the defense of NATO.

In an era of strategic nuclear equivalence, it is vital that NATO's *conventional forces* be sufficiently strong to act as an effective deterrent to attack by conventional forces. We and our allies are committed to increasing conventional military capabilities in Europe. Active U.S. forces available for a European conflict include 16 Army divisions, of which the equivalent of 5⅔ divisions are deployed in Europe, and 26 wings of Air Force tactical aircraft, of which 8 are deployed in Europe.

In 1979, $6.6 billion in budget authority is proposed to provide increased levels of modern *Army* equipment to enable U.S.-based divisions to deploy more rapidly and to sustain combat for longer periods. This is an increase of $1.3 billion over 1978. Specific proposals include:

- initial production of the new XM–1 tank, which is superior in mobility and armor to any tank currently in use in the world;
- purchase of better fire control systems and increased quantities of more effective antiarmor munitions, in order to improve artillery capabilities;

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SUMMARY OF ACTIVE MILITARY PERSONNEL AND FORCES

[Yearend—i.e., as of September 30]

	1977 actual	1978 estimate	1979 estimate
Military personnel (in thousands):			
End strength:			
Army	782	774	772
Navy	530	532	522
Marine Corps	192	192	190
Air Force	570	571	566
Total, Department of Defense	2,074	2,069	2,049
Average strength:			
Army	779	773	772
Navy	529	529	526
Marine Corps	189	192	190
Air Force	579	573	571
Total, Department of Defense	2,075	2,066	2,059
Strategic forces:			
Intercontinental ballistic missiles:			
Minuteman	1,000	1,000	1,000
Titan II	54	54	54
Polaris-Poseidon	656	656	656
Strategic bomber squadrons	24	24	24
General purpose forces:			
Land forces:			
Army divisions	16	16	16
Marine Corps divisions	3	3	3
Tactical air forces:			
Air Force wings	26	26	26
Navy attack wings	13	12	12
Marine Corps wings	3	3	3
Naval Forces:			
Attack and multipurpose carriers	13	13	13
Nuclear attack submarines	66	70	73
Other warships	168	166	172
Amphibious assault ships	62	64	65
Airlift and sealift forces:			
C-5A airlift squadrons	4	4	4
Other strategic airlift squadrons	13	13	13
Troopships, cargo ships, and tankers	48	48	48

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- initial production of the new Patriot air defense system, and increased production of the Roland missile developed jointly with the Germans and the French and compatible with NATO air defense; and
- large increases in purchases of support equipment necessary to maintain the overall combat effectiveness of Army units.

In addition, the budget proposes that the Army continue to increase prepositioned stocks and equipment in Europe to enable U.S.-based divisions to deploy there rapidly in a crisis. Present stocks are adequate to support a little more than two additional divisions. Current plans call for prepositioning in Europe enough equipment for five U.S. divisions by 1983. The budget also proposes improving the combat readiness of Army forces now stationed in Europe in 1979 by increases in their ammunition stocks.

The *Air Force* portion of NATO-related forces will be strengthened by further purchase of three new combat aircraft:

- the F–15, designed to be the the world's most effective air superiority fighter;
- the A–10, designed for antiarmor and close air support missions; and
- the F–16, a multipurpose, high-performance fighter that is being coproduced by a consortium of our NATO allies.

In addition, the budget proposes continued production of the AWACS early warning and control aircraft, and modifications and improvements to strengthen the capabilities of current deployed tactical aircraft. The budget also provides for increased dispersal of the Air Force's operating aircraft in Europe to reduce their vulnerability to surprise attack.

Naval forces have three major objectives: sea control, power projection, and peacetime presence. Sea control involves the establishment and maintenance of naval superiority in ocean areas to protect sea lines of communication and transportation, and to deny use of the oceans to the enemy. Power projection consists of the use of naval aircraft and gunfire in support of land operations and the use of amphibious forces in assaults on land areas. The peacetime presence mission is fulfilled through the overseas deployment of naval forces to deter hostilities, influence the outcome of crises, and provide a tangible symbol of American commitment.

To help carry out these naval missions, $42 billion in shipbuilding funds are projected for the period 1979–83. The Department of Defense is currently studying the question of whether construction of additional aircraft carriers, and if so, of what type, is necessary to

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meet Navy mission requirements. Pending completion of this study in the spring, the Department's 5-year shipbuilding plan defers several major shipbuilding decisions to next year.

The 1979 shipbuilding plan provides for 14 general purpose force ships, 12 of which are required primarily for sea control. These include an attack submarine, eight frigates designed for convoy and other escort duties, and three towed-array sonar ships to expand submarine detection capabilities. The 1979 plan includes two auxiliary ships for fleet support.

The budget also proposes modernization of Navy and Marine tactical aviation forces through initial procurement of the F–18 fighter/attack aircraft and further procurement of the A–4M light attack aircraft.

Airlift and sealift forces.—The mission of the strategic mobility forces is to move U.S. troops and material rapidly wherever they may be needed to counter threats against U.S. interests. Proposed 1979 budget authority of $1.8 billion will provide for the continued operation and improvement of these forces. Various aircraft programs are proposed to improve the U.S. capability to move combat units and supplies during the critical early stages of an overseas conflict.

Aircraft modifications are proposed to extend the usable service life of the C–5A transport aircraft and to improve the long-haul capability of the C–141 transport. Civil Reserve Air Fleet aircraft will be modified to permit rapid conversion from passenger to cargo aircraft. Initial procurement of the advanced tanker/cargo aircraft is proposed to provide tactical air forces and mobility forces with a unique, long-range refueling capability.

Guard and reserve forces.—Guard and reserve forces provide a ready pool of trained manpower available for rapid augmentation of regular active forces in a national emergency. Their mission is to recruit, train, and retain personnel and units that serve on a part time basis in peacetime, but which can be rapidly and effectively employed with the active forces when needed.

The budget proposes tailoring reserve forces more closely to the highest priority missions; upgrading equipment; improving management; and increasing integration of guard and reserve units with counterpart active duty units.

In order to strengthen recruitment and retention, the budget proposes greater use of advertising, and increased use of full-time recruiters. A review of reserve compensation to evaluate its effectiveness in meeting manning requirements and to identify measures to improve further the ability of reserve forces to achieve their mission will be completed this year.

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Research and development.—The mission of defense research and development (R. & D.) is to devise new weapon systems so that potential enemies will continue to find themselves at a distinct technological disadvantage relative to the forces of the United States and its allies. To accomplish this mission, defense R. & D. supports a wide variety of activities ranging from basic research to construction of full-scale preproduction hardware.

The budget proposes that budget authority for defense R. & D. increase by 10% in 1979. Major R. & D. efforts proposed for 1979 are:

- *Technology base.*—Basic research funding is increased 7% in real terms over the 1978 level.
- *Strategic systems.*—All three elements of the strategic triad—land, sea, and air systems—will be improved. The budget proposes continued development of the M–X intercontinental ballistic missile, of strategic submarine systems, and a continued competitive program for air-launched cruise missiles.
- *Tactical systems.*—The budget stresses development of systems to improve early combat capability for U.S. forces in the defense of Western Europe. This includes the development of new tanks, guns, ordnance, tactical aircraft, and air defense systems. Increases are also provided for naval forces, including submarine warfare systems. R. & D. efforts conducted in cooperation with NATO allies will receive increased emphasis.
- *Other defense R. & D.*—The budget provides for continued improvements in defense intelligence systems, worldwide communications systems, and test and evaluation capabilities. Defense support for the NASA space shuttle program will continue.

Training, medical, and other general personnel support activities.—The mission of these support forces is to assure that the military services attract, train, retain, and keep in good health adequate numbers of personnel to enable military units to accomplish their missions.

Recruiting programs seek to attract the proper number and type of personnel to fulfill military requirements.

Individual *training and education* involves the training of military personnel in formal, technical, and professional education courses conducted by the four military services. Its purpose is to provide service members with job skills useful in military units. The budget proposes changes to training programs that will reduce the amount of time military personnel spend in formal training, and reduce costs.

The *medical programs* of the Department of Defense keep military personnel in good physical condition and keep the military medical system prepared to provide health care under wartime conditions.

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In addition, the civilian health and medical program of the Uniformed Services (CHAMPUS) provides comprehensive health care benefits to authorized beneficiaries.

Civilian personnel provide continuity of administration and operations and afford essential managerial and technical capabilities for support operations.

Personnel-related outlays are the single largest component of defense spending. For several years there has been concern about the level, adequacy and complexity of the current military compensation system. In order to resolve these concerns, the President has established a Commission on Military Compensation, which is undertaking a comprehensive review of military pay and benefits, including retired pay, and will make recommendations on future military compensation policies later this year.

Reductions in defense civilian employment over the 1977–79 period total 7,000, and are not as large or as rapid as previously anticipated. This is due to delays in base realinements and further contracting out of support services. However, the budget does reflect anticipated savings from legislation to reform the Federal wage system. The proposal would reduce Defense payroll costs by $2.0 billion over the next 5 years by changing present laws governing blue-collar pay rates that result in Federal workers being paid more than their private sector counterparts.

Financing military retirement costs on an accrual basis.—Legislation is proposed to finance military retirement costs on an accrual basis, through a trust fund. This will clear up some major problems in management and in the budgetary treatment of military retirement, and will end most of the inconsistencies between military and civilian retirement systems in the budget presentation. At the present time, the defense budget shows the amount for payments to military retirees ($10.2 billion estimated for 1979). This amount has nothing to do with current military forces or defense programs—it is exclusively a payment for past services.

The military personnel serving today are earning future retirement benefits. The value of these benefits is relevant in considering current defense programs and their costs. This ultimate cost of military retirement benefits earned amounts to more than $7 billion for 1979. This large cost is not shown in the budget nor elsewhere in the accounting and financial system. The ultimate costs of active military personnel are thus significantly understated at all levels: in local and headquarters manpower cost analyses, in the budget, and in the materials

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presented to the Congress. To correct these conditions, the following steps are proposed:

- First, provide by law for the determination of the annual retirement accrual amount and the unfunded liability by an actuarial body independent of the Department of Defense.
- Second, provide by law for a Military Retirement and Disability trust fund from which payments to retirees would be made.
- Third, appropriate funds to cover accrued retirement costs in the regular military personnel appropriations, so that the true current cost of military manpower can be shown.
- Fourth, provide for appropriating additional amounts each year, as long as necessary, until the unfunded liability for military retirement is eliminated.
- Fifth, reflect the accrual costs in the national defense function in the budget, along with other current defense costs. Include payments to retirees in the income security function, in a fashion similar to the budgetary treatment of other Federal retirement systems.

The legislative proposal necessary to accomplish this change is being transmitted to the Congress. Because the proposal involves complex changes in many parts of the budget that are contingent upon enactment of the legislation, the changes have not been reflected in the budget schedules.

The budget reflects the proposed Defense Officer Personnel Management Act. This act would eliminate many inequalities and unnecessary differences in personnel management policies for promotion, separation, and retirement.

Legislation is recommended to increase the incentive pay of some Navy enlisted personnel to compensate for their unique and arduous duties at sea.

The budget also proposes to continue to reduce the number of senior officers in the military services and reduce personnel reassignments, thus reducing travel expenses.

Tax expenditures.—The provision of housing and meals for military personnel, either in cash or in kind, is excluded from tax. Disability-related military pensions received by current retirees are largely excluded from taxable income. The total tax expenditure involved is estimated to be approximately $1.3 billion in 1979.

National defense needs.—The accompanying table shows budget authority and outlays for the three major national defense missions. Because of the long leadtime associated with the development and procurement of military weapons systems, outlays lag behind budget authority.

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NATIONAL DEFENSE

[Function code 050; in millions of dollars]

Program	Recommended budget authority for 1979	Outlays			
		1977 actual	1978 estimate	1979 estimate	*1980 estimate*
Department of Defense—Military:					
Military personnel	27,211	25,715	26,832	26,866	*27,093*
Retired military personnel	10,149	8,216	9,211	10,122	*11,088*
Operation and maintenance	37,376	30,587	33,494	36,454	*37,921*
Procurement	31,928	18,178	21,552	24,208	*28,162*
Research, development, test and evaluation	12,468	9,795	10,714	11,861	*13,083*
Military construction	2,677	1,914	1,919	1,976	*2,200*
Family housing	1,576	1,358	1,455	1,436	*1,533*
Revolving funds and other	−123	−114	123	−11	*−244*
Allowances: Civilian and military pay raises:					
Existing law	2,371	-------	-------	2,353	*5,279*
Proposed legislation	−136	-------	-------	−135	*−356*
Other legislation:					
Retired military personnel	23	-------	-------	23	*7*
Other	46	-------	-------	46	*33*
Subtotal, Department of Defense—Military	125,567	95,650	105,300	115,200	*125,800*
Atomic energy defense activities	2,829	1,936	2,308	2,536	*2,793*
Defense-related activities	45	−84	20	45	*2*
Deductions for offsetting receipts	−2	−*	−2	−2	*−3*
Total	**128,439**	**97,501**	**107,626**	**117,779**	*128,593*

*$500 thousand or less.

Atomic Energy Defense Activities.—The Department of Energy is responsible for the mission of research, development, test, and production of nuclear weapons, special nuclear materials, and nuclear reactors for defense needs. Total outlays for this mission are estimated to rise from $1.9 billion in 1977 to $2.3 billion in 1978 and to $2.5 billion in 1979.

Weapons research, development, test, and production.—Outlays of $1,271 million in 1978 and $1,387 million in 1979 are recommended to design, develop, test, and produce new nuclear weapons. Funding increases are proposed for higher production levels for warheads for Trident, Minuteman, and air-launched cruise missiles; artillery shells; and nuclear weapons for other systems.

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ATOMIC ENERGY DEFENSE ACTIVITIES

[In millions of dollars]

Program	Recommended budget authority for 1979	Outlays			
		1977 actual	1978 estimate	1979 estimate	*1980 estimate*
Weapons research, development, test, and production	1,437	1,096	1,271	1,387	*1,519*
Weapons materials production and waste management	904	454	603	700	*780*
Naval reactor development	291	239	252	262	*265*
Other research programs	197	147	182	187	*229*
Total	**2,829**	**1,936**	**2,308**	**2,536**	*2,793*

Weapons materials production, and waste management.—Outlays of $603 million in 1978 and $700 million in 1979 are estimated for production of special nuclear materials and for management and disposal of the various forms of nuclear waste produced in the course of weapons production and naval reactor operations. Under the budget proposals, four production reactors will continue in operation. A fuel reprocessing plant will be upgraded and outlays for construction of a new facility to process naval reactor fuels will rise. Outlays will increase for construction of the new waste isolation pilot plant in southeastern New Mexico, which is designed to allow deep geologic disposal of radioactive wastes.

Naval reactor development.—Outlays of $252 million for 1978 and $262 million for 1979 are estimated for research, development, and prototype operation of nuclear reactors for naval submarines and surface ships.

Other research programs.—Outlays of $182 million for 1978 and $187 million for 1979 are recommended for the following research and development programs: inertial confinement nuclear fusion power, nuclear materials safeguards, and nuclear intelligence and arms control.

Defense-related activities—Outlays for these activities are estimated to rise from $20 million in 1978 to $45 million in 1979.

Stockpile of strategic and critical materials.—One defense-related activity is the maintenance of a stockpile of strategic and critical materials for defense and civilian needs during wartime. The budget proposes sale of obsolete inventories and purchase of new, high-priority stocks for current defense requirements.

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Selective Service.—The Selective Service System is charged with maintaining the capability to meet defense manpower requirements in a future national mobilization. A standby organization is maintained to plan and provide the nucleus for a reactivated draft. Budget authority of $9.5 million is proposed for 1979, compared to $6.6 million for 1978.

CREDIT PROGRAMS—NATIONAL DEFENSE

[In millions of dollars]

	1977 actual	1978 estimate	1979 estimate
Direct loans:			
New loans	----	1	2
Repayments, sales, and adjustments (−)	−11	−11	−11
Net credit outlays	−11	−10	−9
Guaranteed loans:			
New loans	----	2	3
Net credit guaranteed	−49	----	----

Military assistance, previously classified in this function, is now included in international affairs.

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INTERNATIONAL AFFAIRS

National Needs Statement:

- Promote a stable international environment that will reduce conflicts, encourage worldwide economic progress, and bring greater respect for human rights.
- Reduce the problems associated with widespread poverty by improving foreign aid programs to help poor people in the developing world meet their basic human needs.
- Support the security and economic and political stability of allies and friendly governments.
- Advance American foreign policy through diplomacy and by improving communication between the Government and the people of the United States and the governments and people of other nations.
- Improve the international economic system and promote the efficient development of resources both at home and abroad.

Many of the national needs in the international area are advanced through diplomatic or other policies that have only a small budgetary impact. Foreign assistance is largely a resource transfer issue and therefore shows up as a significant budgetary item. The other missions covering conduct of foreign affairs, improving international understanding and the economic system are much more heavily influenced by factors outside of the budget.

To help achieve our national needs in foreign affairs, the Federal Government will spend an estimated $7.7 billion (net of offsetting receipts of $0.6 billion) in 1979 in support of the following major missions:

- Foreign economic and financial assistance: $5.4 billion in outlays.
- Military assistance: $0.5 billion.
- Conduct of foreign affairs: $1.2 billion.
- Foreign information and exchange activities: $0.5 billion.
- International financial programs: $0.7 billion.

To help carry out these missions, special emphasis is given in the budget to provide for:

- A sizeable increase in the budget authority for development assistance, with particular emphasis on the world's poorest nations.
- Strong U.S. support for multilateral assistance programs, especially the international financial institutions.

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- The establishment of the International Communication Agency, a part of the President's reorganization program, to improve our foreign information and exchange activities.
- The phaseout, beginning in 1979, of the deferral of tax on the profits of domestic international sales corporations (DISCs).
- Funding to permit the United States to participate in a new supplementary financing facility of the International Monetary Fund.

The major missions are supported by the programs shown in the table on the following page.

Foreign economic and financial assistance.—A major mission is to address both economic and humanitarian objectives abroad with foreign economic and financial assistance. Concessional development aid programs will concentrate on the poor people of those countries with annual per capita income below $550 measured in 1976 dollars. Assistance will also be provided selectively to help poor people in countries above this income level.

The mission of these programs reflects the desire of the administration, shared by the Congress, that the poorest people benefit from efforts to promote economic growth. The administration also recognizes that the vast majority of the world's poor, some 900 million people, live in the low-per-capita-income countries. These nations are unable to devote substantial resources to improving the lives of the poor and, thus, must receive priority for U.S. development funds.

The administration is firmly committed to increasing economic aid levels substantially over the next 5 years and to improving aid effectiveness. Proposed budget authority for this mission will grow by 23% in 1979. Proposed budget authority for the major development aid programs (multilateral development aid, the Agency for International Development (AID), and food assistance) will increase by 43%, but will be partially offset by a proposed 16% decline in security supporting assistance. Outlays for foreign economic and financial assistance are estimated to rise from $5.3 billion in 1978 to $5.4 billion in 1979.

Multilateral development assistance.—These programs consist primarily of payments to *international financial institutions* such as the World Bank group and the regional banks to increase the capital on which they base their lending. In addition to providing concessional aid to the poorer countries, each bank provides loans at market-related interest rates, primarily to middle-income developing countries. Multilateral assistance also includes voluntary contributions to the United Nations and other international organizations to finance their grants, primarily for technical assistance to developing countries and for disaster relief.

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NATIONAL NEED: CONDUCTING INTERNATIONAL RELATIONS

[Functional code 150; in millions of dollars]

Major missions and programs	Recommended budget authority for 1979	Outlays			
		1977 actual	1978 estimate	1979 estimate	*1980 estimate*
Foreign economic and financial assistance:					
Multilateral development assistance:					
International financial institutions	3,505	875	838	909	*973*
International organizations	282	250	233	270	*262*
International Fund for Agricultural Development	---	---	10	20	*50*
Agency for International Development	1,651	976	1,160	1,293	*1,464*
Food for Peace	806	850	1,068	1,069	*1,189*
Security supporting assistance (AID)	1,854	1,062	1,813	1,666	*1,800*
Other foreign economic and financial assistance	237	201	175	180	*200*
Subtotal, foreign economic and financial assistance	8,335	4,214	5,296	5,407	*5,938*
Military assistance:					
Grant military assistance	134	209	190	200	*180*
Foreign military training	32	25	29	31	*32*
Foreign military credit sales	672	570	540	530	*480*
Offsetting receipts and other	−297	−311	−302	−296	*−296*
Subtotal, military assistance	541	494	457	465	*396*
Offsetting foreign aid receipts	(−617)	(−480)	(−562)	(−617)	*(−634)*
Total, foreign aid	(8,259)	(4,228)	(5,191)	(5,254)	*(5,700)*
Conduct of foreign affairs:					
Administration of foreign affairs	792	587	674	766	*852*
International organizations and conferences	413	368	408	409	*444*
Other	35	26	32	35	*35*
Subtotal, conduct of foreign affairs	1,240	981	1,115	1,211	*1,331*
Foreign information and exchange activities	500	386	443	480	*516*
International financial programs:					
Export-Import Bank	660	340	196	404	*637*
Military sales trust fund (net)	3,100	−1,159	−200	300	*300*
Other offsetting receipts	−20	---	−20	−20	*−35*
Subtotal, international financial programs	3,740	−819	−24	684	*902*
Deductions for offsetting receipts	−555	−425	−540	−555	*−555*
Total, international affairs	**13,801**	**4,831**	**6,747**	**7,691**	*8,528*

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In the 1979 budget, $3.5 billion in budget authority is proposed for the development banks, $1.6 billion above the 1978 level. Nearly one-fourth of the proposed 1979 total represents subscriptions that the United States pledged to provide in previous years, but which have not yet been appropriated.

The administration places a high priority on supporting these international financial institutions because they have been successful in carrying out programs to promote development and meet basic human needs. They offer excellent examples of fruitful cooperation between industrialized donor countries and the developing world. The World Bank group has become the largest single source of official concessional and nonconcessional lending, and offers professional advice to recipients on the policies most likely to support long-term growth. The regional banks foster close cooperation among their member countries and seek to identify and fulfill special regional needs.

Budget authority of $282 million in 1979 is proposed for voluntary contributions to 19 *international organizations and programs.* These programs provide developmental and humanitarian assistance to developing countries. The United States and various U.N. institutions are consulting on ways to improve these programs. A $133 million contribution is proposed for the United Nations Development Program, which is the primary multilateral source of technical assistance for developing countries. The request also includes significant increases in contributions to the United Nations Children's Fund, the United Nations Relief and Works Agency for Palestine Refugees, and several small development-oriented programs. An increased contribution to the nuclear safeguards program of the International Atomic Energy Agency is requested in support of the President's nuclear non-proliferation objectives. An initial contribution to the United Nations University in Tokyo is also requested. Outlays for voluntary contributions to international organizations and programs are estimated to increase from $233 million in 1978 to $270 million in 1979.

AID programs.—These programs, which include the special Sahel development program, reflect the administration's strategy of helping developing nations meet the basic human needs of their poor through programs designed to produce growth with equity. AID projects, which implement the new directions mandated by the Congress, directly address world problems of hunger and malnutrition, population pressure, disease and ignorance. Over 90% of AID projects are concentrated in these areas. They also promote the administration's human rights initiatives.

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New organizational arrangements are being made and others are under study to enhance the Agency's capacity to conduct an expanded basic human needs program. Budget authority for the AID development assistance program is $1.3 billion in 1978 and is proposed at $1.7 billion in 1979 with outlays estimated to rise more gradually from $1.2 billion in 1978 to $1.3 billion in 1979.

Food for Peace (Public Law 480).—The Food for Peace program serves a wider range of foreign policy objectives than AID's development assistance. It supports U.S. security assistance objectives in the Middle East and constitutes the major U.S. program for humanitarian relief. While continuing to address these objectives, the food aid program will place greater emphasis in the future on developmental goals. The 1979 estimate of $1.1 billion in outlays would permit shipments of approximately 6.7 million tons of food, the same level as in 1978, and about two-thirds of the worldwide food aid target set by the United Nations for all donors. U.S. capability to provide food aid where it is needed most will be substantially increased with the establishment of the proposed international emergency wheat reserve which can be drawn on in periods of shortage.

Security supporting assistance.—This program is administered by AID, and provides economic aid to selected countries of importance to the United States. It helps them to meet their budget, development, and balance of payments financing needs. Most of these funds go to countries in the Middle East in support of United States efforts to promote peace in that area. Budget authority of $2.2 billion is proposed for 1978 and $1.9 billion for 1979. A $300 million balance of payments loan provided to Portugal in 1978 will not recur in 1979. Outlays are estimated to fall from $1.8 billion in 1978 to $1.7 billion in 1979.

Other foreign economic and financial assistance.—The Peace Corps, part of ACTION, is redirecting its efforts toward development assistance to meet basic human needs in low-income countries. The 1979 level of Peace Corps activity (about 6,130 volunteer years in about 65 countries) is approximately the same volunteer service level as in 1978. Additional training of volunteers in applying appropriate technologies will be needed. To carry out this purpose the Peace Corps will begin a program to upgrade the quality of its training in 1978. Outlays for the Peace Corps are expected to increase from $87 million in 1978 to $93 million in 1979, reflecting increased volunteer training costs.

Other programs that provide foreign economic financial assistance include the Inter-American Foundation, the Overseas Private Invest-

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ment Corporation, international narcotics control assistance, the Darien Gap highway program in Panama, and refugee and migration assistance, which includes proposed funding to resettle Soviet and other refugees in the United States.

Military assistance.—The military assistance mission is to provide defense materiel and services to allies and other friendly governments for their internal security and self-defense, and to support participation in regional or collective security arrangements. This assistance is provided in the form of military assistance grants, foreign military sales credits, and grants for military training.

The program is shifting emphasis from grant military assistance to foreign military sales credits as the improving economic situation of some recipient countries enables them to assume a greater share of their defense burden. The proposed budget authority of $134 million in grant military assistance does not include funds for Greece and Turkey. Upon final approval of the defense cooperation agreements with Greece and Turkey, additional grant military assistance funds will be requested by the administration.

The proposed foreign military credit sales program of $2.1 billion requires $672 million in new budget authority. Of this amount, $518 million is for direct credits. The remainder is used to provide a 10% reserve for loans guaranteed by the Department of Defense, but made by the Federal Financing Bank. Since the Bank is an off-budget Federal entity (see Part 6 of the Budget), only 10% reserve on the guarantees is included as budget authority, not the direct loans by the Federal Financing Bank.

Budget authority of $32 million is requested for International Military Education and Training in 1979. The budget authority requested is increased from the $30 million 1978 level because of cost increases in professional military courses.

Conduct of foreign affairs.—The mission of advancing the foreign affairs interests of the United States throughout the world is largely centered in the Department of State and in 132 embassies and 119 consulates abroad. Political, economic, social, and scientific developments are reported and analyzed as the basis for policymaking. Assistance is also provided to American citizens traveling or residing abroad, and visas are issued to foreign nationals visiting or emigrating to the United States. The State Department also provides administrative support for most of the activities of other U.S. agencies operating overseas. Also included in this mission is the Arms Control and Disarmament Agency, whose outlays will increase to $16 million, largely because of the strategic arms limitation talks and other arms control negotiations.

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Outlays for the administration of foreign affairs, at home and abroad, are estimated to rise from $674 million in 1978 to $766 million in 1979 primarily because of increased operating costs abroad.

Through membership in international organizations, the United States participates in solving many multinational political, economic, social, and peacekeeping problems. In addition to the voluntary contributions to international organizations discussed above, contributions for the support of the United Nations and 46 other international organizations are assessed annually against member governments. These assessed contributions are estimated to remain constant in 1978 and 1979 at $385 million. There are included $37 million of appropriations in 1978 to pay arrearages owed to the United Nations Educational, Scientific, and Cultural Organization. In 1979 the United States proposes to support only those increases in international organizations' budgets needed to maintain the prior year's level of operations. The United States will encourage all organizations to meet new and expanded needs from reductions in low-priority or obsolete activities.

Foreign information and exchange activities.—An important means of promoting a stable international environment is to improve communication between the people and Government of the United States and the peoples and governments of other nations through educational, cultural, and informational exchanges and activities. The creation of the International Communication Agency is a major new initiative toward accomplishing this mission. The consolidation of the activities of the United States Information Agency and the State Department's Bureau of Educational and Cultural Affairs should help increase understanding by American and foreign leadership groups of each others' society and governmental policies. The new agency will also provide the President and his foreign policy advisers with assessments of foreign public opinion and the impact of proposed U.S. actions on that opinion.

Outlays for the new agency are estimated to be $365 million in 1978 and $393 million in 1979. The proposed increase will cover the increased costs of operating overseas, some increase in activities in less developed countries and Eastern Europe, and a significant increase in transmitter power for the Voice of America.

Estimated outlays for the Board for International Broadcasting of $73 million in 1978 and $79 million in 1979 will enable Radio Free Europe/Radio Liberty to continue broadcasts to Eastern Europe and the Soviet Union.

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International financial programs.—The mission of the international financial programs is to advance U.S. interests by improving the functioning of the international financial system. Since World War II, the international financial system has been strengthened by closer cooperation among governments and by growth in the international scope of private financial institutions. Nonetheless, problem areas and gaps remain, requiring government action to facilitate U.S. exports and to provide additional balance of payments financing to the International Monetary Fund, and calling for government involvement in military sales abroad.

Export-Import Bank.—The Export-Import Bank provides direct loans, refinancing of export credits, and loan guarantees and insurance in order to facilitate the export of U.S. goods and services. These programs support exports by:

- assuming commercial and political risks that exporters or private financial institutions are unwilling or unable to undertake;
- overcoming limitations in private sector U.S. export financing;
- assisting U.S. exporters to meet foreign officially supported export credit competition; and
- providing leadership and guidance in export financing.

By concentrating its resources on overcoming limitations in the private market and meeting foreign competition, the Bank contributes to the improved functioning of the international economic system and helps promote the efficient development of resources both at home and abroad.

The Export-Import Bank's programs are generally intended to supplement private credit markets. Terms and conditions on use of its facilities are set to permit the Bank to remain self-sustaining, while lending at rates more favorable than those available in the private sector in order to counteract the special terms foreign governments provide to support their exporters. By meeting foreign competition on a selective basis, the Bank is able to minimize the preemption of private credit by Federal programs while focusing its credit on areas of greatest need. The Bank's direct loans are estimated to increase sharply by $2.2 billion between 1977 and 1978 and by another $800 million in 1979 because of:

- a more active policy of meeting foreign official competition;
- increased creditworthiness of important developing countries; and
- some tightening of liquidity in the private sector.

The Export-Import Bank's guarantee and insurance authorizations are expected to increase by $1.8 billion in 1978 and $1.7 billion in 1979, for these same reasons.

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EXPORT-IMPORT BANK AUTHORIZATIONS

[In millions of dollars]

	1976 actual	1977 actual	1978 estimate	1979 estimate
Direct loan commitments	2,203	747	2,913	3,750
Discount loan commitments	935	473	500	500
Guarantees and insurance commitments	5,043	4,379	6,145	7,846
Total	**8,182**	**5,600**	**9,558**	**12,096**
Net Outlays	856	340	196	404

Supplementary Financing Facility of the International Monetary Fund (IMF).—The purpose of the Supplementary Financing Facility is to augment the ability of the IMF to assist member countries with balance of payments problems. The fund provides financial resources on a conditional and temporary basis, thereby allowing countries time to make required policy changes without resorting to abrupt and harmful restrictions on trade and payments. The size of payments deficits, which has resulted from the increases in the international price of oil and the worldwide recession, has greatly increased the potential need for IMF financing relative to currently available resources.

Major industrial and oil-exporting countries have agreed to make available 8,705 million Special Drawing Rights (approximately $10.5 billion) to the Supplementary Financing Facility in order to provide a prompt and substantial temporary increase in the Fund's resources. Meanwhile customary and more time-consuming negotiations for a periodic quota increase are being undertaken. The U.S. share is 1,450 million Special Drawing Rights (approximately $1.75 billion). Any amounts transferred to the IMF correspondingly increase the U.S. reserve position in the IMF and can be drawn on in case of U.S. balance of payments need. In essence, the transaction involves a switch of U.S. Treasury assets from dollars to international monetary reserves; thus, the $1.75 billion is not a budgetary figure. However, since the transaction is denominated in Special Drawing Rights, the United States could experience a gain on these assets if the dollar were to depreciate against the Special Drawing Right, or a loss if the dollar were to appreciate. Therefore, the the administration is requesting 1978 budget authority of $200 million to cover the contingency of an exchange loss. No outlays will result from this budget authority unless the United States incurs net exchange losses.

Foreign military sales trust fund.—U.S. law requires that sales of certain types of military equipment and services may be undertaken only by the Federal Government. The trust fund is the vehicle through which such sales of U.S. military equipment and services to

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foreign governments are made. Orders placed by foreign governments through the trust fund can be combined with orders by U.S. military departments, thereby lowering the costs for both the United States and foreign governments through larger volume procurement and shared research and development expenses. In 1979, the fund is expected to have a net budget authority of $3.1 billion and net outlays of $0.3 billion. The net budget impact of this fund in any year is very difficult to predict, however, because it is influenced by the timing of decisions of other governments. Therefore, actual outlays may deviate from these estimates.

Tax expenditures.—The major tax expenditure item in the foreign affairs function is the deferral of tax on the profits of domestic international sales corporations (DISCs). This provision was introduced in 1971 in an attempt to encourage exports. Changes in the international economic environment since then, primarily the introduction of flexible exchange rates, have reduced the need for the DISC provision. There is no clear evidence that any substantial portion of the expansion of exports since 1971 can be attributed to DISC. Under the President's tax reform proposals, DISCs would be phased out over 3 years beginning in calendar year 1979. Under current law the tax expenditures for DISC would be $1.3 billion in 1979.

The tax reform proposal would also phase out the provision for deferral of tax on the earnings of foreign corporations controlled by U.S. taxpayers over the same 3-year period. Under current law the income of such corporations is not subject to tax until it is repatriated to U.S. owners, thus tending to encourage investment in foreign countries with corporate tax rates below those of the United States. A tax expenditure of $665 million for 1979 is estimated on the basis of current law. Elimination of the provision would tax income from such investment, as compared with domestic investment, in a more nearly neutral fashion.

International affairs-related programs.—A number of Federal programs are related to international affairs although their primary purpose is to meet other national needs and serve other major missions. Almost every department of the U.S. Government has a bureau or office that focuses on international affairs. The most important program that is related to international affairs is the Commodity Credit Corporation (CCC), which provides credit at favorable interest rates for up to 3 years for agricultural exports. Outlays for CCC export credits are estimated to be $1.5 billion in 1979. Other major programs not classified as international, but which have international aspects, are the National Security Council, the Office of the Special Trade Representative, and the international research programs in the National Institutes of Health.

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CREDIT PROGRAMS—INTERNATIONAL AFFAIRS

[In millions of dollars]

Program	1977 actual	1978 estimate	1979 estimate
Security assistance:			
Direct loans:			
New loans	541	1,084	1,091
Repayments, sales, and adjustments (—)[1]	—264	—268	—259
Net credit outlays	277	816	832
Guaranteed loans:			
New loans	1,383	1,584	1,585
Net credit guaranteed	1,249	1,452	1,445
Economic development credit:			
Direct loans:			
New loans	404	385	352
Repayments, sales, and adjustments (—)	—276	—270	—296
Net credit outlays	128	115	56
Guaranteed loans:			
New loans	883	993	1,563
Net credit guaranteed	842	948	1,515
Food for peace:			
Direct loans:			
New loans	738	728	863
Repayments, sales, and adjustments (—)	—151	—106	—125
Net credit outlays	587	622	738
Export-Import Bank:			
Direct loans:			
New loans	1,787	1,627	1,788
Repayments, sales, and adjustments (—)[1]	—1,341	—1,292	—1,207
Net credit outlays	446	335	581
Guaranteed loans:			
New loans	4,379	6,145	7,846
Net credit guaranteed	397	1,564	2,579
Other assistance:			
Direct loans:			
New loans	1	1	1
Repayments, sales, and adjustments (—)	—35	—128	—133
Net credit outlays	—34	—128	—132

[1] Includes sale of loan assets.

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GENERAL SCIENCE, SPACE, AND TECHNOLOGY

National Needs Statement:

- Expand scientific knowledge through support of basic research in all fields of science.
- Develop a greater understanding of the Earth, the solar system, and the universe through space research and exploration.
- Develop and demonstrate more practical, economic, and productive applications of space technology.

The missions and programs that meet these national needs represent only a part of the Federal Government's funding for research and development, including basic research. Most Federal funding for research and development is included in other functional categories of the budget because it addresses specific national needs in such areas as national defense, energy, health, agriculture, and environment. Special Analysis P, "Research and Development," in the Special Analyses volume of the budget, discusses the full range of Federal research and development programs.

To help meet national needs in general science, space, and technology, the Federal Government will spend an estimated $5.1 billion in supporting the following major missions in 1979:

- General science and basic research: $1.3 billion.
- Space flight: $2.3 billion.
- Space science, applications, and technology: $1.2 billion.
- Supporting space activities: $0.4 billion.

To carry out these missions, special emphasis is given in this budget to:

- Increased funding for basic research as part of a Government-wide effort to continue real growth in the overall level of Federal support for such research.
- Continued development of the space shuttle system and procurement of four shuttle orbiters for operations from both east and west coasts.
- Development of a satellite system for measuring energy radiation to and from Earth, as part of the administration's climate research initiative.
- Development of a spacecraft to study the polar regions of the Sun for the first time.

The major missions in this function are supported by the programs shown in the following table.

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NATIONAL NEED: INCREASING BASIC SCIENTIFIC KNOWLEDGE AND USE OF SPACE

[Functional code 250; in millions of dollars]

Major missions and programs	Recommended budget authority for 1979	Outlays			
		1977 actual	1978 estimate	1979 estimate	*1980 estimate*
General science and basic research:					
National Science Foundation programs	939	753	825	857	*959*
Department of Energy general science programs	426	324	363	415	*425*
Smithsonian scientific information exchange activities	2	2	2	2	*2*
Subtotal, general science and basic research	1,368	1,078	1,190	1,274	*1,387*
Space research and technology:					
Space flight	2,247	2,252	2,192	2,264	*2,240*
Space science, applications, and technology	1,210	1,006	1,018	1,150	*1,285*
Supporting space activities	393	343	358	390	*424*
Subtotal, space research and technology	3,850	3,601	3,568	3,804	*3,949*
Deductions for offsetting receipts	−2	−2	−2	−2	*−2*
Total	5,216	4,677	4,757	5,077	*5,334*

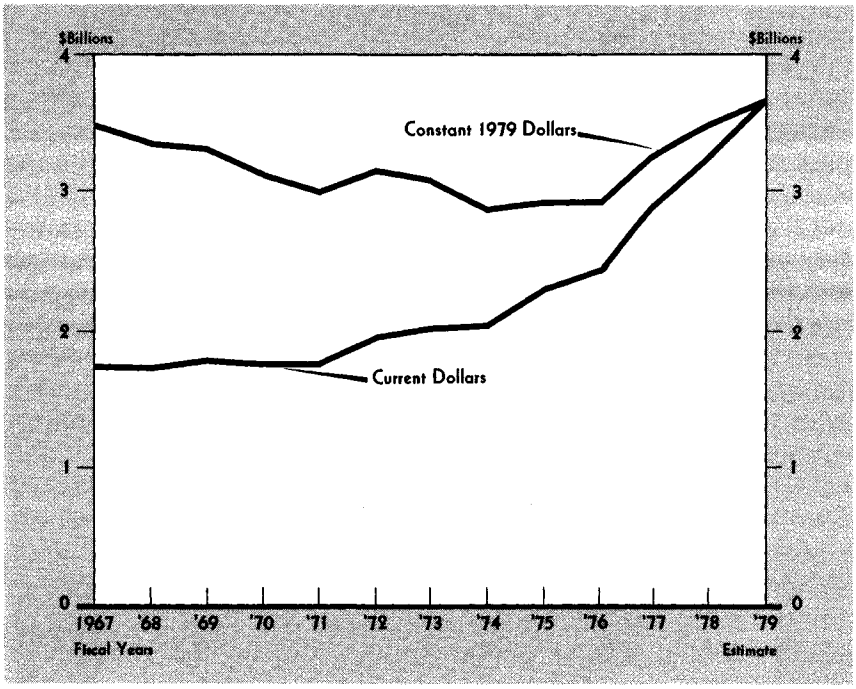
Basic Science

General science and basic research.—The 1979 budget recommends continued real growth in the overall level of Federal funding for basic research and an emphasis throughout the budget on research related to critical national problems. Total obligations for the conduct of basic research across all Federal programs, including basic research funded in other functional categories, are estimated at over $3.6 billion in 1979. This represents an increase of $359 million, 10.9% over the 1978 dollar level and about 5% above expected inflation.

Through basic research the Nation seeks to enhance its fundamental knowledge about natural phenomena to provide the foundation for applied research directed toward practical applications. The administration believes that the continued advancement of basic knowledge in all fields of science is essential to the continued growth of the economy and to the understanding and ultimate solution of problems in many

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Total Federal Obligations for Basic Research



areas of national concern, such as health, energy, environment, and national defense.

The Federal Government supports about two-thirds of the Nation's basic research. The private sector underinvests in such research because of the long-term nature and uncertainty of payoffs, and therefore, increased Federal support, as provided in the 1979 budget, meets an essential national need. The administration believes, however, that private investment in basic research is critical to the overall national effort and that industry also should seek to strengthen its level of support.

The allocation of funds provided in the 1979 budget for basic research was made by the administration following a review of the objectives of all agencies and departments with major research and development programs. This review focused not only on the need to maintain a vigorous national research effort in all areas of scientific inquiry but also on the need for accelerated basic research in areas of acute public concern and government responsibility.

The key programs that directly support the mission of general science and basic research are those of the National Science Foundation and the Department of Energy. Outlays for this mission are estimated to total $1.3 billion in 1979.

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National Science Foundation programs.—The budget recommends an increase in outlays for the National Science Foundation (NSF) from $825 million in 1978 to $857 million in 1979. Proposed obligations will, however, show a much greater increase: from $870 million in 1978 to $947 million in 1979, or nearly 9%.

The Foundation supports basic research because funding of such research by other Federal agencies in pursuit of their specific program objectives is not sufficient to advance science across all disciplines. The Foundation also funds programs in applied research in selected areas of national need and in science education at all levels.

In 1979, the Foundation proposes to emphasize basic studies related to long-term national problems, such as substitute materials for rare metals and the causes of variations in the climate (particularly as they relate to the carbon dioxide cycle). Higher levels are generally requested for science applications programs in 1979, following the 1978 reorientation of these programs. The program of earthquake-related basic and applied research and engineering will be accelerated.

Department of Energy general science programs.—An increase in outlays from $363 million in 1978 to $415 million is recommended in 1979 for research by the Department of Energy in high-energy physics, nuclear physics, and in the biomedical and life sciences.

The high-energy physics program supports studies of the fundamental properties and structure of energy and matter to obtain new scientific knowledge about the underlying forces of nature. High-energy physics research depends primarily upon the utilization of large national accelerator facilities. These facilities accelerate elementary particles, such as protons or electrons, and scatter them from target nuclei; observing these scattering processes is the key to this research. The energy saver project at Fermi National Accelerator Laboratory has moved from the research and development stage and is proposed as a construction project in 1979. This accelerator will be the most powerful fixed-target accelerator in existence. In addition, the intersecting storage accelerator project (ISABELLE), initiated in 1978, is to continue toward projected initial operation in 1986. This facility will be the highest energy colliding beam accelerator in the world and will make possible new experiments to investigate recent theories dealing with fundamental forces.

The nuclear physics program is concerned with experimental and theoretical studies of the properties and dynamics of atomic nuclei and the characterization of the forces that govern their interaction. These investigations are also largely carried out in national accelerator facilities. Construction of a high intensity uranium beam project at Lawrence Berkeley Laboratory will begin in 1979, and is scheduled for completion in 1981. This project will increase the ability of scientists to work with heavy atomic nuclei such as uranium.

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The life sciences and biomedical research program seeks better understanding of how physical and chemical agents interact with life processes in ecological systems and in human and animal populations. In addition, research is conducted to develop medical uses of nuclear technology, such as the use of stable and radioactive isotopes for disease detection.

Tax expenditures.—The tax code encourages private sector research and development, including basic research, by allowing expenditures for such purposes to be deducted as a current expense rather than capitalized and amortized over future years. The resulting tax expenditure is estimated at $1.5 billion in 1979.

Related programs.—As noted above, most of the Federal Government's basic research funds are allocated to other budget functions, since they directly support other specific national needs or missions. The following table lists obligations by agency for total Federal support for the conduct of basic research. It excludes funds for major facilities, such as those discussed above under Department of Energy general science programs. More detailed information is provided in Special Analysis P, "Research and Development."

FEDERAL OBLIGATIONS FOR THE CONDUCT OF BASIC RESEARCH

[In millions of dollars]

Functional code and agency	Basic research		
	1977 actual	1978 estimate	1979 estimate
Programs in general science, space, and technology function:			
250 National Science Foundation	625	688	755
250 Energy	260	283	292
250 National Aeronautics and Space Administration	414	468	520
Subtotal	1,299	1,439	1,567
Programs classified in other functions:			
550 Health, Education, and Welfare	753	863	992
270 Energy	129	150	176
050 Defense	294	321	364
350 Agriculture	201	245	262
300 Interior	129	158	164
500 Smithsonian	31	31	33
370 Commerce	23	27	31
300 Environmental Protection Agency	20	20	28
999 Other agencies	21	35	31
Subtotal	1,601	1,850	2,081
Total	2,900	3,288	3,647

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Space Research and Technology

The missions of space research and technology have in recent years been focused heavily on the development of new space capabilities, most importantly the space shuttle. This administration intends to give increased emphasis to the use of existing capabilities for scientific and practical applications, in contrast to the development of major new capabilities beyond the shuttle, such as a large manned space station. The total outlays for these missions are expected to increase from $3.6 billion in 1978 to $3.8 billion in 1979. The 1979 budget maintains the current momentum in the shuttle development program, makes provision for early transition to the operational shuttle system, and recommends new initiatives in space science and applications.

Space flight.—These programs are carried out to enhance the Nation's capability to operate in space and to provide space transportation services to Government, commercial, and foreign users. Outlays for these programs are estimated to be $2.3 billion in 1979.

In 1979, outlays of $1.4 billion are recommended for continued development and production of the space shuttle system. The space shuttle will meet our Nation's need for space transportation capabilities, will increase the flexibility and productivity of space missions, and will lower the total cost of space operations. The space shuttle, the first reusable space vehicle, offers unique advantages over current expendable launch vehicles. These include retrieval of payloads from orbit for reuse; service and repair of satellites in space; and operation of space laboratories, such as the European-built Spacelab, for scientific and practical purposes. One of the possible practical applications envisioned is the production of improved, high-purity materials utilizing the weightless, high-vacuum environment of space.

The shuttle development program is now at its peak period of activity. The first shuttle vehicle has successfully completed a series of approach and landing tests. The first test flight in orbit is scheduled for 1979, with regular operations scheduled to begin in 1980. When fully operational, the shuttle transportation system will replace virtually all expendable launch vehicles currently used by the Department of Defense or by NASA for its own missions and for other Government, commercial, and international customers.

In formulating the 1979 budget, the administration has reviewed the projected demands for use of the space shuttle and proposes the procurement of four operational shuttle orbiters to provide launch services from both the east and west coasts. The orbiter is the reusable part of the shuttle that returns with the crew to Earth. The decision to procure four operational shuttle orbiters, as compared with the five orbiters proposed in the 1978 budget, is expected to re-

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sult in significant cost savings in future years. The procurement of any additional orbiter capacity can be considered in future years in the event that projected flight rates or the accidental loss of an orbiter warrant such action. A four-orbiter shuttle fleet should encourage early transition from expendable rocket boosters for civilian and military purposes and will meet expected launch traffic well into the 1980's.

Space science, applications, and technology.—The Federal Government supports fundamental studies and exploration of the solar system and the universe, demonstrations of practical applications of space-based systems, and development of space technology either to reduce the cost of operations in space or to make possible new applications of space technology. Total outlays for such programs are expected to increase from $1.0 billion in 1978 to $1.2 billion in 1979.

The Government assumes responsibility for space science and exploration, as part of its overall support for basic research. Space-based observations provide a unique vantage point for studies of the Earth's space environment, the Sun, the planets, and stars not possible from ground-based observatories because of the obscuring effects of the atmosphere. As part of such investigations the administration is proposing a new space mission to orbit the Sun that will, for the first time, study solar activity and radiation near the Sun's polar regions. Previous observations of the Sun and its radiation have focused on the region of the Sun that faces the Earth. The study of the Sun's polar regions should contribute to our basic understanding of the Sun's effect on the Earth's atmosphere and climate. The mission will involve two spacecraft, one funded by the United States and the other by the European Space Agency. This cooperative approach is consistent with administration efforts to seek international cost sharing and participation in expensive space science projects.

The budget request also provides for continued development of several science projects approved in prior years. The space telescope will allow scientists to observe galaxies and other sources of radiation that are at far greater distances than those that can be observed from ground-based observatories. The telescope will be launched by the space shuttle in 1983. Work will also continue on the Jupiter orbiter and probe mission, the next step in the systematic exploration of the planets. Other projects such as operation of the Viking-Mars spacecraft will be extended to gather additional data.

Development and demonstrations of practical applications of space technology are recommended in various areas to explore potential

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uses of space technology to meet national needs. As part of the administration's initiative in climate research, the 1979 budget proposes funds for an Earth radiation budget satellite system. The Earth's radiation budget is the amount of solar energy absorbed by the Earth in a given region minus the energy emitted back to space by that region. Knowledge of how the Earth's radiation budget varies by region and over time is considered important to understanding and ultimately to forecasting climate variations.

The 1979 budget also proposes continued development of satellites to monitor the Earth's land surfaces and oceans. A major effort is continuing to investigate the potential benefits of using satellites to survey the Earth's resources on a recurring basis. An estimated $71 million will be spent in 1979 on the further development of the Landsat-D satellite, the fourth in a series of experimental Earth resources satellites. Landsat-D, scheduled for launch in 1981, is expected to enhance the experimental use of satellites in a variety of applications, such as forecasting agricultural crop production. This spacecraft will include a new instrument, the thematic mapper, with higher resolution and increased capabilities for detecting and monitoring Earth resources. It will also carry a multispectral scanner used on the current Landsat spacecraft; this will extend the continuity of Landsat data for foreign and domestic users.

Supporting space activities.—In 1979, outlays of $390 million are recommended to provide tracking and data relay support for NASA space science and applications flight missions.

CREDIT PROGRAMS—GENERAL SCIENCE, SPACE, AND TECHNOLOGY

[In millions of dollars]

Program	1977 actual	1978 estimate	1979 estimate
Satellite leases:			
Guaranteed loans:			
New loans	57	198	154
Net credit guaranteed	57	198	154

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ENERGY

National Needs Statement:

- Reduce dependence on foreign oil in the near term and minimize the potential effects of supply disruptions.
- Prepare the U.S. economy to withstand the effects of higher energy prices resulting from continuing growth in demand coupled with the declining availability of world oil supplies.
- Develop renewable and essentially inexhaustible sources of energy for sustained economic growth through the next century.
- Develop advanced nuclear power systems that will limit the potential for international proliferation of nuclear weapons.
- Protect the environment while achieving the Nation's energy goals.
- Assure that energy policies and programs are fair, equitable, and fiscally sound.

The days of abundant and cheap energy are drawing to a close. America faces new energy realities. Domestic reserves of oil and natural gas, the Nation's predominant energy sources since World War II, have been dwindling since 1970. Oil, natural gas, and other possible substitutes for oil and natural gas, are expected to become increasingly costly. In the United States, the potential for increased supplies is limited, and global production capacity will eventually be similarly limited. At the same time, demand for energy is increasing. This imbalance between rising demand and limited production capacity lies at the heart of the energy problem.

The transition from an age of abundant, cheap petroleum and natural gas to one of increasing scarcity will be made in stages under the administration's energy policies. Various conservation measures will reduce the demand for energy in general and for oil and natural gas in particular, while conversion measures will increase the use of more abundant, conventional energy resources. The development of a strategic petroleum reserve will help to protect the economy against the effects of possible disruptions of foreign oil supplies. Over time, the stock of capital goods, including buildings and cars, will have increased energy efficiency, reflecting the new realities of petroleum scarcity. Thus, the United States will be able to withstand better the effects of worldwide decreases in production capacity. Over the long run, the United States and the world will need renewable energy

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sources to maintain economic growth and to improve standards of living.

The national energy plan, presented to the Congress last April, is designed to encourage energy conservation, to promote a shift to more plentiful and permanent energy supplies, to provide greater investment certainty, to encourage greater production in the United States, and to develop renewable energy resources. The plan also protects the Federal budget from unreasonable burdens, and gives balanced consideration to the concerns of both consumers and producers.

The legislative initiatives that were submitted with the national energy plan would provide the pricing and tax incentives to promote conservation, greater production from existing domestic resources, and the conversion from the use of oil and natural gas to a greater use of more abundant fuels. The major proposals are:

- A crude oil equalization tax on existing domestic production to raise the price of petroleum products to their replacement value. Expected tax revenues would be refunded to individuals on a per capita basis, either in the form of tax refunds or direct payments.
- An industrial oil and natural gas consumption tax on certain industrial and utility use to accelerate the conversion to facilities that use coal and other nonpetroleum fuels and to stimulate greater conservation. Refunds of the tax would be available by making investments in equipment that uses nonpetroleum fuels.
- A new oil and natural gas pricing policy that would encourage the development of new domestic supplies and eliminate the distinction between interstate and intrastate natural gas markets.
- An automobile fuel-efficiency ("gas guzzler") tax to encourage conservation with all revenues refunded as subsidies for the purchase of fuel-efficient vehicles.
- A regulatory program to prohibit the use of new oil and natural gas burning equipment in certain industrial and utility applications.
- Individual tax credits for insulating residences and installing solar energy equipment.
- Business tax credits to promote investment in more energy-efficient equipment or modifications of existing structures and equipment, cogeneration facilities (those that produce electricity and steam simultaneously), coal conversion, and solar energy equipment.
- New or more stringent energy-efficiency standards for buildings and appliances.
- Reform of utility rates to promote the more efficient use of electricity.

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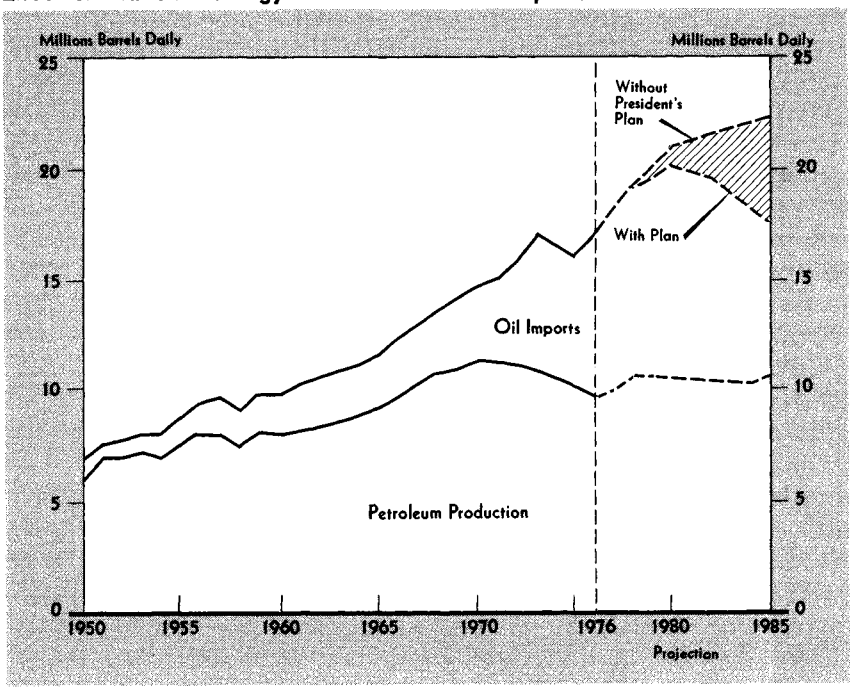
- Provision of weatherization grants for low-income housing, schools, and hospitals, as well as technical assistance and energy audits for public buildings.
- A vigorous program to develop renewable and nearly inexhaustible resources for future energy needs.

The effect of these proposals on U.S. petroleum production and imports is shown in the following chart.

The budget and tax proposals in this budget support the national energy plan. Taxes are also discussed in Part 4, budget receipts. The budget proposals that address our national needs in energy are distributed among the following major energy missions:

- Energy conservation: to encourage the efficient use of energy in all forms, but particularly oil and natural gas; $1.4 billion in outlays proposed for 1979, and, in addition, $1.2 billion in new tax expenditures.
- Energy supply: to encourage the development of additional energy resources and technologies that will increase production from domestic energy resources, particularly those that can substitute for increasingly scarce oil and natural gas; $4.1 billion in outlays proposed for 1979.

Effect of National Energy Plan on Petroleum Imports



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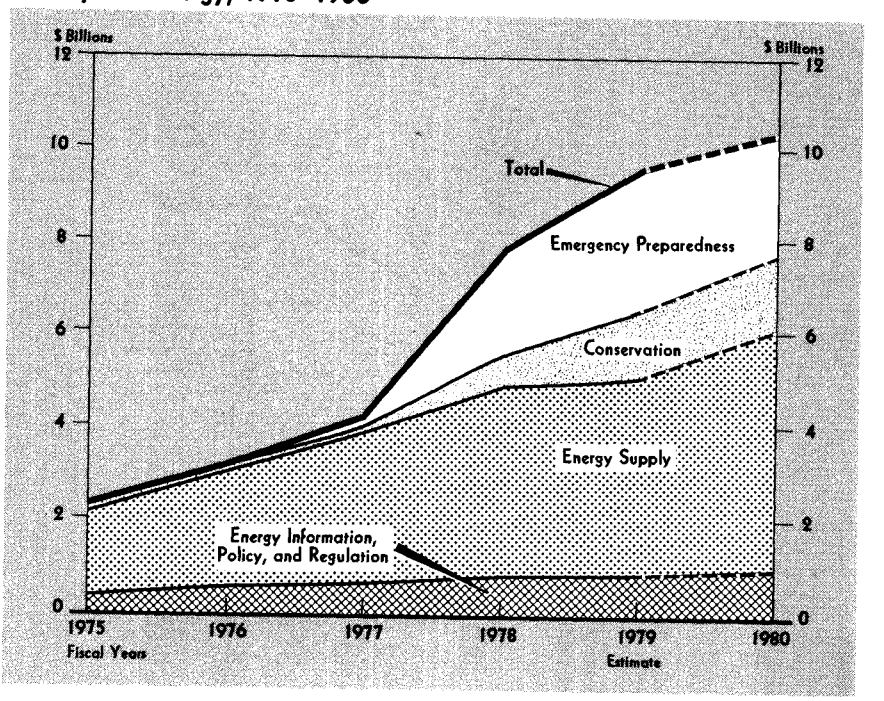
- Emergency energy preparedness: to develop the means to withstand disruptions in the supply of imported oil; $3.3 billion in outlays proposed for 1979.
- Energy information, policy, and regulation: to ensure that national needs with respect to energy are met in an efficient and equitable manner; $0.9 billion in outlays proposed for 1979.

Direct payments of the refunds from the crude oil equalization tax are presented in the income security function.

To help carry out the missions, special emphasis is given in this budget to:

- a 188% increase in outlays for energy conservation grants to States, with major emphasis on schools, hospitals, and homes of low-income individuals, and a 33% increase in outlays for conservation research and development;
- expansion of the energy extension service to a nationwide program to provide energy information to individuals, farmers, and small businesses;
- completion of a thorough analysis of possible advanced nuclear fuel cycle and breeder reactor options, coupled with a strong, but reduced program in liquid metal fast breeder reactor technology development;

Outlays for Energy, 1975–1980



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- substantial increases in the commercial nuclear waste management program, to ensure that by 1985 (the earliest practicable date) the capability will exist to store safely and permanently radioactive wastes from nuclear power plants;
- initiation of a solvent refined coal demonstration plant (one that eliminates many of the pollutants present in coal), and the continuation of demonstrations in other areas of cleaner coal combustion and conversion of coal to liquids and gas;
- increased emphasis on methods of producing electricity directly from solar radiation and on new ways of substituting wood for oil and natural gas;
- development of technology to aid in the use of solar generated steam in conventional electric plants;
- full funding of the first 500 million barrels of the strategic petroleum reserve, and further work toward the goal of a strategic reserve of 1 billion barrels by 1985; and
- initiation of the energy information systems proposed in the national energy plan to obtain more reliable and detailed information on oil and natural gas reserves and production, oil and natural gas company financial data, and local energy supplies and demand for dealing with emergencies.

The major missions in this function are supported by agency programs as shown in the following table.

Energy conservation.—This major mission incorporates outlays and tax expenditures for the development and application of more energy-conserving technology, grants and technical assistance to promote conservation practices, and other activities such as energy-efficient standards for major new appliances. Proposed outlays will increase from $0.6 billion in 1978 to $1.4 billion in 1979.

Technology development.—These conservation programs are aimed primarily at conducting research and developing new technologies to make more efficient use of energy. In addition, these programs also emphasize development of techniques to substitute for oil and natural gas. Outlays for these programs are proposed to increase to $324 million, or a 33% increase over 1978. Reduced emphasis will be placed on those programs concerned with further development and commercial demonstration of newly developed technology, as this type of activity is more appropriately facilitated by national energy plan measures other than direct research and development assistance, such as tax incentives and utility rate reforms. The proposed funding increases will provide for greater emphasis on building performance standards and a 66% increase in funding for research and development for cogeneration, waste heat utilization, and

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NATIONAL NEED: ENERGY

[Functional code 270; in millions of dollars]

Major missions and programs	Recommended budget authority for 1979	Outlays			
		1977 actual	1978 estimate	1979 estimate	*1980 estimate*
Energy conservation:					
Technology development	385	127	244	324	*439*
Grants, efficiency standards, and technical assistance	625	16	208	578	*622*
Automobile fuel-efficiency tax refunds (proposed legislation)	500	.....	150	500	*500*
Subtotal	1,510	143	601	1,402	*1,561*
Energy supply:					
Research, development, and demonstrations:					
Nuclear fission	815	836	935	828	*815*
Commercial nuclear waste	187	67	126	163	*184*
Fossil	727	452	582	689	*1,110*
Renewable resources	874	434	663	792	*925*
Environmental	324	271	329	327	*328*
Supporting technology	232	136	170	218	*235*
Uranium enrichment	1,399	1,070	1,301	1,383	*1,752*
Uranium enrichment revenues	−1,209	−658	−966	−1,209	*−1,250*
Proposed legislation	−163	.....	.....	−163	*−169*
Petroleum reserves	385	107	488	512	*284*
Petroleum reserve receipts	−553	−379	−492	−553	*−551*
Power marketing	154	1,150	1,314	1,430	*1,723*
Other offsetting receipts	−304	−219	−262	−304	*−312*
Subtotal	2,869	3,266	4,190	4,113	*5,074*
Emergency energy preparedness	4,255	123	2,273	3,284	*2,853*
Energy information, policy, and regulation:					
Regulation:					
Federal Energy Regulatory Com	44	35	35	42	*44*
Economic Regulatory Administration	60	50	51	59	*60*
Nuclear Regulatory Commission	331	231	275	307	*320*
Energy information	63	37	46	61	*64*
Administrative expenses (DOE)	503	311	392	458	*480*
Proposed legislation	5	.....	.....	3	*22*
Subtotal	1,006	664	799	930	*990*
Deductions for offsetting receipts	−95	−23	−26	−95	−95
Total	**9,544**	**4,172**	**7,837**	**9,634**	*10,384*
ADDENDUM					
Off-budget Federal entity: Rural electrification and telephone revolving fund	.....	394	62	.....	.....

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for other substitutes for oil and natural gas. Recommended increases also include the development of advanced propulsion systems for automobiles (for example, turbine engines) and electric and hybrid vehicles, as well as improved technologies for storing energy. The budget recommends that the program for evaluating the energy inventions of individuals and small businesses be continued, along with the program to develop small-scale technologies for energy conservation.

Grants, efficiency standards, and technical assistance.—These programs are designed to encourage energy conservation activities by individuals, businesses, nonprofit institutions, and government entities. Outlays are estimated at $578 million in 1979, as compared to $208 million in 1978. Outlays for energy conservation grants to States are proposed to increase 188% from 1978, in keeping with the national energy plan. Major emphasis will be placed on the funding of energy conservation improvements for schools, hospitals, and the homes of low-income individuals. Grants for State planning of State and local energy conservation activities will continue under these budget proposals. The budget also includes funds for the expansion of the energy extension service to a nationwide program. The service is expected to provide energy information to individuals, farmers, and small businesses. Funding is also proposed for other national energy plan initiatives, such as utility rate reforms and the development of minimum efficiency standards for major home appliances. Legislation to improve State grant programs will be proposed after completion in the spring of a study on the role of State governments in implementing energy policy and programs.

Automobile fuel-efficiency tax refunds.—The national energy plan includes an automobile fuel-efficiency ("gas-guzzler") tax with all revenues to be refunded as subsidies for the purchase of fuel-efficient vehicles.

Tax expenditures to encourage conservation.—The national energy plan proposes the use of tax expenditures, which had previously been reserved for energy production, to promote conservation of scarce energy resources. The principal tax expenditures proposed are:

- tax credits to individuals to encourage the installation of insulation and the use of solar equipment in private residences; and
- tax credits to businesses for thermal efficiency, cogeneration, coal conversion, and solar equipment.

These tax credits would result in tax expenditures of $0.8 billion for individuals and $0.4 billion for businesses in 1979.

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Energy supply.—The programs that support this major mission are designed to encourage development of additional energy resources and use of technologies to increase production from domestic energy resources, especially those that can substitute for increasingly scarce oil and natural gas. Included are substantial outlays for research, development, and demonstration in all areas of energy production, with increased emphasis on the disposal of nuclear waste materials, and the development of renewable or inexhaustible energy technologies. In addition, the Government is directly responsible for the enrichment of uranium to fuel nuclear reactors and the management of the naval petroleum reserves, several power marketing administrations, and the Tennessee Valley Authority. Over time, revenues offset the budget outlays for the uranium enrichment activities and power marketing administrations.

Net outlays for energy supply are expected to be $4.1 billion in 1979, compared to $4.2 billion in 1978 and $3.3 billion in 1977. Outlays for nonnuclear energy supply programs will increase in 1979 by 11% despite the overall reduction in net outlays for energy supply. The net reduction results from substantial increases in receipts planned or proposed to be received from energy supply programs and a reduced emphasis on nuclear fission research and development.

Research, development, and demonstrations.—Two major premises with respect to Federal support of energy supply research and development are (1) that its contributions will be realized, almost without exception, only by the midterm (1990–2000) and beyond; and (2) that it should complement and augment, not displace, private sector efforts. The appropriate Federal role in energy research and development is to concentrate on technologies that not only have high potential for energy production or savings to the Nation, but also have such technical risk or lengthy periods of development that the private sector would not normally pursue them on its own or in a timely manner. Federal efforts are less appropriately applied where the technical risk is low, development time is relatively short, or an intimate knowledge of the market is required.

The advanced *nuclear fission* research and development program has been redirected from its former primary emphasis on early commercial introduction of the plutonium fueled liquid metal fast breeder reactor. The program objective now is development of advanced nuclear systems that minimize the risks of international nuclear weapons proliferation. As part of this effort, the completion of a thorough analysis of the various possible advanced nuclear fuel cycle and breeder reactor options is given high priority. Total outlays in 1979 are estimated at $828 million.

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The maintenance of a strong but reduced base technology effort for the liquid metal fast breeder reactor is proposed; cancellation of the demonstration plant at Clinch River, Tenn., an unnecessarily expensive project based on an outmoded technology, is again recommended. The budget includes funds to accelerate investigations of alternative breeder concepts, especially those that do not involve fuels that can be readily used to produce nuclear weapons. Also recommended is a program of intensified research on advanced nonbreeder nuclear technologies. The goal of this effort is to increase the efficiency of nuclear fuel consumption in order to avoid a premature commitment to the commercialization of breeder technologies which carry with them high risks of nuclear weapons proliferation. A strengthened effort to determine domestic and international nuclear fuel resources is proposed to provide a more accurate basis for determining when advanced nuclear technologies will be required. The budget also supports a new research effort in the Department of Energy on means to improve operating safety margins in current generation nuclear reactors.

The administration believes that development and demonstration of a safe and environmentally acceptable technology for the permanent disposal of nuclear waste is necessary to ensure that nuclear power can continue to make a contribution to meeting the Nation's energy requirements. The administration, through the *commercial nuclear waste* management program, is committed to resolving all remaining waste management issues and is currently reviewing the programs of the Department of Energy aimed at disposing of both civilian and defense nuclear wastes. The proposed budget provides the resources necessary to develop and demonstrate by 1985 (the earliest practicable date) an effective means for permanently disposing of nuclear wastes to ensure the continued use of current generation nuclear power plants. Outlays for 1979 are estimated to be $163 million, 29% above 1978.

The *fossil* energy program is designed to enhance our capability to develop the Nation's fossil energy resources: coal, natural gas, and petroleum. One of the major problems with current fossil technologies, mainly coal, is the unacceptable level of pollution. Accordingly, a substantial part of the fossil energy research program is directed at finding and developing technologies that can reduce coal pollution problems. Outlays for the fossil energy program are estimated at $689 million for 1979, an increase of approximately 18% over the 1978 level.

The 1979 budget for the fossil energy research program include significant increases for coal conversion (liquefaction and gasification), and coal utilization (fluidized bed combustion, magnetohydrodynamics, advanced turbines, and advanced fossil research). The pro-

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gram includes the initiation of a solvent refined coal demonstration plant in addition to the continuation of previously initiated coal gasification demonstration plants. Efforts are also included to develop enhanced oil and natural gas recovery techniques and to develop oil shale technology.

The advanced coal mining technology and coal preparation research and development programs were transferred from the Bureau of Mines to the Department of Energy to permit a more integrated approach to the problems concerning the production and use of coal. The advanced coal mining technology program seeks to improve the efficiency of coal mining operations consistent with health, safety, and environmental standards. The estimated 1979 outlays for the mining program are $67 million, which includes $5 million to initiate a program that will explore alternative surface mining techniques. In addition, in order to ensure that the Government's fossil energy development program is consistent with the Nation's environmental goals, some of the programs previously funded in the Environmental Protection Agency's environmental control technology program are proposed to be funded by the Department of Energy and incorporated into its fossil energy research and development program. In addition, funding is provided to the Environmental Protection Agency for some activities previously funded in the environmental research and development program in the Department of Energy as discussed below.

The goal of the inexhaustible and *renewable resources* programs is to develop and demonstrate clean, safe, and economically viable new technologies in the following areas: solar (including power from wind and ocean sources), geothermal, small hydropower, biomass (use of organic waste products and crops for fuel), and fusion. Outlays for these programs are estimated at $792 million for 1979, an increase of 19% over 1978. This proposed higher level of outlays will be used for increased research in solar photovoltaics (technologies designed to generate electricity directly from the Sun), solar air-conditioning, wind and geothermal energy, and the development of new technologies for small-scale applications using wood to substitute for oil and natural gas. Also, the first major pilot plant project to produce electricity from solar generated steam will be continued and modified to improve its potential for use with conventional electric plants.

The rapidly growing market for use of solar energy in homes and commercial buildings will be assisted by national energy plan initiatives such as tax credits, the increased use of solar power in Federal buildings, dissemination of information, and the development of consumer protection criteria for solar buildings technology. Also, additional research and development will continue to develop economical solar air-conditioning technology. The solar heating demon-

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stration activities, which provided early widespread experience, are proposed to be phased out, while a limited number of air-conditioning demonstrations are planned to continue as economical technology becomes available.

This budget also provides for a 17% increase in outlays for magnetic fusion research. The program is directed toward proving the experimental feasibility of this technique of producing energy through the controlled fusion of hydrogen atoms.

Both the Department of Energy and the Environmental Protection Agency conduct *environmental* research to determine the consequences of the byproducts of energy production and use on human health and the environment. The results of this research are used to set pollution standards and regulations, as well as to determine priorities for research in fossil, fission, and other energy technologies. Increased funding is proposed for the carbon dioxide research program, which will intensify efforts to determine whether increasing amounts of carbon dioxide in the atmosphere due to the use of fossil fuels may reach levels that could cause changes in world climate. Certain health and environmental research activities previously funded in the Department of Energy are now funded in the Environmental Protection Agency to improve the scientific basis of future pollution standards and regulations.

The *supporting technology* programs include basic research and technology assessments that support all energy technologies. The budget recommends that nonnuclear basic research programs continue to expand to increase understanding of fundamental phenomena associated with the production of energy from fossil and renewable resources. The Department of Energy is initiating a new program to draw together scientific and engineering resources to address problems that are common to more than a single energy technology program. Outlays for supporting technology are estimated at $218 million in 1979, a 28% increase over 1978.

Uranium enrichment.—In 1979, the Department of Energy will continue operating three uranium enrichment plants. These plants produce enriched uranium (uranium in which the fissile-energy producing-isotopes are concentrated) for use in domestic and foreign commercial plants as well as for use in weapons by the U.S. Government. Proposed outlays for uranium enrichment activities will reach $1.4 billion in 1979. Proposed increases allow for the continuation of the project at Portsmouth, Ohio, to build the first full-scale facility to use the new centrifuge enrichment technology; expansion of the existing plants to be completed in 1981; and further engineering work on the diffusion and gas centrifuge uranium enrichment processes.

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Uranium enrichment revenues.—Presently, prices charged commercial customers for enrichment services are calculated to recover only current budgetary expenses of the program and depreciated capital investments in plants. The administration has proposed legislation to increase the price to one that returns a fair value on the taxpayer's investment in this service; that is, an amount for estimated taxes and a reasonable return on the capital investment would be added to current charges. No noticeable impact on the Consumer Price Index is expected from this action, and thus no significant impact on consumers is anticipated. Uranium enrichment revenues are estimated at $1,372 million for 1979, which includes $163 million as a consequence of the proposed legislation.

Petroleum reserves.—In 1976, the Congress directed that oil production should be increased at the naval petroleum reserves located in California and Wyoming in order to reduce U.S. dependence on imported oil. Oil is sold at competitive prices, with receipts deposited in the Treasury. U.S. Government production in 1979 is expected to be about 115,000 barrels per day, with revenues expected to be $553 million in 1979. Funding in 1979 will provide $385 million in budget authority for continued exploration of the California and Wyoming reserves, development of pipelines, and production costs. With respect to the national petroleum reserve in Alaska, the 1979 budget provides for the continuation of (1) studies of the area to define (a) alternative potential land uses, to be completed in April 1979, and (b) the best procedures for development of any commercial quantities of petroleum resources in it, to be completed in January 1980; and (2) the exploration program to characterize better the petroleum resource potential of the reserve. Through 1979, the multiyear exploration program will provide reasonable information to characterize the petroleum resources of the reserve. The exploration program will be completed with funds provided in the 1979 budget, except for some contractor closeout costs.

Power marketing.—Outlays for power marketing programs are estimated at $1.3 billion in 1978 and $1.4 billion in 1979. These outlays are primarily for the nuclear power plant construction programs of the Tennessee Valley Authority. In addition, they incorporate estimates for the five Federal power marketing administrations of the Department of Energy, which transmit and market power from Federal hydroelectric projects. Revenues from the sale of electricity offset most of these outlays. Also included are the administrative expenses of the Rural electrification and telephone revolving fund (R.E. & T.R.F.).

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New direct loan commitments from the R.E. & T.R.F. are estimated to be not less than $985 million in 1979 (not less than $735 million nor more than $885 million for rural electric borrowers to provide electric service to rural areas, and not less than $250 million for rural telephone borrowers to furnish and improve telephone service to rural areas). Loans from the R.E. & T.R.F. bear interest at either 2% or 5%, and are to be repaid within 35 years. By statute the loans, advances, budget authority, and outlays are excluded from the budget. In addition, the Rural Electrification Administration will guarantee an estimated $4,000 million in loans made by the Federal Financing Bank and other qualified lenders to rural electric borrowers at rates agreed upon by the borrower and lender.

Tax expenditures to encourage production.—Tax expenditures also encourage the development and production of energy and mineral resources. Exploration and development expenses (mostly for oil and natural gas) may be treated as current costs rather than as capital investments, which would have to be amortized over a number of years. This provision is expected to provide a $1.3 billion tax incentive to develop energy and mineral resources in 1979. Another tax provision allows the use of percentage depletion rather than actual cost depletion. Although sharply curtailed for oil and natural gas in 1975 legislation, the percentage depletion is still expected to provide a $1.5 billion tax incentive for mineral production in 1979, with most of that amount for fossil fuel production. As a part of the national energy plan, the provision for expensing intangible drilling costs would be expanded to encompass geothermal energy resources.

Emergency energy preparedness.—This major mission consists of contingency planning and the development of the strategic petroleum reserve. In combination, these programs will increase the ability of the United States to withstand the effects of major disruptions in world petroleum markets and to fulfill its obligations under the international energy program. The Energy Policy and Conservation Act (EPCA) of 1975 requires the creation of a 500 million barrel reserve by 1982. The administration is committed to completing storage of 500 million barrels by December 1980 and to developing a 1 billion barrel reserve by 1985. The Department of Energy began storing crude oil in July 1977. The oil is stored in salt domes (natural salt formations) along the Texas and Louisiana gulf coast. Further development of storage facilities (and their associated pipelines and docking facilities) and storage of oil will continue in 1979.

Budget authority of $4.3 billion is requested for 1979 for this major mission; outlays are estimated at $3.3 billion in 1979, as opposed to

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$2.3 billion in 1978. Almost all of the budget authority requested reflects full funding for the second 250 million barrels of oil scheduled to be stored by the end of 1980. Proposed 1979 outlays include $72 million for initial facilities for the third 250 million additional barrels.

Energy information, policy, and regulation.—This mission seeks to assure that national energy needs are met in an efficient and equitable manner. This task has been enhanced by the creation of the Department of Energy in 1977, which gathered all of the Federal Government's energy information and policy functions and most of the energy regulatory functions into one agency. Outlays for these programs are expected to increase from $799 million in 1978 to $930 million in 1979.

Regulation.—Federal Government regulation of the energy area includes controls over the economic, commodity flow, and safety aspects of the energy industry. Economic regulation includes price controls on interstate sales of electricity and natural gas as well as sales of crude oil and refined products. Control over commodity flows includes allocation of petroleum and its refined products as well as contingency measures such as gasoline rationing during energy emergencies. Safety responsibilities include civilian uses of nuclear material and nuclear energy as well as private hydroelectric projects.

The *Federal Energy Regulatory Commission*, formerly the Federal Power Commission and now an autonomous unit of the Department of Energy, is responsible for licensing private hydroelectric facilities, regulating rates and services of public utilities selling electricity in interstate commerce at wholesale, approving interstate natural gas prices, and regulating transportation tariffs on oil and natural gas pipelines. The Commission plans to meet increasing workload problems by improved management, including an internal reorganization, and greater reliance on computer processing.

The responsibilities of the newly created *Economic Regulatory Administration* in the Department of Energy include pricing and allocating crude and refined petroleum products, enforcing compliance with those regulations, and promoting coal conversion. Total estimated outlays for the Economic Regulatory Administration are $59 million, an increase of $8 million over 1978. Several significant internal changes that are taking place in 1978 and will continue into 1979 include:

- the concentration of petroleum compliance personnel on auditing major refiners to complete audits of 18 major refiners within an 18-month period;
- a reduction in personnel in programs related to petroleum product pricing and allocation because of planned gasoline decontrol;

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- an increase in personnel to develop and initiate a new coal utilization program under the national energy plan with a phase-out of the existing program; and
- the establishment of a new office to initiate a review and revision of petroleum regulations.

The *Nuclear Regulatory Commission* (NRC) was established in 1975 to assure public health and safety through the regulation of all civilian uses of nuclear materials and nuclear energy. NRC regulates the siting, construction, and operation of all civilian nuclear reactors, nuclear fuel storage, and waste disposal of radioactive materials. The NRC also conducts a nuclear safeguards program to prevent the loss or diversion of nuclear materials, and a research program to produce information needed to confirm the data and analytic methods that form the basis for nuclear licensing standards and regulations.

In keeping with the national energy plan, the NRC is changing its inspection program to improve the effectiveness of its regulatory activities by providing a resident, full-time inspector for nuclear reactors when a reactor is either in the late stages of construction or in operation. NRC is also moving administratively to decrease the amount of time necessary to license a nuclear power plant, and the administration will propose legislation to improve the NRC licensing process. Budget authority is expected to increase from $292 million in 1978 to $331 million in 1979. Much of this increase reflects the funding in NRC of safety-related research facilities, formerly funded by the Department of Energy, needed by the Commission to confirm NRC's regulatory standards and procedures.

Energy information.—The *Energy Information Administration* in the Department of Energy provides a source of publicly available data and analysis separate from the policy formulation activities within the Department. The merger of previously dispersed Federal energy data collection efforts into this agency is expected to improve the credibility and accessibility of energy data and analysis. The estimated budget outlays of $61 million provide increased funding for the energy information systems, proposed by the President in the national energy plan, to obtain more detailed and reliable information on oil and natural gas reserves and production, as well as financial reports from major petroleum-producing companies. This budget proposal also provides funding for a major survey of residential energy use that will substantially improve the accuracy and reliability of energy consumption data.

Administrative expenses (Department of Energy).—Appropriations for these activities provide for the expenses associated with providing

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policy direction in energy matters and program management. They also cover several activities that cannot be allocated by program, such as energy conservation activities within Department of Energy installations and facilities. Legislation is proposed to handle the decontamination and decommissioning of inoperative radioactively contaminated facilities such as research reactors that are no longer needed or obsolete, as well as uranium mining waste.

CREDIT PROGRAMS—ENERGY

[In millions of dollars]

Program	1977 actual	1978 estimate	1979 estimate
Energy programs:			
Direct loans:			
New loans	--------	--------	--------
Repayments, sales, and adjustments (—)	—6	—6	—6
Net credit outlays	—6	—6	—6
Guaranteed loans:			
New loans	2	87	70
Net credit guaranteed	2	87	60
Off-budget Federal entity—Rural Electrification Administration:			
Direct loans:			
New loans	875	1,035	1,250
Repayments, sales, and adjustments (—)	—276	—755	—1,045
Net credit outlays	599	280	205
Guaranteed loans:			
New loans	1,222	3,142	3,389
New credit guaranteed	1,222	3,142	3,380

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NATURAL RESOURCES AND ENVIRONMENT

National Needs Statement:

- Protect the public health and welfare by assuring a clean environment with special emphasis on the protection of air and water quality and the control of particularly injurious pesticides, hazardous wastes, and toxic substances.
- Provide for the conservation and development of public lands, water, timber, and other natural resources.
- Ensure the provision of recreational opportunities to the Nation's people and the preservation of natural areas, historic sites, and fish and wildlife.
- Improve our knowledge and understanding of the atmosphere and the Earth's structure, environment, and resources.

Intelligent stewardship of America's natural resources and environment on behalf of all the Nation's people is a prime responsibility of government.

Government at all levels must work together to protect our most important resource—human health—from the hazardous effects of toxic substances and other pollutants. The resources of the commons—our air, water, and land—must be preserved and enhanced in order to support future economic growth as well as life itself.

The Government also must provide intelligent management of the public lands. These resources, which belong to all citizens, must not be carelessly squandered in disregard of sound environmental principles. At the same time, the Government must assure that minerals, timber, and other resources on the public lands are developed prudently for the benefit of all.

Finally, the Government helps to preserve the places and things that give the Nation continuity by safeguarding important elements of our Nation's natural, historic, cultural, and scientific heritage.

To help meet our national needs for using and preserving our natural resources and improving the environment, the budget proposes that $12.2 billion in 1979 be spent for the following major missions:

- Pollution control and abatement: to cooperate with and assist States in controlling and reducing air, water, and land pollution so as to protect the public health and welfare: $5.6 billion.

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- Water resources: to develop and manage water resources so as to balance economic benefits with the need to preserve the environment: $3.4 billion.
- Conservation and land management: to develop and manage land resources so as to provide for a variety of uses of federally owned lands and to encourage conservation on private lands: $1.6 billion.
- Recreational resources: to provide our people with recreation opportunities and to preserve the best of our natural and historic heritage: $1.5 billion.
- Other natural resources: to increase our understanding of the Earth and its surroundings: $1.3 billion.

To help carry out these missions, special emphasis is given in this budget to:

- Substantially increasing personnel and funding, including grants, to protect the quality of the Nation's drinking water.
- Materially strengthening our efforts to improve the quality of this country's air and water through increased Federal activities and grants to States.
- Accelerating control of air and water pollution caused by Federal facilities that are identified to be in violation of pollution standards.
- Initiating in 1978 and increasing in 1979 cooperative efforts with the States to regulate surface mining of coal to prevent permanent land degradation and to reclaim land previously damaged by such mining.
- Initiating the national heritage program to protect unique natural areas and historic sites for the enjoyment of current and future generations.
- Significantly increasing the appropriations from the land and water conservation fund to $725 million for grants for land acquisition and development and for Federal purchase of lands to enhance outdoor recreational opportunities.
- Reviewing Federal lands for the possible addition of areas to the national wilderness preservation system to protect their wilderness characteristics.
- Expanding efforts to develop the ability to understand and anticipate climatic fluctuations so that the Nation can better prepare for the effects of climatic anomalies.

The major missions in this function are supported by the programs as shown in the table on the following page.

Pollution control and abatement.—The mission of controlling and reducing air, water, and land pollution is carried out by the Federal Government both directly and through State and local

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NATIONAL NEED: USING AND PRESERVING NATURAL RESOURCES, AND IMPROVING THE ENVIRONMENT

[Functional code 300; in millions of dollars]

Major missions and programs	Recommended budget authority for 1979	Outlays			
		1977 actual	1978 estimate	1979 estimate	*1980 estimate*
Pollution control and abatement:					
Sewage plant construction grant program	4,500	3,530	4,135	4,660	*5,000*
Regulatory and research programs	1,024	750	812	905	*987*
Oil pollution liability and compensation fund (proposed legislation)	180	-------	-------	50	*50*
Subtotal, pollution control and abatement	5,704	4,279	4,947	5,615	*6,037*
Water resources	3,284	3,241	3,686	3,392	*3,461*
Conservation and land management:					
Management of national forests and forestry research	1,570	1,109	1,516	1,407	*1,575*
Management of public lands	386	367	362	382	*379*
Surface mining reclamation	109	-------	48	70	*198*
Conservation of agricultural lands	388	468	685	432	*403*
Other, including offsetting receipts	−697	−665	−532	−711	*−687*
Subtotal, conservation and land management	1,755	1,279	2,079	1,579	*1,869*
Recreational resources:					
Land and water conservation fund	755	344	472	554	*589*
Operation of recreational resources	1,003	670	851	980	*1,049*
Migratory bird conservation (proposed legislation)	11	-------	-------	11	*11*
Subtotal, recreational resources	1,769	1,014	1,323	1,545	*1,649*
Other natural resources	1,331	973	1,175	1,268	*1,254*
Deductions for offsetting receipts	−1,178	−786	−1,084	−1,178	*−1,163*
Total	12,664	10,000	12,125	12,222	*13,106*

governments who are supported by Federal financial and technical assistance. Outlays are estimated to increase from $4.3 billion in 1977 to $4.9 billion in 1978 and $5.6 billion in 1979.

Sewage plant construction grants.—Under authority of the Federal Water Pollution Control Act of 1972, the Federal Government pro-

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vides grants to State and local agencies for 75% of the costs of planning, designing, and constructing municipal wastewater treatment facilities. With over 11,295 projects currently underway, nearly all of the $18 billion authorized under the act has been obligated. The administration is committed to an additional $45 billion over the next 10 years to assure that the construction of wastewater treatment facilities meets our national water quality goals.

The Environmental Protection Agency intends to spend over $19 million in 1979 to reimburse the Corps of Engineers for the supervision of construction activities on wastewater treatment facility projects. This will result in more efficient management of the construction grants program. The Corps' experience in the area of public works construction will increase safeguards against fraud and other improprieties in the use of nearly $5 billion in Federal funds annually.

Regulatory and research programs.—Consistent with its firm commitment to eliminate public health hazards, the administration proposes a substantial increase in both funds and personnel to ensure that the quality of the Nation's drinking water is adequately protected by the States and localities. A 29% increase in budget authority over the 1978 level is requested for the drinking water program. Included in the proposal is an increase of 36% in grant assistance. A sixfold increase in personnel for the enforcement program is recommended to begin expanded efforts to correct violations of standards.

The administration will also propose amendments to the Safe Drinking Water Act to define more precisely the respective responsibilities among the Federal Government, the States, and localities in protecting local drinking water supplies. The legislation will reemphasize the intent of the act that the States must have the primary responsibility for assuring that the standards are enforced.

The administration proposes increases in budget authority of $56 million and 165 positions for the air quality program in 1979. In addition, a thorough review of the air quality program has resulted in a substantial redirection of resources to high-priority activities identified by the recently enacted Clean Air Act Amendments. These changes will result in increased emphasis on grants to States, setting of standards for new stationary sources of pollution, better enforcement of existing air quality standards, and expanded programs to study ambient air problems of photochemical oxidants and toxic fine particulates. The new positions will be devoted primarily to enforcement actions.

The administration intends to integrate the Department of Transportation's transportation planning process with the Environmental Protection Agency's air quality planning requirements to ensure that

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transportation systems contribute to meeting air quality health standards in regions where these standards are not now being met.

In an effort to solidify further the Federal/State partnership in improving the Nation's environment, the administration supports the 49% increase in budget authority for grants to support States and localities in operating their environmental programs enacted for 1978, and recommends an additional 3% increase in 1979. In addition, a proposal to consolidate grants for air, water quality, drinking water, and solid waste programs will be submitted separately. This initiative will provide States and local governments with increased flexibility to respond to local pollution problems and to initiate and develop abatement and control strategies.

This budget also proposes a major emphasis on the control of toxic substances. Personnel increases of 82% and budget authority increases of 96% over 1978 are recommended. The increases reflect the priority placed on the effective control of toxic substances as an important part of the Environmental Protection Agency's preventive health mission. The administration continues to seek passage of its comprehensive oil pollution liability and compensation legislation to assure adequate and timely compensation for damages and cleanup costs resulting from oil spill pollution.

Budget resources in support of the mission of pollution control and abatement are included in agencies other than the Environmental Protection Agency, and, where their primary purpose is the support of other national needs, are classified in other functional categories. For example, the Environmental Protection Agency has identified over 140 major violations of pollution standards by Federal facilities and has notified the agencies affected that they must comply with pollution standards. In response, the administration has ensured that each agency's proposed budget includes sufficient funding for pollution control projects to halt these violations in line with compliance schedules approved by the Environmental Protection Agency. Several agencies also are proposing funding a number of projects for facilities that will reduce pollution to avoid future violations.

The following table summarizes the financing of pollution control and abatement activities that are classified as meeting these as well as other national needs. For further details see Special Analysis O, "Environment."

Tax expenditures for pollution control result from the exclusion of interest on pollution control bonds from income subject to tax. The facilities financed by these bonds are privately owned, even though the bonds are nominally issued by State or local governments. Under current law the resulting tax expenditure would be $385 million in 1979. The tax reform proposals would eliminate the tax-exempt

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POLLUTION CONTROL AND ABATEMENT—INCLUDING PROGRAMS ASSIGNED TO OTHER MISSIONS

[In millions of dollars]

	Outlays 1977 actual	Obligations		
		1977 actual	1978 estimate	1979 estimate
Environmental Protection Agency (largely subfunction 304):				
Water:				
Construction grants or loans	3,530	7,501	4,000	5,000
Other water	307	256	386	372
Air	177	165	190	224
Other [1]	352	386	488	463
Subtotal	4,366	8,308	5,064	6,059
Other programs:				
Water:				
Construction grants or loans	178	442	117	152
Other	500	534	587	654
Air	303	345	333	324
Land	136	114	135	133
Other [1]	346	471	416	511
Subtotal	1,463	1,906	1,588	1,774
Total	**5,829**	**10,214**	**6,652**	**7,833**

[1] Includes toxic substances control, waste management, noise, radiation, and pesticides.

status of newly issued bonds because tax exemption is an inefficient subsidy. The tax code would be amended, however, to permit the full 10% investment tax credit to be claimed for such facilities in cases where the facilities are amortized over 5 years.

Water resources.—The mission of water resources development is to manage and control our water resources in order to attain the benefits of water resource projects while preserving the quality of the environment. The Federal Government carries out its responsibilities with a careful regard for the role of State and local governments.

The Federal Government is involved in a wide range of activities in support of this mission:

- flood control;
- irrigation and water conservation;
- development and maintenance of inland waterways and harbors;
- hydroelectric power development;
- municipal and industrial water supply development;

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- recreation and wildlife preservation; and
- erosion control.

Outlays for this mission are estimated to decrease from $3.7 billion in 1978 to $3.4 billion in 1979.

The involvement of the Federal Government in water resources development has grown in piecemeal fashion over the years without a unified and consistent policy. A major policy study is now underway in an effort to evaluate the state of our water resources and to develop policies and programs consistent with that evaluation. The administration wants to improve the efficiency, consistency, and contribution to environmental quality and to water conservation of Federal water programs. Presidential recommendations on water resources policy are expected to be transmitted to the Congress early in the calendar year 1978. Although no new water resource construction projects are proposed in this budget, the administration may recommend some new project starts in conjunction with the water resources policy recommendations. In addition, other program and project recommendations in this budget may be amended at that time.

The 1979 budget includes outlays of $16 million for the Corps of Engineers to continue a non-Federal dam safety inspection program initiated by the President in 1978. Under this program, the Federal Government will finance the one-time inspection of approximately 9,000 high-hazard dams and assist the States in training personnel to establish adequate State dam safety programs to continue this activity in the future.

The recommended outlay levels in the 1979 budget for projects now being constructed by the Corps of Engineers and Bureau of Reclamation are expected to result in slightly reduced work levels and completion delays for some projects as compared to the schedules in the 1978 budget. High-priority projects, such as hydroelectric power, urban flood damage reduction, and municipal and industrial water supply, will be kept on schedule. Delays are anticipated in the construction of the Auburn Dam in California, pending a current review of geologic conditions, and the Garrison diversion project in North Dakota, pending a resolution of legal and international questions. Should these problems be resolved satisfactorily, any additional funds that may be required will be requested.

Estimated 1979 outlays for the planning of future water projects in the Corps and Bureau of Reclamation are slightly below 1978. Two kinds of Corps of Engineers studies are proposed for termination: those for which it is unlikely that a worthwhile project will ever result, and those whose primary purpose is not a high-priority Federal water resources mission.

The following table shows construction projects that have been funded with year-to-year appropriations and that need future budget

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authority for their completion. Because the total budget authority does not appear in any one budget year, the full costs of these projects are often not clearly displayed. For example, the proposed 1979 budget authority of $2.1 billion for water resources projects will have to be supplemented by an additional $19.0 billion in budget authority in future years to complete the projects. The total cost of these projects is estimated at over $41 billion.

Other Corps and Bureau of Reclamation activities, such as the operation and maintenance of completed projects, are expected to continue at approximately the same level as in 1978, as are the water resource activities of the Soil Conservation Service.

Federal water resources activities supplement and complement other national needs and missions. For instance, canals and rivers provide a transportation service; flood control investments reduce disaster assistance; irrigation and drainage projects increase farm production; Federal hydroelectric power meets part of the Nation's energy needs; and Federal water resources planning constitutes an integral part of the Nation's environmental protection activities.

Conservation and land management.—Federal lands total about 760 million acres, or 33% of the country's area, of which nearly 300 million acres are in Alaska. The conservation and land management mission is carried out through a program of Federal land management that strives for an optimal balance among various uses. Federal lands are managed to conserve and develop natural resources, including timber and wildlife habitats; to provide recreation opportunities on

WATER RESOURCES CONSTRUCTION PROJECTS IN THE 1979 BUDGET THAT REQUIRE FUTURE BUDGET AUTHORITY

[In millions of dollars]

Agency and program	Budget authority			
	Already approved prior to 1979	Proposed for 1979	Additional needed to complete	Total
Corps of Engineers—Civil:				
Construction, general	9,999	1,400	7,142	18,541
Flood control, Mississippi River and tributaries	2,519	151	3,267	5,937
Department of Agriculture:				
Soil Conservation Service	2,009	143	1,368	3,520
Department of Interior:				
Bureau of Reclamation:				
Colorado River Basin salinity control projects	121	42	400	563
Construction and rehabilitation	4,770	270	4,889	9,929
Colorado River basin project	471	73	1,056	1,600
Upper Colorado River storage projects	481	66	828	1,375
Total	**20,370**	**2,145**	**18,950**	**41,465**

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national forests and other public lands; and to encourage conservation efforts, including watershed protection and development, on private lands. Total outlays are estimated to increase from $1.3 billion in 1977 to $2.1 billion in 1978 but decrease to $1.6 billion in 1979.

Management of national forests and forestry research.—The Forest Service administers the National Forest System, conducts a comprehensive forest and range research program, and carries out cooperative forestry programs with States and private landowners. Proposed 1979 budget authority for these activities totals $1,570 million, a decrease of $68 million from 1978 ($54 million of this decrease is due to lower estimates of budget authority required for firefighting). Reductions from the large increases approved for 1978 also are proposed in national forest management, cooperative forestry, and construction programs. These decreases are partially offset by increases for road construction and other forestry programs.

The proposed budget for the Forest Service is considerably less than that suggested by the reports prepared pursuant to the Resources Planning Act. This act requires the Secretary of Agriculture to recommend to the Congress his preferred level of funding for the Forest Service. However, the proposed budget, together with the assistance provided by the Young Adult Conservation Corps (financed by the Department of Labor and discussed in the education, training, employment, and social services function), provides sufficient resources for managing an aggressive program. Management of the national forests will continue to emphasize both the need for timber and the need to protect the environment. Planned timber sales total 11.5 billion board feet in 1979, the same as planned for 1978. The budget anticipates over 213 million visitor-days of recreation use. Possible additions to the national wilderness preservation system are currently under review. Programs of monitoring and enforcing standards of water quality, managing habitats for the preservation of endangered and threatened species of wildlife and plants, and restoring rangeland will continue.

Management of public lands.—The Bureau of Land Management administers the public lands that embrace 470 million acres or 20% of the country of which 276 million acres are in Alaska, as well as 840 million acres of subsurface rights vested in Federal ownership. In addition, it has jurisdiction over the 1.1 billion acres of the Outer Continental Shelf. In managing these areas the Bureau strives for an optimal balance among timber, grazing, mineral development, and other uses. Revenues collected from mineral leasing, grazing fees, timber sales, land and materials sales, and rights-of-way leases are estimated at $707 million in 1978 and $790 million in 1979. Outer

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Continental Shelf receipts are included in the section on undistributed offsetting receipts. The administration proposes that grazing fees gradually be increased to attain fair market value in 1980.

Outlays for the Bureau of Land Management are proposed to increase from $362 million in 1978 to $382 million in 1979. This increase will support increased data collection needed for better range management decisions, and also finance the new land-use decisionmaking and enforcement responsibilities required by the 1976 Federal Land Policy and Management Act. Additional personnel will be available for land management activities from the Young Adult Conservation Corps. Funds are also requested for environmental baseline studies to the extent needed for environmental impact statements related to Outer Continental Shelf lease determinations. Five lease sales on the Shelf are planned in 1979. The budget recommends oil-development related studies of the Alaskan marine environment, for which relatively little ecological information currently exists. Finally, funding is proposed for studies of the environmental effects of transporting oil and natural gas from offshore production facilities.

Surface mining reclamation.—The new Office of Surface Mining Reclamation and Enforcement was established in 1977. Its two program goals are to prevent the permanent degradation of land due to surface mining of coal, and to reclaim land previously damaged by such mining. Total outlays are estimated to be $48 million in 1978 and $70 million in 1979.

The first goal will be accomplished through the development and enforcement of regulations that set standards for surface mining of coal. The program is designed to have States assume responsibility for enforcement. As an incentive for States to assume this responsibility, the budget proposes that the Federal Government provide several types of aid, including grants and technical assistance. The Office will have an oversight role in those States that assume regulatory responsibility, and will have full responsibility for enforcement in States that do not exercise this option.

Top priority in reclamation will be given to developing an inventory of lands requiring reclamation to ensure that the most urgent problems are addressed first with regard to the second goal. Budget authority of $71 million is requested to conduct such an inventory and to begin projects that remedy the most serious reclamation problems. These projects will be undertaken by the Office of Surface Mining, the Soil Conservation Service of the Department of Agriculture, and by those States that have approved regulatory programs.

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Conservation of agricultural lands.—Several programs contribute to this mission which is to protect and maintain the long-term productive capacity of the Nation's rural lands through technical and financial assistance to conservation districts, State and local governments, and private landowners.

The decrease in outlays from $685 million in 1978 to $432 million in 1979 reflects program reforms including the consolidation of the great plains program with the agricultural conservation program. Resource conservation and development program funds will be directed toward completion of ongoing projects rather than initiating new ones. The 1979 budget stresses technical assistance, data collection, and dissemination. Cost sharing assistance will be directed toward the alleviation of non-point-source pollution, the treatment of critically eroding lands, and conservation measures which provide long-term benefits in contrast to measures which provide short-term benefits or production enhancement. This emphasis on enduring practices should produce more effective use of all funds (Federal, State, local, and private) for conservation purposes.

Other conservation and land management.—The Department of Commerce's National Oceanic and Atmospheric Administration promotes the rational use and conservation of our coastal areas by helping States and territories develop and carry out coastal zone management programs. It also provides grants for the construction of public facilities required as a result of coastal related energy development activities. This agency is also responsible for designating sanctuaries to protect important marine and estuarine areas.

Budget authority for these programs is proposed to increase from $51 million in 1978 to $57 million in 1979. In 1979, all eligible States and territories will receive Federal grants for the planning and administration of their coastal zone management programs. Increased funding for the coastal energy impact formula grant program is requested to help those States affected by the anticipated expansion of Outer Continental Shelf oil and gas developments. Expansion of the national marine and estuarine sanctuaries program is also planned.

Recreational resources.—To accomplish this mission, the Federal Government acquires and operates national parks, recreation areas, historic sites, wild and scenic rivers, fish hatcheries, and wildlife refuges. Facilities are provided for visitors and the production of fish and wildlife. Grants and technical assistance are provided to States for planning, acquiring, developing, and managing areas for recreation, fish and wildlife conservation, and the preservation of historic places. Research on these subjects is also conducted.

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Outlays for these programs are estimated to increase to $1.5 billion in 1979 as compared to $1.3 billion in 1978 and $1.0 billion in 1977.

National heritage program.—This is a new program proposed by the administration to conserve the best of the Nation's natural and historic heritage. It will be financed through the historic preservation fund and the land and water conservation fund. States and local governments will be encouraged through grants and technical assistance to select, set priorities, and preserve outstanding and unique areas of scenic, wild, geologic, ecological, or historic importance. States will make an inventory of such places and nominate them for addition to national lists to be compiled by the Department of the Interior. Federal development programs will not be allowed to affect adversely those listed places determined to be of national significance.

The program will be administered by the Bureau of Outdoor Recreation. The Bureau will have transferred to it the historic preservation functions of the National Park Service.

Land and water conservation fund.—This fund provides grants to States for recreational land acquisition and development. It also funds the Federal purchase of recreational lands and the conservation of natural resources such as national parks and endangered species of wildlife.

Appropriations for the land and water conservation fund are recommended at a record level of $725 million in budget authority in 1979. This will provide—

- $370 million for matching grants to States. Under the national heritage program, for which $64 million is earmarked, land acquisition for preservation purposes will become an additional eligible use of these grant funds.
- $347 million for the acquisition of land for parks, wildlife refuges, and recreation areas by four Federal agencies: the National Park Service, the Forest Service, the Fish and Wildlife Service, and the Bureau of Land Management. This will practically eliminate the backlog of land acquisition at those areas specifically authorized by the Congress for purchase.
- $8 million for administering the fund.

Operation of recreation resources.—Under this program diverse activities are conducted necessary to the operation of the national park and wildlife refuge systems, namely providing facilities and services for visitors and managing the natural resources within these areas. In addition, these activities encompass grants, research, and technical assistance in the subjects of recreation, fish and wildlife, and historic preservation. Outlays are estimated to increase to $980 million in 1979 from $670 million in 1977, and $851 million in 1978.

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The administration has proposed more than doubling the nationwide acreage set aside for national parks and wildlife refuges through the designation of 92 million acres in Alaska, which are of outstanding scenic value and importance to the preservation of wildlife. Some of these areas are proposed to be preserved to retain their wilderness characteristics. Other areas are proposed for designation as wild and scenic rivers.

The bicentennial land heritage program provides funds for the operation, construction, and rehabilitation of facilities at national parks and wildlife refuges. This program will be in its third year in 1979, but at a somewhat lower level of construction than earlier planned. This reduction reflects the concern that over-development will adversely affect the character of our national parks and wildlife refuges.

Budget authority of $45 million for the historic preservation fund is recommended in 1979 as part of the new national heritage program. This fund is used for grants to States.

The Fish and Wildlife Service's mission is to manage wildlife refuges, comprising 34 million acres, operate 89 fish hatcheries, conduct research on fish and wildlife, administer a program to protect endangered species, and provide grants to States to assist them in managing fish and wildlife. Legislation is proposed to increase the price of migratory bird conservation stamps; the receipts are used to acquire migratory bird habitat.

The National Park Service develops, operates, and maintains the National Park System, comprising 294 areas totaling about 31 million acres. Total visits to these areas are expected to increase by about 4% to 283 million in 1979. The budget provides operating funds to keep pace with expected increases in workload at the parks.

Other natural resources.—These activities are primarily directed at increasing understanding of the atmosphere, and the Earth's structure and environment. To accomplish this mission, the Geological Survey, the National Oceanic and Atmospheric Administration, and the Bureau of Mines operate a wide range of activities.

The Geological Survey conducts national geologic and mineral resources surveys, including the identification of geologic hazards, such as earthquakes; water resources investigations; and topographic surveys and mapping. It also supervises Federal mineral leases and the exploration for petroleum resources in the national petroleum reserve in Alaska; funds for the latter program are included in the energy function. Outlays for the resource programs of the Geological Survey are estimated at $394 million in 1979, increasing from $302 million in 1977 and $373 million in 1978.

Increased levels of funding in 1979 are recommended for oil and natural gas lease sales on the Outer Continental Shelf, studies related

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to the safe disposal of radioactive wastes, and analyses of regional underground resources of water.

The National Oceanic and Atmospheric Administration conducts marine- and atmosphere-related research and environmental monitoring; produces maps and charts for navigation; manages our fisheries resources; protects marine mammals and endangered species; and operates a national system to monitor and predict weather conditions.

An increase in budget authority from $627 million in 1978 to $661 million in 1979 is proposed for the operations of this agency. In 1979 it plans to undertake major studies to determine the effects of pollutants, including oilspills, on the marine ecosystem; expand its efforts to manage fisheries within the recently established 200-mile zone; expand efforts to protect endangered species; and improve weather warning and forecasting services.

Expanded interagency climate program efforts are proposed with the National Oceanic and Atmospheric Administration as the lead agency. Total budget authority requested for the Federal climate program across various agencies is $104 million, an increase of $28 million over 1978. The objective of this program is to develop the ability to understand and anticipate seasonal and long-range climatic fluctuations so that the Nation can better prepare for the effects of climatic anomalies.

The Bureau of Mines conducts research and administers various programs to develop and conserve the Nation's mineral resources and to diminish the adverse effects of mining on the environment. Outlays for these programs are estimated to be $128 million in 1979.

Credit programs.—Loans and grants are made to State and local organizations for the construction and rehabilitation of small water resource projects. Loans are also made for the construction of irrigation, municipal, and industrial water distribution systems, which utilize water from Federal reclamation projects. Drought emergency loans made in 1977 and 1978 are not anticipated in 1979.

CREDIT PROGRAMS—NATURAL RESOURCES AND ENVIRONMENT

[In millions of dollars]

Program	1977 actual	1978 estimate	1979 estimate
Bureau of Reclamation loan program and other:			
Direct loans:			
New loans	29	56	21
Repayments, sales and adjustments (−)	−3	−4	−4
Net credit outlays	26	52	16

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AGRICULTURE

National Needs Statement:

- Assure sufficient agricultural production to meet domestic needs and to capture a fair share of growth in export markets through a healthy and efficient agriculture.
- Provide an adequate return to farmers based on the cost of production.
- Dampen fluctuations in food prices.
- Provide further capability to increase farm returns and output through expanded research and assistance to farmers in putting the knowledge gained through research to work.
- Improve health through human nutrition and food safety.
- Improve the efficiency and reliability of domestic and export agricultural marketing systems.

To help fulfill national needs in agriculture in 1979, the Federal Government will spend an estimated $5.4 billion in support of the following missions:

- Farm income stabilization: $4.2 billion.
- Agricultural Research and Services: $1.3 billion.

The major missions are carried out through the agency programs shown in the table on the following page. The recently passed omnibus Food and Agricultural Act of 1977 has set the stage for many agriculture programs for the next 4 years, particularly price support and research programs.

Farm income stabilization.—This mission is the major Federal involvement in the agricultural sector.

During the last 2 years, the supply-demand situation for the major crops has been reversed. Shortages have been eliminated and excessive supplies are once again burdening markets. To deal with this situation, the administration has adopted a supply management policy that will allow us to store agricultural surpluses for future use while attempting to bring production in future years into better balance with demand.

The budget for this mission has increased substantially in 1978 and 1979 over earlier years because of declining prices for many of the extensively grown farm products and administrative and legislative actions to offset the adverse consequences of those declines on net farm income. The Federal Government is committed to support the prices to producers of major crops at levels based on the average cost

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NATIONAL NEED: IMPROVED AGRICULTURE

[Functional code 350; in millions of dollars]

Major missions and programs	Recommended budget authority for 1979	Outlays			
		1977 actual	1978 estimate	1979 estimate	*1980 estimate*
Farm income stabilization:					
Price support and related programs	5,022	3,809	7,299	4,276	*3,212*
Proposed legislation	478	-------	-------	-------	-------
Federal Crop Insurance Corporation	12	91	122	27	*20*
Agriculture credit insurance fund	144	393	183	−388	*218*
Other programs	37	31	38	42	*47*
Unallocated salaries and expenses	228	160	223	224	*223*
Subtotal, farm income stabilization	5,920	4,485	7,865	4,180	*3,719*
Agricultural research and services:					
Research programs	530	415	498	511	*487*
Extension programs	262	240	268	263	*262*
Marketing programs	74	95	72	74	*74*
Proposed legislation	2	-------	-------	1	*1*
Animal and plant health programs	222	192	220	219	*256*
Economic intelligence	133	105	125	133	*135*
Other programs	54	11	52	54	*57*
Unallocated overhead	72	45	64	71	*71*
Offsetting receipts	−59	−51	−55	−59	*−59*
Proposed legislation	−7	-------	-------	−7	*−10*
Subtotal, agricultural research and services	1,282	1,052	1,244	1,259	*1,272*
Deductions for offsetting receipts	−6	−11	−3	−6	*−6*
Total	**7,197**	**5,526**	**9,106**	**5,433**	*4,985*

of production. In addition, grain reserves are being established in 1978. However, 1979 outlays will be lower than 1978 by $3.7 billion.

Price supports.—Price support operations are conducted by the Commodity Credit Corporation. Total outlays for price support and related programs are estimated to rise from $3.8 billion in 1977 to $7.3 billion in 1978 due to the factors previously described. However, acreage set-asides established for 1978 crops of wheat and feed grains and completion of grain reserve acquisition in 1978 are expected to result in sharply lower outlays in 1979 of $4.3 billion. Since agricultural production is largely determined by weather, the outlay estimates for 1979 and 1980 carry a large element of conjecture. These estimates assume normal weather, here and abroad, which usually results in an abundance of farm products. In the absence of acreage set-asides,

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COMMODITY CREDIT CORPORATION OUTLAYS

[In millions of dollars]

Function and program	1977 actual	1978 estimate	1979 estimate	*1980 estimate*
Agriculture:				
Price support and related programs:				
Commodity loans	3,464	6,116	4,525	*3,926*
Commodity purchases	974	1,615	958	*868*
Direct payments	594	2,421	1,956	*2,330*
Grain reserve and reseal storage payments	--------	182	278	*306*
Short-term export credit sales	755	1,700	1,500	*1,250*
Interest expenditures	106	348	777	*905*
Other price support operations	364	442	408	*417*
Receipts and adjustments	−2,448	−5,525	−6,126	*−6,790*
Subtotal, price support and related programs	3,809	7,299	4,276	*3,212*
Other activities	10	84	−11	*43*
Subtotal	3,820	7,383	4,265	*3,255*
International affairs:				
Food for Peace:				
Gross outlays	1,258	1,386	1,413	*1,550*
Receipts and reimbursements	408	318	344	*361*
Subtotal	850	1,068	1,069	*1,189*
Total Commodity Credit Corporation outlays	4,670	8,451	5,334	*4,444*

normal weather would result in substantially higher outlays for income stabilization programs.

An important element of the administration's food and agricultural policy is the establishment of food reserves as a hedge against crop failure here and abroad. Two reserves are being created: a farmer-held grain reserve and an international emergency wheat reserve. Having these reserves on hand will help to dampen price fluctuations.

Agricultural credit insurance fund.—Agricultural loans, including emergency loans from the agricultural credit insurance fund, increased sharply in 1977 when more than two-thirds of the counties in the United States were declared eligible for emergency financial assistance because of adverse weather conditions. The impacts of such loans will continue during much of 1978. Loan volume is expected to decline from $2.4 billion in 1977 and $2.9 billion in 1978 to $2.1 billion in 1979 because of more normal weather and the expiration of the emergency livestock loan guarantee program. Currently, the Small Business Administration also provides loans for such crop losses. In order to avoid overlap with loan programs of the Farmers Home Administra-

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CREDIT PROGRAMS—AGRICULTURE

[In millions of dollars]

Program	1977 actual	1978 estimate	1979 estimate
Price support and related commodity loans:			
Direct loans:			
New loans	4,376	7,935	6,018
Repayments, sales and adjustments (−)	−1,751	−4,963	−5,220
Net credit outlays	2,626	2,972	797
Agricultural and emergency credit programs and other:			
Direct loans:			
New loans	2,549	3,054	2,601
Repayments, sales and adjustments (−) [1]	−2,322	−3,063	−3,233
Net credit outlays	227	−10	−632
Guaranteed loans: [2]			
New loans	1,733	2,342	2,103
Net credit guaranteed	984	1,542	1,219

[1] Includes sale of loan assets.
[2] Includes loans counted as direct loans of other accounts.

tion, the 1979 budget reflects a proposal to delete farm lending assistance under the Small Business Act.

Crop insurance.—Farmers are offered insurance against crop losses from natural hazards by the Federal Crop Insurance Corporation. Federal crop insurance is available in selected counties for selected crops to cover the farmers' variable production costs. Indemnity payments are estimated to total $168 million in 1978 and $98 million in 1979. In addition, the CCC provides disaster payments partially to offset reductions in income from supported crops due to adverse weather conditions. Outlays for these disaster payments are estimated to be $522 million in 1978 and $357 million in 1979. The administration is currently reviewing its disaster aid programs for farmers, including emergency loans (estimated at $1.2 billion in 1978 and $578 million in 1979) financed by the agricultural credit insurance fund. The administration is considering recommendations for eventually replacing certain disaster aid programs with insurance programs to meet needs for protection from losses from natural disasters.

Agricultural research and services.—This mission is to improve production and marketing efficiency through better technology. It also provides information on agricultural markets, at home and abroad, controls and suppresses plant and animal pests and diseases, and regulates the marketing of farm products.

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Research and extension.—Research helps increase agricultural productivity resulting in more abundant domestic supplies, a large volume of competitively priced exports, and more nutritious food products. Proposed outlays of $774 million are recommended for agricultural research and extension services in 1979, about the same level as in 1978. Budget authority of $35 million will be redirected, principally from marketing and tobacco research, formula grants, and construction. This permits proposals for increases in nutrition ($14 million), conservation and natural resources ($3 million), small farm and integrated pest management research ($5 million), and basic plant research ($9 million).

Emphasis will be placed on carrying out needed research through competitive grants and contracts with non-Federal organizations. The advantages of extramural research include: more options in research resources, a broader range of scientific skills that can be tapped and a substantial reduction in the administrative burden and in the number of Federal employees.

Animal and plant health.—The Federal Government carries out a number of programs to prevent the introduction and spread of plant and animal pests and diseases that could result in severe losses in yields or in the output of livestock products. Estimated outlays for these services in 1979 total $219 million, about the same as in 1978.

Tax expenditures.—The use of cash rather than accrual accounting, and the treatment of certain farm income as capital gains results in tax expenditures estimated to be $0.9 billion in 1979 under current law. Tax reform proposals include requiring certain farm corporations to use accrual accounting in order to prevent tax shelter abuse.

Related programs.—Several programs that fulfill other national needs complement the programs in agriculture. The most important of these programs is the food for peace program which is discussed in the international affairs section.

FEDERAL PROGRAMS THAT SUPPORT THE AGRICULTURAL MISSIONS

[Outlays in millions of dollars]

Program title	Primary function in budget	1977 actual	1978 estimate	1979 estimate
Disaster relief and insurance	450	634	1,686	1,007
Conservation and land management	300	468	685	432
Food for peace (Public Law 480)	150	850	1,068	1,069
Food safety (Food and Drug Administration)	550	245	283	298

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COMMERCE AND HOUSING CREDIT

National Needs Statement:

- Ensure that an adequate supply of mortgage credit is available nationally.
- Target credit to urban and rural areas not well served by private credit markets.
- Encourage the return of middle-income families to central cities in order to aid urban revitalization efforts.
- Maintain effective mail service at reasonable rates with costs largely borne by postal customers.
- Provide oversight of and assistance to businesses to encourage the development of jobs and a sound economy.

The following missions and programs are designed to meet the commerce and housing credit national needs and foster sound credit policies that encourage and enable homeownership, which helps to revitalize distressed urban and rural areas. The most important actions that the Federal Government can take to encourage commerce and housing production are to pursue fiscal and monetary policies that support continued growth in real incomes, business investment, and mortgage credit. The availability of credit at reasonable interest rates is particularly important to potential homebuyers and business investment. A balanced expansionary economic policy should provide an adequate supply of funds for both business investment and mortgage credit.

In addition to attempting to achieve a balanced expansionary economic policy, the Federal Government also undertakes the following major missions to help achieve our national needs for the development of commerce and housing credit:

- Mortgage credit and thrift insurance: for 1979, offsetting receipts are expected to exceed gross outlays, resulting in net outlays of −$0.3 billion.
- Postal Service: $1.8 billion in outlays estimated for 1979.
- Other advancement and regulation of commerce: $1.4 billion in outlays estimated for 1979.

The goal of the administration's policy in the credit area is to ensure that credit is available in areas not well served by the private market, such as declining central cities and rural areas. Federal incentives will be provided to induce the private market to increase the amount of credit available in these areas. Where this is not sufficient, Federal credit will be provided. Direct housing assistance programs are discussed in the section on Income Security.

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Numerous Federal programs in this functional area also contribute to the general support of business and to the maintenance of a free flow of commerce. In addition to increasing assistance to small businesses, the administration's efforts in 1979 will be directed toward improving statistical information and promoting the maintenance of basic scientific and engineering capabilities.

To help to carry out these missions, the following proposals are emphasized in the 1979 budget:

- $2.0 billion of mortgage purchase authority to provide interest subsidies that will support the construction of multifamily housing in distressed urban areas.
- Targeting of rural housing programs to lower income residents, including a proposed special homeownership assistance program.
- An expansion of guaranteed loan assistance to small business, with new commitments of $3.3 billion in 1979.
- Intensified efforts to encourage volunteer and other management assistance to promote small business development, with emphasis on minority and women business owners.

These major missions are supported by the programs shown in the table on the following page.

Mortgage credit and thrift insurance.—Federal housing policy continues to focus on the basic goal of providing a decent home in a suitable living environment for every American family. Federal housing programs carry out this goal by:

- ensuring an adequate supply of mortgage credit;
- increasing the stock of housing through new construction and rehabilitation programs; and
- providing explicit subsidies primarily for low- and moderate-income households.

Most of these subsidy programs are discussed in the income security section.

Mortgage credit programs are aimed at increasing the supply of credit for housing. Mortgage insurance, guaranteed and direct loans, and secondary mortgage market activities support the smooth operation of private mortgage credit markets and supplement those markets, particularly in rural and central-city areas. By making credit available at affordable interest rates, Federal credit policies stimulate the demand for, and, therefore, the production of, housing. During 1978, the administration will undertake a study of the Nation's existing housing and credit policy needs and the criteria used to measure the need for increases in housing stock and credit.

In January 1978, the Secretary of Housing and Urban Development (HUD) authorized the *Government National Mortgage Association*

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NATIONAL NEED: PROMOTION OF COMMERCE AND HOUSING CREDIT

[Functional code 370; in millions of dollars]

Major missions and programs	Recommended budget authority for 1979	Outlays			
		1977 actual	1978 estimate	1979 estimate	*1980 estimate*
Mortgage credit and thrift insurance:					
Department of Housing and Urban Development:					
Mortgage purchase activities (GNMA)	1,507	−1,082	39	333	*1,237*
Mortgage credit (FHA)	451	492	407	221	*83*
Housing for the elderly and handicapped	800	4	335	713	*729*
Department of Agriculture—rural housing programs	442	100	455	−99	*650*
Proposed legislation	6	.....	.....	6	*20*
Federal Deposit Insurance Corporation	.....	−852	−379	−945	*−1,075*
Federal Home Loan Bank Board and other	.....	−1,933	−390	−503	*−542*
Subtotal, mortgage credit and thrift insurance	3,206	−3,270	467	−274	*1,102*
Postal Service	1,830	−2,267	1,787	1,830	*1,585*
Other advancement and regulation of commerce:					
Small business assistance	637	516	547	543	*553*
Technology utilization	222	175	191	212	*222*
Economic and demographic statistics	310	102	141	275	*635*
Other	394	326	393	386	*402*
Subtotal, other advancement and regulation of commerce	1,564	1,118	1,272	1,415	*1,812*
Federal Financing Bank	.....	−143	.....	.....	.....
Deductions for offsetting receipts	−3	−4	−4	−3	*−3*
Total	6,597	−31	3,523	2,969	*4,497*
ADDENDUM					
Off-budget Federal entities:					
Postal Service	.....	−173	815	−1	*1,126*
Federal Financing Bank	15,865	8,201	10,567	12,510	*7,000*

(GNMA) to make commitments to buy $2.0 billion in mortgages under tandem programs for subsidized section 8 mortgages and under a new administration initiative—the "targeted tandem" program. Under the program for section 8, tandem interest subsidies will be provided in addition to section 8 rent subsidies to ensure financing for these projects. Under the "targeted tandem" program, interest subsi-

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dies will be provided to encourage the construction of moderate- and middle-income rental housing in distressed areas of central cities. The budget proposes an additional $2.0 billion of commitments in 1979. The 2-year total of $4.0 billion of commitments will facilitate the development of an estimated 135,000 units of new multifamily housing bearing interest rates below prevailing market rates. Mortgages purchased under these programs will be resold as market conditions permit, with GNMA absorbing the loss. Net outlays for GNMA's credit activities, including losses on mortgage purchases, are estimated to be $39 million in 1978 and $333 million in 1979.

The Federal Housing Administration's (FHA's) mortgage and loan insurance programs provide assistance for families who are able to fulfill the obligations of a mortgage loan but who are not adequately served by the private market. Recently enacted legislation decreased the downpayment requirements and increased the mortgage limitations to bring homeownership within the reach of a larger number of families. Insurance for mortgages with graduated payment schedules, which require lower initial monthly payments, will be made on an accelerated basis to assist young, first-time homebuyers.

Heavy default rates experienced under some mortgage insurance programs contributed to large increases in the FHA inventory of assigned mortgages and acquired properties in the early 1970's. Improved economic conditions, better underwriting, and the use of rental assistance and rent supplement funds resulted in a decrease in the growth of the inventory in 1977 and will also help to stem new additions to the inventory in 1978. Further decreases are expected in future years as economic conditions improve. The administration has proposed a major new operating subsidy program for 1979. This new program, coupled with improved management controls and the monitoring of troubled projects, is intended to reduce the inventory of defaulted projects and aid in the stabilization and revitalization of distressed urban areas. Outlays for this program, which is classified in the income security function, are estimated to total $52 million in 1979. Outlays for FHA mortgage credit activities are estimated to decline from $407 million in 1978 to $221 million in 1979.

In addition to supporting private market mortgage financing with FHA insurance, HUD provides direct loans to finance housing projects for elderly or handicapped persons (under the section 202 program). The 1979 budget provides for $800 million, an increase of $50 million over 1978, in new loan commitments and an increased emphasis on housing for the handicapped. Outlays for this program are estimated to be $335 million in 1978 and $713 million in 1979.

The *Farmers Home Administration* (FmHA) of the Department of Agriculture provides direct and guaranteed loan housing assistance to low- and moderate-income families in rural communities of less than

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20,000 population, and grants for farm labor housing and self-help housing. In addition, a rural rental assistance program to assist the tenants of FmHA-financed housing was established last year. A related program of grants to repair and rehabilitate inadequate single-family housing is classified in the income security function.

As a result of a major rural housing study, the 1979 budget proposes to increase substantially housing assistance to families with the lowest incomes, while holding assistance to other income classes close to current levels. Legislation will be proposed to authorize a special home-ownership assistance program to assist very low-income families in those cases where ownership is more cost effective than other FmHA very low-income housing assistance programs. The proposed legislation will also provide for a Federal subsidy recovery program, where partial or total recovery of Federal subsidies will occur at the time a family sells its house, and the proceeds of the sale are at least large enough to repay the principal and interest on the mortgage, sales commission, and borrower relocation costs, and to provide an incentive payment to the borrower.

The budget proposes $3.6 billion in new direct loans and $79 million in budget authority for grants during 1979. These totals represent increases of more than $200 million in insured loans and $57 million in grants over 1978 levels. They will provide assistance for about 165,000 rural housing units, one-half of which are occupied by families with annual incomes of less than $8,000. About 83% of the total number of assisted units will receive either interest subsidies or grant assistance, and approximately 20,000 of the subsidized units will also receive rural rental assistance payments. Special attention will be given to assisting low-income families who occupy inadequate housing.

Outlays for FmHA housing programs in this function are estimated to be $455 million in 1978. Asset sales, which are an offset to outlays are expected to exceed the total amount of loans made in 1979. As a result, outlays are expected to be −$99 million in 1979.

The *Federal Deposit Insurance Corporation* (FDIC) protects bank depositors and fosters sound banking practices. Receipts are expected to exceed outlays by $0.9 billion in 1979.

Two important tax expenditures that aid homeowners are the deductions of interest on home mortgages and of local real estate taxes. These provisions are estimated to reduce tax receipts by $7.7 billion in 1979.

Postal Service.—The 1970 Postal Reorganization Act established the U.S. Postal Service as an independent Government-owned corporation. Outlays for the general operations of the Postal Service are

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excluded from Federal budget totals, with the exception of Federal subsidy payments. These payments, estimated to be $1.8 billion in 1979, cover liabilities of the former Post Office Department for earned and unused annual leave and for compensation to disabled employees, public service costs, and revenue foregone for carrying certain classes of mail at free and reduced rates. The recommended revenue foregone subsidy for 1979 follows the schedule that was established in the 1970 act and also the extension of that schedule as authorized by Public Law 93–328 for transition to full-cost rates for certain second-, third-, and fourth-class mail.

The budget also includes a supplemental appropriation request for 1978 of $92 million. This includes $91 million for covering the cost of revenue foregone increases due to rate changes proposed to become effective June 1, 1978, and $1 million for reimbursement to the Postal Service for prior expenses incurred by the Commission on Postal Service. Total outlays are estimated to increase by $42 million to $1.8 billion in 1979. This increase reflects the impact of the proposed postal rate increase on the subsidy for revenue foregone for carrying mail at reduced rates. The total request for 1979 continues the existing policy that postal costs should be borne largely by mail users and not the general taxpayer. The off-budget outlays of the U.S. Postal Service reflect the net difference between gross expenditures and gross receipts.

Other advancement and regulation of commerce.—Many Federal programs provide technical assistance to and promote the development of new businesses. Other programs provide oversight of the economy and business community to assure fair and equal practices and opportunities.

Net outlays for assistance to small business are estimated to total $0.5 billion for 1978 and 1979. The budget request for the Small Business Administration (SBA) provides for $3.3 billion of new commitments for guaranteed loans—an increase of $350 million over 1978 levels. This expansion will be accompanied by efforts to make the secondary market for the sale of SBA guaranteed loans more attractive to private investors. Such action will help tap new sources of funds to meet the growing financial needs of the Nation's small businesses. The SBA also expects to increase the number of volunteers in the service corps of retired executives (SCORE) from the current level of 7,500 to 12,500 volunteers by 1979. Budget outlays are estimated to increase from $127 million in 1978 to $257 million in 1979 for the Bureau of Census. These resources will be used primarily to carry out the surveys of registration and voting required by the Voting Rights Act following the 1978 congressional elections, and to

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enable the Census Bureau to complete preparations for the 1980 decennial census. Emphasis will be placed on the evaluation and the adoption of new techniques aimed at improving the completeness of the population count, particularly among minority groups, where the census has tended to undercount.

The 1979 budget requests funding to assure the maintenance of basic scientific and engineering competency at the National Bureau of Standards. In addition, funds are being requested to study the feasibility of establishing a cooperative technology program to assist in advancing the technological level of certain U.S. industries.

Tax expenditures.—The largest tax expenditure broadly related to business activity stems from preferential tax treatment of net long-term capital gains. A tax expenditure of $18.5 billion in 1979 has been estimated on the basis of current law. The combined effect of reduced tax rates plus the reform proposals to repeal the alternative tax on capital gains for individuals (25% on $50,000 of capital gains) and increase the minimum tax will reduce this tax expenditure to $15.9 billion.

Under current law the tax expenditure for the 10% tax credit for investment in equipment would be $15.0 billion in 1979. The President has proposed a permanent extension of the 10% rate and an extension of the credit to investments in industrial and utility structures. The portion of tax liabilities that can be offset by this credit would be 90%, rather than the 50% that generally applies under current law. The resulting tax expenditure for 1979 will be $17.1 billion.

Accelerated methods of depreciation for buildings would result in a tax expenditure of $605 million in 1979 under current law. The tax reform proposals would reduce this tax expenditure to $560 million.

The use of shortened periods of time for the depreciation of equipment under the asset depreciation range system produces a tax expenditure of $2.7 billion in 1979. The deductibility of interest on consumer credit generates a $1.8 billion tax expenditure in 1979.

Reduced rates of tax on the first $50,000 of corporate income assist all corporations; the small corporation is especially aided since the profits covered by the tax expenditure provision is a higher proportion of total profits than is the case with larger corporations. Estimated revenue losses to the Government, under current law, are $3.5 billion in 1979. The President has proposed that the tax rate on the first $50,000 of corporate income be reduced further from 20% to 18% on the first $25,000 and from 22% to 20% on the second $25,000. The related tax expenditure would increase to $4.2 billion in 1979.

Federal Financing Bank.—The Federal Financing Bank (FFB) provides for coordinated and more efficient financing of Federal and

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federally assisted borrowing from the public. The FFB acquires the direct debt of Federal agencies, the debt of Government-guaranteed borrowers, and the loan assets of Federal agencies. This consolidation of financing has reduced Federal interest costs in some programs and has provided for more orderly market conditions.

At the end of 1977, FFB holdings totaled $35.4 billion. These holdings are estimated to total $65.1 billion at the end of 1979. Further discussion of the FFB is contained in Part 6 and Special Analyses E and F in the Special Analyses volume of the budget.

In 1977, the FFB returned to the Treasury earnings totaling $143 million. These funds were determined to be in excess of administrative requirements.

CREDIT PROGRAMS—COMMERCE AND HOUSING CREDIT

[In millions of dollars]

Program	1977 actual	1978 estimate	1979 estimate
Mortgage purchase activity (GNMA):			
Direct loans:			
New loans	937	1,666	2,456
Repayments, sales, and adjustments (—) [1]	−2,389	−1,959	−2,603
Net credit outlays	−1,452	−293	−147
Guaranteed loans: [2]			
New loans	17,019	16,000	15,500
Net credit guaranteed	14,238	12,068	9,900
Mortgage credit (FHA):			
Direct loans:			
New loans	319	365	294
Repayments, sales, and adjustments (—) [1]	−222	−318	−241
Net credit outlays	97	46	53
Guaranteed loans: [2]			
New loans	12,929	13,384	18,231
Net credit guaranteed	4,864	4,732	7,479
Housing for the elderly and handicapped:			
Direct loans:			
New loans	21	355	733
Replacements, sales, and adjustments (—) [1]	−6	−8	−8
Net credit outlays	15	347	725

See footnotes at end of table.

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CREDIT PROGRAMS—COMMERCE AND HOUSING CREDIT—Continued

[In millions of dollars]

Program	1977 actual	1978 estimate	1979 estimate
Rural housing programs:			
Direct loans:			
New loans	3,825	4,732	4,656
Repayments, sales, and adjustments (—)	−3,998	−4,760	−5,278
Net credit outlays	−173	−29	−621
Guaranteed loans: [2]			
New loans	3,359	3,924	4,235
Net credit guaranteed	1,774	2,465	2,971
Small Business assistance:			
Direct loans:			
New loans	465	469	514
Repayments, sales, and adjustments (—) [1]	−352	−309	−316
Net credit outlays	113	160	198
Guaranteed loans: [2]			
New loans	2,076	2,530	2,913
Net credit guaranteed	684	1,076	1,245
Other business assistance:			
Direct loans:			
New loans	10	46	31
Repayments, sales, and adjustments (—)	−1,539	−12	−25
Net credit outlays	−1,529	33	7
Guaranteed loans:			
New loans	23	36	47
Net credit guaranteed	−68	−35	35
Off-budget Federal entity—Federal Financing Bank:			
Direct loans:			
New loans	12,379	15,626	16,158
Repayments, sales, and adjustments (—)	−4,292	−4,956	−3,559
Net credit outlays	8,087	10,670	12,600

[1] Includes sale of loan assets.
[2] Includes loans counted as direct loans of other accounts.

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TRANSPORTATION

National Needs Statement:

- Assure development of the Nation's transportation system to meet the needs of commerce and the public.
- Promote safe, reliable, and efficient operation of that system.
- Ensure that transportation programs help meet the Nation's energy, environmental, and social goals.

The objective of Federal transportation policy is to promote a safe, efficient, and responsive system wherein the user pays, to the extent possible, for the benefits received. Of equal importance is the administration's goal of reducing and, where possible, eliminating unneeded government regulations that maintain high fares and stifle competition, creative management, and efficiency in the private sector. The thrust of the new legislative proposals will be to simplify many transportation programs and provide State and local governments greater flexibility in setting priorities and carrying out programs.

To address national needs in transportation in 1979, the Federal Government will spend an estimated $17.4 billion in support of the following missions:

- Ground transportation: $12.0 billion.
- Air transportation: $3.4 billion.
- Water transportation: $1.9 billion.
- Other transportation: $0.1 billion.

The budget reflects policies designed to serve these missions. The major proposals include:

- new highway-transit legislation that consolidates 42 narrow categorical programs and gives State and local governments greater flexibility in using Federal ground transportation funds;
- development of rail passenger service in the Northeast corridor to emphasize increases in ridership and economic viability;
- reduced fares and improved carrier efficiency in the regulated transportation industries with special focus on airlines and trucks;
- increased general aviation safety through an automated aviation weather and navigation information system;
- upgraded marine safety, environmental, and enforcement activities by the Coast Guard; and
- waterway user charge legislation.

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NATIONAL NEED: TRANSPORTATION SYSTEMS

[Functional code 400; in millions of dollars]

Major missions and programs	Recommended budget authority for 1979	Outlays			
		1977 actual	1978 estimate	1979 estimate	*1980 estimate*
Ground transportation:					
Highway improvement and construction	55	5,719	6,461	349	*301*
Proposed legislation	6,850	-------	-------	[1] 6,545	*6,763*
Highway and traffic safety	258	583	638	246	*257*
Proposed legislation	950	-------	-------	645	*837*
Mass transit	19	2,000	2,180	61	*25*
Proposed legislation	2,865	-------	-------	2,250	*2,525*
Railroads	2,015	1,676	1,796	1,825	*1,916*
Proposed legislation	−279	-------	-------	-------	-------
Regulation	69	59	64	69	*69*
Subtotal, ground transportation	12,803	10,037	11,140	11,990	*12,693*
Air transportation:					
Airways and airports	3,094	2,369	2,753	2,877	*3,072*
Proposed legislation	−3	-------	-------	−3	*−4*
Aeronautical research and technology	522	344	415	466	*509*
Air carrier subsidies	69	80	77	69	*63*
Regulation	27	23	24	27	*27*
Subtotal, air transportation	3,709	2,816	3,269	3,436	*3,667*
Water transportation:					
Marine safety and transportation	1,494	1,149	1,350	1,403	*1,465*
Ocean shipping	537	591	546	532	*604*
Regulation	11	8	10	10	*11*
Subtotal, water transportation	2,042	1,749	1,906	1,946	*2,080*
Other transportation	86	76	82	93	*86*
Deductions for offsetting receipts	−66	−42	−86	−66	*−67*
Total	**18,573**	**14,636**	**16,310**	**17,399**	*18,459*
ADDENDUM					
Off-budget Federal entity:					
U.S. Railway Association	23	219	97	23	*−50*

[1] Excludes $950 million in highway safety programs which are accounted for in the "Highway and traffic safety" category.

Ground transportation.—The budget proposes outlays of $12.0 billion in 1979 to support the Nation's vast network of highways, railroads, and mass transit services in a safe, reliable, and efficient manner.

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Highway improvement and construction.—Outlays for Federal highway programs are estimated to increase from $6.5 billion in 1978 to $6.9 billion in 1979. This increase is primarily the consequence of rising obligations for Federal-aid to highways in the 1976–79 period—from $4.5 billion in 1976, to $7.0 billion in 1977 and to an estimated $7.6 billion in 1978 and $7.8 billion in 1979.

The administration is proposing legislation extending the authorizations for highway and mass transit programs. The legislation will:

- reduce the number of categorical programs that limit the flexibility of States and localities in the use of Federal transportation funds;
- narrow the differences between the operation of highway and transit programs, allowing States and localities to evaluate the relative merits of these alternative forms of transportation;
- adopt uniform Federal matching shares for highway and transit assistance: 90% for all Interstate projects and highway and transit projects substituted for withdrawn Interstate segments, and 80% for all other highway and transit projects;
- provide flexible assistance for the transportation needs of small urban and rural areas;
- accelerate completion of the Interstate Highway System by concentrating available resources on construction of essential unbuilt segments and by requiring States to decide by 1982 either to build uncompleted sections or to remove them from the system.

To meet these goals and to provide States and localities with long-term funding assurances, total authorizations of $45.4 billion ($32.1 billion for highways and $13.3 billion for mass transit) are requested for a 4-year period beginning in 1979. Currently, States and localities find it difficult to incorporate long-range planning for transportation projects because most Federal highway assistance is authorized for only 2 years. The new 4-year authorizations should help mitigate these problems. However, ceilings on annual Federal-aid highway obligations will continue to be proposed, consistent with the proven ability of States to utilize funds in an efficient manner.

Highway and traffic safety.—Outlays for these safety programs are estimated to increase by 40% from 1978 to 1979. Two legislative proposals will provide strong impetus to the Federal Government's ground transportation safety efforts. The new highway and transit legislation contains a proposal to consolidate 6 highway safety programs into one safety grant program; $500 million in budget authority is requested for 1979. This bill also provides an increase in budget authority—from $180 million in 1978 to $450 million in 1979—for bridge replacement and rehabilitation. Amendments to the Highway Safety Act of 1966 also will be proposed to provide additional budget authority for safety programs that have a high potential payoff, for

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example, those that encourage the enforcement of the 55-mile-per-hour speed limit. Related to these safety efforts is administration of mandatory and voluntary fuel economy programs which will reduce the amount of petroleum used by motor vehicles.

Mass transit.—Outlays for mass transit are estimated to increase by more than 15% between 1977 and 1979—from $2.0 billion to $2.3 billion. Outlays are growing substantially in two areas: payments to help defray local transit operating deficits, and construction of rail transit projects made possible by the cancellation of unneeded Interstate highway projects in urban areas, particularly in Boston and Washington, D.C.

The new highway and mass transit legislation proposes to change Federal cost sharing formulas to provide a uniform 90% Federal share for all highway and mass transit projects substituted for Interstate projects, and a uniform 80% Federal share for all other projects.

Most mass transit programs are currently funded at 80% by the Federal Government. This includes transit projects funded from Interstate transfers, even though the Federal share for highway construction would have been 90%. In addition, when transit projects are funded from the urban system highway program, the Federal share is now only 70%. These funding differences have discouraged localities from using urban highway funds and Interstate transfers for transit projects because a greater share of local funds is necessary to complete transit projects. The new bill should correct these inequities.

An additional step to improve Federal transit assistance is the proposal to double the proportion of funding allocated by formula to urbanized areas by shifting away from the discretionary allocation of Federal funds. Previously, local governments had to apply for most mass transit funds on a case-by-case basis, and there was little predictability on the level of Federal funds that would be available to each metropolitan area. Under the administration's proposal, local governments should know how much they can expect during the next 4 years. In addition, the legislation will propose consolidation of Federal highway and transit planning assistance programs into one program. Both of these actions should facilitate transportation planning and reduce paperwork and administrative costs for local jurisdictions.

In 1979, a new generation of mass transit buses—the Transbus—will be put into production. These buses, developed by private enterprise to meet Federal standards, contain new features and improvements intended to make buses easier to use by elderly and handicapped individuals. They also have the potential to reduce operating and maintenance costs. Funds from mass transit programs will be available to jurisdictions for purchase of these buses. An aggressive program of cost and design control is planned to assure that the impact of these improvements on the purchase price of buses will be only moderate.

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Railroads.—Outlays for railroad programs are estimated to increase from $1.7 billion in 1977 to $1.8 billion by 1979, including loans to the Consolidated Rail Corporation (ConRail). By the end of 1979, ConRail will have received an estimated $2.1 billion to help establish a self-supporting freight rail system in the Northeast and Midwest. The impact of this assistance is now under review by the Department of Transportation (DOT) and the United States Railway Association, an off-budget Federal entity that provides assistance to ConRail. Reports to Congress on ConRail's financial condition will be completed during 1978. In addition, about $1.1 billion in direct and guaranteed loans will be available through 1979 for the rest of the rail freight industry. This assistance was designed to be temporary. The long-term need for such assistance is currently being studied by DOT. These studies should help identify the problems of the industry and the appropriate Federal role, if any, in addressing these problems.

Assistance to rail passenger service takes the form of a subsidy to the National Railroad Passenger Corporation (Amtrak). The 1979 request for Amtrak continues the standard for Federal assistance to the Corporation established in 1978. Except for additions to reflect increases in taxes and interest, the proposed operating subsidy for 1979 and subsequent years is being held to the same level as in 1978 rather than being increased to meet Amtrak's operating deficit. It is expected that Amtrak will be able to conduct its operations at the proposed level by taking management actions such as route reductions. The Department of Transportation, in cooperation with Amtrak, is conducting a review of Amtrak's route system and will submit a report to the Congress by March 1, 1978. The results of this study are expected to influence the final subsidy level in 1979. Aid to rail passenger service is also provided by the Northeast corridor improvement project. The budget proposes that $1.1 billion in outlays be provided through 1979 to rehabilitate track and improve rail service in the region. This investment aids the development of a rail system that seeks to increase the number of riders, and that encourages efforts to operate without financial loss.

Regulation.—Outlays for ground transportation regulation are estimated at $69 million for 1979. The operation of railroads will be allowed more flexibility as the carriers take advantage of the liberalized ratesetting provisions of recent legislation. In calendar year 1978, the Interstate Commerce Commission is considering administrative actions to reform the regulation of motor carriers. The administration will continue to seek reduction of outmoded motor carrier rules and regulations.

Air transportation.—To provide a safe and reliable air transportation system, the Federal Government will spend an estimated **$3.4 billion in 1979.**

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Airways and airports.—The budget requests additional air traffic controllers to provide safe, effective handling of projected air traffic activity. Management efficiencies by the Federal Aviation Administration, in areas other than air traffic control, will allow continuation of present service levels with some minor staffing reductions, particularly in administrative overhead.

The budget includes full funding of the program to modernize and streamline flight service stations which will provide improved aviation weather information and navigation services to general aviation aircraft. The budget also requests full funding of the 1979 authorization for airport grants to insure the continued development of the Nation's airport system.

Aeronautical research and technology.—The Federal Government supports basic aeronautics research and technology advancement to meet national needs for more efficient, higher performance and environmentally acceptable aircraft. The National Aeronautics and Space Administration conducts research in those areas that cannot be supported adequately by private industry because of long leadtimes or high technical risk. The 1979 budget includes $466 million in outlays for aeronautical research and technology. Priority will be given to seeking advances in aircraft technologies to reduce fuel consumption by civilian and military air transports. In addition, increased emphasis will be given to long-term basic research to maintain a sound technology base for future aircraft improvements.

Regulation.—The Civil Aeronautics Board regulates the aviation industry by making awards of operating authority for specific routes and reviewing the fares and rates to be charged. The President's commitment to increased competition and lower fares and rates has contributed to reform of aircargo regulation and has led to substantial reductions in prices for cargo and passengers on international routes. The administration is committed to the goal of domestic aviation regulatory reform, and expects passage of a reform bill in calendar year 1978. In the interim, the Board is continuing to reform its existing regulations to increase competition among air carriers. Extensive management efforts are also underway at the Board to improve and quicken the regulatory process.

Water transportation.—To meet the need for a viable U.S. merchant marine and to operate and maintain a safe, reliable, and efficient marine transportation system, the budget proposes $1.9 billion in outlays in 1979 for water transportation programs. This does not include amounts for Corps of Engineers construction, operation, and maintenance programs for navigation purposes since a number of the projects do not have navigation components separately identified in the budget.

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Marine safety and transportation.—Outlays of $1.4 billion in 1979 reflect a continuing emphasis on renovation and replacement of Coast Guard operating equipment to meet the needs of marine transportation and safety. Full funding for the removal or replacement of three bridges that represent hazards to navigation is provided for, as well as a shift in staff to expand foreign tanker inspections. In addition, the budget proposes phasing out the Coast Guard's boating safety grant program.

The administration will press for enactment of waterway user charges legislation to recover a substantial portion of the Federal cost of constructing, operating, and maintaining the inland waterway system. These proposals are further discussed in the receipts section (Part 4) of the Budget.

Ocean shipping.—Outlays in support of the U.S. merchant marine and the U.S. shipbuilding industry are estimated to total $532 million in 1979. Federal operating subsidies are provided to offset the higher labor and other operating costs of U.S.-flag ships. In addition, Federal construction differential subsidies are provided to offset higher labor and material costs of manufacturing ships in U.S. shipyards. Without these subsidies, foreign-flag ships would have a competitive advantage in our foreign trade because of their lower costs. Outlays for operating differential subsidies of $337 million are expected in 1979. This reflects approximately the same level of operations for liner ships as in 1978, and a reduction in subsidies for bulk carriers hauling grain to the Soviet Union as a result of strong demand for these ships in other markets. Commitments to subsidize the construction of a number of merchant vessels are planned.

Under the terms of the Panama Canal Treaty of 1977, the Panama Canal Company would be replaced by a new Federal Government agency, the Panama Canal Commission, when the treaty is effective. The Commission would be responsible for operating the waterway, but most supporting activities—now performed by the Panama Canal Company—would not be continued by the new Commission.

Other transportation.—Various programs that are not readily addressed to ground, air, or water transportation also contribute to the achievement of the national need for an effective transportation system. These include the National Transportation Safety Board and the unallocated overhead of the Department of Transportation. The budget requests $0.1 billion in outlays for these programs that serve all transportation areas.

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CREDIT PROGRAMS—TRANSPORTATION

[In millions of dollars]

Program	1977 actual	1978 estimate	1979 estimate
Highways and mass transit:			
Direct loans:			
New loans	64	51	35
Repayments, sales, and adjustments(—)	—1	—53	—103
Net credit outlays	63	—3	—68
Railroads:			
Direct loans:			
New loans	783	871	662
Repayments, sales, and adjustments(—)			
Net credit outlays	783	871	662
Guaranteed loans:			
New loans	347	327	403
Net credit guaranteed	201	277	382
Assistance to shipping:			
Direct loans:			
New loans	28	4	4
Repayments, sales, and adjustments(—)	—7	—5	—4
Net credit outlays	20	—2	—1
Guaranteed loans:			
New loans	1,323	1,165	1,310
Net credit guaranteed	1,125	1,005	1,130
Aircraft loan guarantees:			
Guaranteed loans:			
New loans	91	41	
Net credit guaranteed	81	24	—20
Off-budget Federal entity—U.S. Railway Association:			
Direct loans:			
New loans	223	100	27
Repayments, sales, and adjustments(—)	—3		
Net credit outlays	220	100	27

Tax expenditures.—The deductibility of State and local gasoline excise taxes results in a tax expenditure estimated to be $0.8 billion in 1979 under current law. The President's tax reform proposals include repeal of this provision. Repeal would both simplify the tax system and help meet the objectives of the national energy plan.

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COMMUNITY AND REGIONAL DEVELOPMENT

National Needs Statement:

- Encourage economically and socially viable and attractive urban neighborhoods and rural areas.
- Strengthen State and local government capacity to revitalize economically and socially depressed areas.
- Develop mutually supportive relationships among central cities, suburban areas, rural towns, and the countryside.
- Provide relief to areas that suffer from natural disasters.

To help achieve these national needs, the Federal Government will spend an estimated $8.7 billion in 1979 in support of the following major missions:

- Community development: $4.0 billion.
- Area and regional development: $3.7 billion.
- Disaster relief and insurance: $1.0 billion.

This administration recognizes that Federal resources must be combined with State and local government and private sector resources to meet the long-term needs of community and regional development. Federal resources will be used as a catalyst to encourage greater and more innovative local efforts to revitalize and redevelop depressed urban neighborhoods and rural areas. Federal resources will also emphasize the rehabilitation and the redevelopment of existing neighborhoods and facilities rather than encouraging their abandonment.

To carry out these missions, the following proposals are emphasized in this budget.

- A $150 million increase in budget authority for the community development block grant program.
- Continuation of the urban development action grant fund with budget authority of $400 million for 1979.
- A $95 million increase in budget authority for the rehabilitation loan program.
- Increased funding for the urban reinvestment task force.
- A proposed urban extension program.
- Increased funding for economic development assistance especially to cities in both 1978 and 1979.

The major missions are supported by the programs shown on the table on the following page.

Urban assistance.—The Federal Government currently provides a substantial amount of assistance to urban areas through a vast array of programs. While the community and regional development

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NATIONAL NEED: COMMUNITY AND REGIONAL DEVELOPMENT

[Functional code 450; in millions of dollars]

Major missions and programs	Recommended budget authority for 1979	Outlays			
		1977 actual	1978 estimate	1979 estimate	*1980 estimate*
Community development:					
Department of Housing and Urban development:					
Community development block grants	3,750	2,089	2,560	2,644	*3,108*
Urban development action grants	400	-------	24	159	*294*
Categorical programs replaced by community development block grants	18	905	667	440	*235*
Rehabilitation loans	95	41	43	85	*100*
Research and planning	119	140	124	118	*117*
Other programs	68	86	140	63	*73*
Proposed legislation	10	-------	-------	2	*10*
Departmental management	170	120	149	167	*170*
Rural development grant program	275	122	297	260	*275*
Pennsylvania Avenue development	27	1	25	34	*27*
Other	20	22	20	20	*20*
Subtotal	4,952	3,526	4,049	3,991	*4,430*
Area and regional development:					
Department of Agriculture—rural community and business assistance	531	343	318	344	*367*
Department of Commerce:					
Economic development assistance	656	305	347	400	*477*
Local public works	11	585	2,304	2,011	*1,112*
Coastal energy impact	4	-------	4	15	*75*
Other	106	122	258	109	*128*
Indian programs	858	719	686	743	*802*
Appalachian programs	485	351	460	458	*436*
Offsetting receipts and other	−392	−285	−401	−392	*−426*
Subtotal	2,259	2,139	3,976	3,689	*2,972*
Disaster relief and insurance:					
Small Business Administration disaster loans	190	184	1,195	550	*200*
Disaster relief	200	331	324	284	*187*
Flood insurance	114	97	144	150	*167*
Other	19	23	23	24	*20*
Subtotal	523	634	1,686	1,007	*575*
Deductions for offsetting receipts	−18	−16	−17	−18	*−18*
Total	**7,716**	**6,283**	**9,694**	**8,669**	*7,958*
ADDENDUM					
Off-budget Federal entity: Rural Telephone Bank	199	59	79	105	*117*

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function contains many of these programs, a substantial number of them have as their primary purpose meeting other national needs and, therefore, are classified in other functional areas although they also support urban areas. These programs are concentrated in the commerce and housing credit; income security; transportation; health; education, training, employment, and social services; and general purpose fiscal assistance functions. The number of individual programs involved, conceptual problems about the definition of urban assistance, and a data base that does not presently relate certain expenditures to particular geographic areas, all make a precise accounting of the amount of Federal resources currently allocated to urban areas difficult. However, approximate data do exist on the portion of Federal grants to State and local governments that go to standard metropolitan statistical areas (SMSA's). These areas are essentially urban in character, but include more than central cities. Therefore, the data include benefits for metropolitan areas as a whole, including both central cities and suburban areas. These data indicate that the budget includes an estimated $55 billion in grants for SMSA's in 1979. This is compared with $51 billion in 1978 and $44 billion in 1977. The resources going to SMSA's are, therefore, increasing at 12% per year over this period.

It is also possible to estimate urban assistance targeted to specific urban problems of our cities. This can be done by combining outlays for major urban programs in the Departments of Housing and Urban Development, Commerce, Labor, and Transportation. This includes:

- most of the HUD programs;
- the urban portion of the Department of Labor's employment and training programs;
- many of the Economic Development Administration (EDA) programs of the Commerce Department; and
- the urban highway and mass transit programs of the Department of Transportation.

Outlays estimated in the budget for major direct urban programs total $16.1 billion in 1979, an increase of $2.6 billion or 19% over 1978. Outlay estimates in this category increase to $20.0 billion in 1980. These estimates exclude outlays for general purpose revenue sharing, countercyclical revenue sharing assistance, outlays of the Department of Health, Education, and Welfare for social programs, and numerous other smaller programs. These programs, when combined, represent substantial assistance to urban areas.

The HUD housing programs and the urban-related programs of the Departments of Labor and Transportation are described in other national needs sections; the development programs of the Department of Commerce and the Department of Housing and Urban Development are discussed below.

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The most essential ingredients for urban progress are local and State leadership acting in concert with private sector resources. However, both the amount and the form of Federal assistance are important. The amount of Federal resources assisting urban areas is substantial. Improvements are proposed in this budget to increase the efficiency of existing Federal programs and thereby aid local leadership to improve urban areas. An example of this effort in the community development area is the proposed urban extension program in the Department of Housing and Urban Development. This program would encourage a greater sharing of urban program implementation experiences among communities, thereby permitting more effective use of Federal funds. Coordination among departments will also be improved. EDA and HUD's Community Planning and Development Administration are coordinating their urban development programs, and are jointly financing certain of their projects. Examples of similar proposed improvements in other functional areas include:

- interest subsidies for the construction of middle-income housing in central cities;
- a private sector initiative in employment and training to improve the relation of training to permanent jobs and link with economic development; and
- joint SBA, EDA, and HUD sponsorship of technical assistance to cities in neighborhood, commercial, and industrial revitalization.

A number of proposed program expansions and new programs have been designed to fill gaps among the current programs providing assistance to urban areas. In the community and regional development area, the direct rehabilitation loan program (section 312) has been increased to ensure that credit for housing rehabilitation is available in distressed urban neighborhoods not well served by the private market. In addition, funding for EDA investment in cities through public works grants and loans and business development loans has been increased to help foster the location of industrial and commercial enterprises in economically distressed urban areas. Programs serving youth who have very high unemployment rates, especially in cities, will be substantially increased.

These proposals represent the first phase of the administration's program to support local efforts to improve and revitalize distressed urban areas. They reflect a greater emphasis on creating stronger local economies with accompanying increases in permanent employment. Coupled with imaginative local and State leadership, they represent the administration's intent to help develop urban resources and support local policies that facilitate the establishment of healthy economies.

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Community development.—A variety of Federal programs, administered by several agencies support the mission of community development by providing Federal grants, loans, and technical assistance to States and localities. Outlays for the mission are estimated to total $4.0 billion in both 1978 and 1979.

Department of Housing and Urban Development (HUD).—The *community development block grant* program, begun in 1975, provides a flexible system of Federal assistance for activities developed by local governments based on local priorities. Activities funded under this program include property acquisition, the construction of public facilities, the rehabilitation of buildings, the provision of social services, and planning and management. Funds are allocated by formula on the basis of objective measures of need. The Housing and Community Development Act of 1977 provided metropolitan cities and urban counties the choice of receiving allotments under either of two formulas:

- the original formula, composed of poverty (50%), population (25%), and overcrowded housing (25%); or
- an alternative formula, composed of poverty (30%), population growth lag, as represented by below average growth rates since 1960 (20%), and age of housing stock (50%).

The alternative formula addressed the physical deterioration in older urban areas.

The proposed level of new commitments for block grants in 1979 is $3.8 billion, $1.3 billion above the highest level achieved under the seven categorical programs replaced by block grants. Outlays reflect the rate at which State and local governments carry out their projects and are expected to increase from $2.6 billion in 1978 to $2.8 billion in 1979.

The Housing and Community Development Act of 1977 also established the *urban development action grant fund* within the block grant program. This was a major urban initiative requested by President Carter in his 1978 budget revisions. Under this program, severely distressed cities and urban counties receive discretionary grants to supplement local government and private sector financing for major urban rehabilitation projects. The 1979 budget requests $400 million in budget authority, the same amount as appropriated for 1978. Outlays are estimated to rise from $24 million in 1978 to $159 million in 1979.

Outlays for categorical programs replaced by block grants will continue to decrease as approved projects are completed. Loan disbursements and repayments from prior commitments under these categorical programs will also continue for several years.

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The *rehabilitation loan program* provides subsidized loans to rehabilitate residential and small commercial structures in specified community development areas. A budget authority increase of $95 million is requested for 1979. It is expected that these funds will be augmented by anticipated loan repayments of $35 million. These total resources will support about 10,000 loans in 1979, compared to 7,700 in 1978. Outlays are estimated to rise from $43 million in 1978 to $85 million in 1979.

The *comprehensive planning program* provides funds to State and local governments, and areawide organizations, for planning and management activities. The budget authority requested for this program is maintained at the 1978 level of $57 million. However, total funds available for these activities will be substantially greater, because the community development block grant program also provides funds to local governments for similar purposes. In 1979, block grant recipients are expected to use about $100 million for comprehensive planning and management activities. Outlays for the comprehensive planning program are estimated to decline from $64 million in 1978 to $60 million in 1979.

The *research* program of the Department of Housing and Urban Development supports the search for solutions to community development and housing problems. Activities to be undertaken include:

- major evaluations of the section 8 cash rental assistance program (discussed in the income security function) and community development block grant programs;
- development of techniques to lower housing costs; and
- evaluation of the performance funding system, which provides operating support to public housing projects.

The research program also provides financial support for the interagency urban reinvestment task force, which encourages residential rehabilitation in urban neighborhoods.

The 1979 budget also requests $20 million in budget authority for the urban homesteading program, a $5 million increase above the 1978 level, and $10 million in budget authority for a new urban extension service program. This program is intended to facilitate the interchange of approaches to handling urban problems among local governments and thus achieve more effective use of Federal funds.

Department of Agriculture.—The budget proposes $275 million of budget authority in 1979 for the Department of Agriculture's water and sewer and rural development grants, with emphasis on assisting in the development of water supply facilities. This is a $10 million increase over the 1978 level. These grants complement the $1 billion in loans discussed under area and regional development.

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Pennsylvania Avenue development.—The budget requests $27 million in budget authority for 1979 to continue the revitalization of downtown Washington, D.C., as envisioned in the Pennsylvania Avenue development plan. Development will take place under the direction of the Pennsylvania Avenue Development Corporation in cooperation with private enterprise. Outlays for land acquisition and development activities are estimated to rise from $21 million in 1978 to $25 million in 1979.

Area and regional development.—Programs in this mission provide support for rural development, American Indian tribal governments, and Appalachian development.

Department of Agriculture.—The Department of Agriculture expects to make $1.0 billion in water and sewer and community facility insured loans during 1979, an increase of $50 million over the 1978 level, and to guarantee $1.1 billion in industrial development loans, an increase of $100 million over the 1978 level. Outlays for these programs are estimated to increase slightly from $318 million in 1978 to $344 million in 1979.

The water and sewer, and community facility loan and grant programs are intended to augment and complement the community development block grant program and the Environmental Protection Agency waste treatment grant program in rural areas. The Department of Agriculture community facility programs are limited to communities with a population of less than 10,000; industrial development loan guarantees are available in communities of less than 50,000 population.

In response to the President's request, the Department of Agriculture directed an interagency evaluation of rural problems and possible initiatives to facilitate a more effective Federal role in rural development. That study will be integrated with the findings developed by the White House Conference on Balanced Growth in February. The final study will also reflect the recommendations of the President's reorganization project regarding economic development. The study is scheduled for completion in the spring of 1978.

Department of Commerce.—The Economic Development Administration (EDA) provides assistance to economically depressed areas and assists States and communities in dealing with economic development and regional economic problems. The budget requests a supplemental of $117 million in budget authority for the regular EDA programs in 1978. Budget authority of $656 million is requested for 1979, an increase of $128 million over the 1978 total. The amount requested for cities increases from $127 million in 1978 to $205 million in 1979.

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Budget authority for rural districts and counties increases from $171 million in 1978 to $213 million in 1979.

Outlays for the temporary local public works program are estimated to be $2.3 billion in 1978, $2.0 billion in 1979 and $1.1 billion in 1980. Except for necessary administrative expenses, no budget authority is requested for this program. In 1977 an additional $4.0 billion of budget authority was requested as part of the President's economic stimulus program. Therefore, further economic stimulus from this source is not necessary at this time.

Proposed budget authority for technical assistance, supplemental grants, and administrative costs of the regional action planning commissions in 1979 is at the 1978 level of $65 million.

The *coastal energy impact program* provides limited planning and environmental grants, and major loans and loan guarantees to States and local governments to assist them in planning and financing public facilities and services required as a result of energy development activities in or near coastal areas, such as Outer Continental Shelf (OCS) oil development. No 1979 funding for the loan program is requested because an estimated $200 million is available for loans and guarantees from current and prior-year appropriations. Additional funding will be requested when loan applications exceed existing funds. For 1978 and 1979 a total of $210 million is proposed to be made available in Federal grants, loans, and loan guarantees. Outlays are estimated to rise from $4 million in 1978 to $15 million in 1979.

Indian programs.—The major objectives of Federal Indian policy are to meet the trusteeship responsibilities of the U.S. Government, to increase self-determination for American Indian tribal governments, and to encourage economic development on Indian reservations. To further these objectives, the Indian Self-Determination and Education Assistance Act of 1975 enables Indian communities to administer Federal programs serving them, pursuant to contracts with the Bureau of Indian Affairs (BIA). Currently, $140 million of BIA programs are covered by such contracts.

The Federal Government provides grants, training, and technical assistance to strengthen tribal management and planning abilities. It also encourages economic development through business development assistance, direct Federal loans, and interest subsidies. It funds community development activities, such as construction of roads, schools, and irrigation systems. Outlays for the Indian programs whose primary mission is regional development are estimated to rise from $686 million in 1978 to $743 million in 1979. Additional assistance to Indian tribes is classified in the health, education, training, employment, and social services; income security; natural resources and environment; and general government functions.

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Appalachian programs.—Through the Appalachian Regional Commission (ARC), 13 States—from Mississippi to New York—and the Federal Government cooperate to encourage economic development of the region. The 1979 budget requests a $10 million increase in appropriations for each of ARC's major programs: the Appalachian development highway system; and area development projects aimed at providing facilities essential to the region's growth, particularly in the areas of health, education, and community development. A total appropriation of $346 million is requested for Appalachian programs in 1979, an increase of 6% over 1978. Outlays are estimated to increase from $315 million in 1978 to $323 million in 1979. In addition, estimated outlays of $135 million in 1979 from the Tennessee Valley Authority will be used for development in the region.

Disaster relief and insurance.—Insurance against losses from such natural disasters as floods, hurricanes, and tornadoes is the responsibility of individuals and businesses, with State and local governments primarily responsible for aiding recovery. Federal insurance and disaster relief are available to supplement these resources when they are insufficient. Outlays for disaster relief and insurance are estimated to decline from $1.7 billion in 1978 to $1.0 billion in 1979.

Disaster loans.—Under current law, both the Farmers Home Administration in the Department of Agriculture and the Small Business Administration have the authority to make emergency farm disaster loans. To remedy the difficulties caused by this overlap in responsibility, legislation is proposed to limit such authority to the Farmers Home Administration. The Department of Agriculture administers three major disaster assistance programs: (1) emergency loans; (2) Commodity Credit Corporation disaster payments; and (3) Federal crop insurance. The Farmers Home Administration is better equipped, through its long experience in dealing with farmers, to handle this program more effectively, and will assure that loan assistance is extended only to those who can demonstrate a real need and who are unable to obtain loans from private lenders. Farmers Home Administration programs are discussed more fully in the agriculture and commerce and housing credit functions.

Disaster relief.—Under the Disaster Relief Act of 1974, disaster relief in the form of grants to individual victims and block grants for the restoration of public facilities is provided. Outlays depend upon the incidence and severity of uninsured losses from natural disasters and are estimated to be $284 million in 1979.

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National flood insurance.—This program is designed to reduce the economic hardship resulting from floods. Flood insurance is available at federally subsidized rates for structures located in flood hazard areas in communities that are willing to adopt flood plain management plans. An important aspect of an effective flood insurance program is the participation of all communities in the flood plain management process so that development in one community does not adversely affect another community. By the end of 1979, it is estimated that there will be 16,500 communities participating. Most of the estimated $150 million in outlays in 1979 will result from the payment of claims.

CREDIT PROGRAMS—COMMUNITY AND REGIONAL DEVELOPMENT

[In millions of dollars]

Program	1977 actual	1978 estimate	1979 estimate
Housing and Urban Development programs:			
Direct loans:			
New loans	430	265	262
Repayments, sales, and adjustments (—) [1]	—377	—191	—153
Net credit outlays	53	74	109
Guaranteed loans: [2]			
New loans	31	99	96
Net credit guaranteed	—1,031	—580	—338
Farmers Home Administration programs:			
Direct loans:			
New loans	747	955	1,164
Repayments, sales, and adjustments (—) [1]	—684	—969	—1,175
Net credit outlays	62	—13	—11
Guaranteed loans: [2]			
New loans	973	1,484	1,935
Net credit guaranteed	769	1,308	1,545
Other community and regional development programs:			
Direct loans:			
New loans	87	163	127
Repayments, sales, and adjustments (—)	—28	—33	—42
Net credit outlays	59	130	85
Guaranteed loans:			
New loans	36	73	3
Net credit guaranteed	11	37	—36

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CREDIT PROGRAMS—COMMUNITY AND REGIONAL DEVELOPMENT—Continued

[In millions of dollars]

Program	1977 actual	1978 estimate	1979 estimate
Small Business Administration disaster assistance:			
Direct loans:			
New loans	222	1,290	715
Repayments, sales, and adjustments (—)	—188	—190	—253
Net credit outlays	34	1,100	462
Guaranteed loans:			
New loans	2	----	----
Net credit guaranteed	—1	1	—1
Off-budget Federal entity—Rural Telephone Bank:			
Direct loans:			
New loans	81	110	140
Repayments, sales, and adjustments (—)	—4	—11	—14
Net credit outlays	77	99	126

[1] Includes sale of loan assets.
[2] Includes loans counted as direct loans of other accounts.

Related programs.—Many programs whose primary purpose is to fulfill other national needs help promote community and regional development. Federal outlays for civil public works, shown on the table below all support community development. In addition, grants for local health, education, crime prevention, employment training, and general revenue sharing assist State and local development. Other direct Federal activities, such as housing credit, defense contracting, and management of public forests and parks, and the operation of Federal facilities (for example, Veterans Administration hospitals, naval shipyards, NASA research facilities, et cetera) also have a significant impact on community development.

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FEDERAL OUTLAYS FOR CIVIL PUBLIC WORKS AND CONSTRUCTION

[In billions of dollars]

Agency and program	1977 actual	1978 estimate	1979 estimate
Federal public works:			
Tennessee Valley Authority (largely energy supply)	1.2	1.5	1.4
Corps of Engineers (water resources programs)	1.4	1.5	1.5
Department of Energy (largely energy conservation)	0.5	1.0	1.1
Department of the Interior (natural resources and Indian programs)	0.8	0.9	0.9
Department of Agriculture (largely forest roads)	0.2	0.3	0.4
Department of Transportation (largely airports)	0.3	0.3	0.3
Veterans Administration (medical facilities)	0.2	0.3	0.4
Department of Health, Education, and Welfare (largely health)	0.1	0.3	0.2
All other agencies	0.3	0.4	0.4
Total, Federal public works	5.2	6.5	6.5
Grants to State and local governments:			
Department of Transportation:			
Airports	0.3	0.5	0.6
Highways	5.9	6.7	7.4
Mass transit	1.0	1.2	1.4
Environmental Protection Agency—Sewage construction grants	3.5	4.1	4.7
Department of Housing and Urban Development (community development)	3.1	3.4	3.3
Department of Commerce (local public works and other)	0.8	2.6	2.2
Appalachian regional development programs	0.2	0.3	0.3
Department of Agriculture (rural development and flood prevention)	0.3	0.4	0.4
Department of the Interior (largely recreation)	0.3	0.3	0.5
Department of Health, Education, and Welfare (largely health)	0.4	0.2	0.1
Other agencies	0.5	0.4	0.6
Total, grants to State and local governments	16.4	20.1	21.3
Total, Public Works	**21.6**	**26.7**	**27.8**
Allocated to community development (function 450)	(4.6)	(6.9)	(6.5)
Allocated to other national needs	(16.9)	(19.8)	(21.3)

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EDUCATION, TRAINING, EMPLOYMENT AND SOCIAL SERVICES

National Needs Statement:

- Promote the extension of knowledge.
- Facilitate the dissemination of knowledge through research.
- Assist the disadvantaged and the disabled to be self-sufficient and self-supporting.
- Provide equal education opportunities for the disadvantaged and the handicapped.
- Provide training needed for full and effective participation in the labor force.
- Provide employment opportunities to counter unemployment caused by changes in the business cycle or other economic dislocations.
- Promote the development of and access to the arts and humanities.

To help to achieve our national needs in education, training, employment, and social services in 1979, the Federal Government will spend an estimated $30.4 billion in support of the following major missions:

- Elementary, secondary, and vocational education programs: $6.5 billion.
- Higher education: $4.3 billion.
- Research and general education aids: $1.2 billion.
- Training and employment: $12.8 billion.
- Other labor services: $0.5 billion.
- Social services: $5.1 billion.

To help to carry out these missions, the following major proposals are emphasized in this budget:

- Provide funds for improving the basic educational skills of the disadvantaged with an emphasis on reading.
- Improve access to higher education for lower income students, and help to reduce the immediate financial burden of higher education for middle-income families.
- Expand employment and training programs for youth to find ways to reduce the excessive unemployment burdening the disadvantaged, especially minorities.
- Redirect employment and training assistance toward individuals and areas of greatest need and start a new initiative to increase employment in permanent private sector jobs.

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- Continue 725,000 public service jobs—primarily for the low-income and long-term unemployed—through 1979; phase down in future years as unemployment decreases, with the assurance that more such jobs will become available if unemployment should rise again.
- Provide employment assistance to those in need through the Better Jobs and Income Act proposed to restructure the Nation's system of providing jobs and income to the poor.
- Safeguard the rights and improve the status of children in foster care, and provide assistance and encouragement for family reunification or adoption as alternatives to long-term foster care.

The major missions are supported by the programs shown in the following table:

NATIONAL NEED: EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES

[Functional code 500; in millions of dollars]

Major missions and programs	Recommended budget authority for 1979	Outlays			
		1977 actual	1978 estimate	1979 estimate	*1980 estimate*
Education:					
Elementary, secondary, and vocational education:					
Aid to education agencies:					
Elementary and secondary education	3,395	2,352	2,574	3,003	*3,265*
Proposed legislation	400	-------	-------	28	*285*
Impact aid	856	765	810	838	*850*
Proposed legislation	676	-------	-------	−58	*−88*
Education for the handicapped	972	249	367	562	*850*
Occupational, vocational and adult education	726	693	740	803	*740*
Other	683	530	595	642	*674*
Child development	735	489	587	664	*735*
Subtotal, elementary, secondary, and vocational education	8,443	5,078	5,673	6,484	*7,312*
Higher education:					
Student aid and institutional support	4,414	2,953	3,627	4,107	*4,378*
Special institutions	175	152	162	182	*188*
Subtotal, higher education	4,588	3,104	3,789	4,289	*4,566*
Research and general education aids:					
Special projects and training	105	43	75	92	*100*
Proposed legislation	11	-------	-------	2	*9*

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NATIONAL NEED: EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES—Continued

[Functional code 500; in millions of dollars]

Major missions and programs	Recommended budget authority for 1979	Outlays			
		1977 actual	1978 estimate	1979 estimate	*1980 estimate*
Research and general education aids—Con.					
Educational research:					
National Institute of Education	100	64	80	90	*102*
Other	40	19	24	32	*37*
Cultural activities	560	409	521	501	*592*
Proposed legislation	----------	-------	-------	-------	*—6*
Other	524	392	478	530	*519*
Subtotal, research and general education aids	1,339	927	1,177	1,247	*1,353*
Subtotal, education	14,370	9,109	10,639	12,020	*13,231*
Training, employment, and labor services:					
Training and employment:					
General training and employment programs	8,582	5,041	8,155	8,927	*9,927*
Youth programs	1,967	777	1,566	2,303	*2,568*
Private sector initiative	400	-------	-------	250	*400*
Older workers	228	72	150	198	*224*
Work incentive program	365	361	365	365	*365*
Federal-State employment service	745	627	693	745	*763*
Subtotal, training and employment	12,287	6,877	10,930	12,787	*14,247*
Other labor services	490	374	440	477	*490*
Subtotal, training, employment, and labor services	12,777	7,251	11,370	13,264	*14,738*
Social services:					
Grants to States for social and child welfare services	2,578	2,551	2,703	2,578	*2,633*
Proposed legislation	285	-------	-------	264	*316*
Retroactive claims (proposed legislation)	----------	-------	543	-------	-------
Services for the disabled, the elderly and other special groups	2,913	1,379	1,463	1,597	*1,614*
Community service programs	538	529	613	558	*538*
Domestic volunteer programs	131	109	117	128	*130*
Other social services	13	64	28	13	*13*
Proposed legislation	3	-------	-------	3	*3*
Subtotal, social services	6,461	4,632	5,468	5,142	*5,248*
Deductions for offsetting receipts	—5	—7	—5	—5	*—5*
Total	**33,604**	**20,985**	**27,471**	**30,421**	*33,210*

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Education

The primary mission of Federal education programs is to assure that all Americans have an equal access to a good education. This mission is carried out by giving State and local governments Federal funds to enhance their educational systems and to provide enriched education for the disadvantaged and the handicapped.

Elementary, secondary, and vocational education.—The mission of these programs is to provide assistance to State and local educational agencies either through formula grants or through discretionary project grants.

The greatest share of this assistance is to improve the quality of educational services offered to the low-income and handicapped, Indians, and students of limited English language skills. Funds also are provided to support vocational education and to compensate school districts for the economic burden placed on them by the presence of Federal facilities.

Aid to education agencies.—The largest share of the funds for elementary and secondary education consists of grants to State and local education agencies for supplementary services to low-income, low-achieving students through title I of the Elementary and Secondary Education Act. Substantial increases are requested for this program. Emphasis will be placed on improving basic skills, especially reading. Budget authority of $400 million in 1979 is included for a new legislative proposal to provide additional help for those areas that face particularly severe education problems. Approximately $3.4 billion will be provided under the basic title I program in 1979 to aid 5.6 million students at an average per-pupil expenditure of $453.

Budget authority of $150 million is requested for grants to States and local schools to help 250,000 children of limited English language skills. These funds will establish bilingual education programs and develop the capacity of these schools to meet the needs of bilingual children through teacher training and curriculum development.

Budget authority of $76 million is recommended in 1979 to advance the education of Alaskan Natives and Indians. Grants of $160 per child will be made to 1,200 school districts serving 300,000 Indian students. Special projects will increase the number of Indian professionals in medicine, law, business, forestry, and engineering. Over 16,000 adult Indians will receive assistance in reading and mathematics. In addition, $271 million in budget authority for 1979 is proposed for education programs administered by the Department of the Interior's Bureau of Indian Affairs.

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The purpose of the impact aid program is to compensate districts for the cost of educating the children of Federal employees. While the ability of these districts to raise revenue from local sources has been reduced as the result of Federal acquisition of local property, much of the aid now goes to districts where Federal activities do not place a burden on the local communities' educational systems. In fact, the Federal presence in some communities has strengthened the local tax base. Therefore, reform is being proposed to limit Federal impact aid to those districts where Federal activities actually impose an economic burden on the school system by reducing tax revenue. Budget authority of $780 million is requested for impact aid in 1979, compared to $831 million in 1978. In addition, $752 million of 1979 budget authority is requested to forward fund the program.

The budget includes budget authority of $804 million in 1979 to help support State and local education agencies that educate handicapped children. These funds will offset 12% of the additional cost incurred by school systems to identify and educate handicapped children.

Increased assistance will also be provided through the Emergency School Aid Act for civil rights advisory activities. These funds will aid school districts in complying with school desegration requirements.

Child development—Proposed budget authority for the Head Start program for disadvantaged preschool children rises from $625 million in 1978 to $680 million in 1979. In 1979, the Head Start program will serve about 442,000 children, 34,000 more than in 1978. The 1979 budget also requests increased support for programs aimed at preventing child abuse and neglect.

Higher education.—The primary mission of Federal higher education programs is to improve access to postsecondary education for students of varying economic backgrounds.

Student aid and institutional support.—There has been increasing concern in recent years about the rising costs of higher education, particularly at small and medium-sized private institutions. Middle-income American families often find that the costs are more than they can afford, yet their incomes are often too high to qualify for either Federal assistance or for private scholarships. Tax credits to offset part of the cost of higher education are often suggested as a remedy and received very serious consideration by the Congress last year. The administration, while recognizing the seriousness of the problem, believes that this approach to its solution has serious drawbacks. First, the form of assistance that was under consideration by Congress

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and that would be possible as a direct Federal subsidy would provide only marginal help to each family. Second, the tax credit approach ignores the long-run benefits that individuals receive from their investment or the investment of their parents in education.

The 1979 budget includes $2.2 billion in budget authority for the basic opportunity grant program. Grants of up to $1,800 will be given to 2.2 million undergraduate students in the 1978–79 school year. The limit on allowable family assets will be increased to $25,000 to allow more middle-income students to participate in the program.

The administration plans to recommend more effective alternatives during the coming months which will provide further aid to students from middle-income families through conventional programs rather than through the tax system. Funds for these proposals are included in the allowance for contingencies.

Budget authority of $77 million in 1979 is recommended for the State student incentive grant program to provide assistance to 300,000 needy students. In addition, $450 million of budget authority is proposed for the work-study program to help provide part-time employment for 504,000 students during the 1978–79 school year. Budget authority of $750 million is recommended in 1979 for the guaranteed student loan program. This amount will help provide $1.7 billion in loans to about 1.1 million students in the 1978–79 school year; $304 million is recommended for the direct loan program. Budget authority of $8 million is requested to increase the number of minorities and women in graduate education programs. Budget authority of $50 million is also requested to provide loans to higher education institutions to reconstruct and renovate facilities to make them more accessible to handicapped students.

Special institutions.—Budget authority of $175 million is recommended in 1979 to fund the American Printing House for the Blind, Gallaudet College, the National Technical Institute for the Deaf, and Howard University. This is an increase of $20 million over 1978. These institutions will serve an estimated 52,000 students in 1979.

Research and general education aids.—Programs in this mission further educational research and development, support cultural affairs and promote related special projects. Recommended budget authority for this mission is $1.3 billion in 1979.

The principal aim of categorical programs for special projects is to upgrade the quality of instruction for students. The Special Projects Act, under which nine such programs are funded, is restrictive and does not allow sufficient flexibility to fund projects to meet emerging

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CREDIT PROGRAMS—EDUCATION

[In millions of dollars]

	1977 actual	1978 estimate	1979 estimate
Direct loans:			
New loans	351	724	567
Repayments, sales, and adjustments (−) [1]	−102	−129	−45
Net credit outlays	248	595	522
Guaranteed loans: [2]			
New loans	1,682	1,681	1,903
Net credit guaranteed	670	402	560

[1] Includes sale of loan assets.
[2] Includes loans counted as direct loans of other accounts.

special and unique educational needs. Legislation is recommended to permit increased flexibility in funding discretionary activities under this act.

In 1979, the National Institute of Education will focus its research toward solving the educational problems that particularly affect disadvantaged groups. Budget authority requested for the National Institute of Education rises from $90 million in 1978 to $100 million in 1979. Basic research will be substantially increased but with emphasis also on the dissemination of research results.

Budget authority for the National Endowment for the Arts and the National Endowment for the Humanities requested for 1979 is $150 million and $146 million, respectively. Emphasis will be placed on reaching under-served populations. Federal support for the Endowments is matched by contributions from non-Federal sources. The Endowment for the Humanities will initiate a new program in social history to increase public awareness and appreciation of the history of everyday life in America in the 19th and 20th centuries.

In addition, budget authority of $128 million is recommended for the Smithsonian Institution. Noncommercial broadcasting will be supported by $172 million in budget authority in 1979 through the Corporation for Public Broadcasting. Federal funds will provide $2 for every $5 of private contributions to the public broadcasting system up to specified limits.

Related programs.—A number of Federal programs are related to education, although their primary purpose is to meet other national

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FEDERAL EDUCATION OUTLAYS SUPPORTING OTHER MAJOR MISSIONS, 1979

[In millions of dollars]

Functional code	Agency	Elementary and secondary education	Higher education	Adult and continuing education	Total
604/352	Agriculture	2,820	10	260	3,090
702	Veterans Administration	66	2,009	266	2,341
601	Health, Education, and Welfare: Social Security Administration	390	1,504	150	2,044
051	Defense	376	721	257	1,354
151	International Development Assistance	3	----	126	129
251	National Science Foundation	14	55	5	74
750	Justice	2	43	17	62
150	International Communications Agency	6	----	47	53
450	Housing and Urban Development	----	----	54	54
452	Appalachian Regional Commission	38	4	3	45
400	Transportation	----	----	48	48
---	Other	14	23	60	97
	Total	**3,729**	**4,369**	**1,293**	**9,391**

needs and to serve other major missions. The above table shows major education-related programs that support other major missions.

Training, Employment, and Labor Services

The mission of these programs is to help individuals get jobs and improve their long-term earnings. This mission is carried out primarily through Federal support to State and local governments for job training, employment services, and temporary public service employment. In addition, the Federal Government enters into contracts with private sector organizations to provide training or employment services. The Federal Government also establishes and enforces minimum wage and other standards governing employment and labor-management relations.

Training and employment.—Employment and training programs have grown steadily to serve an increasing number of individuals. Major increases occurred in 1977 and 1978 in response to high unemployment. Although the economy is improving, the unemployment situation continues to call for special measures. Thus, the budget continues support for 725,000 public service jobs in 1979, largely for the low-income, long-term unemployed, and substantially increases youth employment programs. Total outlays for employment and

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training programs are estimated to be $12.8 billion in 1979. Improvements in the economy will permit gradual declines in temporary programs thereafter, with increases beginning in 1980 and beyond as the jobs portion of welfare reform begins to build up to a full-year level of $11.1 billion in 1983.

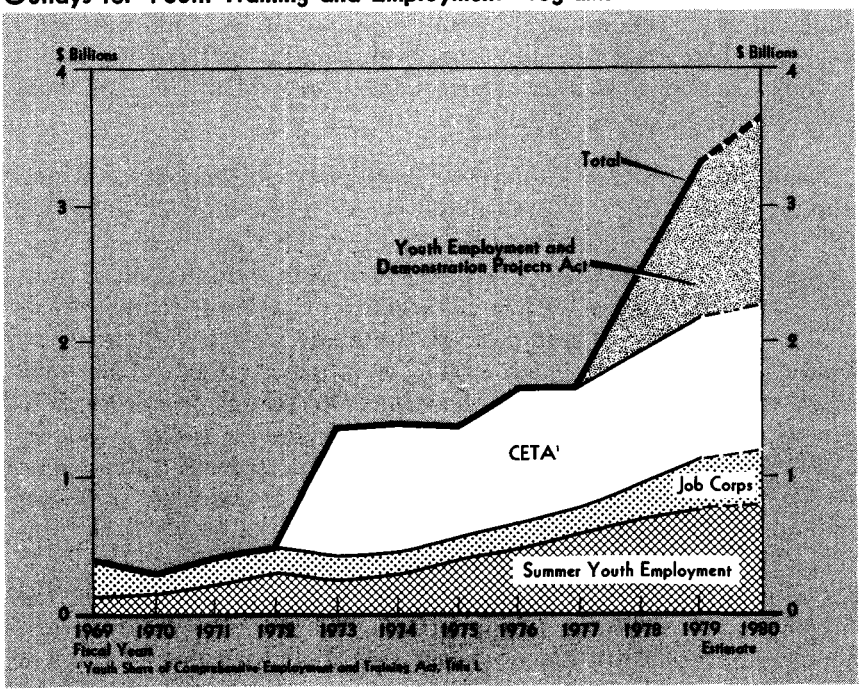
General training and employment programs.—Authority for appropriations under the Comprehensive Employment and Training Act (CETA), with the exception of the Young Adult Conservation Corps, expires at the end of 1978. The budget requests continuation of most activities under this law with more targeting of resources to individuals and areas in relatively greater need. State and local governments will receive general grants under CETA to provide outlays of approximately $1.9 billion, resulting in about 430,000 training or work experience opportunities. Outlays for special programs for Indians and for migrant and seasonal farmworkers are estimated to reach $172 million in 1979. Subsidized public service employment is provided primarily for low-income, long-term unemployed individuals. In 1977, the administration sought and received authority needed to build the public service jobs program up to 725,000 jobs by mid-1978. For 1979, the budget request continues to support 725,000 jobs. For future years, the administration will request levels consistent with the anticipated improvement in the economy. Permanent standby authority will be requested so that additional public service jobs could be provided if any future economic downturns were to make that necessary.

The administration's proposed better jobs and income program will restructure the Nation's system for providing employment assistance and income to those in need. Job placement and training will aid those able and expected to work. If there is a shortage of private sector jobs, the Government will make available up to 1.4 million subsidized jobs in the public sector for primary earners in families with children. Together, the cash assistance and employment programs will always make unsubsidized employment more attractive than subsidized jobs or cash assistance alone. In 1979, planning grants will become available under the new program for State and local prime sponsors to use with State employment security agencies, other State and local agencies, and community-based organizations to plan for implementation of the new program. In addition, in 1979, several demonstration projects will be funded to show how the new program will work and to ensure that management systems are fully adequate before initiating them in all areas. The cash program is scheduled to become effective during 1981, three years after the date of enactment.

Youth programs.—About half of the Nation's unemployed are under age 25. Among these young people, minorities and the disadvantaged

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Outlays for Youth Training and Employment Programs



are disproportionately represented, with recent minority youth unemployment rates of 35% to 40%. In response to these unacceptable levels of joblessness, a major expansion of youth training and employment programs was started in 1977, as part of the administration's economic stimulus program. A substantial increase in Job Corps capacity was initiated. Summer youth employment was increased to 1 million jobs. Four experimental programs were authorized in the Youth Employment and Demonstration Projects Act. These new efforts are being continued in 1978, and will be further expanded in 1979, as the administration continues to explore methods for fighting high levels of youth unemployment, especially among the disadvantaged. Outlays of programs designed specifically for youth, which does not include CETA title I, are estimated to reach a total of $2.3 billion in 1979. This includes:

- $376 million under the Job Corps, which will have doubled enrollment since 1977;
- $740 million under the summer youth employment program, to provide 1 million job opportunities for disadvantaged youth; and
- $1.2 billion for programs authorized in 1977 under the Youth Employment and Demonstration Projects Act.

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The four new programs authorized by the Youth Employment and Demonstration Projects Act are:

- Young Adult Conservation Corps, which provides job opportunities on public lands;
- Youth incentive entitlement pilot projects, which are testing the effect on school dropout rates of providing employment guarantees to disadvantaged youth;
- Youth community conservation and improvment projects, which provide work in rehabilitation and other community projects; and
- Youth employment and training programs, which provide flexible grants to State and local sponsors to devise new ways of serving youth, plus substantial discretionary funding for Governors and for the Secretary of Labor.

Private sector initiative.—A major effort will be made to orient Federal training and employment activities more directly toward unsubsidized private sector jobs. Working through State and local sponsors, increased funding will be provided for training designed with the aid of local industry. These programs will serve the disadvantaged and unemployed, with special emphasis on young people. Advance planning and initial developmental work will start in 1978. A total of $400 million in budget authority is requested for 1979.

Older workers.—Community service employment for older Americans will provide 47,500 job opportunities for low-income persons 55 and over in 1979. Authority for this program expires in 1978. For 1979, similar authority will be sought.

Work incentive program (WIN).—Those receiving aid to families with dependent children (AFDC) are helped to find jobs through intensive employment services or, where necessary, through job training and job creation programs. Child care and other supportive services enable recipients to seek and accept jobs. In 1977, about 270,000 individuals were placed in unsubsidized jobs under WIN. Another 270,000 individuals will be placed in 1979.

Federal-State employment services.—To improve the operation of labor markets, job-matching services for workers and employers are provided through some 2,400 State offices, operated with Federal funds. Results of a pilot study on the net impact of the employment service on the economy are expected in late 1978. These are part of a major study to define the role of a government employment service in the labor markets over the next several years. The budget request

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will maintain employment service operations at their current level in 1979, with outlays of $745 million. Expansion of computerized job matching to more sites and States will continue in 1979.

Other labor services.—The Federal Government establishes and enforces standards affecting the relationship between employer and employee. These standards apply to such aspects of employment as minimum wages, overtime payments, equal pay for equal work, job discrimination on the basis of age, and welfare and pension plans. (Similar efforts relating to job safety and health are included in the health function, while those related to equal employment opportunities for minorities and women are covered in the law enforcement and justice function.) The Federal Government also administers laws designed to assure fair practices in labor-management relations, and gathers and disseminates statistics on employment, wages, and prices. Outlays for these services are estimated at $477 million in 1979.

Training and employment-related programs.—A number of Federal programs are related to training and employment although their primary purpose is to meet other national needs and serve other major missions. The following table shows major training and employment-related programs that support other major missions.

TRAINING AND EMPLOYMENT OUTLAYS FOR OTHER MAJOR MISSIONS

[In millions of dollars]

Functional code	Agency	1977 actual	1978 estimate	1979 estimate
350	Agriculture	48	72	56
450	Housing and Urban Development	12	16	20
450	Interior	49	52	54
500–503	Health, Education, and Welfare	770	814	829
506	Health, Education, and Welfare	667	669	688
506	Community Services Administration	1	1	1
600	Health, Education, and Welfare	138	145	154
700	Veterans Administration	293	269	256
750	Equal Employment Opportunities Commission	72	78	104
750	Justice	1	2	4
999	Various agencies	140	140	140
	Total	**2,191**	**2,258**	**2,306**

Social Services

The Federal Government provides grants to States for a variety of social services. These services are primarily for the poor and other groups with special needs for such services.

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Social services.—*Grants to States for social services.*—The social services program authorized under title XX of the Social Security Act provides financial assistance to States for the delivery of a wide range of social services to the poor, to foster their self-sufficiency and ability to live as independently as possible. Federal outlays for the basic title XX social services program are estimated at $2.45 billion in 1979, compared to $2.4 billion in 1978.

The administration is also requesting a continuation in 1979 of the $200 million (budget authority and outlays) in special funding under this program to be used by the States for child day care.

Child welfare services.—Authorized under title IV–B of the Social Security Act, this program provides grants to the States for the care and protection of neglected, homeless, and abused children. The administration has proposed legislation to improve significantly the scope and quality of services provided by the States to children and to develop stronger procedural safeguards to protect the rights of children and their parents. This proposal is designed to:

- aid in reuniting children with their natural families wherever feasible;
- require more frequent monitoring of the status of children in foster care to assure that they are permanently placed as rapidly as possible;
- encourage the adoption of children who might otherwise remain in foster care for an extended period; and
- subsidize low-income families who want to adopt children.

Under this proposal, outlays for child welfare services would rise from $57 million in 1978 to $121 million in 1979.

Retroactive claims.—A total of $543 million in budget authority and outlays is requested in 1978 to settle States' prior-year claims under the Social Security Act. The Secretary of the Treasury would make such payments under the provisions of proposed legislation now pending before the Congress.

Services for the disabled, elderly, and other special groups.—Loans will be provided to help renovate facilities of Federal higher education grantees to meet the requirements of section 504 of the Rehabilitation Act to eliminate architectural barriers to the handicapped.

Outlays for programs for the disabled are estimated to be $953 million in both 1979 and 1980, and will help approximately 1.8 million persons who have physical and mental disabilities become self-sufficient. To aid State planning in this area, advance funding for 1980 is requested for State grants to provide basic vocational rehabilitation services. Additional 1979 outlays for vocational rehabilitation services

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are derived from the old age survivors and disability insurance trust funds and from the supplemental security income program. These outlays are included in the income security function since their primary mission is to reduce reliance on income programs.

Outlays for programs for older persons are estimated to be $545 million in both 1979 and 1980. Advance funding is requested for 1980 for these programs, which are designed to enable older persons to live in their own homes and communities. Special programs for older Americans will also provide approximately 530,000 daily meals, an increase of 95,000 over 1978. A White House Conference on Families will be convened in 1979 to examine the impact on families of government actions and policies. Funds are also included to continue demonstrating approaches to the provision of services that meet the needs of other special groups, such as runaway youth and native Americans.

Community services program.—Several social services programs are undertaken through community action authority of the Community Services Administration. Administrative support is financed for about 900 local community action agency grantees, although most local community action agency program funding is derived from such sources as Head Start and employment and training programs administered by other Federal agencies. The 1979 budget seeks to:

- strengthen the administration of community action agencies;
- expand innovative demonstration activities concentrating on the delivery of assistance to the poor and emphasizing self-help and integrated human services projects;
- increase funds to develop and test new, effective programs for the poor; and
- improve the quality of community action programs and their management through more evaluation efforts.

Special community action programs are supported at levels required to conduct direct service activities and demonstrations. In 1979, the energy conservation program level reflects the transfer of the home weatherization effort to the Department of Energy. Community action agencies will remain the primary network for delivering this service. State economic opportunity offices—as State grantees and conduits for Federal assistance under the direction of the Governors—will be supported on a 50% matching basis, with the Federal and State Governments sharing the cost equally. Funding for the community economic development program will be concentrated in 1978 and 1979 on the more successful grantees and on improved management of the program. An assessment will be made of the lessons learned from this program and its potential usefulness as a part of a comprehensive urban development plan.

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Domestic volunteer programs.—ACTION, the Federal Government's agency for volunteers, supports Volunteers in Service to America (VISTA), University Year for ACTION (UYA), foster grandparents, senior companions, and the retired senior volunteer program. ACTION has recently adopted a basic human needs planning and programming strategy, designed to enable the agency to target its volunteer services more effectively on seven basic human needs areas: health and nutrition, knowledge and skills, economic development and income, housing, energy conservation, community services, and legal rights. This new strategy is changing the emphasis in the agency's program.

VISTA will be increased in 1979 by approximately 1,200 volunteers and efforts will be focused on health and nutrition, community development, and energy conservation. This expansion reflects the administration's conviction that effective volunteer programs are crucial to meeting the social needs of the country. The budget requests funds for the senior companions and foster grandparents programs to support the same number of volunteers as in 1978. The retired senior volunteer program will be smaller than in prior years. Projects that only substitute for services already provided by private voluntary organizations, or that do not meet the basic human needs criteria, will be phased out or transferred entirely to private resources. The UYA has been judged to be an ineffective program and few sponsoring institutions have been willing to incorporate the programs into their own curricula. This budget marks the beginning of a phaseout of the UYA.

The budget also proposes increases for technical assistance, grants, and model demonstrations to explore alternative approaches to voluntary action, primarily in the private sector. Outlays for ACTION's domestic programs are estimated to increase from $109 million in 1977 to $117 million in 1978 and $128 million in 1979.

Tax Expenditures

The income tax law provides significant benefits that have effects similar to budget expenditures for education, training employment and social services.

Education.—Tax expenditures that aid higher education are the exclusion of scholarships and fellowships from income subject to tax, the personal exemptions claimed by parents of students age 19 or over, and the deductibility of contributions to educational institutions. These tax expenditures are estimated to be $0.3 billion, $0.7 billion, and $0.8 billion, respectively, in 1979.

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Training and employment.—The jobs credit, a new tax expenditure, was introduced by the Tax Reduction and Simplification Act of 1977. For calendar years 1977 and 1978, employers whose employment is increased will generally be able to take as an offset to their tax liability a credit equal to $2,100 per new employee hired. The aggregate credit is limited to $100,000 per employer. An additional credit of $420 is provided for all handicapped individuals newly hired who have received vocational rehabilitation. The tax expenditure associated with this provision is estimated to be $2.5 billion in 1978 and $1.9 billion in 1979.

Social Services.—The provision of social services by a wide variety of private institutions is encouraged by the deductibility of contributions to those institutions. The tax expenditure associated with this provision of the tax code is expected to be $4.8 billion in 1979.

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HEALTH

National Needs Statement:

- Assure access to quality health care services, with emphasis on the needs of the poor, the aged, and the disabled.
- Restrain inflationary growth in health care costs.
- Acquire knowledge regarding the causes, prevention, and treatment of disease and the behavior by which good health can be attained and maintained.
- Support training and education of a broadly representative health workforce.
- Assure consumer and workplace health and safety.

To address national needs in health in 1979, the Federal Government will spend an estimated $49.7 billion in outlays in support of the following major missions:

- Health care services: $45.1 billion.
- Health research: $2.9 billion.
- Education and training of the health care work force: $770 million.
- Consumer and occupational health and safety: $887 million.

To help carry out these missions, the following major proposals are recommended:

- An expanded child health assessment program with estimated outlays of $263 million in 1979, to provide early and periodic screening, diagnosis, and treatment to an additional 1.7 million low-income children and youth under the age of 21 currently not eligible for medicaid.
- An extension of medicaid to cover low-income expectant mothers, with an estimated Federal outlay of $118 million in 1979.
- A new program with $100 million in 1979 budget authority to help prevent unwanted adolescent pregnancies and to assist adolescent parents to avoid future welfare dependency.
- A hospital cost containment initiative, now before Congress, to hold down increases in the cost of hospital services. This initiative will reduce the Nation's anticipated health bill by an estimated $2 billion in 1979, including $730 million in Federal outlays.
- Fraud and abuse legislation to reduce payment errors under the medicaid program, with estimated 1979 outlay savings of almost $400 million.

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- Increases in 1979 obligations of $32 million for research in reproduction and the biological and behavioral aspects of development, and $42 million for mental health and substance abuse research.

The administration expects to submit national health insurance legislation this calendar year. It will not, however, affect Federal outlays in 1979 and, therefore, no funding is reflected in this budget.

Health care services.—The mission of financing and providing health care services represents the largest portion of Federal spending for national health needs. The Federal Government, primarily through medicare and medicaid, is a major source of financing for health services. To achieve its mission, the Federal Government funds about 28% of the financing for health services in the country; this includes 39% of hospital expenses, 32% of nursing home expenses, 19% of physicians' services expenses, and 5% of drug expenses. Total Federal outlays for health care services are estimated to rise from $34.5 billion in 1977 to $39.9 billion in 1978 and $45.1 billion in 1979.

The availability and use of new medical services and an increasingly older population account in part for increased health spending. Nevertheless, much of the increase has resulted from inflation. Without cost restraints, Federal spending for medicare and medicaid alone would rise an estimated 60% (from $42 billion to $70 billion) between 1979 and 1983.

To curb health cost inflation, enactment of pending legislation would allow the Federal Government to limit annual increases in hospital revenues. Hospitals could vary from Federal limits only in exceptional circumstances. This proposal would result in 1979 outlay savings of $630 million for medicare, $100 million for medicaid, and $1.3 billion for non-Federal payers—a total of $2 billion.

Medicare.—Outlays of $25.6 billion in 1978 and $29.4 billion in 1979 are estimated for health services for the 27 million aged and disabled medicare recipients.

Legislation, signed by the President in 1977, will provide for medicare cost reimbursement for services rendered by physician assistants and nurse practitioners in rural health clinics. The administration also supports legislation that would encourage renal dialysis in the home in order to reduce costs and help patients lead more normal lives.

Medicaid.—Enactment of an expanded proposal to establish the child health assessment program would extend medicaid's early and periodic screening, diagnosis, and treatment program to cover an

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NATIONAL NEEDS: HEALTH

[Functional code 550; in millions of dollars]

Major missions and programs	Recommended budget authority for 1979	Outlays			
		1977 actual	1978 estimate	1979 estimate	*1980 estimate*
Health care services:					
Medicare	31,703	21,549	25,611	30,039	*34,860*
Proposed legislation	----------	----------	−40	−629	*−2,635*
Medicaid	12,180	9,874	10,960	12,168	*13,570*
Proposed legislation	−95	----------	*	−95	*−582*
Other health services	4,015	3,047	3,214	3,501	*3,614*
Proposed legislation	60	----------	----------	20	*60*
Unallocated overhead	124	57	114	94	*129*
Subtotal, health care services	47,987	34,527	39,860	45,097	*49,017*
Health research:					
National Institutes of Health:					
Basic research programs	856	623	724	827	*857*
Other research programs	1,822	1,480	1,730	1,785	*1,831*
Alcohol, Drug Abuse, and Mental Health Administration research	222	167	173	199	*205*
Other research programs	68	122	61	65	*67*
Unallocated overhead	74	151	50	60	*68*
Subtotal, health research	3,043	2,543	2,738	2,935	*3,028*
Education and training of the health care work force:					
National Institutes of Health training	207	150	188	203	*176*
Health Resources Administration training programs	345	728	537	459	*452*
Alcohol, Drug Abuse, and Mental Health Administration training	111	104	110	109	*110*
Other health training programs	6	----------	----------	−1	*2*
Subtotal, education and training of the health care work force	669	981	836	770	*740*
Consumer and occupational health and safety:					
Consumer safety	627	521	599	613	*617*
Occupational safety and health	290	222	240	273	*280*
Subtotal, consumer and occupational health and safety	917	743	839	887	*897*
Deductions for offsetting receipts	−12	−10	−12	−12	*−8*
Total	**52,604**	**38,785**	**44,261**	**49,677**	*53,673*

* $500 thousand or less.

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additional 1.7 million children and youth under 21 years of age. Currently, children are covered by the program only if they receive aid to families with dependent children. States would be required to provide medicaid to low-income children and youth under age 21. This proposal would cost an estimated $263 million in outlays in 1979. Proposed legislation would also provide medicaid coverage to low-income expectant mothers not now covered.

Federal outlay savings of almost $400 million in medicaid are projected to result from the enactment of legislation establishing a quality control program. Total medicaid outlays are estimated to be $11.0 billion in 1978 and $12.1 billion in 1979 for the 21 million medicaid recipients.

Total Federal spending for health services is shown below.

TOTAL FEDERAL FINANCING AND PROVISION OF HEALTH SERVICES

[In millions of dollars]

	Outlays		
	1977 actual	1978 estimate	1979 estimate
Financing of hospital and medical services:			
General hospital inpatient services	21,881	25,479	29,258
Psychiatric hospital inpatient services	550	607	646
Long-term care inpatient services	3,968	4,912	5,332
Outpatient services	4,975	5,928	6,942
Outpatient mental health services	192	279	320
Other services	4,166	4,242	4,939
Subtotal, financing of services	35,732	41,448	47,436
Direct provision of hospital and medical services:			
General hospital inpatient services	3,520	3,924	4,111
Psychiatric hospital inpatient services	680	742	765
Long-term care inpatient services	220	257	283
Outpatient services	1,802	2,035	2,140
Outpatient mental health services	43	53	64
Other services	393	476	446
Subtotal, direct provision of services	6,657	7,487	7,809
Total, financing and provision of services	**42,389**	**48,935**	**55,245**
Allocated to health (function 550)	(34,527)	(39,860)	(45,097)
Allocated to other national needs	(7,862)	(9,075)	(10,148)

As stated initially, the mission of the major Federal health care programs—medicare and medicaid and the health service delivery programs—is primarily to assist those groups of Americans most in need, i.e., the aged, the poor, and the disabled. The following table shows total Federal health spending by income and age group.

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TOTAL FEDERAL HEALTH SERVICE OUTLAYS BY INCOME AND AGE GROUPS

[In millions of dollars]

	Outlays		
	1977 actual	1978 estimate	1979 estimate
Total, all recipients	42,389	48,935	55,245
Aged (65 and over)	23,724	27,668	31,757
Other adults (21 to 64)	14,524	16,660	18,272
Children and youth (0 to 20)	4,141	4,607	5,216
Poor persons, total	13,918	15,876	17,610
Aged (65 and over)	4,802	5,553	6,248
Other adults (21 to 64)	6,981	7,949	8,581
Children and youth (0 to 20)	2,134	2,374	2,780
Nonpoor persons, total	28,471	33,059	37,635
Aged (65 and over)	18,921	22,114	25,509
Other adults (21 to 64)	7,543	8,711	9,691
Children and youth (0 to 20)	2,007	2,234	2,436
Allocated to health (function 550)	(34,527)	(39,860)	(45,097)
Allocated to other national needs	(7,862)	(9,075)	(10,148)

In 1979, obligations of $174 million are recommended for the Professional Standards Review Organization (PSRO) program, which reviews the appropriateness and quality of federally financed medical services. The 1979 request permits existing PSROs to continue at the 1978 program level, pending the development of performance standards and tests of the efficacy of PSROs to control costs and assure quality health care.

Other health care service programs.—In addition to medicare and medicaid, the Federal Government funds a number of health care delivery programs. These programs provide health care both directly and through grants and contracts. There are, for example, 25 health services programs in HEW that fund health services for particular groups, with estimated outlays of $2.8 billion in 1979. These programs include the community health center, community mental health center, maternal and child health programs and other health services programs including those described below.

An administration initiative will improve and expand services to prevent unwanted adolescent pregnancies for which budget authority of $100 million is requested in 1979. Budget authority of $60 million

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and new legislation are proposed to establish networks of community-based services to prevent unwanted adolescent pregnancies. The other $40 million would be used in existing health service delivery programs, that is, community health centers, family planning and maternal and child health (for which advance funding for 1980 is proposed in this budget), to provide services to an additional 280,000 teenagers.

The health maintenance organization (HMO) grant program, with estimated outlays of $30 million in 1979, will encourage the development of prepaid group practices with the objective of demonstrating the capacity of HMO's to reduce unnecessary hospitalization and surgery. Nearly 200 HMO's will have received Federal assistance since 1973. Legislation will also be proposed to facilitate the participation of medicare and medicaid beneficiaries in HMO's and otherwise encourage the development of HMO's.

Estimated outlays of $61 million in 1979 for the National Health Service Corps (NHSC) will be used to place health professionals in areas in which they are in short supply. The NHSC program will support 1,725 physicians and other health workers in 743 sites in 1979. The NHSC represents the primary Federal mechanism to assure better geographic distribution of health professionals.

An estimated $559 million will be spent in 1979 on the direct provision of medical services by the Federal Government to 647,000 American Indians and Alaska natives living on or near Federal reservations. Federal funding for Indian health services has quadrupled since 1970; during this period, the health status of Indians in general has improved and that of Indian infants has improved dramatically.

Outlays for Public Health Service (PHS) hospitals and clinics are estimated to be $157 million in 1979. These funds provide primarily for the medical care of American merchant seamen and active-duty Coast Guard personnel. PHS hospitals also provide a wide variety of services for residents of the community in which they are located, ranging, for example, from hypertension screening to inpatient care for community residents.

An estimated $75 million in outlays will subsidize the delivery of mental health care at St. Elizabeths Hospital; the Hospital's patients are primarily District of Columbia residents. A 1978 supplemental budget request of $55 million in budget authority is proposed for the renovation of these facilities. The Federal and District governments will continue negotiations for the transfer of a fully accredited St. Elizabeths Hospital to the District of Columbia.

Tax expenditures.—In addition to direct Federal spending, Federal tax laws help finance health care by excluding from employees' taxable income health insurance premiums paid by employers. The revenue loss from this tax expenditure is estimated at $6.1 billion for 1979. In

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addition, individuals are permitted to itemize deductions for health care expenses and health insurance premiums within certain limits. In 1979, the revenue loss from this tax expenditure based upon current law is estimated at $2.7 billion. As a part of the tax reform and simplification proposals, deductibility of medical expenses, in combination with uninsured casualty losses, would be limited to expenses in excess of 10% of income rather than the current law which generally allows the deductibility of medical expenses in excess of 3% of adjusted gross income.

Health research.—The Federal mission of assuring the development of new knowledge on the causes, prevention, and treatment of disease is supported indirectly through grants and contracts for biomedical and behavioral research, as well as directly through research, carried out by Federal researchers in Federal facilities. With increases in life expectancy, the incidence of chronic and degenerative diseases in the United States has increased. Federal research emphasizes basic research in chronic and degenerative illnesses, such as cancer and cardiovascular disease, and in environmental and mental health problems. The table below indicates the allocation of total Federal outlays for the health research mission by research fields, including outlays for research facilities construction.

TOTAL FEDERAL OUTLAYS FOR HEALTH RESEARCH

[In millions of dollars]

	1977 actual	1978 estimate	1979 estimate
Cancer	767	796	830
Cardiovascular disease	306	355	382
Pulmonary disease	63	72	77
Mental health	145	148	169
Neurological and visual disease	196	238	263
Population and family planning	67	76	87
Environmental health	444	493	507
Aging	42	54	59
Metabolic diseases	186	226	246
Child health	86	99	114
Nutrition	50	58	66
Infectious diseases	190	211	222
Dental	49	57	63
Health services research and development	83	66	88
Other research and development	471	568	578
Research facilities	26	22	16
Total	**3,173**	**3,539**	**3,766**
Allocated to health (function 550)	(2,543)	(2,738)	(2,935)
Allocated to other national needs	(630)	(801)	(831)

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Federal outlays for national health research needs have risen from $70 million in 1950 to an estimated level of $3.5 billion in 1978 and $3.8 billion in 1979. The Federal Government currently funds more than 66% of all health research in this country through grants and contracts, as well as in its own laboratories and clinical facilities. The budget request maintains current levels of effort in major research areas, such as cancer, diabetes, and heart disease. The budget request also provides substantial increases in support of research in developmental biology and behavioral and biological reproductive studies, including nutrition. This research complements administration initiatives in child health assessment and in the prevention of unwanted adolescent pregnancies.

HEW obligations for basic research are estimated to rise from $844 million in 1978 to $964 million in 1979. Proposed obligations for research related to mental health, alcohol, and drug abuse increase from $180 million in 1978 to $222 million in 1979, reflecting recommendations of the President's Commission on Mental Health. The 1979 budget also includes obligations of $63 million for health services research in areas such as health care quality assurance, financing of health care, and cost containment.

Education and training of the health care work force.—Total outlays for training health professionals in this mission are estimated to be $836 million in 1978 and $770 million in 1979. This decline in outlays represents a gradual shift away from programs that are designed to increase the supply of health professionals and that provide basic institutional operating subsidies. Funds are shifted toward programs that directly assist students and meet more directly and efficaciously the need for a better geographic and specialty distribution of health professionals.

Between 1960 and 1975, partially as a result of Federal support—especially for physicians—the supply of health professionals rose by about 50%. The projected growth in the numbers of health professions graduates, from 27,803 in 1975 to 37,105 in 1990, indicates that Federal subsidies are not necessary to increase supply. For example, between 1969 and 1977 alone, medical school enrollments increased 62% and the annual number of graduates increased by 74%, from 8,059 to 14,000. The annual number of medical school graduates by 1990 is estimated to be 20,000. The Congress recognized these increases in supply in the "Health Professions Educational Assistance Act of 1976," stating "there is no longer an insufficient number of physicians and surgeons in the United States."

Beginning in 1979, capitation grants for health professions schools—which provide Federal funds to schools based on the number of stu-

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dents enrolled—will be phased out over a 3-year period. Federal support for health professions training—which now addresses geographic and specialty maldistribution of health professionals—will focus primarily on service commitment scholarships and direct placement of needed health professionals in scarcity areas through the National Health Service Corps. The National Health Service Corps scholarship program, with estimated outlays of $60 million in 1979, will support 6,000 students. In addition, a limited number of non-service-related scholarships will be maintained for first-year students from disadvantaged backgrounds. Research training will emphasize fellowships for postdoctoral students in life science fields to be selected through national competition.

FEDERAL OUTLAYS FOR HEALTH STUDENTS

[In millions of dollars]

	Outlays		
	1977 actual	1978 estimate	1979 estimate
Students in life science fields	112	135	152
Medical students	645	679	539
Dental students	124	56	65
Nursing students	148	140	161
Students in mental health fields	30	31	29
Other students in health fields	463	332	386
Total	**1,522**	**1,373**	**1,332**
Allocated to health (function 550)	(981)	(836)	(770)
Allocated to other national needs	(541)	(537)	(562)

The recently established health professions guaranteed loan program represents a more equitable means of funding training for individuals entering health fields than operating subsidy grants to schools. Such Federal direct subsidies are not necessary to attract students to health professions schools. Loans guarantees for the 1978–1979 academic year for health professions students are estimated to total $120 million. For support of undergraduate health professions training, greater emphasis will be placed upon the more equitable needs-based student assistance grant and loan programs administered by the Office of Education that are available to all undergraduate students.

Consumer and occupational health and safety.—An estimated $887 million in outlays will be spent in 1979 on the Federal mission

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of protecting consumers from unsafe and defective products, and workers from occupational safety and health hazards.

Outlays for consumer safety activities are estimated to increase from $599 million in 1978 to $613 million in 1979. Food and drug regulatory efforts will expand to assure the safety and efficacy of drugs and medical devices in 1979. A number of initiatives, such as reforming drug laws, insuring food safety, and fostering cooperative regulatory, educational, and research activities are expected to make existing programs more effective. Consumer product safety efforts will continue research, information dissemination, and regulatory measures to protect consumers from unreasonable consumer product risks. The Department of Transportation will continue efforts to prevent automobile accidents and reduce injuries from accidents through various motor vehicle and highway design safety standards.

Federal outlays to improve the safety and health of American workers in their workplace are estimated to be $273 million in 1979. The National Institute for Occupational Safety and Health (NIOSH) will increase the number of proposed limits for toxic materials and harmful physical agents in the workplace for use by the Department of Labor in promulgating occupational safety and health standards. NIOSH will also expand its research and training facilities related to occupational safety.

The Occupational Safety and Health Administration in the Department of Labor will issue new occupational health standards to help prevent job-related diseases and will continue to simplify and improve safety standards. The number of workplace inspections will increase from 200,000 in 1977 to 220,000 in 1979, with an increased emphasis on health inspections. Programs to acquaint workers and employers with the best methods for improving safety and health conditions in the workplace will be increased. In 1978, responsibility for mine safety and health will be transferred from the Department of the Interior to the Department of Labor under the recent amendments to the Federal Mine Safety and Health Act. These amendments for the first time require mandatory safety and health standards for non-coal mines and specify minimum numbers of compliance inspections. In addition, increased emphasis will be placed upon the enforcement of health standards and upon the development of programs to train miners in workplace safety and health.

Health-related programs.—A number of Federal programs are health-related, although their primary purpose is to meet other national needs and to serve other major missions. The table on the following page lists 1979 outlays for major health-related programs that support health missions, but whose primary purpose is to support non-health missions.

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PROPOSED 1979 FEDERAL HEALTH OUTLAYS SUPPORTING OTHER MAJOR MISSIONS

[In millions of dollars]

Functional code	Agency	Mission				
		Health care services	Health research	Training the health care work force	Protecting consumers and workers	Total
051	Defense	3,633	132	337	50	4,152
703	Veterans	5,220	113	334	0	5,667
451	Housing and Urban Development	97	0	0	29	126
352	Agriculture	31	97	0	349	477
304	Environmental Protection Agency	0	84	0	0	84
250	National Aeronautics and Space Administration	2	51	0	6	59
270	Energy	8	199	0	0	208
150	State	23	4	9	36	72
251	National Science Foundation	0	63	0	0	63
300	Interior	16	47	0	3	66
400	Transportation	53	6	3	14	78
750	Justice	46	1	0	15	62
999	Other agencies	203	54	58	168	483
999	Agency contributions to employee health funds	2,145	0	0	1	2,146
	Total	**11,477**	**851**	**741**	**671**	**13,743**

CREDIT PROGRAMS—HEALTH

[In millions of dollars]

Program	1977 actual	1978 estimate	1979 estimate
Direct loans:			
New loans	106	129	83
Repayments, sales and adjustments (—)	—56	—60	—95
Net credit outlays	49	70	—13
Guaranteed loans:			
New loans	303	107	217
Net credit guaranteed	292	92	200

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INCOME SECURITY

National Needs Statement:

- Mitigate through social insurance the loss of income due to unemployment, retirement, disability, or death.
- Assure a reasonable income for poor Americans, especially the elderly, disabled, and families with children, who—even though they may be working—are unable to provide sufficiently for themselves.
- Coordinate the various income transfer programs to eliminate duplication and inequities, and assure that all needy and deserving persons are benefitted.
- Administer these programs with the greatest efficiency, while preserving the dignity and independence of the beneficiaries.

To achieve our national needs for income security in 1979, the Federal Government will spend an estimated $160.0 billion in support of the following major missions:

- General retirement and disability insurance: $108.4 billion.
- Federal retirement and disability insurance: $12.0 billion.
- Unemployment compensation: $11.8 billion.
- Public assistance, housing assistance, and other income supplements: $27.8 billion.

To carry out these missions, the following proposals are included in this budget:

- The program for better jobs and income to reform the welfare system with planning beginning in 1979 and full implementation of the cash program beginning in July 1981;
- Changes in the social security benefit structure to eliminate windfall benefits and improve equity within the system;
- A President's Commission on Retirement Policy to study both public and private retirement systems; and
- An increase in housing assistance to aid an additional 450,000 low-income families in 1979.

General retirement and disability insurance.—This mission includes benefits paid out under the social security system to retired and disabled workers and their survivors. It also includes benefits paid out under railroad retirement and provides special benefits for disabled coal miners.

Most income security programs and the overwhelming share of income security benefits are related by law to changes in the cost of

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NATIONAL NEED: PROVIDING INCOME SECURITY

[Functional code 600; in millions of dollars]

Major missions and programs	Recommended budget authority for 1979	Outlays			
		1977 actual	1978 estimate	1979 estimate	*1980 estimate*
General retirement and disability insurance:					
Social security (OASDI)	100,138	83,861	93,088	103,725	*114,659*
Proposed legislation	15	-------	−40	−644	*−1,142*
Railroad retirement	3,902	3,800	4,094	4,280	*4,470*
Special benefits for disabled coal miners	1,048	978	1,006	1,029	*1,043*
Other	5	3	4	5	*6*
Proposed legislation	1	-------	*	1	*1*
Subtotal	105,109	88,642	98,153	108,396	*119,036*
Federal employee retirement and disability:					
Retirement and disability	19,426	9,228	10,519	11,767	*13,145*
Federal employee's compensation	228	275	292	228	*256*
Subtotal	19,654	9,503	10,811	11,995	*13,401*
Unemployment compensation:					
Existing law	17,227	15,258	12,360	11,827	*11,660*
Proposed legislation	−200	-------	-------	-------	*−300*
Subtotal	17,027	15,258	12,360	11,827	*11,360*
Public assistance and other income supplements:					
Supplemental security income	5,715	5,297	5,974	5,555	*6,292*
AFDC and other	6,823	6,351	6,712	6,823	*7,136*
Proposed legislation	23	-------	-------	23	*6*
Food stamps	5,779	5,399	5,655	5,748	*5,900*
School lunch and other nutrition programs	3,681	3,129	3,588	3,744	*3,930*
Proposed legislation	−217	-------	-------	−216	*−306*
Crude oil equalization tax refund (proposed legislation)	1,333	-------	167	1,333	*1,914*
Housing assistance	25,519	2,957	3,783	4,359	*5,284*
Proposed legislation	74	-------	-------	52	*96*
Refugee assistance	148	180	189	166	*95*
Other	217	289	248	219	*202*
Subtotal	49,096	23,601	26,316	27,807	*30,549*
Deductions for offsetting receipts	−1	−*	−1	−1	−1
Total	**190,885**	**137,004**	**147,640**	**160,024**	*174,345*
ADDENDUM					
Off-budget Federal entity:					
Pension Benefit Guaranty Corporation	−30	−16	−28	−30	*−30*

*$500 thousand or less.

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living, as measured by the Consumer Price Index (CPI) or some other index. In this way, benefits are protected against inflation. Beginning in 1978, two consumer price indexes will be published, the current index, which was designed to measure the purchasing power of the dollar for urban wage earners and clerical workers, and a new index, which covers all urban households. The new index will cover about 80% of the population, double that of the current index. Legislation is proposed to shift to the more comprehensive all-urban index whenever the CPI is used in measuring automatic cost-of-living increases for Federal programs linked to the CPI.

Social security.—The old-age, survivors and disability insurance (OASDI) program is the largest single program in the budget, accounting for 21% of total 1979 outlays. This program mitigates the loss of earnings when a wage earner retires, becomes disabled or dies. Participation in the program is almost universal: only Federal civilian employees, some employees of State and local governments, nonprofit organizations, and irregular workers are not covered. In 1977, more than $82 billion was paid in benefits to 33.2 million individuals. Outlays are estimated to be $93.0 billion in 1978 and $103.1 billion in 1979.

The system is financed almost entirely from payroll taxes paid by covered workers and their employers. In 1977 more than 100 million workers and their employers paid $77.8 billion in payroll taxes to finance the OASDI program.

The Social Security Amendments of 1977 made major changes to the OASDI program to help correct the following longer range problems that confronted the program:

- An error was made in the 1972 legislative provision for automatically adjusting the benefit computation formula to the rise in the cost-of-living. The formula unintentionally allowed future benefits to rise faster than the growth in either prices or wages, and would have ultimately increased program costs by the equivalent of a 37% increase in taxes on employers and employees.
- A long-range decline in birth rates was not foreseen in earlier projections of program costs. The effect of such a decline means that there will be fewer workers in future years to pay for the cost of benefits and that each worker's share of the cost will be higher than estimated.
- Earlier projections of the long-range growth of the economy were overoptimistic. As a result, the total revenues from payroll taxes were overestimated and the total outlays for future benefits were understated.

Some corrections were also needed because of short-range considerations. The recession, which began in 1974, increased unemployment

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and reduced wage and salary incomes, thus reducing anticipated revenues during this period. At the same time, inflation raised benefit costs faster than contemplated. New revenues were needed quickly to avoid exhausting reserves by the early 1980's.

To remedy these problems the benefit formula, tax rates, and wage base were all corrected. The Social Security Amendments of 1977 revised the benefit formula to correct the excess growth in future benefits. This action has been called "decoupling and indexing," and will stabilize future benefits for those who retire in the future at an average of about 40% of preretirement covered earnings, and about 60% for a married person whose spouse had no covered earnings.

The more immediate impact of the social security amendments will be to increase payroll taxes substantially over the next few years by raising both the maximum earnings subject to tax and the tax rate itself.

The legislation also raised the limit on the amount that may be earned after retirement without offsetting benefit reductions. The annual earnings limitation would be increased from $3,000 in 1977 to $6,000 by 1982 for persons aged 65 and over as seen in the table below. The legislation would also lower the age at which the beneficiary would be exempt from any annual earnings limitation from age 72 at present to age 70 beginning in 1982.

Elimination of outmoded or windfall benefits still needs to be addressed to further improve equity and the financial integrity of the social security system. The administration is therefore proposing legislation in 1979 to:

- Eliminate the minimum benefit for new beneficiaries, and freeze the minimum benefit for those already on the rolls. Supplemental

ANNUAL EARNINGS LIMITATION FOR SOCIAL SECURITY RETIREES

[Calendar years]

Beginning Jan. 1	Previous law	After amendments	
		Persons under age 65	Persons over age 65
1977	$3,000	(1)	(1)
1978	3,240	$3,240	$4,000
1979	3,480	3,480	4,500
1980	3,720	3,720	5,000
1981	3,960	3,960	5,500
1982	4,200	4,200	6,000

[1] Not applicable.

Note.—Persons age 70 or over would not be subject to retirement test beginning in 1982, the corresponding age under previous law was 72, which remains in effect until 1982.

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security income is the more appropriate source of income for the truly needy. The minimum benefit is a windfall for others who are not solely dependent on social security.

- Limit retroactive benefit claims to 3 months instead of the present 12 months. The payment of a sizable amount of retroactive benefits, which is frequent under present law, is not necessary to replace current income that is lost because of retirement, death, or disability.
- Start benefits to retired workers and their dependents for the month in which all eligibility requirements are met on the first of the month.
- Limit the amount of benefits paid to dependents over age 18, while they are in school, to the maximum amount available under the basic educational opportunity grants program.

As required by the 1977 amendments, the administration will engage in studies on extension of social security coverage to sectors not already covered, to provide greater equity in benefits for dependents, and to review the whole range of social security functions in relation to other retirement systems.

Railroad retirement.—In 1979, 1,025,000 retired or disabled railroad workers, their spouses, and dependents will receive retirement, survivors, and disability benefits, a 5,000 decrease from 1978. Railroad retirement outlays are estimated to rise from $3.8 billion in 1977 to $4.1 billion in 1978 and $4.3 billion in 1979.

The railroad retirement system is administered by the Federal Government for the workers and dependents in this one industrial sector. The railroad retirement system includes the provision of windfall benefits to certain beneficiaries entitled to both social security and railroad retirement benefits. The general taxpayer has subsidized the cost of providing these windfall benefits to railroad beneficiaries each year since 1976.

The budget reflects a policy that will treat all windfall recipients similarly and no longer index the initial windfall benefit for workers who retire after December 31, 1978. Windfall benefits are not indexed for current recipients. The annual windfall subsidy from the Federal Government to the railroad retirement system through the year 2000 under this plan is currently projected at $313 million in outlays.

Special benefits for disabled coal miners.—The Federal Coal Mine Health and Safety Act of 1969 established monthly benefit payments to coal miners who are totally disabled from pneumoconiosis and to their widows and surviving dependents. Benefit payments financed out of Federal funds increase automatically with annual increases in GS–2 Federal salary levels, and are estimated to total about $1.0

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billion annually in 1978 and 1979. It is estimated that an increase in the level of average benefits will be partially offset by a reduction in the number of beneficiaries from 487,000 in 1977 to 467,000 in 1978, and to 445,000 in 1979. Since 1972, benefits for miners newly found eligible have been the responsibility of the operator of the coal mine in which the miner worked. If no responsible operator can be indentified, the Federal Government still pays the benefit.

Pension Benefit Guaranty Corporation.—The Pension Benefit Guaranty Corporation, an off-budget Federal entity, was established by the Employee Retirement Income Security Act of 1974 to protect the vested benefits of workers in covered pension plans in case a plan terminates. Employers with covered plans pay an annual premium to cover the Corporation's costs of taking over terminated pension plans and paying benefits when due. Employers whose plans terminate are liable for the unfunded portion of vested retirement benefits to the extent it does not exceed 30% of their net worth. The Corporation's income is expected to exceed outlays by $28 million in 1978 and $30 million in 1979. These estimates reflect a January 1, 1978, increase in the insurance premium for single-employer plans to $2.60 for each participant in a plan. A recently enacted law deferred coverage of multi-employer plans until January 1, 1979. The new law also requires the Corporation to study the impact that such coverage will have on its financial situation and develop any needed recommendations.

Tax expenditures.—Several tax expenditure provisions are related to the income of the aged. The major items are the exclusion from income subject to tax of all social security and most railroad retirement benefits without regard to an individual's income from other sources, the extra exemption for taxpayers 65 or over, and the tax credit for the elderly. The combined benefits under current law to the retired and elderly from these tax expenditures is estimated to be $6.2 billion in 1978 and $6.8 billion in 1979. The tax reform proposals would reduce tax liabilities for most elderly persons currently subject to tax by substituting a credit for the current deduction for personal exemptions, including the extra exemption for taxpayers 65 or over. Because of these reductions in the tax rate schedules, the tax expenditures related to the income of the aged will decrease.

Other tax provisions assist the economic security of aged persons by promoting private pension programs. The largest benefits result from excluding employer contributions to and current earnings of qualified pension funds from employee income subject to tax. Taking into account deferred taxes collected from present retirees, the net loss in receipts is estimated to be $9.9 billion in 1979. Similar benefits

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for the self-employed and employees not covered by employer pension plans will result in an estimated tax expenditure of $1.8 billion in 1979. The administration is proposing new rules that would require tax-favored employer retirement plans integrated with social security benefits not to discriminate against lower compensated employees.

Disabled persons benefit from the exemption from taxation of (1) disability insurance benefits under social security; (2) worker's compensation benefits; (3) sick pay; and (4) employer contributions to disability insurance plans. In 1979, these provisions are estimated to reduce individual income taxes by $0.5 billion, $0.8 billion, $0.1 billion, and $0.1 billion, respectively.

Federal employee retirement and disability insurance.—Outlays for Federal retirement and non-work-related disability insurance are estimated to increase from $10.5 billion in 1978 to $11.8 billion in 1979. These Federal programs are estimated to have 1.6 million beneficiaries in 1979. Military retirement is discussed under the defense national need.

The President has proposed that a commission be established to consider the civil service retirement system, other Federal retirement programs, State and local, and private pension plans. The interrelationships among public and private retirement survivor and disability systems and the implications of retirement issues for the future will be the major focus of the commission. Legislation for a 2-year Commission will be proposed. The work of this Commission will be closely coordinated with that of the Advisory Council on Social Security which will be appointed during the year.

The Department of Labor provides tax-free cash and medical benefits to Federal employees, or their survivors, for job-related injuries, illnesses, or deaths. Other Federal agencies subsequently reimburse the Department for payments made on behalf of their employees. Approximately 46,500 workers with long-term disabilities or their survivors are expected to receive monthly payments in 1978 and 49,000 in 1979. Another 97,000 in 1978 and 104,000 in 1979 are expected to have their regular pay continued for up to 45 days, mostly for short-term disabilities. Outlays are estimated to decline from $292 million in 1978 to $228 million in 1979 as reimbursements from other agencies increase.

Although Federal employment has been relatively stable for years, injury reports and costs continue to rise; for example, claims for long-term benefits have risen 52% in the last 3 years. To insure prompt claims processing and to minimize abuse and error, the Department of Labor is installing an automated case-management support system, reorganizing workload processing, and implementing recommendations of a departmental task force.

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Unemployment compensation.—The mission of unemployment compensation is twofold. For individuals it provides support while those temporarily out of work search for a job. For the economy as a whole it supports aggregate purchasing power during slack periods by providing income to the unemployed. By 1979, some 97% of all wage and salaried employment in the United States will be covered by unemployment compensation. It is estimated that an average of 3.4 million workers per week will receive unemployment benefits during 1978, and 3.0 million in 1979, compared to 4.3 million in 1977. As the economy improves, outlays for unemployment compensation are projected to decline from $15.3 billion in 1977 to $12.4 billion in 1978 and $11.8 billion in 1979. The President's tax reduction proposals calls for a decrease in the Federal unemployment tax rate from 0.7% to 0.5% on January 1, 1979. This will reduce revenues by $600 million and budget authority by $200 million in 1979.

The Unemployment Compensation Amendments of 1976 provided for extension of the regular Federal-State unemployment insurance program to most of those previously not eligible for unemployment benefits, primarily State and local government employees and agricultural workers. On January 1, 1978, the temporary special unemployment assistance program, enacted in 1974 to pay benefits during the recession to such ineligible workers, will pay its last claim in the final week of June 1978. The Federal supplemental benefits program, also enacted in 1974 to pay additional weeks of benefits to covered workers who used up their full regular and extended benefits, will pay its last claim in the final week of January 1978.

In 1978, the National Commission on Unemployment Compensation will begin an evaluation of the entire unemployment compensation program, including railroad unemployment insurance, and the relationship of unemployment compensation to other programs.

Under current law, unemployment compensation benefits are excluded from income subject to Federal income taxes. The tax expenditure resulting from this provision is estimated to be $1.1 billion in 1979. The President's tax reform proposals would include unemployment compensation in income subject to tax for single taxpayers with annual income, including unemployment compensation, of $20,000, and for married couples filing joint returns with income of more than $25,000. The tax expenditure associated with the exclusion of unemployment compensation would be reduced to $0.9 billion and restricted to families and individuals with lower total incomes. This change will make tax liabilities more similar for those with similar incomes.

Public assistance and other income supplements.—This mission includes programs that provide cash, food, and shelter for people in need. Groups eligible for such aid include families with dependent

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children, the aged, the blind, and the disabled. A major administration proposal—the program for better jobs and income—would consolidate some of the programs that fulfill this mission.

The program for better jobs and income.—The program for better jobs and income was proposed by the administration to reform the array of disparate, often conflicting welfare programs for the poor. There are three major components to the program: cash benefits, jobs, and the earned income tax credit. The cash component of the program, which would begin in July 1981, would establish Federal basic benefit levels for various categories of the poor, adjusted for family size, permit supplementation of benefits by the States, and provide fiscal relief to the States for welfare costs. The jobs component would provide improved programs to help those expected to work find unsubsidized jobs. Up to 1.4 million minimum wage full- and part-time jobs could be created. The jobs program would begin to build up well in advance of the implementation date of July 1981 for the cash benefits system. The earned income tax credit which would be expanded to provide tax relief not only to the poor, but also to the near poor, will take effect January 1982.

The present AFDC, supplemental security income, and food stamp programs would be consolidated into the cash benefits component of this reform proposal. The costs of the proposal, as well as the programs that would be consolidated into it, are shown in the following table.

ESTIMATED COSTS OF THE PROGRAM FOR BETTER JOBS AND INCOME [1]

[In billions of dollars]

	1981	1982	1983
Gross costs:			
Cash	7.8	26.0	26.8
Jobs	6.6	9.9	11.1
Earned income tax credit (EITC)	------	3.0	5.8
(Present EITC)	------	(1.0)	(1.0)
(New EITC for those eligible for cash assistance)	------	(.6)	(1.5)
(New EITC for those ineligible for cash assistance)	------	(1.3)	(3.3)
Total gross costs	14.4	38.8	43.7
(Total gross costs excluding the EITC for those ineligible for cash assistance)	(14.4)	(37.5)	(40.4)
Offsets [2] [3]	9.6	30.0	30.8
Net costs of the program for better jobs and income	**4.7**	**8.8**	**12.9**
(Net costs excluding the EITC for those ineligible for cash assistance)	(4.7)	(7.5)	(9.6)

[1] Assumes that the jobs program begins in 1980, the cash program begins on July 1, 1981, and the EITC begins on Jan. 1, 1982.

[2] These offsets include aid to families with dependent children, food stamps, supplemental security income, the work incentive program, the present EITC, increase in social security revenues, decrease in extended and regular unemployment insurance, decrease in CETA public sector jobs, decrease in housing payments, reduced fraud in medicaid, and the proposed crude oil equalization tax refund.

[3] During 1982, there will be a decrease in accrued liability for the present EITC which will not appear in disbursements until 1983.

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Supplemental security income.—The supplemental security income (SSI) program, which replaced federally aided State assistance programs for the aged, the blind, and the disabled, provided $5.3 billion in Federal outlays in 1977. Benefits for this program are normally paid on the first of the month. Because October 1, 1978, falls on a Sunday, the October benefits will be paid 2 days early, and will occur in 1978 rather than 1979. As a result, Federal outlays are expected to decline from $6.0 billion in 1978 to $5.6 billion in 1979.

The high error rates associated with the program's initial years have been markedly reduced. The Department of Health, Education, and Welfare is moving to review management practices, target staff resources on error-prone cases, and extensively cross-check benefits provided by other benefit-paying programs. The Department intends to reduce further the number of errors and to promote program integrity without sacrificing equity or incurring substantial new program costs. Improved management techniques and policies will continue to be designed, tested, and refined in order to administer better the SSI program and gain valuable experience for administering the program for better jobs and income program.

Aid to families with dependent children.—The State and local programs of aid to families with dependent children (AFDC) are assisted through Federal grants to States for maintenance assistance. These public assistance programs provide cash benefits to needy households. Benefit levels are determined by the States, and the average monthly payment per family is estimated at $250 in 1978 and $261 in 1979. An estimated 11.0 million individuals, or 3.6 million families are expected to receive benefits in 1979. Outlays are expected to rise to $6.8 billion in 1979, compared to $6.7 billion in 1978. The growth in these costs is due to a projected increase in the average benefit payment, augmented by a small increase in the number of recipients. The Department of Health, Education, and Welfare is working closely with the States in a quality control effort to reduce errors and abuses in the program. In addition, child support payments are being collected from parents who are legally liable for such support. This effort results in a decrease in Federal, State, and local AFDC expenditures. Total collections are anticipated to be $600 million in 1979, compared to $525 million in 1978. Legislation is pending that would make the AFDC income allowed for work-related expenses more uniform among the States and reduce possible abuse of this disregard. Legislation is proposed to double Federal support for AFDC programs in the territories of Puerto Rico, Guam, and the Virgin Islands, to permit the provision of child support enforcement services to certain non-AFDC cases, to expand and revise the emergency assistance program to help low income persons better meet

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energy and other emergencies, and to eliminate interstate incentives payments in the child support enforcement program which are cumbersome to administer. In 1978, $187 million in outlays will be paid to the State on a one time basis to provide them fiscal relief for welfare payments. Future fiscal relief for welfare costs is proposed in the better jobs and income program.

Food stamps.—The food stamp program was designed to assure needy families an opportunity to purchase food for an adequate diet and to strengthen the agricultural sector of the economy. Outlays are estimated to be $5.7 billion in both 1978 and 1979. Beneficiaries in those years are expected to be 17.7 million and 18.0 million, respectively.

The Food Stamp Act of 1977 tightens eligibility requirements and eliminates those households with the highest incomes, improves access to the program by those in need, deters fraud, and simplifies program operations. Major features of the new legislation include:

- the reduction of food stamp net income limits to the poverty line;
- the elimination of the food stamp purchase requirement;
- the replacement of most itemized deductions with a standard deduction;
- tightening of work requirements;
- disqualification of persons who have committed fraud; and
- several provisions aimed at reaching more of the low-income elderly.

In 1981 the food stamp program will become part of the proposed program for better jobs and income.

School lunch and other nutrition programs.—This complex and overlapping array of food programs began in the early 1940's as price support and surplus commodity distribution programs. Outlays are estimated to total $3.5 billion in 1979.

The current child nutrition programs will be continued, with legislative modifications designed to target future increases in Federal spending more on needy children and needy areas. Included is a proposal to modify the cost-of-living increases for subsidies to children from nonneedy families. The legislation also will mandate operation of the school breakfast program in schools with a substantial percentage of needy children.

The administration will propose a major expansion of the special supplemental food program for women, infants, and children (WIC). Evidence indicates that this program is having marked success in reducing anemia and the incidence of low birth-weight infants. Therefore, as a part of the administration's commitment to assuring the

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sound development of children and the provision of services to new mothers, estimated outlays of $530 million in 1979 are included in the budget. This represents an increase of $168 million in outlays over 1978. The legislation will also more closely align this program with the similar but smaller commodity supplemental food program.

Legislation also will be proposed to end the operation of the special milk program in schools participating in the school feeding programs in order to eliminate the overlap between these programs. Milk is already a required component of both the school lunch and breakfast programs.

Crude oil equalization refund.—As a part of the administration's energy legislation, most people will receive their refund from the crude oil equalization tax in the form of a reduction in their income tax. Individuals who do not pay income tax will receive the refund in the form of a direct payment. These payments will total an estimated $167 million of outlays in 1978 and $1.3 billion in 1979.

Housing assistance.—The Department of Housing and Urban Development (HUD) provides housing assistance to low-income families to improve their opportunity to secure decent housing. The 1979 budget request would provide rental housing assistance to an additional 400,000 low-income families, and homeownership assistance to an additional 50,000 moderate-income households. Total budget authority required to support these long-term additional assisted housing commitments is over $31 billion, of which $24.7 billion will be new and $6.4 billion carryover authority. The total number of families receiving housing assistance is estimated to increase from 2.6 million in 1977 to 3.1 million 1979. Total outlays for housing assistance are estimated to rise from $3.8 billion in 1978 to $4.4 billion in 1979—an increase of over 16%.

Housing assistance is currently provided through three major activities within HUD's subsidized housing programs: lower income housing assistance, public housing, and homeownership assistance. The most important of these programs—lower income housing assistance (section 8)—provides rental subsidies to participating families equal to the difference between market rents and 15–25% of family income. These rental subsidies are paid over a 15- to 40-year period for tenants in newly constructed, rehabilitated, and existing units. The budget proposes additional section 8 assistance for 344,000 low-income families in 1979, requiring budget authority of $23.3 billion. This is an increase of 10% above the 313,870 additional families to be assisted in 1978. The mix of existing, rehabilitated, and new units to be subsidized in 1979 is consistent with local community needs as

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reflected in their housing assistance plans. The budget also initiates a new moderate rehabilitation activity, involving less extensive repair work than substantial rehabilitation. Outlays from the section 8 program are estimated to increase from $876 million in 1978 to $1.3 billion in 1979. Average cost per unit of section 8 housing is estimated as follows:

- $180,000 over 40 years for State agency-financed new construction;
- $126,000 over 30 years for private new construction; and
- $33,000 over 15 years for existing housing.

Public housing, including housing for reservation Indians, is the other major active rental assistance program within the subsidized housing programs. In 1979, the budget proposes providing another 56,000 units of public housing, requiring budget authority of $6.8 billion. In addition, the budget provides $400 million in budget authority to amend previous contracts, and another $750 million in budget authority for modernization to improve existing public housing projects. Most existing public housing projects also receive an operating subsidy to fill the projected gap between the operating costs estimated for "well-run" projects under the performance funding system and anticipated revenues from rent collections. The budget requests $729 million in budget authority in 1979 for public housing operating subsidies. Outlays under this program are estimated to increase from $612 million in 1978, to $686 million in 1979. The administration has undertaken a study of the performance funding system to update and improve the method used to determine operating subsidies. Total outlays for public housing are estimated to increase from $1.7 billion in 1978 to $1.9 billion in 1979.

Another subsidized housing program is the homeownership program that helps families become homeowners by subsidizing mortgage payments down to an effective rate of a 5% mortgage. In 1979, an additional 50,000 households are expected to receive homeownership assistance under the current program using authority provided by the Congress in past years. Outlays for homeownership assistance are estimated to increase from $125 million in 1978 to $137 million in 1979 and $163 million in 1980.

The budget also proposes initiating a new troubled projects operating subsidy for subsidized, FHA-insured, multifamily projects in financial difficulty. This proposed program would provide the difference between the HUD-approved operating costs and projected rents, and would help defray additional rent burdens for low-income tenants, while mandating management improvements for participants. Budget authority of $74 million is requested for 1979, and outlays are estimated to be $52 million in 1979.

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CREDIT PROGRAMS—INCOME SECURITY

[In millions of dollars]

Program	1977 actual	1978 estimate	1979 estimate
Public housing operation and construction:			
Direct loans:			
New loans	238	605	607
Repayments, sales, and adjustments(−)	−264	−601	−603
Net credit outlays	−26	3	3
Guaranteed loans:			
New loans	9,118	10,653	12,381
Net credit guaranteed	477	1,353	2,280
Assistance to refugees:			
Direct loans:			
New loans	*	-------	-------
Repayments, sales, and adjustments(−)	−1	−1	−1
Net credit outlays	−1	−1	−1

*$500 thousand or less.

Refugee assistance.—Assistance is provided to two groups of refugees who fled their countries in large numbers—those from Cuba and Southeast Asia. This program reimburses States for cash payments and for medical and social services provided to needy refugees, and makes special grants to enhance the refugees' English language and employment skills to aid their integration into American society. Outlays for this program are estimated to be $189 million in 1978 and $166 million in 1979. As this integration proceeds and the refugees become increasingly self-sufficient, special Federal assistance for the refugees will be phased out and the refugees' welfare needs will be met by the regular national assistance programs.

A related activity is the resettlement of emigrating Soviet Jews—funds for this purpose are included in the international affairs function under the auspices of the Department of State.

Other public assistance.—In 1977 the Community Services Administration (CSA) received $200 million budget authority to relieve the high cost of home fuel for the low income during the severe 1976–77 winter weather. A 1978 supplemental for CSA to administer an emergency energy program on a contingency basis is pending before the Congress. This temporary program will be replaced by an ex-

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panded emergency assistance component of the AFDC program under legislation pending in the Congress.

Earned income credit.—Low-income families with dependents are eligible for a tax credit equal to 10% of earned income with a maximum credit of $400. When the credit exceeds any taxes owed, the Government pays the difference to the family in cash, and this payment is treated as a reduction in budget receipts. In prior-year budgets these payments were treated as outlays. The entire reduction in receipts resulting from the earned income credit is a tax expenditure of $1.2 billion in 1978 and $1.2 billion in 1979. The President's tax proposals include extension of the earned income credit beyond its expiration date under current law at the end of calendar year 1978. The credit would be expanded in January 1982 as a part of welfare reform.

Other tax expenditures.—The acquisition of life insurance is encouraged by the exclusion of interest of life insurance savings from tax, resulting in a $2.0 billion tax expenditure in 1979. The exclusion of premiums paid on group term life insurance by employers from employee income results in a tax expenditure of $0.8 billion in 1979.

Related programs.—There are a number of other programs that are related to income security, but their primary purpose is to meet other national needs and serve other major missions. The following table lists these income security-related programs that support other missions.

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FEDERAL OUTLAYS FOR INCOME SECURITY-RELATED BENEFITS SUPPORTING OTHER MAJOR MISSIONS

[In millions of dollars]

Department, agency, and program	Benefit outlays		
	1977 actual	1978 estimate	1979 estimate
Department of Health, Education, and Welfare:			
Hospital insurance	14,906	17,529	20,543
Supplementary medical insurance	5,865	7,075	8,411
Medicaid	9,181	10,846	11,952
Public Health Service officers retirement	28	31	35
Medical care for retired commissioned officers	6	7	9
Total, Department of Health, Education, and Welfare	29,986	35,488	40,950
Veterans Administration:			
Disability and dependency and indemnity compensation	5,722	6,122	6,459
Veterans and survivors pensions	3,114	3,269	3,457
Life insurance (net subsidy)	535	545	561
Other veterans benefits	192	218	217
Total, Veterans Administration	9,563	10,154	10,694
Department of Defense—Military:			
Military retirement	8,216	9,211	10,129
Medical care for retirees	715	787	866
Total, Department of Defense—Military	8,931	9,998	10,995
Department of Transportation:			
Coast Guard retirement	140	158	174
Department of the Interior:			
General assistance to Indians	50	54	58
Department of Commerce:			
National Oceanographic and Atmospheric Administration officers retirement	2	3	3
Total outlays	48,672	55,855	62,874

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VETERANS BENEFITS AND SERVICES

National Needs Statement:

- To help veterans of draft and wartime service return to civilian life on a social and economic basis comparable to their peers who did not perform military duty.
- To provide medical care to veterans for all disabilities incurred while in military service.
- To compensate service-disabled veterans for their loss of earning power.
- To compensate the families of veterans killed in service or dying from service-related disabilities for the reduction in the family's earning power.
- To provide financial assistance to needy veterans and their families.

The statement of national needs recognizes the many different levels of sacrifice that veterans have made, and supports benefits that are appropriate to these sacrifices. The administration recognizes the important obligation of the Government to provide veterans the highest quality medical care for disabilities incurred in the service of our country. The administration also recognizes the Government's commitment to assist in the readjustment of veterans to civilian life. This budget targets resources to programs supporting those needs.

To address these needs in 1979, the Federal Government will spend an estimated $19.3 billion in support of the following major missions:

- Income security for veterans: $10.3 billion.
- Veterans education, training, and rehabilitation: $2.6 billion.
- Hospital and medical care for veterans: $5.8 billion.
- Veterans housing: $15 billion in new loans and loan guarantees, with net outlays of −$55 million.
- Other veterans benefits and services: $0.7 billion.

To help carry out these missions, a number of initiatives are reflected in the 1979 budget. The major proposals are:

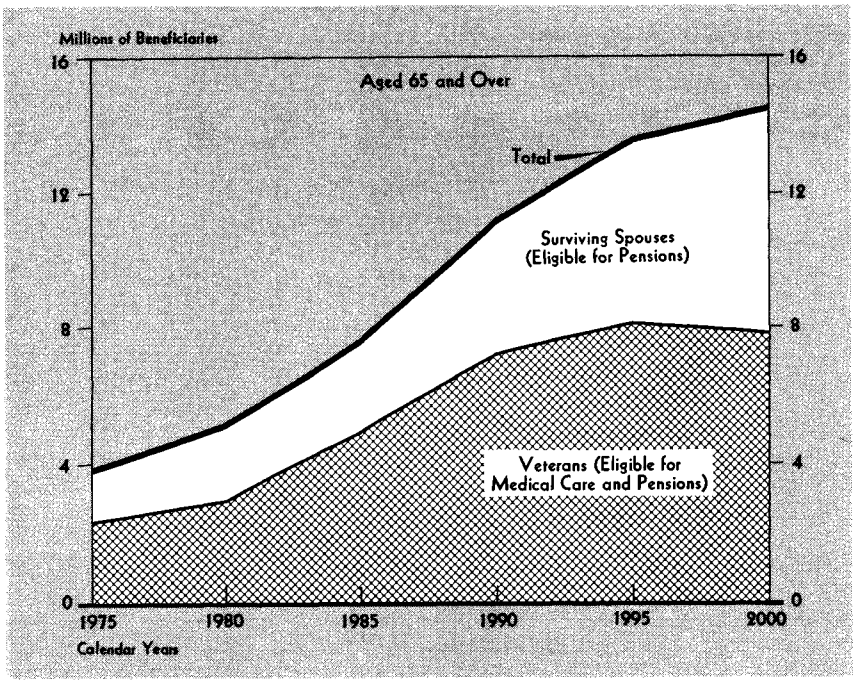
- Establish contract programs to treat drug and alcohol abuse, and to provide mental and psychological readjustment services to Vietnam veterans.
- Continue support of proposed legislation to require health insurers to reimburse the VA for care of insured patients' non-service-connected disabilities.
- Continue to seek legislation to limit travel reimbursement for veterans treated for non-service-connected disabilities.

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- Propose legislation to provide cost-of-living increases in compensation benefits.
- Propose legislation to provide improvements in the pension system.
- Reduce the number of operating beds in VA hospitals by 3,100 in 1979 and make further reductions in 1980 in order to meet privacy and safety standards, and to improve the quality of medical services.
- Support proposed legislation to end enrollments in general flight training and correspondence courses that do not promote the readjustment of veterans to civilian life.

This budget also reflects changes in veterans needs that are occurring with the changing age structure of the population of veterans and their survivors. As the veteran population ages, demands for veterans benefits shift. The demand for educational benefits is anticipated to continue to decline as Vietnam veterans of the peak discharge years, 1969–71, pass beyond the period of eligibility, while the demand for pension and medical care benefits can be expected to grow as veterans age. In part, this is because veterans, on reaching age 65, are automatically considered to be disabled under existing law. In addition, the need for financial assistance and medical care grows rapidly with age.

Potential Veteran Beneficiaries, 1975-2000



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NATIONAL NEED: PROVIDING VETERANS BENEFITS AND SERVICES

[Functional code 700; in millions of dollars]

Major missions and programs	Recommended budget authority for 1979	Outlays			
		1977 actual	1978 estimate	1979 estimate	*1980 estimate*
Income security for veterans:					
Compensation and pensions:					
Service-connected compensation	6,168	5,722	6,122	6,175	*6,180*
Proposed legislation	310	-------	-------	284	*666*
Nonservice-connected pensions	3,232	3,113	3,269	3,235	*3,184*
Proposed legislation	111	-------	-------	111	*345*
Other veterans income security	177	164	173	177	*183*
Insurance programs:					
National Service Life Insurance trust fund	964	698	700	750	*794*
U.S. Government life insurance trust fund	36	71	64	69	*65*
All other insurance programs	6	−67	−75	−56	*−27*
Insurance program receipts	−469	−486	−507	−469	*−462*
Subtotal, income security for veterans	10,535	9,216	9,745	10,275	*10,928*
Veterans education, training, and rehabilitation:					
Existing law	2,193	3,710	3,142	2,730	*2,340*
Proposed legislation	−100	-------	-------	−100	*−83*
Subtotal, education, training, and rehabilitation	2,093	3,710	3,142	2,630	*2,257*
Hospital and medical care for veterans:					
Medical care and hospital services	5,280	4,291	4,904	5,276	*5,379*
Proposed legislation	−142	-------	-------	−142	*−133*
Construction	422	242	328	409	*467*
Medical administration, research, and other	236	176	205	214	*209*
Subtotal, hospital and medical care	5,795	4,708	5,436	5,757	*5,921*
Veterans housing:					
Loan guaranty revolving fund	---------	1	54	27	*64*
Direct loan revolving fund	---------	−139	−75	−73	*−73*
Other (HUD participation sales trust fund)	---------	−7	−10	−9	*−3*
Subtotal, veterans housing	---------	−145	−31	−55	*−12*
Other veterans benefits and services:					
Undistributed overhead and other	628	524	598	626	*591*
Proposed legislation	−1	-------	-------	−1	*−1*
Non-VA support programs	26	25	28	27	*26*
Subtotal, other benefits and services	653	549	625	652	*616*
Deductions for offsetting receipts	−3	−1	−3	−3	*−3*
Total	**19,074**	**18,038**	**18,916**	**19,257**	*19,708*

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Income security for veterans.—In addition to general Federal income security programs, such as social security, several programs help certain veterans and their survivors maintain their income when the veteran is disabled, aged, or deceased. Outlays for veterans income security programs are estimated to be $10.3 billion in 1979.

Service-connected compensation.—Monthly compensation payments are provided to veterans who are disabled as a result of military service. The amount of the benefit relates to the degree to which earnings are impaired as a result of disability. Dependency and indemnity compensation payments are made to survivors of veterans who die from service-connected injuries. Recently enacted legislation increased benefits by 6.6% for veterans and survivors, effective in October 1977. An estimated 2.6 million veterans and their survivors will receive $6.5 billion in compensation benefits in 1979. Legislation will be proposed to provide a 5.8% cost-of-living increase in compensation benefits, effective in October 1978.

Non-service-connected pensions.—Pensions are provided to needy wartime-service veterans who are aged or have become disabled subsequent to their military service. Needy survivors of wartime-service veterans also may qualify for pension benefits based on demonstrated financial need. Recent legislation raised pension rates by 6.5% effective January 1, 1978. An estimated 2.3 million veterans and their survivors will receive $3.3 billion in pension benefits in 1979. $111 million of outlays are included in the budget for improvements in the pension system.

Burial and other benefits.—Families of deceased veterans who are buried in private cemeteries rather than VA National Cemeteries may receive allowances to apply toward the purchase of burial plots. Families of deceased veterans also receive burial benefits to assist in defraying veterans funeral expenses. Outlays for burial and other allowances are estimated to be $177 million in 1979.

Life insurance.—Insurance programs for veterans and their survivors will provide $33.4 billion of coverage to 4.7 million families in 1979. The servicemen's group life insurance program for military personnel will provide $63.5 billion of coverage to 3.2 million families in 1979.

Veterans education, training, and rehabilitation.—The veterans education, training, and rehabilitation mission is carried out through the GI bill, which provides education benefits ranging from college courses to vocational and on-the-job training. These benefits help veterans who entered military service before 1977 make the

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transition from military to civilian life by helping them obtain the education they might have received had they not served their country in a time of national emergency. Active duty servicemen and widows and children of veterans who have died or been totally disabled in military service also are eligible for these benefits. Service-disabled veterans with significant disabilities can choose between regular GI bill benefits or vocational rehabilitation training. Those who enter military service after 1976 are eligible for a new education program that allows them to set aside $50 to $75 from their monthly pay. These amounts are matched by the Government and returned in education payments after discharge.

The number of trainees will continue to drop in the future as the number of eligible veterans becomes smaller. In 1979, 1.3 million GI bill trainees are expected to participate in the program, a reduction from 1.6 million in 1978. Thus, despite an average increase in GI bill benefits of 6.6%, effective October 1, 1977, outlays are estimated to decline from $3.1 billion in 1978, to $2.6 billion in 1979.

The administration is again proposing legislation to end enrollments in general flight training and correspondence courses that do not promote the readjustment of veterans to civilian life. The budget estimates assume enactment of this proposal, which would result in savings of $100 million in 1979.

In addition to the 6.6% increase in GI bill education program benefits effective October 1, 1977, the GI Bill Improvement Act of 1977 provided a 2-year extension of education loan eligibility to some trainees and permits forgiving up to two-thirds of an individual's education loan under certain conditions.

Hospital and medical care for veterans.—The Veterans Administration achieves the mission of providing hospital and medical care to veterans by operating a nationwide civilian medical care system. In 1979, it will operate 172 hospitals, 228 outpatient clinics, 92 nursing homes, and 16 domiciliaries. Outlays for medical programs are expected to be $5.4 billion in 1978 and to rise to $5.8 billion in 1979.

Medical care and hospital services.—In 1979, the VA will increase its emphasis on the care of veterans with service-connected disabilities, Vietnam veterans and the rapidly growing population of elderly veterans. In order to concentrate medical care on these veterans, to meet privacy and other standards, and to free resources for new treatment programs, VA will reduce its hospital system by 3,100 beds in 1979, and make further reductions in 1980. Currently, 70% of VA inpatient care is devoted to treating veterans' non-service-connected disabilities. To the extent that available facilities and staff are not

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utilized fully for veterans injured in the service of the Nation, services also will be available for other veterans unable to pay the cost of medical care.

Legislation is again proposed that seeks reimbursement to the VA from health insurers for treatment of insured veterans' non-service-connected disabilities. This recognizes that an insurer's obligation to premium-paying veterans is no different from its obligation to insured nonveterans. Additional legislation is again being proposed to limit travel reimbursement for those veterans treated for non-service-connected disabilities. These legislative proposals would help focus VA resources on the provision of quality care to those with service-connected disabilities and are expected to save $158 million in 1979 and 1980. The budget assumes continued authority for incentive pay for medical personnel.

In 1979, medical care for veterans will be improved through the opening of 15 new alcohol treatment units, and through two proposed new programs. Authority will be sought to allow VA to contract with community halfway houses and other programs for a pilot drug and alcohol treatment effort. Also, legislation will be proposed to establish a program of mental and psychological readjustment services for Vietnam era veterans.

In adjusting to the growing number of aging veterans, VA will increase the number of nursing home beds by 702 and will increase training programs dealing with geriatric care. Other medical programs also will target services on aging and physically disabled veterans.

The 1979 budget provides outlays for medical and prosthetic research in such varied areas as spinal cord and aging research, and adaptive equipment for disabled veterans. New funding in 1979 also will be directed towards expanding VA's cooperative studies research program, and will support full-year operation of a new rehabilitation research center at Hines, Ill. The budget also requests funds to support commitments to health manpower training programs.

Construction of hospital and extended care facilities.—Budget authority of $220 million is requested for 1979 to fund the construction of VA replacement hospitals at Seattle, Wash., and Portland, Oreg. Additional budget authority of $197 million is requested for 1979 to support renovation and construction of medical facilities. Included is funding for new nursing homes and outpatient facilities. Finally, budget authority of $5 million is requested in 1979 for grants to States for the construction of extended care facilities, permitting the establishment or repair of additional State veterans homes for the care of aging veterans.

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CREDIT PROGRAMS—VETERANS BENEFITS AND SERVICES

[In millions of dollars]

Program	1977 actual	1978 estimate	1979 estimate
Income security programs:			
Direct loans:			
New loans	134	118	115
Repayments, sales, and adjustments (−)	−125	−112	−108
Net credit outlays	9	6	7
Education programs:			
Direct loans:			
New loans	15	77	84
Repayments, sales, and adjustments (−)	−1	−4	−7
Net credit outlays	14	73	77
Housing programs:			
Direct loans:			
New loans	434	478	534
Repayments, sales, and adjustments (−)[1]	−617	−560	−611
Net credit outlays	−183	−82	−77
Guaranteed loans:[2]			
New loans	13,436	14,874	15,230
Net credit guaranteed	7,161	7,879	8,076

[1] Includes sale of loan assets.
[2] Includes loans counted as direct loans of other accounts.

Veterans housing.—To meet the mission of veterans housing, the VA mortgage loan guarantee and direct loan programs are expected to assist 375,000 veterans obtain mortgage loans totaling $15.0 billion in 1979.

Other veterans benefits and services.—The Veterans Administration administers a National Cemetery System for burial of eligible veterans, servicemen, and their survivors. Under administration policy one large active national cemetery will be designated as the regional cemetery in each of the 10 Federal regions. New regional cemeteries are under construction in regions I, II, III, and IX; existing cemeteries have been designated in regions VI, VII, VIII, and X; and site selection is underway in regions IV and V. The National Capital area's cemetery capacity is being expanded by the construction of an annex at Quantico, Va.

Other VA expenditures include the costs of undistributed nonmedical program administration, both in VA headquarters and in

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field units. Outlays for these programs are estimated to be $625 million in 1979.

Related programs.—In addition to the programs discussed above, there are a number of programs with other primary missions that also assist veterans. For example, the Department of Labor has instituted a program to assist in finding employment for those who suffer extremely high rates of unemployment, including young Vietnam era veterans. $145 million has been set aside for use in 1978 and 1979. The Department of Labor also monitors the State employment service agencies to insure that veterans receive the priority service they are accorded by law. Firms holding Government contracts are required to list their job vacancies with the State employment service and are required to take affirmative action to employ Vietnam era and handicapped veterans.

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ADMINISTRATION OF JUSTICE

National Needs Statement:

- Protect interests of the public in legal matters.
- Provide fair and prompt prosecution and trial procedures.
- Help to improve State and local criminal justice systems.
- Maintain public order and enforce Federal statutes.
- Provide detention and correctional facilities for those charged with or convicted of violating Federal laws.

To address national needs in the administration of justice in 1979, the Federal Government will spend an estimated $4.2 billion in support of the following major missions:

- Federal law enforcement activities: $2.0 billion.
- Federal litigative and judicial activities: $1.1 billion.
- Federal correctional activities: $373 million.
- Criminal justice assistance: $717 million.

The budget includes proposals that will improve the effectiveness of Federal programs focused on these national needs. Resources for Federal enforcement will be redirected toward problems of major national concern. The Federal prison system will be improved through the construction of new facilities and by increased use of minimum security facilities and community treatment alternatives. Increased resources are recommended to handle a growing litigative caseload in order to prosecute more promptly criminal violators and to protect the rights of all citizens.

To carry out these missions, the following proposals are included in the budget:

- Increase resources for law enforcement efforts directed against criminal activities of special national concern: organized crime, public corruption, white collar crime, and drug trafficking.
- Increase staff to enforce the immigration laws and to maintain the integrity of the borders.
- Increase the effectiveness of the Equal Employment Opportunity Commission by reorganizing the Commission.

The major missions are supported by the programs shown in the table on the following page.

Federal law enforcement activities.—Enforcing Federal laws requires the largest share of outlays for the administration of justice. To accomplish this mission, outlays are estimated to rise from $1.7 billion in 1977 to $1.9 billion in 1978 and $2.0 billion in 1979. Part of these increases are required to meet statutory pay raises and higher

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NATIONAL NEED: ADMINISTRATION OF JUSTICE

[Functional code 750; in millions of dollars]

Major missions and programs	Recommended budget authority for 1979	Outlays			
		1977 actual	1978 estimate	1979 estimate	*1980 estimate*
Federal law enforcement activities:					
General investigation	557	520	550	555	*555*
Narcotics violation investigation	193	167	190	194	*194*
Alcohol, tobacco, and firearms investigation	136	117	127	135	*136*
Border enforcement activities	729	592	680	727	*726*
Protection activities	144	123	140	143	*148*
Other enforcement	256	154	228	258	*253*
Subtotal, Federal law enforcement activities	2,015	1,673	1,915	2,011	*2,011*
Federal litigative and judicial activities:					
Civil and criminal prosecution and representation	384	317	354	378	*381*
Federal judicial activities	495	400	468	497	*522*
Representation of indigents in civil cases	255	125	154	243	*255*
Subtotal, Federal litigative and judicial activities	1,133	842	976	1,118	*1,158*
Federal correctional activities	353	240	319	373	*377*
Criminal justice assistance	651	847	817	717	*755*
Deductions for offsetting receipts	−8	−2	−8	−8	*−8*
Total	**4,144**	**3,600**	**4,019**	**4,211**	*4,294*

operating costs. Other increases, coupled with savings realized by reducing expenditures on lower priority programs, will support new initiatives in high priority areas.

To reduce the impact of serious crimes of pressing national concern, the budget proposes to:

- Increase Federal Bureau of Investigation (FBI) staff directed against organized crime by 21%.
- Expand FBI staff dealing with white collar crime and public corruption by 10%.
- Improve Federal drug interdiction efforts by expanding border enforcement and by increasing the Drug Enforcement Administration staff by 3%.

The FBI carries out the general investigation activities of this mission by enforcing a broad range of Federal criminal statutes. Support of this law enforcement mission is shared by the Drug Enforcement Administration, which investigates both foreign and domestic narcotics violations.

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The Federal Bureau of Investigation and the Drug Enforcement Administration have established joint task forces in three major pilot cities—New York, Chicago, and Los Angeles—to investigate and to apprehend individuals engaged in organized crime and related drug activities, particularly those involving heroin. This task force approach combines the diverse investigative experience of both agencies, eliminates duplication, and increases the opportunities for successful prosecution of major violators in organized crime.

The staff increases proposed for the Federal Bureau of Investigation in the high priority areas discussed above are accomplished by a reallocation in employment from programs that are no longer of pressing national importance, such as domestic intelligence, military deserters, and those programs in which State and local authorities have developed effective enforcement capabilities, such as the investigation of bank robberies. Outlays for the FBI are estimated to increase by $5 million to $555 million in 1979. Outlays for the Drug Enforcement Administration are expected to be $194 million in 1979, $3 million above 1978.

The Bureau of Alcohol, Tobacco, and Firearms will continue its efforts to curtail illegal commerce in firearms. An intensive program focused on illegal firearms has been underway since 1976 in three cities: Washington, Boston, and Chicago. Employment in the Bureau of Alcohol, Tobacco, and Firearms will be maintained at the 1978 level, while increased operating costs will cause estimated outlays to increase slightly to $135 million.

In August 1977, the President announced major policy initiatives directed at undocumented aliens. The President's program would: (1) provide increased resources for border enforcement activities; (2) make it unlawful for any employer to employ aliens who are not authorized to work; (3) permit undocumented aliens who have lived in the United States since 1970 to adjust to "lawful permanent resident alien" status; and (4) create a new "temporary resident" status for those who have been in the country continuously since before January 1, 1977. These proposals will reduce the opportunities and incentives for illegal immigration and will provide equitable treatment for undocumented aliens already in this country.

The 1979 budget proposes substantial personnel increases for the Immigration and Naturalization Service and for the Customs Service to improve enforcement at the border and at ports of entry. In addition, funds are requested to add new ports of entry, to provide several new pre-clearance centers in Canada, and to initiate an export statistics verification program. Outlays for the Immigration and Naturalization Service are expected to increase to $296 million in 1979. Outlays for the Customs Service are estimated to increase to $432 million in 1979. Funds to implement the undocumented alien status adjustment

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proposals will be requested when the necessary authorizing legislation is enacted.

The President's reorganization project is studying ways to increase the cost effectiveness of Federal programs dealing with border management, alien regulation, law enforcement, justice research, and utilization of Federal attorneys. The goals of these studies are to develop proposals to eliminate duplication in facilities and support requirements and to encourage more humane, effective programs.

Other enforcement activities include those of the Equal Employment Opportunity Commission, which enforces title VII of the 1964 Civil Rights Act prohibiting job discrimination because of race, color, national origin, sex, or religion. The 1979 budget reflects the agency's extensive reorganization now underway. Among the changes are new case processing systems to deal more rapidly with charges of discrimination and an increase in investigations to correct discriminatory patterns and practices.

Other enforcement activities also include the Office for Civil Rights in the Department of Health, Education, and Welfare. The administration is requesting a 1978 supplemental increasing the Office's staff by over 80% to reduce the backlog of investigations of discrimination complaints. Total budget outlays for other enforcement are expected to increase from $228 million in 1978 to $258 million in 1979.

Federal litigative and judicial activities.—Most Federal litigation, both civil and criminal, is conducted by the Department of Justice. Staff increases are proposed for the Washington-based legal divisions to:

- Increase the ability of the Criminal Division of the Department of Justice to prosecute and to coordinate major national crime cases by expanding its staff 6%.
- Expand the staff of the Antitrust Division to support several major ongoing cases and to initiate new ones.
- Increase other staff to meet an increasingly complex and growing caseload.
- Increase the paralegal personnel for offices of the U.S. attorneys to reduce the current imbalance in the ratio of the attorney to nonattorney staff.

Outlays for litigation are estimated to increase from $354 million in 1978 to $378 million in 1979.

By law, budget estimates for the judiciary are forwarded to the Congress without change. For 1979, the requested outlays of the Supreme Court, the appellate and district courts, and other judicial activities amount to $497 million.

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The Legal Services Corporation provides aid in civil cases for low-income clients. Since the Corporation was formed in 1975, outlays for the program have grown from $71 million to $154 million in 1978. The administration is requesting another significant increase for existing and new legal services offices around the country which will result in 1979 outlays of $243 million.

Federal correctional activities.—The Federal Government is responsible for the care and custody of prisoners convicted of violating Federal laws and detainees held for Federal trial or sentencing. To relieve overcrowding and to close one of our oldest prisons, funds are requested to build two new facilities. The Bureau of Prisons also plans to open a recently constructed adult facility and a new youth facility in 1979. The use of minimum security camps and community treatment centers will be substantially increased to reduce overcrowding and to shift some prisoners from maximum and medium security facilities to more humane environments. To plan for the future, the Attorney General has appointed a task force to conduct a comprehensive review of current correctional policies. Outlays for correctional activities are estimated to increase from $319 million in 1978 to $373 million in 1979.

Criminal justice assistance.—The Law Enforcement Assistance Administration assists States and localities in improving their criminal justice systems. The Administration is considering several proposals to reorganize civil and criminal justice financial assistance, research, and statistical programs, in order to enhance the quality of these programs and to improve their management. Outlays are expected to decline from $817 million in 1978 to $717 million in 1979. To provide greater flexibility and to streamline administration, the budget proposes a reallocation of funds in 1979 from planning grants to program grants.

Related programs.—A number of agencies in other functions support the administration of justice. Many agencies and regulatory commissions, such as the Occupational Safety and Health Administration and the Federal Trade Commission, enforce Federal laws. Over 100 agencies perform some type of law enforcement function. About 30 Federal agencies, including the Department of Agriculture, the Department of Energy, the Veterans Administration, and a few regulatory commissions have some litigation authority independent of the Department of Justice.

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CREDIT PROGRAMS—ADMINISTRATION OF JUSTICE

[In millions of dollars]

Program	1977 actual	1978 estimate	1979 estimate
Law enforcement assistance:			
Direct loans:			
New loans	41	41	35
Repayments, sales, and adjustments (—)	−52	−44	−47
Net credit outlays	**−11**	**−3**	**−12**

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GENERAL GOVERNMENT

National Needs Statement:

- Provide for a federal system of government that preserves the rights of the people of the Nation.
- Provide effective and efficient central executive policy development and management.
- Insure accountability on the use of resources.
- Formulate tax and fiscal policies and provide for efficient and effective financial operation of the Federal Government.
- Provide essential internal government housekeeping services including property and personnel management.

To address national needs in general government in 1979, the Federal Government will spend an estimated $4.3 billion in support of the following major missions:

- Legislative functions: $941 million.
- Executive direction and management: $80 million.
- Central fiscal operations: $2.4 billion.
- General property and records management: $369 million.
- Central personnel management: $121 million.
- Other general government: $586 million.

To carry out these missions, the following proposals are included in this budget:

- Accelerate reorganization of executive branch departments and agencies to make the Federal Government more efficient, productive, and responsive.
- Increase personnel in the Internal Revenue Service to process the increasing number of tax returns and to improve taxpayer service.
- Begin modernization of the Internal Revenue Service computer system.
- Streamline government procurement processes.
- Propose legislation to enact comprehensive reform of the Federal civil service system.
- Accelerate construction in the Trust Territory of the Pacific Islands.

The major missions are supported by general government programs as shown in the following table.

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NATIONAL NEED: GENERAL GOVERNMENT

[Functional code 800; in millions of dollars]

Major missions and programs	Recommended budget authority for 1979	Outlays			
		1977 actual	1978 estimate	1979 estimate	*1980 estimate*
Legislative functions	941	841	900	941	*955*
Executive direction and management	81	76	80	80	*81*
Central fiscal operations:					
Collection of taxes	2,047	1,790	1,964	2,039	*2,057*
Proposed legislation	31	----	21	30	*31*
Other fiscal operations	300	140	216	298	*302*
Subtotal, central fiscal operations	2,378	1,930	2,201	2,367	*2,390*
General property and records management:					
Real property	9	−124	12	11	*13*
Personal property	167	103	168	167	*167*
Other	189	162	186	191	*191*
Subtotal, general property and records management	365	141	366	369	*371*
Central personnel management:					
Existing law	123	100	120	120	*120*
Proposed legislation	1	----	----	1	*1*
Subtotal, central personnel management	124	100	120	121	*121*
Other general government:					
Territories	157	130	165	144	*159*
Treasury claims	147	153	207	147	*152*
Panama Canal Zone	53	48	53	53	*54*
Federal Election Commission	8	7	8	8	*8*
Other	266	117	199	233	*455*
Subtotal, other general government	632	455	632	586	*828*
Deductions for offsetting receipts	−159	−186	−180	−159	*−161*
Total	**4,361**	**3,357**	**4,119**	**4,304**	*4,585*

Legislative functions.—By law, the President's budget contains estimates for the legislative branch as they are submitted by that branch, without change. The legislative branch proposes to spend

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$941 million in 1979 for the Congress, the General Accounting Office, the Congressional Budget Office, and other programs to carry out this mission.

Executive direction and management.—In response to the President's request, the Congress has granted the President special authority in the Reorganization Act of 1977 (Public Law 95–17) to reorganize the executive branch. Reorganization will result in more efficient and economical management. The President will send legislation and reorganization proposals to the Congress during both 1978 and 1979. Administrative reorganizations will also be carried out.

In 1979, the White House Office, Executive Office of the President, and related activities are expected to function at or near the reduced levels recommended by the President in Reorganization Plan No. 1 of 1977, which called for the consolidation of many Executive Office functions.

The aggregate personnel level for the White House and the Executive Office in 1979 is expected to be 1,468 full-time permanent positions compared to the 1,685 in 1978 before the White House and Executive Office reorganization. Outlays for the White House and Executive Office are estimated to be $80 million in 1978 and $80 million in 1979. This reflects a savings of $6 million in 1978 as a result of the reorganization.

Central fiscal operations.—The mission of central fiscal operations is to provide the essential financial activities necessary for the operation of the Federal Government.

Most of the funds supporting this mission are spent on the collection of taxes by the Internal Revenue Service (IRS). The 1979 budget requests funds for additional staff to improve taxpayer service, to increase the matching of tax returns with wage and other documents, to collect overdue taxes more quickly, and to process and audit the increasing number of tax returns. IRS will also begin to modernize its computer system.

Recently enacted legislation authorizes Treasury to earn interest on excess balances in its tax and loan accounts, into which IRS deposits tax receipts and from which Treasury pays the Government's bills. Treasury, in turn, compensates banks as agents for issuing and redeeming savings bonds and for handling tax and loan accounts, realizing net savings of $50 to $100 million annually. This cash management tool is consistent with the President's reorganization initiative to improve cash management throughout the executive branch.

The 1979 budget proposes that all other financial programs be continued at approximately the present level.

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General property and records management.—To carry out this mission, the General Services Administration (GSA) manages Federal property, acts as a central procurement agency, and acts as the custodian of the Federal Government's historical records.

Real property.—While GSA is the manager of the largest amount of general purpose office space used by the Federal Government, more than 10 times that amount of space is managed by other agencies for special purposes such as military bases, post offices, laboratories, and hospitals.

Personal property.—GSA also maintains, jointly with the Department of Defense and the civilian agencies, a national supply system under which supplies and equipment are procured and distributed to Federal agencies. In fulfilling part of its supply function, GSA operates an interagency motor pool program, which provides for the centralized leasing of motor vehicles to requesting agencies. Currently, the lease charges to customer agencies are based on the operating costs plus depreciation of the acquisition costs. Legislation will be proposed to allow GSA to modify its financing method by adjusting its lease charges to customer agencies for motor vehicles to reflect future vehicle replacement costs.

Outlays for GSA procurement are estimated to rise from $1.3 billion in 1978 to $1.5 billion in 1979. Other civilian agencies conduct specialized procurement, such as the National Aeronautics and Space Administration and the Department of Energy. The Department of Defense operates the largest Federal procurement program.

Major reviews of Federal administrative services and Federal data processing activities were begun in 1977 and will be completed in 1978. These reviews of the activities of GSA and other civilian agencies that provide administrative support services will focus on ways to increase the delivery of public services, to improve efficiency of Federal administrative services, and to reduce costs of such services.

Central personnel management.—In November 1977, the Federal personnel management project team completed a major study of the civil service system. Civil servants, top managers from Federal agencies, and outside experts participated in the study. In addition, views were obtained from a broad cross section of public and private interest groups. Specific proposals resulting from this study will be sent to the Congress.

In order to improve the process by which the President receives advice relating to needed Federal pay increases, Executive order No. 12004 was issued on July 20, 1977. The Executive order designated

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the Secretary of Labor, the Director of the Office of Management and Budget, and the Chairman of the Civil Service Commission to serve jointly as the President's Pay Agent. The order also provided that the Advisory Committee on Federal Pay be represented at all meetings between the Pay Agent and the Federal Employees Pay Council.

Other general government.—Outlays to accomplish other general government missions, which include payments of claims and judgments against the Federal Government, various commissions, payments to the trust territories, and the Government Printing Office, are expected to total $632 million in 1978 and $586 million in 1979. This decrease is due to a reduction in the expected number of Indian claims.

Territories.—Outlays of $165 million in 1978 and $144 million in 1979 are estimated for governmental operations and construction programs in the Territory of American Samoa, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands; as well as new construction programs in the Territory of Guam. The unusually high outlays in 1978 result from one-time projects that will be completed in 1978. One of the major construction programs funded by the Federal Government is underway for the Trust Territory of the Pacific Islands and will provide a basic infrastructure upon which the Islands can begin to develop their own economy and to lessen their dependence on outside resources. The basic infrastructure consists of roads, docks, harbors, airports, water, sewer, and electrical systems. Recommended budget authority for the construction program increases from $34 million in 1978 to $51 million in 1979.

Panama Canal Zone.—The budget includes estimated outlays of $53 million in 1979 for the Canal Zone Government, which provides municipal services to residents of the Canal Zone. However, under the terms of the Panama Canal Treaty of 1977, the Republic of Panama will assume general territorial jurisdiction over the area of the Canal Zone. Within 3 years after the Treaty goes into effect, most activities carried out by the Canal Zone Government will be assumed by the Republic of Panama, or by other U.S. agencies operating in Panama.

Federal Election Commission.—Budget authority of $8 million is proposed to allow the Federal Election Commission to administer the Federal Election Campaign Act. If Congress enacts the administration's proposal to provide financial assistance to States offering election day voter registration and other outreach activities, an

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additional $50 million of budget authority will be requested to be spent over a 2-year period.

CREDIT PROGRAMS—GENERAL GOVERNMENT

[In millions of dollars]

Program	1977 actual	1978 estimate	1979 estimate
Loans to U.S. Territories:			
Direct loans:			
New loans	1	2	2
Repayments, sales, and adjustments (−)	−1	−2	−2
Net credit outlays	−*	1	−*
Guaranteed loans:			
New loans	58	39	----
Net credit guaranteed	58	39	----
Real property activities and other:			
Direct loans:			
New loans	2	----	----
Repayments, sales, and adjustments (−)	−11	−10	−9
Net credit outlays	−9	−10	−9
Guaranteed loans:			
New loans	29	120	126
Net credit guaranteed	−*	107	111

*$500 thousand or less.

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GENERAL PURPOSE FISCAL ASSISTANCE

National Needs Statement:

- Support the federal system by sharing Federal revenues with State and local jurisdictions and providing other forms of financial assistance.
- Reduce the impact of economic fluctuations on States and localities.

To meet our national needs in general purpose fiscal assistance in 1979, the Federal Government will spend an estimated $9.6 billion in support of the following major missions:

- General revenue sharing: $6.9 billion.
- Other general purpose fiscal assistance: $2.8 billion.

The budget proposes to meet these national needs by continuing programs of general purpose fiscal assistance and providing a larger and more efficient direct subsidy for State and local interest payments.

To carry out these missions, the following legislative proposals are included in this budget:

- An extension of the current program of countercyclical revenue sharing (antirecession financial assistance).
- Direct interest subsidy payments to encourage the issuance of taxable municipal bonds.

The major missions are supported by the programs shown in the table on the following page.

General revenue sharing.—General revenue sharing has become a key element of the Federal Government's mission to assist State and local governments. Under legislation enacted in 1976, this program has been authorized through September 30, 1980. Full funding of the authorization for fiscal year 1979—$6.85 billion—is requested. As the law requires, one-third will be paid to State governments and the remaining two-thirds will go to local units of general government.

General revenue sharing is the only program of fiscal assistance that provides some funds to virtually every unit of general government below the Federal level. Nearly 39,000 units of government receive money four times a year. They may spend the money for any purpose permissible under State and local law, subject to minimal Federal controls. The principal Federal requirements of this program seek to assure nondiscrimination and public participation in spending decisions. In addition, governments that receive $25,000 or more in any one year must have their funds audited at least once every 3 years.

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NATIONAL NEED: FISCAL ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

[Functional code 850; in millions of dollars]

Major missions and programs	Recommended budget authority for 1979	Outlays			
		1977 actual	1978 estimate	1979 estimate	*1980 estimate*
General revenue sharing:					
General revenue sharing payments to States and localities	6,855	6,758	6,827	6,852	*6,855*
Administration	7	4	8	8	*7*
Subtotal, general revenue sharing	6,862	6,762	6,835	6,860	*6,862*
Other general purpose fiscal assistance:					
Antirecession fiscal assistance to States and localities	1,040	1,699	1,573	1,050	*340*
Payments and loans to the District of Columbia	436	316	370	426	*444*
Mineral impact loan assistance (proposed legislation)	40	-------	-------	40	*40*
New York seasonal financing fund	1	1	1	1	*1*
Taxable municipal bond option (proposed legislation)	7,094	-------	-------	99	*495*
Payments to States from Forest Service receipts	242	50	226	242	*242*
Payments to States and counties from Federal land management activities	434	247	395	434	*463*
Other	483	424	461	483	*483*
Subtotal, other general purpose fiscal assistance	9,770	2,737	3,026	2,776	*2,508*
Total	**16,632**	**9,499**	**9,860**	**9,636**	*9,370*

Although the ease with which revenue sharing funds can be substituted for other resources makes it impossible to ascertain precisely how these funds are being used, voluntary reports from recipient governments indicate that the purposes for which revenue sharing funds have been used are as varied as are the needs of people in different regions of the country. One major city in the southwest used substantial amounts of the money to institute an emergency medical rescue system. A small town in New England has funded programs for the elderly. Reports also indicate that since the inception of the program in 1972, State governments have used most of their shared revenues to provide support for public education. Local governments have tended to spend most of their money for police and fire protection and transportation. The reports have also highlighted a trend toward spending increasing portions of revenue sharing money to operate and maintain programs rather than to undertake major capital projects.

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Other general purpose fiscal assistance.—These programs also provide funds with minimal restrictions to States and localities. Total outlays are estimated to rise from $2.7 billion in 1977 to $3.0 billion in 1978 and then decline to $2.8 billion in 1979. The decrease results primarily from the anticipated decline in unemployment rates, which are part of the formula for computing payments under the antirecession fiscal assistance program.

Antirecession fiscal assistance to States and localities.—This program was established by the Public Works Employment Act of 1976. At that time, $1.25 billion was authorized to be distributed to States and local governments between July 1, 1976, and September 30, 1977. The program was intended to help local governments in areas of high unemployment maintain ongoing basic services.

In 1977, the program was extended through September 30, 1978, by the Intergovernmental Antirecession Assistance Act and an additional authorization of $2.25 billion was provided. Funds are distributed on the basis of a formula that takes into account unemployment rates and the relative size of general revenue sharing payments. As in the general revenue sharing program, one-third of each quarterly allocation of funds is paid to State governments and the remainder is distributed to local units of general government within the United States. The four American territories of Puerto Rico, the American Virgin Islands, Guam, and American Samoa are also eligible to receive funds under this program.

It is estimated that most of the funds available under current law will be spent before the end of 1978. While the budget anticipates an extension of this program, the administration expects to review its impact and make a specific recommendation concerning its future later this year. (The administration's urban proposals are discussed in the community and regional development function.)

Federal payments and loans to the District of Columbia.—The District of Columbia's operating budget is financed by annual payments from the Federal Government in recognition of the costs to the local government of the Federal establishment, and by local taxes. For 1979 a Federal payment of $317 million and water and sewer reimbursement charges of $10 million are requested. Additional authorizing legislation is proposed to increase the authorized Federal payment from $300 million to $317 million.

The District of Columbia Self-Government and Governmental Reorganization Act of 1973 (the "Home Rule Act") authorized the city to issue short-term notes on its own behalf. Accordingly, interest-

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free cash advances from the U.S. Treasury to the District will no longer be made after 1978. The 1979 estimate provides for repayment of all outstanding Treasury advances and anticipates that the city will exercise its authority to borrow in the private market for short-term, cash management purposes. While the administration continues to support the District's efforts to obtain long-term bonding capability, the District will not be able to develop its capability to support capital improvements in 1979. In the interim, the District is authorized to borrow from the U.S. Treasury. The 1979 estimates provide for Federal loans of $120 million to fund capital improvements in the District.

Mineral impact loan assistance.—The administration has proposed legislation to amend existing authority for loans to States and local governments for the provision of public facilities made necessary by the development of minerals on Federal lands. Loans would be made against each State's future mineral leasing receipts. Such mineral development may sometimes result in substantial population increases in small communities and thus require construction of schools, fire houses and other public facilities. The proposed legislation would correct certain deficiencies in existing legislation and change the highly subsidized interest rate (3%) to the current Treasury borrowing rate.

New York City seasonal financing fund.—This fund authorizes short-term loans to New York City through June 30, 1978. These loans may not exceed $2.3 billion at any time, bear interest at a rate 1 percentage point above current Treasury borrowing rates, and must be repaid at the end of the city's fiscal year. These loans by the Treasury are purchased by the Federal Financing Bank and do not appear in the Federal budget totals. The administrative costs of servicing these loans are shown in the budget. The direct loan transactions are reflected in the budget schedules of the Federal Financing Bank in the Budget Appendix. Various proposals to extend and modify this program are under review.

Taxable municipal bond option.—Legislation is again proposed to provide States and localities with flexibility and an incentive to issue taxable, rather than tax-exempt, State and local bonds. There is no intent to eliminate the right of States and localities to issue tax-exempt bonds. Currently, interest income from most municipal securities is not subject to Federal income tax, allowing municipalities to borrow at lower interest rates. The loss of Federal tax receipts, however, exceeds the interest savings by State and local governments.

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Under the taxable bond option, subsidies would be provided directly to those State and local jurisdictions opting to borrow money at the higher interest costs of the taxable bond market. By providing a direct, rather than an indirect, tax subsidy, the Federal Government will ensure that State and local governments receive all the benefits of this subsidy. Currently, part of the subsidy goes to taxpayers in high tax brackets. For calendar years 1979 and 1980, the Treasury would subsidize States and localities for 35% of interest paid on newly issued taxable securities; in subsequent years the subsidy would be 40%. Associated outlays of $99 million in fiscal year 1979 would be offset partially by additional tax receipts.

Other payments.—Some jurisdictions also receive payments from the Federal Government based on the percentages of receipts generated in their jurisdictions from the sale of timber, mineral leases, grazing permits and other activities on Federal property and lands. Under a new law, Public Law 94–565, payments are provided to local governments in lieu of taxes for certain Federal lands contained within their jurisdictions. The Departments of Interior and Agriculture will return an estimated $621 million in 1978 and $676 million in 1979 to State and local jurisdictions. In addition, Federal taxes and other revenues generated or collected in the Virgin Islands and Puerto Rico by various Federal agencies are returned to those territories for their fiscal support.

Tax expenditures.—Major tax expenditures also provide fiscal assistance to States and localities. The exclusion from taxable income of interest paid on State and local obligations is discussed above in connection with the administration's proposal for the taxable municipal bond option. Under current law the related tax expenditure is $6.0 billion in 1979. In addition, the deductibility of State and local taxes from gross income allows individuals who itemize deductions to offset partially their State and local taxes through reduced Federal taxes; the revenue loss under current law is estimated to be $13.7 billion in 1979. The President's tax reform proposals include repealing the deductibility of State and local gasoline excise taxes, sales taxes, and certain miscellaneous taxes. These proposals, along with proposed lower tax rates, would reduce the tax expenditures associated with the deductibility of State and local taxes to $9.0 billion in 1979.

Related programs.—In addition to general purpose fiscal assistance, the Federal Government supports States and localities through a large variety of Federal grants-in-aid programs. These grants, which

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CREDIT PROGRAMS—GENERAL PURPOSE FISCAL ASSISTANCE

[In millions of dollars]

Program	1977 actual	1978 estimate	1979 estimate
Loans to New York City:			
Direct loans:			
New loans	2,050	950	.....
Repayments, sales, and adjustments (−) [1]	−2,050	−950	.....
Net credit outlays	.....	.....	.....
Guaranteed loans: [2]			
New loans	2,050	950	.....
New credit guaranteed	75	−1,150	.....
Loans to District of Columbia:			
Direct loans:			
New loans	121	135	121
Repayments, sales, and adjustments (−)	−69	−44	−22
Net credit outlays	51	91	99
Mineral impact loan assistance:			
Direct loans:			
New loans	.....	.....	40
Repayments, sales, and adjustments (−)	.....	.....	.....
Net credit outlays	.....	.....	40

[1] Includes sale of loan assets.
[2] Loans made by Treasury to New York City are subsequently sold to the Federal Financing Bank with Treasury's guarantee.

range from relatively narrow categorical programs to block grant programs, are designed to meet other national needs and to serve other major missions. They are, therefore, not included as general purpose fiscal assistance, although they are, taken together, a far larger source of State and local funds. Total grants-in-aid are estimated to reach $85.0 billion in 1979, an increase of 6% over 1978 and 24% over 1977. The sharp rate of growth in Federal grants in 1978 is largely due to economic stimulus programs. As the economy improves, outlays for these programs will level off or decline.

Federal grants will comprise an estimated 26.2% of State and local expenditures in 1979.

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FEDERAL GRANT-IN-AID OUTLAYS BY FUNCTION

[In millions of dollars]

Function	1977 actual	1978 estimate	1979 estimate
National defense	96	90	82
Energy	74	270	644
Natural resources and environment	4,189	4,895	5,578
Agriculture	371	391	383
Commerce and housing credit	18	34	45
Transportation	8,298	9,562	10,440
Community and regional development	4,496	6,700	6,279
Education, training, employment, and social services	15,753	20,811	22,380
Health	12,104	12,875	14,084
Income security	12,613	13,985	14,806
Veterans benefits and services	79	85	88
Administration of justice	713	649	567
General government	154	197	180
General purpose fiscal assistance [1]	9,438	9,743	9,463
Total outlays	**68,396**	**80,288**	**85,020**

[1] These numbers differ slightly from total outlays for this function, because they exclude administrative expenses.

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INTEREST

Interest is the cost of borrowing or the income from lending money. This function includes both interest paid and interest received by the Federal Government. Budget outlays for the interest function are estimated to increase by $5.7 billion in 1978 and $5.2 billion in 1979, reaching a gross level of $49.0 billion in 1979. These increases result largely from financing unified budget deficits of $62 billion in 1978 and $61 billion in 1979, and from Federal borrowing to finance off-budget Federal entities. The estimated amount of additional Federal borrowing necessary for this latter purpose is $12 billion in 1978, and $13 billion in 1979.

INTEREST

[Functional code 900; in millions of dollars]

Program	Recommended budget authority for 1979	Outlays			
		1977 actual	1978 estimate	1979 estimate	*1980 estimate*
Interest on the public debt [1]	55,400	41,900	48,600	55,400	*60,100*
Other interest	−6,410	−3,808	−4,759	−6,409	*−6,414*
Total	**48,990**	**38,092**	**43,841**	**48,991**	*53,686*

[1] Includes interest paid on the public debt held by Government investment accounts.

These outlay estimates assume continuation of current market interest rates at the levels prevailing when the projections were made. The rate on 91-day bills is assumed to be 6.1% through 1980. Although interest rates are likely to be different from this, they are extremely difficult to forecast. The longer range projections of interest costs presented in Part 3 assume a decline in interest rates consistent with the projected decline in the rate of inflation.

Interest costs are highly sensitive to changes in interest rates. Assuming no change in the level of debt, a ½-percentage-point increase in interest rates as of March 1978 would increase 1978 interest outlays by $0.3 billion, and 1979 outlays by $1.5 billion.

A substantial portion of interest outlays is paid to trust funds on securities held by the funds. These amounts are deducted from both budget authority and outlays before arriving at unified budget totals, since the payment of interest is not made to the public, but consists of offsetting transactions within the budget itself. As shown in the following table, net interest outlays—the interest function minus the interest received by trust funds—are projected to be $39.9 billion in 1979. These estimates of net interest include outlays due to off-budget operations.

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NET INTEREST

[In millions of dollars]

	1977 actual	1978 estimate	1979 estimate	*1980 estimate*
Outlays for the interest function	38,092	43,841	48,991	*53,686*
Interest received by trust funds	−8,131	−8,595	−9,064	*−10,300*
Net interest outlays	**29,961**	**35,246**	**39,927**	*43,386*
Deduct: Deposit of earnings by the Federal Reserve System [1]	5,908	6,200	6,300	*6,400*
Net impact [2]	**24,053**	**29,046**	**33,627**	*36,986*

[1] Shown as budget receipts.
[2] Net amount of interest to be paid from receipts or other means of financing.

In addition, Federal Reserve banks hold government securities as part of their monetary functions. The Federal Reserve banks return a portion of the interest they receive on those securities back to the Treasury as miscellaneous budget receipts. This deposit of earnings is projected to be $6.3 billion in 1979. Deducting these receipts from net interest totals results in a net impact on the budget of $33.6 billion in 1979. The net impact of interest is the amount of interest that must be paid from receipts or additional borrowing to meet Federal financing requirements.

A tax expenditure arises from the optional deferral of interest income on U.S. savings bonds. Normally, the interest on these bonds would be taxed each year as it is credited, but the holder may defer paying the tax until the bond is redeemed. The revenue loss is projected to be $0.6 billion in 1979.

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ALLOWANCES

Allowances are included in the 1979 budget to cover statutory pay increases for Federal civilian agency employees, future initiatives and unforeseen requirements that may arise. Pay allowances for the Department of Defense are included in the National Defense function.

ALLOWANCES

[Functional code 920; in millions of dollars]

Program	Recommended budget authority for 1979	Outlays			
		1977 actual	1978 estimate	1979 estimate	*1980 estimate*
Civilian agency pay raises	1,197	-------	-------	1,145	*2,435*
Proposed legislation	—47	-------	-------	—45	*—117*
Contingencies for:					
Relatively uncontrollable programs	-------	-------	-------	-------	-------
Other requirements	3,000	-------	-------	1,700	*3,500*
Total	**4,150**	-------	-------	**2,800**	*5,818*

The Federal Pay Comparability Act of 1970 provides a system for annually adjusting Federal white-collar pay on the basis of comparability with the private sector. In 1977, the number of private establishments covered by the comparability survey was increased by 24%. This increase provides an improved base upon which to make future comparability adjustments.

The President has asked business and labor to cooperate in a voluntary program to decelerate wage and price increases. Every effort is to be made to hold wage and price increases in 1978 significantly below those in the prior year. The President intends to keep this criterion in mind when he reviews the October 1978 pay raise recommendations of the President's pay agent, the Federal Employees Pay Council, and the Advisory Committee on Federal Pay, and after a review of the economic situation at the time. The President's final decision will be made in late summer.

As part of the overall effort to hold down inflationary trends, Federal agencies will be required to limit additional funds requested to cover the pay increase to no more than 6%.

Recently, the Federal personnel management project recommended legislative changes in the Federal pay system. These proposals include splitting the present general schedule into two schedules and setting salaries in the new clerical and technical schedule on a local basis. Enactment of this proposal will improve the process of setting pay on

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the basis of comparability. The administration continues to support legislation that is also pending before the Congress to reform certain aspects of wage-board pay rates that result in blue-collar workers earning more than their private sector counterparts. This proposal would save $45 million in the 1979 budgets of civilian agencies. In addition, the Civil Service Commission is considering extending the comparability base to include fringe benefits in its considerations to establish total comparability with the private sector.

The allowance for relatively uncontrollable programs is assumed to be zero since the probability of estimates higher or lower than the budget estimates is assumed to be the same. An allowance for other requirements is included. This does not represent a compilation of a specific list of future needs, but is a rough estimate taking into account past experience of unanticipated requirements and possible requirements for future initiatives.

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UNDISTRIBUTED OFFSETTING RECEIPTS

Offsetting receipts (which are shown in detail in table 11 in Part 9 of the budget) are generally deducted from budget totals at the function or agency levels. There are three instances, however, when such payments are deducted from the budget as undistributed offsetting receipts. In two cases, interest received by trust funds and rents and royalties on the Outer Continental Shelf, the payments are extremely large and to include them at the function or agency level would present a distorted view of Federal program costs. In the case of the third, the payment that each agency makes as its share of employee retirement, it is not practical to collect the information, since to do so would require a very large number of detailed reports.

UNDISTRIBUTED OFFSETTING RECEIPTS

[Functional code 950; in millions of dollars]

Program	Recommended budget authority for 1979	Outlays			
		1977 actual	1978 estimate	1979 estimate	*1980 estimate*
Employer share, employee retirement	−5,157	−4,548	−5,024	−5,157	*−5,510*
Interest received by trust funds	−9,064	−8,131	−8,595	−9,064	*−10,300*
Rents and royalties on the Outer Continental Shelf	−1,800	−2,374	−2,000	−1,800	*−1,800*
Total	**−16,021**	**−15,053**	**−15,619**	**−16,021**	*−17,610*

Employer share, employee retirement.—This category is composed of payments by Federal agencies to various employee retirement funds. These contributions are outlays of the agency and receipts of the respective retirement fund. They are deducted before striking budget totals in order to eliminate double counting and thereby properly reflect transactions with the public. About two-thirds of these payments are to the Civil Service retirement fund, with the remainder paid mostly to the social security trust funds.

Interest received by trust funds.—By law, most trust fund balances are invested in Federal securities. The interest received by trust nonrevolving funds is deducted from the budget totals under the unified budget concept to reflect transactions with the public.

Rents and royalties from the Outer Continental Shelf (OCS).—These estimates include cash bonuses received from the

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leasing of new OCS lands that have the promise of containing oil and gas. Annual rentals on existing leases and royalties based on a percentage of the value of production are also included. The current estimates assume that five scheduled OCS sales will be conducted in 1979 and four sales in 1980. No final decision will be made on any of these sales until environmental studies and other requirements under the National Environmental Policy Act have been completed.

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PART 6

SELECTED ASPECTS OF THE BUDGET

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SELECTED ASPECTS OF THE BUDGET

This part of the budget explains several topics that help place the budget in perspective. It discusses:

- relationship of budget authority to outlays;
- fiscal activities outside the Federal budget,
  —outlays of off-budget Federal entities,
  —Government-sponsored enterprises,
  —guaranteed loans, and
  —tax expenditures;
- the relationship of budget funds to changes in Federal debt;
- the differences between the original budget estimates of outlays under relatively uncontrollable programs and the actual outlays for these programs; and
- the differences between the original budget estimates of receipts and the actual receipts.

RELATIONSHIP OF BUDGET AUTHORITY TO OUTLAYS

The Congress must provide budget authority, generally in the form of appropriations, before Federal agencies can obligate the Government to make outlays. For 1979, $568.2 billion of new budget authority is proposed for those Federal activities included in the budget. In addition, $16.1 billion in new budget authority is proposed for those Federal entities that are excluded from the budget.

Of the total amount proposed for on-budget Federal entities for 1979, $366.9 billion in new budget authority for on-budget Federal agencies will require congressional action. The remaining $201.2 billion will be available under existing laws. The latter authority includes trust fund receipts, which in most programs are automatically appropriated under existing law, and interest on the public debt, for which budget authority is automatically provided under a permanent appropriation enacted in 1847. Budget authority for most off-budget Federal entities will be available under existing law.

Not all of the new budget authority for 1979 will be obligated or spent in that year.[1]

- Budget authority for most trust funds authorizes the expenditure of the receipts from special taxes and contributions and from Federal fund payments to the trust funds. The receipts are to be

[1] This subject is discussed more fully in a separate report, "Balances of Budget Authority", that is published by the Office of Management and Budget shortly after the Budget is transmitted.

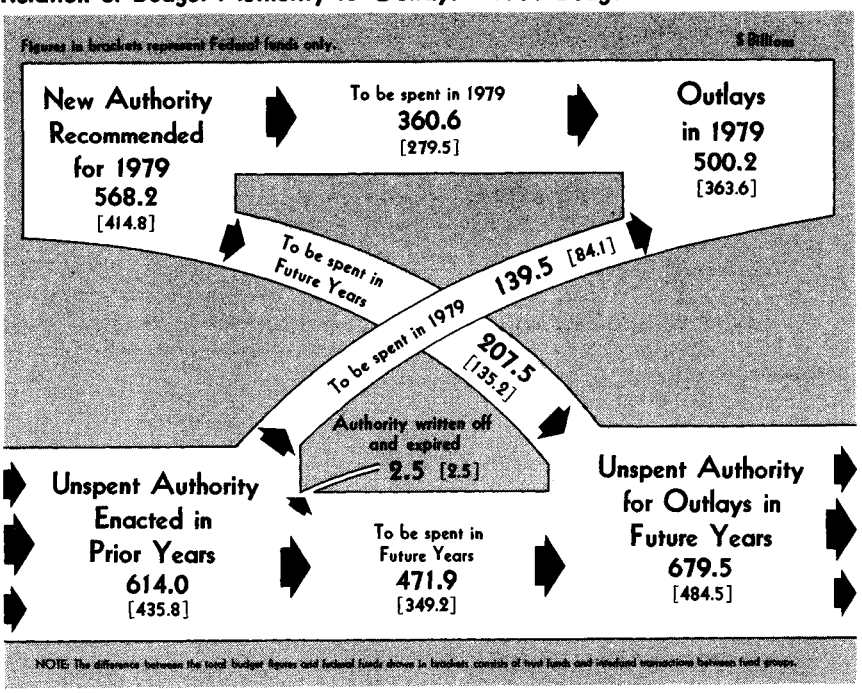
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used as needed over a period of years for benefit payments and other purposes specified by law.

- Under longstanding budget policy, budget authority for major construction and major procurement projects covers the entire cost anticipated at the time the projects are initiated even though costs will be incurred and outlays made over a period extending beyond that fiscal year.
- Budget authority for the subsidized housing programs is equal to the Government's maximum contractual obligation to pay subsidies under contracts that may extend over periods of up to 40 years.
- Budget authority for many direct loan programs provides financing for a period of years; budget authority for many insurance and guaranteed loan programs consists of amounts to be used only in the event of defaults or other claims made under the programs.

As a result of these factors a substantial amount of budget authority carries over from one year to the next. Most of this is earmarked for specific uses and is not available for new programs; some of it may never be obligated or spent.

Relation of Budget Authority to Outlays—1979 Budget



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As shown in the preceding chart, $139.5 billion of the outlays for 1979, 27.9% of the total, will be made from budget authority enacted in previous years. Furthermore, $207.5 billion of the new budget authority proposed for 1979, which is 36.5% of the total amount proposed, will not result in outlays until future years. The relationships between budget authority, obligations, and outlays are discussed further in Part 7 of the Budget and displayed in table 5 of Part 9.

Once budget authority is provided, the Congressional Budget and Impoundment Control Act requires that any available amounts withheld from use must be reported to the Congress in rescission or deferral messages. The Congress may require release of these funds by overturning the proposed deferral of budget authority or by not taking action on the proposed rescission.[2]

BUDGET AUTHORITY

[In billions of dollars]

Description	1977 actual	1978 estimate	1979 estimate
Available through current action by Congress:			
Enacted and pending:			
Appropriations	317.5	313.1	----
Supplementals pending	----	5.9	----
Rescissions pending	----	0.1	----
Proposed in this budget:			
Appropriation requests	----	----	343.5
Supplemental requests	----	7.3	----
To be requested separately:			
Under existing legislation	----	0.5	*
Upon enactment of proposed legislation	----	0.7	16.9
Allowances:			
Civilian agencies [1]	----	----	4.2
Department of Defense—Military [2]	----	----	2.3
Subtotal, available through current action of the Congress	317.5	327.4	366.9
Available without current action by the Congress (permanent authorizations): [3]			
Trust funds (existing law)	155.2	174.5	192.3
Interest on the public debt	41.9	48.6	55.4
Other	9.8	12.2	17.1
Deductions for offsetting receipts	−59.2	−59.8	−63.6
Total budget authority	465.2	502.9	568.2

See footnotes at end of table.

[1] See discussion in Part 7 of the Budget.

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BUDGET AUTHORITY—Continued

[In billions of dollars]

Description	1977 actual	1978 estimate	1979 estimate
MEMORANDUM			
Budget authority for off-budget Federal entities:			
Available through current action by the Congress	*	*	*
Available without current action by the Congress	9.9	14.0	16.1
Total, off-budget Federal entities	10.0	14.1	16.1
Total budget authority including off-budget Federal entities	475.2	517.0	584.3

*$50 million or less.
[1] Includes allowances for civilian agency pay raises and contingencies.
[2] Includes allowances for civilian and military pay raises for Department of Defense.
[3] Allowances for relatively uncontrollable programs with permanent authorizations are estimated at zero.

FISCAL ACTIVITIES OUTSIDE THE FEDERAL BUDGET

The budget does not include a number of fiscal activities of the Federal Government that result in spending similar to budget outlays. One major exclusion—the outlays of off-budget Federal entities[3]—is discussed in some detail below. This is followed by a discussion of the Government-sponsored enterprises, which are outside the scope of the budget because of their private ownership.[4] Guaranteed loans and tax expenditures, which also have significant effects on the economy, are discussed subsequently. The regulation of economic activity may have similar effects by requiring the private sector to make expenditures for specified purposes, such as safety and pollution control. These effects cannot be quantified satisfactorily and are not discussed in this section.

The off-budget Federal entities and the privately owned, Government-sponsored enterprises primarily carry out loan programs. Guaranteed loans are likewise a part of federally assisted lending. The following table summarizes Federal credit activity by showing the amounts outstanding of Federal and federally assisted loans: direct loans by Federal agencies included in the budget; direct loans by off-budget Federal entities; guaranteed loans; and loans by Government-sponsored enterprises.

[3] Financial statements for these entities are published in the Appendix, Budget of the United States Government, Fiscal Year 1979. See Part IV, "Off-Budget Federal Entities."
[4] For financial statements, see the Appendix, Part VI, "Government-Sponsored Enterprises."

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FEDERAL AND FEDERALLY ASSISTED LOANS OUTSTANDING [1]

[In billions of dollars; at end of fiscal period]

	TQ actual	1977 actual	1978 estimate	1979 estimate
Direct loans—on budget	65.6	68.2	76.1	80.4
Direct loans—off budget	23.8	32.7	43.8	56.8
Guaranteed and insured loans [2]	169.9	183.9	200.4	223.6
Total, direct loans and guaranteed loans	259.2	284.8	320.3	360.8
Government-sponsored enterprise loans [3]	87.9	98.9	115.2	130.1

[1] See table F–7 in Special Analysis F, "Federal Credit Programs," Special Analyses, Budget of the United States Government, Fiscal Year 1979.
[2] Excludes loans held by Government accounts and Government-sponsored enterprises.
[3] Net of loans between Government-sponsored enterprises and between such enterprises and Federal agencies.

Outlays of off-budget Federal entities.—Off-budget Federal entities are federally owned and controlled, but their transactions have been excluded from the budget totals under provisions of law.[5] Therefore, their fiscal activities are not reflected in either budget outlays or the budget surplus or deficit, appropriation requests for their activities are not included in the totals of budget authority, and their outlays are not subject to the ceilings set by the congressional budget resolutions. As shown in the table on page 257, the outlays of the off-budget Federal entities are added to the unified budget deficit to comprise the total Government deficit that has to be financed by borrowing from the public or by other means. When off-budget outlays are financed by Treasury borrowing, the additional debt is subject to the statutory debt limit; when financed by the entities' own borrowing, it is not. In either case the additional debt is part of the gross Federal debt.

The first Federal entity removed from the unified budget was the Export-Import Bank (excluded by statute as of August 17, 1971). This exclusion was the first departure from the concept of the unified budget, which had been adopted beginning with the 1969 budget and which combined the administrative budget with the substantial trust fund activity of the Federal Government. After 1972, further departures from a unified budget occurred. The Postal Service fund, the Rural Telephone Bank, the lending activities that became the Rural electrification and telephone revolving fund, and the Housing for the elderly or handicapped fund were removed from the budget. The Environmental Financing Authority,[6] the Federal Financing

[5] The Board of Governors of the Federal Reserve System (but not the Federal Reserve banks, which are privately owned) is a Federal organization. It is excluded from the budget and from this discussion.
[6] The Environmental Financing Authority expired on June 30, 1975, without having conducted any operations.

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Bank, the U.S. Railway Association, and the Pension Benefit Guaranty Corporation were established off-budget. The Exchange stabilization fund has always been outside the unified budget, though until last year it was classified as a deposit fund instead of an off-budget Federal entity.[7]

Some of the outlays related to the activities of the off-budget Federal entities are nonetheless included in the budget totals. The budget totals include the subsidies paid to the Postal Service fund and the administrative expenses of the Rural electrification lending programs and the U.S. Railway Association. Moreover, while the budget authority and outlays of off-budget Federal entities are excluded from the budget totals, some of their activities are subject to Presidential and congressional review. For example, limits on the amount of new lending by the Rural electrification and telephone revolving fund are set annually by law, and the outstanding debt and annual borrowing of the Postal Service are limited by statute.

In the past 2 years, the creation of new off-budget Federal entities has been reversed. The Export-Import Bank was returned to the budget by statute on October 1, 1976, and the Housing for the elderly or handicapped fund was returned to the budget by statute on October 1, 1977. The budget outlays and deficits of previous years have been revised to include these two entities, and these revisions are reflected in the tables published in this budget. The budget treatment of the U.S. Railway Association has been altered by a different kind of legislative change. From the start of the assistance program to ConRail in 1976, which now comprises almost all of the Association's activity, the purchases of ConRail securities have been required by law to be included in the budget. Furthermore, the administration has proposed legislation to include the administrative expenses of the Exchange stabilization fund in the budget. When this legislation is enacted, the other outlays of the Exchange stabilization fund will also be included in the budget.[8]

Congress has expressed concern about the existence of off-budget Federal entities. The Congressional Budget Act of 1974 calls for the Committees on the Budget of the House of Representatives and the Senate to study on a continuing basis those provisions of law that exclude any outlays of Federal entities from the budget and to report to their respective Houses their recommendations for terminating or modifying such provisions. In September 1976 the House Budget

[7] The Exchange stabilization fund conducts a cycle of operations similar to revolving funds. Consequently, its classification as a deposit fund was contrary to the normal definition of a deposit fund: an account that records amounts held by the Government as an agent for others or amounts held in suspense temporarily before being refunded or paid into some other fund.

[8] The outlays of the Exchange stabilization fund do not include foreign exchange transactions as such. Because it is not practicable to forecast transactions in gold, foreign currency, and foreign investments, only administrative expenses and interest on investments in U.S. securities will be estimated for the current and future years.

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Committee adopted a report recommending that the budget include the administrative expenses of the Exchange stabilization fund and the outlays of all other off-budget Federal entities except the Federal Financing Bank. The committee deferred judgment on the budget status of the Federal Financing Bank.[9]

Except for the Postal Service, the Pension Benefit Guaranty Corporation, and the Exchange stabilization fund, the excluded outlays of the off-budget Federal entities are incurred for carrying out loan programs. These programs are similar to the direct loan programs in the unified budget. The outlays of the off-budget loan programs are approximately equal to the difference between new loans disbursed and repayments of principal. For example, during 1979 new loans disbursed by the excluded programs are estimated to be $16.8 billion and repayments $3.9 billion, for an increase in loans outstanding of $12.9 billion. This is about the same as the estimated outlays of these programs, which are $12.6 billion. The difference is due to such factors as administrative expenses and interest paid and received.

Like direct loans in the budget, the loans of the excluded programs are designed to allocate economic resources toward particular uses. The off-budget Federal entities support a variety of program functions both by their direct operations and, in the case of the Federal Financing Bank, by purchasing debt securities issued by several agencies and purchasing obligations guaranteed under a number of Government programs. The size of these activities is generally indicated by the outlays of each off-budget entity in the following table. Part 5 of the budget, "Meeting National Needs: the Federal Program by Function," shows the outlays of the off-budget Federal entities by function and discusses some of their more significant activities.

OUTLAYS OF OFF-BUDGET FEDERAL ENTITIES

[In billions of dollars]

Off-budget Federal entity	1976 actual	1977 actual	1978 estimate	1979 estimate
Federal Financing Bank	5.9	8.2	10.6	12.5
Rural electrification and telephone revolving fund	.2	.4	.1	-------
Rural Telephone Bank	.1	.1	.1	.1
Pension Benefit Guaranty Corporation	—*	—*	—*	—*
Exchange stabilization fund	—.1	*	—.1	—.1
Postal Service fund	1.1	—.2	.8	—*
U.S. Railway Association	.1	.2	.1	*
Total	7.2	8.7	11.5	12.5

*$50 million or less.

[9] House of Representatives, Committee on the Budget, *Off-Budget Activities of the Federal Government*, Report No. 94-1740 (1976); and *First Concurrent Resolution on the Budget—Fiscal Year 1978*, Report No. 95-189 (1977), pp. 11-12.

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As the table shows, the Federal Financing Bank (FFB) accounts for most of the off-budget outlays. The outlays of the FFB include only its purchase of Government-guaranteed obligations, not its purchase of Federal agency debt. This prevents counting the same amount twice, both in the FFB's own outlays and in the outlays of the agency that borrows from the FFB and spends the proceeds.

The FFB's large share of the total off-budget outlays has been increased by the legislation mentioned above that put the Export-Import Bank, the Housing for the elderly or handicapped fund, and the major lending program of the U.S. Railway Association into the budget totals. Among the remaining off-budget Federal entities only the Postal Service fund in some years has comparatively large outlays. The outlays of the Postal Service fund are calculated with an offset for the subsidy that it receives for public service costs and for revenue foregone from carrying certain mail at free or reduced rates. This subsidy, which is included in the budget, is estimated at $1.8 billion in 1979. The continued net lending of the Rural electrification and telephone revolving fund during 1978–79 is mostly counted in the outlays of the FFB rather than in its own outlays. The fund plans to sell certificates of beneficial ownership to the FFB, and the sale of these certificates is required by law to be treated as the sale of assets instead of borrowing. Therefore the sale of these certificates to the FFB is an offset to the outlays of the Rural electrification and telephone revolving fund and adds to the outlays of the FFB.

In the table on the next page, the excluded outlays of the off-budget Federal entities are compared with the unified budget outlays.[10] The outlays of the off-budget entities (excluding the Export-Import Bank and Exchange stabilization fund) were negligible in 1973 but grew rapidly afterwards, as the Federal Financing Bank and other off-budget entities were created. The outlays of the off-budget Federal entities equaled 2.2% of budget outlays in 1977 and are estimated to equal 2.5% in both 1978 and 1979.

Outlays of Government-sponsored enterprises.—Several Government-sponsored enterprises have been established and chartered by the Federal Government to perform specialized credit functions. The earlier enterprises were all created with partial or full Government ownership and direct Government control, but, in time, they were converted to private ownership and some new enterprises were created as privately owned institutions. The rule governing the budget treatment of these enterprises was established in 1967 in accordance with a recommendation by the President's Commission on

[10] The historical data for unified budget outlays include Federal entities that are now off-budget for any period when they were in the budget, include the Export-Import Bank and Housing for the elderly or handicapped fund for all years, and include Government-sponsored enterprises for periods when they had any Government ownership.

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COMPARISON OF OUTLAYS FOR THE UNIFIED BUDGET, OFF-BUDGET FEDERAL ENTITIES, AND GOVERNMENT-SPONSORED ENTERPRISES

[In billions of dollars]

Year	Outlays			
	Federal Government [1] [2]			Government-sponsored enterprises [3]
	Unified budget	Off-budget Federal entities	Total	
1960	92.2	.....	92.2	0.4
1961	97.8	.....	97.8	−.3
1962	106.8	.....	106.8	1.1
1963	111.3	.....	111.3	.5
1964	118.6	.....	118.6	1.8
1965	118.4	.....	118.4	1.2
1966	134.7	.....	134.7	1.9
1967	158.3	.....	158.3	−2.9
1968	178.8	.....	178.8	1.7
1969	184.5	.....	184.5	4.3
1970	196.6	.....	196.6	9.6
1971	211.4	.....	211.4	*
1972	232.0	.....	232.0	4.4
1973	247.1	0.1	247.1	11.4
1974	269.6	1.4	271.1	14.5
1975	326.1	8.1	334.1	7.0
1976	365.6	7.2	372.9	4.6
TQ	94.7	1.8	96.4	2.3
1977	401.9	8.7	410.6	10.2
1978 estimate	462.2	11.5	473.7	16.5
1979 estimate	500.2	12.5	512.7	14.8

*$50 million or less.

[1] The 1972–77 data have been revised to include the Export-Import Bank and the Housing for the elderly or handicapped fund in the unified budget instead of with the off-budget Federal entities.

[2] Exchange stabilization fund excluded until 1976. Comparable data for outlays are not available for earlier years.

[3] To prevent double counting, outlays of Government-sponsored enterprises exclude loans to other Government-sponsored enterprises and loans to or from Federal agencies and off-budget Federal entities.

Budget Concepts. The Commission recommended that the budget exclude those Government-sponsored enterprises that are entirely privately owned. Since the enterprises carry out federally designed programs and receive benefits from their close association with the Government, the Commission recommended that financial statements of their operations be included in the budget documents.[11]

[11] *Report of the President's Commission on Budget Concepts* (Washington: U.S. Government Printing Office, 1967), pp. 29–30.

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The Federal land banks and Federal home loan banks had both become entirely privately owned a number of years before the unified budget was adopted and therefore have always been excluded. The Federal National Mortgage Association, the Banks for cooperatives, and the Federal intermediate credit banks became wholly privately owned by repaying their Federal equity capital during 1969 and were accordingly removed from the budget. The Federal Home Loan Mortgage Corporation and the Student Loan Marketing Association were subsequently established with full private ownership.

The Government-sponsored enterprises were all created to carry out loan programs, either lending their funds directly for specifically authorized purposes or buying loans originated by the private group that they were established to assist. Their loans primarily support housing but also support agriculture and higher education. As shown in the preceding table, the outlays of the privately owned, Government-sponsored enterprises have grown considerably—from relatively small amounts in the early 1960's to an average of $9.5 billion (equal to 2.9% of budget outlays) during 1973–77, when more Government-sponsored enterprises had been established outside the budget. In 1979 these enterprises are expected to spend $14.8 billion, an amount equal to 3.0% of budget outlays in that year.

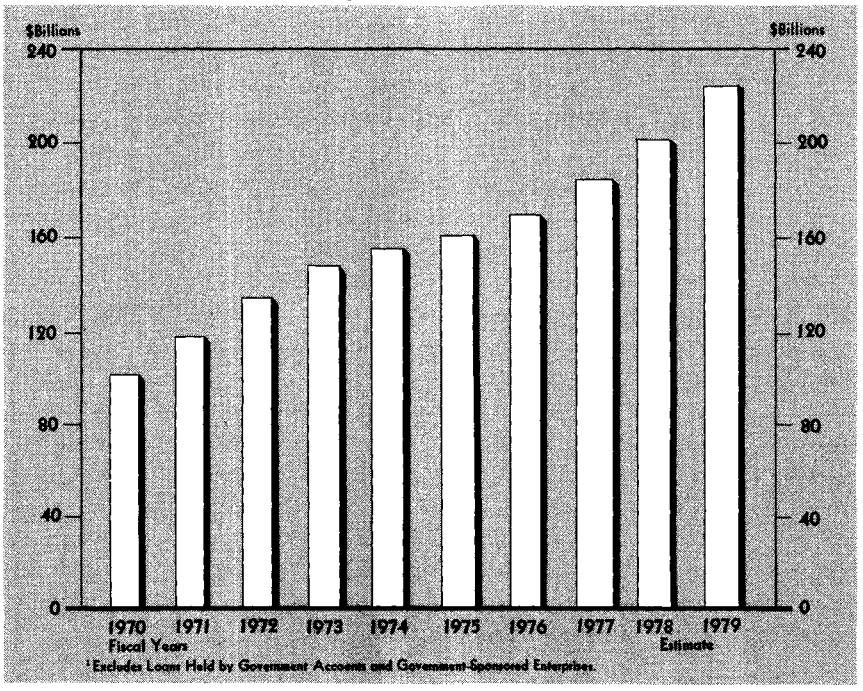
Guaranteed loans.—Government-guaranteed loans are loans for which the Government guarantees the payment of the principal or interest in whole or in part. Loan guarantees constitute contingent liabilities. They generally do not result in budget outlays except in the case of default.

Loan guarantees are designed to allocate economic resources toward particular uses by providing credit at more favorable terms than would otherwise be available in the private market. The major use of guaranteed loans is to support housing, but in recent years guarantees have increasingly been used for other purposes. The effect of guaranteed loans on the economy is difficult to assess. Some portion of the private loans that are guaranteed would have been made without the guarantee, and those private loans that would not otherwise have been made tend to divert credit away from other economic activities.

Guaranteed (or insured) loans have diverse characteristics. The loan may be made to individuals, businesses, State and local governments, or foreign governments. The guaranteed obligation may be a loan made by a bank or other institutional lender, it may be a security sold in the capital market, or it may be a security sold to the Federal Financing Bank. The guarantee may be full or partial, and in some programs it

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Guaranteed Loans Outstanding[1]



may be supplemented by other explicit subsidies or other forms of assistance.

Guaranteed loans include most loan assets sold by Federal agencies. Loan asset sales occur when an agency makes a direct loan and then sells it. A guarantee by the selling agency is usually attached. In some such cases an agency sells securities (sometimes called participation certificates or certificates of beneficial ownership) that are backed by loans that the agency continues to hold and service. Loan asset sales are treated as offsets to the outlays of the agency that sells them, so if the selling agency is in the budget they reduce the amount by which the direct loans of Federal agencies add to budget outlays.[12]

The following table shows the amount outstanding of guaranteed loans held by the public at the end of the transition quarter and the years 1977–79, the net loans guaranteed during each year (that is, the change in loans outstanding), and the gross amount of new loans

[12] The President's Commission on Budget Concepts recommended that the sale of participation certificates should be treated as borrowing, but in certain cases legislation requires that it be treated instead as the sale of loan assets. See *Report of the President's Commission on Budget Concepts*, pp. 8, 47–48, and 54–55.

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guaranteed. The figures include the full amount of all loans guaranteed (whether guaranteed in whole or in part), in billions of dollars:

	TQ actual	*1977 actual*	*1978 estimate*	*1979 estimate*
Guaranteed loans outstanding	169.9	183.9	200.4	223.6
Net loans guaranteed	−.1	14.1	16.5	23.2
Gross loans guaranteed	8.4	40.9	44.7	53.4

This table suggests the importance of guaranteed loans. The amount outstanding held by the public is large and growing each year. Gross loans, which measure the total new activity that occurs each year, are much larger than the change in loans outstanding, primarily because of the repayment of old loans. In addition to the $53.7 billion increase in guaranteed loans held by the general public during 1977–79, the total held by the Federal Financing Bank (FFB) and other Federal agencies is estimated to increase by $30.0 billion; whereas the total held by Government-sponsored enterprises is estimated to decrease by $1.8 billion. These amounts are reflected in the outlays of the FFB, other Federal agencies, and Government-sponsored enterprises that buy these loans. When the FFB buys newly issued guaranteed loans (except loan assets), the guaranteed loans are in effect converted into direct Federal loans outside the budget.[13]

Since guaranteed loans are outside the budget, they are not subject to the same degree of review and control as budget outlays. The authorizing statutes for half or more of the guarantee programs impose a ceiling on the amount of guaranteed loans outstanding, but the limits imposed at one time are usually designed to meet several years of requirements at once. Plans for guarantees are generally reviewed annually in the course of reviewing the budget and personnel requests of the administering agencies, but annual limits usually are not set. Except when explicit subsidies or capital for reserve funds must be appropriated, limits on guarantees are not imposed, directly or indirectly, through the Appropriations Committees of the Congress. Similarly, the Senate and House Budget Committees do not scrutinize the total amount of guaranteed loans in developing their concurrent budget resolutions, and the concurrent budget resolutions do not include a target or ceiling for guaranteed loans as they do for budget outlays and budget authority.

Consequently, the Federal Government does not have any systematic mechanism to consider the resource allocation implied by its loan guarantee plans or to judge whether it makes or guarantees a

[13] When the FFB buys loan assets, it effectively converts direct loans that have already been made by another agency into off-budget direct loans by the FFB.

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reasonable share of the Nation's total credit transactions. In order for the Government to influence efficiently the allocation of economic resources and the behavior of financial markets and the economy as a whole, it must exercise control over guaranteed loans as well as over direct loans and other outlays. As discussed in Part 2, the administration will soon propose a set of executive and congressional procedures that would apply budget-type controls to Federal lending programs for guaranteed lending and direct lending alike.

The major loan guarantee programs are discussed by function in Part 5 of the Budget. Guaranteed loans are analyzed further together with other types of credit assistance in Special Analysis F, "Federal Credit Programs." [14]

Taxation and tax expenditures.—Taxation affects the economy not only by providing the Government with receipts but also by changing the allocation of resources among private uses and the distribution of income and wealth among individuals. These changes are caused by the structural characteristics of each of the different taxes—for example, the rate schedules, exemptions, deductions, and exclusions of the individual income tax—and by the relative size of the different taxes. The effects of taxation on resource allocation and income distribution are analogous to the effects of outlays, but they are not measured in budget receipts or outlays.

Some aspects of taxation, called "tax expenditures," receive special attention in the budget. Tax expenditures are defined as revenue losses under the individual and corporation income taxes that are attributable to a special exclusion, exemption, or deduction from gross income or to a special credit, preferential tax rate, or deferral of tax liability.

Tax expenditures are one means by which the Federal Government pursues its objectives and in most cases can be viewed as alternatives to other instruments of Government policy such as outlays, loan guarantees, regulations, and other provisions of the tax law. The objectives of tax expenditures are varied. Nearly all are intended either to encourage particular economic activities or to reduce the tax liabilities for taxpayers in special circumstances. Among the economic activities encouraged are investment, homeownership, State and local government borrowing, and support of charities; among the persons with reduced tax liabilities are the aged, the unemployed, and those with high medical expenses.

Tax expenditures ordinarily result from permanent legislation and therefore, unlike much of the budget, are not submitted to the Congress each year and do not receive a formal and annual systematic

[14] See Special Analyses, Budget of the United States Government, Fiscal Year 1979.

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review. Tax expenditures have, nonetheless, been systematically reviewed during the past year in preparation for the administration's current program of tax reform, as have other provisions of tax law. Under the Congressional Budget Act of 1974 the estimated levels of tax expenditures are required to be presented each year in the budget that the President submits to the Congress and in the reports of the Senate and House Budget Committees on the proposed congressional budget resolutions. This is intended to encourage regular examination of tax expenditures by the Congress, the rest of the Government, and the public. The provisions of the income tax law other than those that result in tax expenditures—although likewise affecting the allocation of resources and the distribution of income—do not receive either an annual, systematic review or this kind of presentation; nor do other taxes besides the individual and corporation income taxes.

The classification of certain provisions of law as resulting in tax expenditures requires some standard against which the law can be compared. Deviations of the law from this standard are deemed to cause tax expenditures. The standard used for the individual income tax includes those provisions that exist under current law for graduated rate schedules, personal exemptions, standard deductions, and other means of establishing the income levels at which tax liabilities begin. Thus, by definition, these characteristics of the tax structure do not generate tax expenditures.

However, selecting a standard of comparison depends on normative judgments about what is appropriate. A different standard might exclude personal exemptions and standard deductions and thereby classify these provisions as resulting in tax expenditures; or it might integrate the individual and corporation income taxes, in which case the lack of integration under current law could be thought to produce a gain in receipts and thereby a negative tax expenditure. The provisions of tax law that are not defined as resulting in tax expenditures deserve as much scrutiny as the provisions that are, since both types of provision have the same kinds of economic effects, and since a different normative judgment might change the classification of what is considered to result in a tax expenditure.

Tax expenditures are presented at two places in the Budget. Part 5 of the Budget, "Meeting National Needs: the Federal Program by Function," discusses the most important tax expenditures in each functional category, together with outlays and guaranteed loans, in order to describe more fully the effects of governmental policy toward meeting each national need. Special Analysis G, "Tax Expenditures," discusses the concept of tax expenditures, presents a complete list of tax expenditure estimates for individuals and corporations in 1977–79,

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and analyzes the effect of the tax reform proposals in the present budget on tax expenditures.[15]

The figures shown for tax expenditures are necessarily estimates for past years as well as future ones, since they compare actual tax receipts with what tax receipts would have been if the tax law had been different. The method of estimation is to assume that only the tax provision in question is removed, while taxpayer behavior and all other characteristics of the tax system remain the same. If removing a particular provision increases taxable income, as would occur in most cases, the tax expenditure is then estimated as the increase in taxable income multiplied by the appropriate tax rate.

The size of a particular tax expenditure depends not only on the tax provision in question but also on the interaction of this provision with the rest of the tax structure. The tax changes proposed in this budget, as an example, would automatically decrease many tax expenditures, since they would reduce tax rate schedules and would replace deductions for personal exemptions by a credit that would raise the levels of income at which tax liabilities begin. The reduction in tax rate schedules would decrease the amount of receipts gained by eliminating deductions and exclusions; the personal credit together with other reforms would decrease the number of taxpayers itemizing deductions and would thereby decrease tax expenditures for deductions, particularly those deductions taken disproportionately by low-income taxpayers.

The interaction among tax provisions means that special calculations are generally needed to add tax expenditures together. For example, if more than one exclusion from individual income were ended, the gain in receipts would generally be greater than the sum of the separate tax expenditures, because more taxpayers would move into higher tax rate brackets. If more than one personal deduction were ended the gain in receipts would generally be smaller than the sum of the separate tax expenditures, because more taxpayers would switch to the standard deduction. According to a special calculation based on current law, if all itemized deductions resulting in tax expenditures were repealed, the gain in receipts in 1979 would be $24.7 billion. In comparison the sum of the tax expenditures for each separate item is $32.2 billion. Consequently, except for a few special calculations, separate tax expenditures are not added together in this budget. Where tax expenditures for both individuals and corporations result from the same provision, however, such as the investment tax credit, the two estimates may meaningfully be added.

[15] See Special Analyses, Budget of the United States Government, Fiscal Year 1979. The presentation in this special analysis meets the requirement in the Congressional Budget Act that tax expenditures be set forth in the budget.

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Interaction among separate tax expenditure provisions is one reason why tax expenditures cannot all be added together to form a meaningful total amount. In addition, there are two conceptual reasons why even a total amount that took these interactions into account would be of little use. First, as explained above, the list of tax expenditure items would be different if a different standard were used for comparison. Any total amount would depend on the normative judgments that defined the standard, and a total based on the present standard could readily be raised or lowered.

Second, the effect of tax expenditures on receipts depends on the extent to which eliminating tax expenditures would be offset by reducing tax rates in order to compensate for the higher receipts otherwise collected. Frequently tax expenditures and other provisions of tax law have been changed together; and one particular provision, whether a tax expenditure or not, has been used to modify, compensate, or substitute for another provision. The administration's present tax program, for example, proposes that the use of different taxes, the rate schedules of different taxes, tax expenditure provisions, and other tax provisions should be changed simultaneously in the light of the entire set of proposed tax changes and the whole tax system. Thus, as more tax expenditures are removed, the tax rate schedules would ordinarily be reduced and the net effect on receipts might be small. The effects on resource allocation and income distribution from repealing tax expenditure provisions would depend on which method of changing tax rates and outlays—out of a limitless number of alternatives—would be used to compensate for their removal.

The administration is proposing extensive changes in tax expenditures and other provisions of tax law in its tax reform and reduction program and in its energy plan. These proposals will reduce substantially the Nation's overall tax burden and will simplify the work of filling out tax returns. The principal distributional and allocative goals are to improve equity, stimulate business investment, and conserve energy. The estimated effects of these proposals on receipts are shown in Part 4.

In order to improve equity and simplify the tax system, the tax reform proposal will generally reduce the tax expenditures under the individual income tax. This will be accomplished by changing certain tax expenditure provisions and also certain other provisions of law. Some tax expenditure provisions, such as the deductions for State and local sales and gasoline taxes, will be repealed, and the deductions for medical expenses and casualty losses will be restricted. The fraction of taxpayers itemizing deductions is estimated to decline

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from 23.3% to 16.5%. The decrease in taxpayers itemizing deductions will automatically decrease tax expenditures for all deductions, including those not changed by the proposals. Finally, as noted above, the tax expenditures for all deductions and exclusions will be decreased by the reduction in the tax rate schedules and by the subsitution of personal tax credits in place of deductions for personal exemptions.

Equity will also be improved by limiting the deductibility of business meals to half their cost and by repealing the deductibility of tickets to entertainment and membership dues in clubs. These changes are not defined as reducing tax expenditures, however, since tax expenditure analysis ordinarily accepts the definition of deductible business expense under current law.

Business investment will be stimulated by reducing the corporation income tax rates and liberalizing the investment tax credit. The credit will be made permanent at its current rate, extended to include industrial and utility structures as well as equipment, and generally allowed to offset a greater proportion of tax liability than before. The tax reduction from the investment tax credit will be a tax expenditure, whereas the tax reduction from the cut in the maximum corporate rate will not.

The tax measures to conserve energy, as proposed by the administration last year and included in this budget, primarily make use of excise taxes. By definition, excise taxes do not lead to tax expenditures. The crude oil equalization tax, the oil and natural gas consumption tax, and other excises are designed to raise the prices of oil and natural gas. This is intended to encourage both the conservation of energy in general and the conversion of facilities that burn oil and natural gas to the use of other kinds of fuel. In addition, several tax expenditure provisions are proposed, such as the residential and business energy credits, that will allow tax credits for the installation of insulation and solar equipment and for the conversion of oil burning and natural gas burning equipment to coal.

BUDGET FUNDS AND THE FEDERAL DEBT

The budget may be divided into two major groups of funds: Federal funds and trust funds.[16]

[16] Data for Federal funds and trust funds are presented in Special Analysis C, "Funds in the Budget," in Special Analyses, Budget of the United States, Fiscal Year 1979.

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The Federal funds are derived mainly from taxes and borrowing and are used for the general purposes of the Government. Most of these funds are not restricted by law to any specific Government purpose. The trust funds, on the other hand, collect certain taxes and other receipts for specified purposes, such as payment of social security and unemployment insurance benefits.

BUDGET FINANCING AND CHANGE IN DEBT OUTSTANDING

[In billions of dollars]

Description	1977 actual	1978 estimate	1979 estimate
Budget surplus or deficit (−)	**−45.0**	**−61.8**	**−60.6**
Deficit (−) of off-budget Federal entities	**−8.7**	**−11.5**	**−12.5**
Total, surplus or deficit (−)	−53.7	−73.4	−73.1
Means of financing other than borrowing from the public:			
Decrease or increase (−) in cash and monetary assets	−2.2	7.1	*
Increase or decrease (−) in liabilities for:			
Checks outstanding, etc	1.8	0.2	−.1
Deposit fund balances	.3	−.5	−.2
Seigniorage on coins	.4	.6	.5
Total, means of financing other than borrowing from the public	.2	7.4	.1
Total, requirements for borrowing from the public	−53.5	−66.0	−73.0
Change in debt held by the public	**53.5**	**66.0**	**73.0**
Change in Federal agency investments in Federal debt:			
Federal funds	.6	.2	.8
Trust funds	8.3	10.0	13.9
Off-budget Federal entities	.3	.2	.3
Total, change in Federal agency investments in Federal debt	9.2	10.4	15.1
Change in gross Federal debt	**62.8**	**76.4**	**88.1**

*$50 million or less.

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The budget combines the receipts and outlays of the Federal funds and trust funds and deducts the various transactions that occur between them. It therefore generally displays the net transactions of the Federal Government with the public. Thus, as is shown in the table on the preceding page the unified budget surplus or deficit is the principal determinant of the change in Federal debt held by the public. In the last several years, however, the transactions of the Federal Financing Bank and other off-budget Federal entities have become an important determinant of the change in Federal debt held by the public. The transactions of the off-budget Federal entities have been excluded from the budget under provisions of law and are not part of either the Federal funds or the trust funds grouping. Were they to be included in the budget, virtually all transactions of off-budget Federal entities would be classified as Federal funds transactions.

BUDGET TOTALS BY FUND GROUP

[In millions of dollars]

	1977 actual	1978 estimate	1979 estimate
Budget receipts:			
Federal funds	240,412	267,889	289,095
Trust funds	152,763	168,490	187,991
Interfund transactions	−36,313	−35,992	−37,498
Total, budget receipts	356,861	400,387	439,588
Budget outlays:			
Federal funds	294,948	340,036	363,580
Trust funds	143,267	158,190	174,092
Interfund transactions	−36,313	−35,992	−37,498
Total, budget outlays	401,902	462,234	500,174
Budget surplus or deficit (−):			
Federal funds	−54,536	−72,147	−74,485
Trust funds	9,496	10,300	13,899
Total, budget deficit (−)	**−45,040**	**−61,847**	**−60,586**
Memorandum:			
Outlays, off-budget Federal entities [1]	−8,693	−11,514	−12,538
Total, deficit including off-budget Federal entities	−53,733	−73,361	−73,124

[1] All off-budget Federal entities are revolving funds: income is offset against expenditures to derive net outlays. Hence, no adjustments are made to receipts when on and off-budget totals are consolidated. Virtually all off-budget outlays would be classified as Federal funds outlays if they were included in the budget.

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The deficit expected for 1979 and the other factors noted in the preceding table are estimated to increase the Federal debt held by the public to $690.8 billion by the end of that year.

Gross Federal debt is the sum of the debt held by the public and the debt held by the Government itself, such as the investments of Treasury debt by the social security trust funds. The Federal funds deficit is the principal determinant of changes in gross Federal debt, but deficits of off-budget Federal entities also have an important effect.

Gross Federal debt is estimated to rise from $785.6 billion on September 30, 1978, to $873.7 billion on September 30, 1979. As indicated in the lower section of the table on "Budget Financing and Change in Debt Outstanding," $15.1 billion of this increase will be held by trust funds and other Federal agencies, reflecting mainly the investment of trust fund surpluses in Treasury debt.

The gross Federal debt consists almost entirely of securities issued by the Treasury Department. However, a few Government agencies are authorized to issue their own debt instruments to the public or to other Government agencies and funds. This borrowing is part of the gross Federal debt. At the end of 1977 the outstanding debt of such agencies that was held by the public was $10.3 billion. This debt is expected to fall by small amounts in 1978 and 1979 due to the operations of the Federal Financing Bank, which buys most new issues of agency debt and finances its purchases through Treasury borrowing. To prevent double counting, these holdings are not included in gross Federal debt. Consequently, the change in agency debt is largely determined by the repayment of securities that have matured.

Almost all Treasury debt issues are covered by a statutory debt limit, but most borrowing by Federal agencies other than the Treasury is excluded from this limit. The ceiling on the debt subject to limit is $752 billion through March 31, 1978. To permit the Federal Government to meet its obligations, this ceiling will have to be extended and raised.

Debt subject to the general statutory limit is somewhat less than gross Federal debt, primarily because of the agency debt excluded from the general statutory limitation. Both debt concepts include internally held debt, such as social security trust fund holdings of Treasury debt securities. At the start of 1978 internally held debt was $157.3 billion. Thus, debt held by the public was much less than debt defined by either of the other two concepts.

Since trust fund surpluses for the most part are invested in debt securities included within the general statutory limit, the Federal

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funds deficit and the deficit of the off-budget Federal entities are the main factor requiring increases in the debt subject to the statutory limit. The Federal funds deficit in 1979 is estimated to be $74.5 billion, and the deficit of the off-budget Federal entities is estimated to be $12.5 billion. As shown in the following table, these two factors will account for most of the increase in the debt subject to limit.

FEDERAL FUNDS FINANCING AND CHANGE IN DEBT SUBJECT TO LIMIT

[In billions of dollars]

Description	1977 actual	1978 estimate	1979 estimate
Federal funds surplus or deficit (−)	−54.5	−72.1	−74.5
Deficit (−) of off-budget Federal entities	−8.7	−11.5	−12.5
Total, amount to be financed	−63.2	−83.7	−87.0
Means of financing other than borrowing:			
Decrease or increase (−) in cash and monetary assets	−2.2	7.1	.....
Increase or decrease (−) in liabilities for:			
Checks outstanding, etc	2.9	.5	−.2
Deposit fund balances	.3	−.5	−.2
Seigniorage on coins	.4	.6	.5
Total, means of financing other than borrowing	1.4	7.7	.1
Decrease or increase (−) in Federal funds and off-budget entity investments in Federal debt	−.9	−.5	−1.2
Increase or decrease (−) in Federal funds and off-budget entity debt not subject to limit	−1.4	−1.5	−1.5
Total, requirements for borrowing subject to debt limit	−64.1	−78.0	−89.6
Change in debt subject to limit	**64.1**	**78.0**	**89.6**

*$50 million or less.

A substantial part of the Federal funds deficit—and, therefore, a substantial part of the growth in debt subject to limit—is associated with transactions between Federal funds and trust funds. These transactions consist primarily of Federal funds payments to trust funds: interest paid on Treasury debt issues held by trust funds; the

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employer share of employee retirement, the Federal payment to finance the unfunded liability of the civil service retirement fund; and other payments, mainly to social insurance trust funds—such as the Federal Government's contribution for supplementary medical insurance. The trust fund payments to Federal funds are relatively small.

BUDGET SURPLUS OR DEFICIT (−) BY FUND GROUP [1]

[In billions of dollars]

Description	1977 actual	1978 estimate	1979 estimate
Federal funds:			
Transactions with the public [2]	−25.2	−43.3	−44.1
Transactions with trust funds	−29.3	−28.8	−30.4
Total	−54.5	−72.1	−74.5
Trust funds:			
Transactions with the public [2]	−19.8	−18.5	−16.5
Transactions with Federal funds	29.3	28.8	30.4
Total	9.5	10.3	13.9
Budget total:			
Federal funds	−54.5	−72.1	−74.5
Trust funds	9.5	10.3	13.9
Total	−45.0	−61.8	−60.6

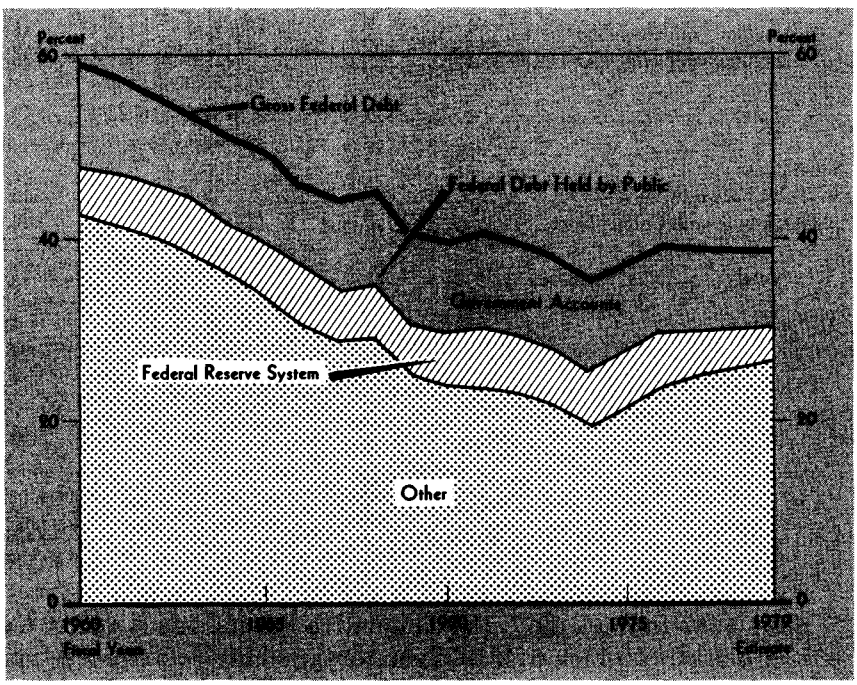
[1] For purposes of this analysis, payments from Federal funds to the general revenue sharing trust fund are treated as transactions with the public instead of transactions with a trust fund; and the corresponding payments from the general revenue sharing trust fund to the public are accordingly omitted. This is because the general revenue sharing trust fund has no independent source of funding, and serves only as a channel through which a Federal funds payment is made to the public.
[2] Includes some incidental transactions with off-budget Federal entities.

From 1967 through 1977, the cumulative Federal funds deficit was $352.3 billion, of which $158.4 billion was attributable to transactions with trust funds and the remaining $193.9 billion was attributable to transactions with the public. A significant Federal funds deficit can occur, as was the case in 1969, when there are surpluses in the unified budget and in the transactions of the Federal funds with the public. The relevant figures for 1977 through 1979 are shown in the table above.

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In the early 1960's gross Federal debt was well over 50% of GNP, and debt held by the public was well over 40%. Since that time, however, the proportion of both declined more or less steadily through 1974. Because of the large deficits resulting from the recent recession and its aftermath, gross Federal debt as a proportion of GNP has risen slightly from about 36% in 1974 to our estimated 38% in 1979, while debt held by the public has risen from 25% to 30% over the same time span. Even so, the proportion of both gross debt and debt held by the public are estimated to remain nearly constant from 1977 through 1979.

Federal Debt as a Percent of GNP



RECONCILIATION OF ACTUAL AND ESTIMATED RECEIPTS AND RELATIVELY UNCONTROLLABLE OUTLAYS

This section of the budget explains, for major programs that have relatively uncontrollable outlays, the differences between their actual 1977 outlays and the amounts estimated in the 1977 budget, which was transmitted to the Congress in January 1976. It also explains

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differences between actual receipts and the original estimate of receipts. These reconciliations are required by section 601 of the Congressional Budget Act of 1974.

Reconciliation of actual and estimated outlays that are relatively uncontrollable.—Outlays are defined as relatively uncontrollable in any one year when the President's decisions in that year can neither increase nor decrease them without a change in substantive law. That is, under existing law these outlays depend generally upon factors that are beyond administrative control, such as benefit payments to which beneficiaries are entitled by law or contractual agreements or other currently legally binding commitments that have already been made.

The amounts estimated in the budget for relatively uncontrollable outlays may differ from the actual outlays for a number of reasons. For example, legislation may change benefit rates or coverage; the number of beneficiaries under a program may differ from the number estimated; and economic conditions (such as the interest rates required for Federal borrowing) may differ from what was assumed in developing the outlay estimates.

The January 1976 estimate of uncontrollable outlays did not include the outlay effect of legislation then being proposed. This is a standard practice consistent with the definition of uncontrollable outlays stated above. Where legislation was enacted that significantly affected relatively uncontrollable outlays in 1977, it is identified in the discussion below.

The following table shows the differences between actual outlays for relatively uncontrollable programs in 1977 and the estimated amounts shown in the 1977 budget. The list of such programs in these tables is consistent with Table 14 (Controllability of Budget Outlays) in Part 9 of this year's budget.

As the following table shows, actual 1977 outlays for relatively uncontrollable programs were $9.7 billion lower than originally estimated. Open-ended programs and fixed costs were $1.8 billion below the original estimate for 1977. Open-ended programs and fixed costs consist mainly of benefit programs, grants, and subsidies for which eligibility is automatic or fixed by law; interest payments; and payments for the legislative and judicial branches, which the President must—by law—include in the budget as submitted and without change. Outlays from prior-year contracts and obligations were $7.9 billion below the original estimates.

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RELATIVELY UNCONTROLLABLE OUTLAYS FOR 1977

[In billions of dollars]

Description	January 1976 estimate	Actual	Change from 1976 estimate
Open-ended programs and fixed costs:			
Payments for individuals:			
Social security and railroad retirement	87.2	87.7	.4
Federal employees retirement and insurance [1]	18.6	17.8	−.8
(Military retired pay)	(8.5)	(8.2)	(−.3)
(Other)	(10.1)	(9.6)	(−.5)
Unemployment assistance	17.1	15.8	−1.2
Veterans benefits: Pensions, compensation, education, and insurance	13.3	12.9	−.4
Medicare and medicaid	31.2	31.4	.3
Housing payments	3.0	2.9	−.1
Public assistance and related programs [2 3]	20.6	20.9	.3
Subtotal, payments for individuals [1 2 3]	191.0	189.5	−1.5
Net interest	32.9	30.0	−3.0
General revenue sharing	6.5	6.8	.2
Farm price supports (CCC)	.8	3.5	2.7
Other open-ended programs and fixed costs	8.8	8.6	−.2
Total, open-ended programs and fixed costs [1 2 3]	240.1	238.3	−1.8
Outlays from prior-year contracts and obligations: [4]			
National defense	25.9	18.5	−7.4
Civilian programs	37.3	36.8	−.5
Total, outlays from prior-year contracts and obligations	63.2	55.3	−7.9
Total, relatively uncontrollable outlays	**303.2**	**293.6**	**−9.7**

[1] Based on controllability classification used in the 1979 budget. Uncontrollable outlays now include the Public Health Service officers retirement program.
[2] Revised to treat earned income credit payments in excess of an individual's tax liability as tax refunds.
[3] Based on controllability classification used in the 1979 budget. Uncontrollable outlays now include the child nutrition and special milk program.
[4] Excludes prior-year contracts and obligations for activities shown above as "open-ended programs and fixed costs."

Most of the $1.8 billion overestimate in payments for individuals can be explained by differences between assumed and actual economic conditions and beneficiary levels, and by the effects of legislation enacted after the budget was transmitted.

Outlays for social security and railroad retirement were $0.4 billion above the original estimates. Lower cost-of-living adjustments reduced outlays for these programs by $0.2 billion. The January 1976 estimates assumed a 6.7% increase in July 1976 and a 5.9% increase in July 1977; the actual increases were 6.4% and 5.9% respectively.

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This reduction was more than offset by an increase in outlays for railroad retirement program ($0.2 billion) and a large increase in average benefits per claim for the disability insurance program ($0.3 billion).

Outlays for Federal employee retirement programs were $0.8 billion below the original budget estimates. Public Law 94–440—a rider to the Legislative Branch Appropriation Act of 1977—changed the method of calculating mandated cost-of-living increases for Federal retirees. Previously, cost-of-living increases for Federal retirement programs occurred whenever the Consumer Price Index (CPI) increased by 3% and remained at that level or higher for 3 months. Benefits would then be raised by the percentage increase in the CPI at the high month of the 3-month period plus 1 percentage point. The new law eliminated this so-called 1% "kicker" and established semiannual cost-of-living increases effective in March and September.

Enactment of this new legislation reduced retirement costs by $0.2 billion; $0.1 billion each for military and for other Federal employee programs. Lower inflation rates lowered the original estimates by another $0.2 billion, again split evenly between military and other Federal retirement programs. In addition outlays were revised downward by $0.4 billion as a result of significant overestimates of the number of Civil Service retirees. The January 1976 budget overestimated the number of new retirees by 28,000 in 1976 and 35,000 in 1977.

Outlays for unemployment insurance programs were $1.2 billion below the original estimates. The actual unemployment rate for fiscal year 1977 was 7.3% compared to an assumed rate of 7.1%. However, the insured unemployment rate, which is the basis for projecting unemployment benefits, was 0.5 percentage points below the January 1976 projection. This was the major reason for the $1.2 billion shortfall in unemployment outlays.

Actual 1977 outlays for veterans programs were $0.4 billion lower than the original budget estimates. Legislated increases for compensation benefits (8.0% effective October 1, 1976) and pension benefits (7.0% effective January 1, 1977), together with a larger number of pension beneficiaries than expected, raised outlays for these programs by $0.8 billion from the original estimates. Outlays for readjustment benefits, however, were $1.3 billion below the January 1976 estimates due to a large overestimate of the number of participants in these programs. About 800,000 fewer veterans applied for benefits than anticipated.

Outlays for medicare were $0.3 billion lower in 1977 than originally assumed, while medicaid outlays were $0.6 billion higher. The increased outlays for medicaid resulted from greater than anticipated increases in participants applying for benefits.

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Uncontrollable outlays for housing subsidy programs were $0.1 billion below the original estimates, reflecting a slower rate of new construction of these units.

Public assistance programs, which include public assistance cash payments, food stamps, and child nutrition programs, were overestimated by more than $0.3 billion. However, there were large offsetting revisions in outlays within this broad category. Food stamp outlays were $0.7 billion above the original estimates due to a postponement of administrative changes. Those changes would have reduced the number of eligible individuals covered by the program. Supplementary security income outlays were overestimated by $0.6 billion due largely to a significant overestimate of the number of beneficiaries, particularly elderly individuals. Welfare cash payments were $0.1 billion higher than originally estimated, reflecting higher benefit levels enacted by various States.

Net interest outlays were $3.0 billion below the original 1977 estimates. Interest on the public debt was $3.1 billion lower due to slightly lower than anticipated debt levels and significantly lower interest rates during 1976 and 1977. The January 1976 budget assumed a 5.5% interest rate on 91-day Treasury bills through 1977. Actual interest rates averaged 5.4% in 1976 and 4.9% in 1977. Interest received by trust funds, which is offset against interest costs to reflect transactions with the public, was $0.2 billion less than estimated, reflecting lower interest rates.

Outlays for general revenue sharing were $0.2 billion above the estimates of January 1976. Public Law 94–488, the State and Local Fiscal Assistance Amendments of 1976, increased the amount each jurisdiction received by changing the formula under this program.

Farm price supports were $2.7 billion higher than estimated due to legislated price support increases and poorer market conditions. Outlays for wheat accounted for nearly $2.0 billion of this increase. An anticipted large demand for grain exports did not materialize, and the surpluses from record high production resulted in large outlays for commodity loans. Also, the administration increased substantially the commodity loan levels for wheat and feed grains. Higher price supports for dairy products and price weaknesses for other commodities contributed to higher outlays.

Other open-ended programs and fixed costs were overestimated by $0.2 billion. Changes in military sales credits reduced outlays by $1.0 billion; this was partially offset by payments to the Postal Service funds, which were $0.8 billion higher than originally estimated, reflecting passage of Public Law 94–421, the Postal Reorganization Act Amendments of 1976.

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Outlays from prior-year contracts and obligations were $7.9 billion lower for 1977 than assumed in January 1976. National defense outlays in this category were $7.4 billion lower, reflecting a significantly slower rate of spending than anticipated, while civilian programs were $0.5 billion lower for 1977. Major overestimates for civilian agencies included $0.5 billion for the Department of Transportation, $0.4 billion each for Funds appropriated to the President, the Environmental Protection Agency and the National Aeronautics and Space Administration, and $0.2 billion for the Department of Commerce. Major underestimates for civilian agencies included $0.4 billion for the Department of Housing and Urban Development, $0.3 billion for the Department of Agriculture, and $0.5 billion for the Department of Health, Education, and Welfare.

Reconciliation of actual and estimated receipts.—As shown in the following table, receipts for 1977 were $6.2 billion greater than the original budget estimate. Legislated tax changes that were substantially different from those proposed in the 1977 budget are largely responsible for this net increase.

COMPARISON OF FISCAL YEAR 1977 RECEIPTS

[In billions of dollars]

	January 1976 estimate	Actual	Change from 1976 estimate
Individual income taxes	[1] 153.0	156.7	3.7
Corporation income taxes	49.5	54.9	5.4
Social insurance taxes and contributions	113.1	108.7	−4.4
Excise taxes	17.8	17.5	−.3
Estate and gift taxes	5.8	7.3	1.5
Customs duties	4.3	5.2	.8
Miscellaneous receipts	7.2	6.5	−.7
Total	[1] 350.7	356.9	6.2

[1] Revised to treat earned income credit payments in excess of the tax liability otherwise owed as tax refunds instead of outlays.

In the 1977 budget, permanent individual and corporation income tax reductions were proposed to become effective July 1, 1976, along with several tax incentives to encourage specific economic activities. The other major tax proposals affecting 1977 receipts included an increase in the combined employer-employee social security tax rate from 11.7% to 12.3% effective January 1, 1977, and an increase in the Federal unemployment insurance tax rate (from 0.5% to 0.65%) and wage base (from $4,200 to $6,000) effective January 1, 1977.

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The Congress essentially rejected these proposals, enacting alternative legislation. On October 4, 1976, the Tax Reform Act of 1976 was enacted. This act extended some temporary tax provisions that had originally been scheduled to expire on June 30, 1976, and made others permanent.[17] It also enacted a number of major tax reforms and other changes. Amendments to the Unemployment Compensation Act in 1976 increased the Federal unemployment insurance tax rate from 0.5% to 0.7% effective January 1, 1977, and postponed the proposed increase in the wage base to January 1, 1978.

The Tax Reduction and Simplification Act of 1977, enacted in May, also affected 1977 receipts. This act replaced the low income allowance ($2,100 for a joint return and $1,700 for a single taxpayer) and the percentage standard deduction (16% of adjusted gross income with a maximum deduction of $2,800 for a joint return and $2,400 for a single taxpayer) with a flat standard deduction of $2,200 for single taxpayers and $3,200 for married couples filing jointly. Withholding rates were reduced on June 1, 1977, to reflect these changes. The act included a jobs credit based upon certain new employees hired in calendar years 1977 and 1978 and postponed the effective date of certain provisions of the Tax Reform Act of 1976.

Individual income taxes were $156.7 billion in 1977, $3.7 billion greater than the original budget estimate. As shown in the following table, nonenactment of the 1977 budget proposals resulted in an increase in receipts of $22.8 billion. This increase was partially offset by the Tax Reform Act of 1976 and the Tax Reduction and Simplification Act of 1977, which reduced 1977 receipts by $13.2 billion and $2.1 billion, respectively. Slightly lower than anticipated economic activity and an overestimate of tax payments caused actual receipts to be lower than estimated receipts by an additional $3.9 billion.

Corporation income tax receipts were $54.9 billion in 1977, $5.4 billion greater than the original budget estimate of $49.5 billion. Differences in tax law from the legislation proposed in the 1977 budget resulted in a net increase in receipts of $3.2 billion. Differences in tax collections and economic conditions from those assumed in the budget account for the remaining $2.3 billion increase.

Social insurance taxes and contributions in 1977 were $4.4 billion less than originally estimated, with lower employment taxes and contributions accounting for $3.8 billion of the shortfall. Nonenactment of the proposed increase in the social security tax rate to 12.3%, effective January 1, 1977, was largely responsible for this underrun in

[17] Previously the Congress had enacted interim legislation that extended reductions in individual income tax withholding rates and the corporation income tax rate that were scheduled to expire on June 30, 1976. These rates were extended because the Congress had not completed action on the substantive tax law changes that were later incorporated into the Tax Reform Act of 1976.

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RECONCILIATION OF FISCAL YEAR 1977 RECEIPTS ESTIMATES

[In billions of dollars]

	January 1976 estimate	Inaction on legislative proposals	Enacted legislation	Re-estimates and revised economic assumptions	Actual receipts
Individual income taxes	[1] 153.0	22.8	[1] −15.2	−3.9	156.7
Corporation income taxes	49.5	6.2	−3.0	2.3	54.9
Social insurance taxes and contributions	113.1	−5.4	.3	.8	108.7
Excise taxes	17.8	−*	−*	−.2	17.5
Estate and gift taxes	5.8	*	−*	1.5	7.3
Customs duties	4.3	----	.1	.7	5.2
Miscellaneous receipts	7.2	−.1	----	−.5	6.5
Total	[1] 350.7	23.4	[1] −17.8	.7	356.9

*$50 million or less.
[1] Revised to treat earned income credit payments in excess of the tax liability otherwise owed as tax refunds instead of outlays.

employment tax receipts. The remainder of the underrun in social insurance receipts is accounted for by a shortfall in unemployment tax receipts of $0.8 billion that was only partially offset by $0.2 billion more than anticipated in contributions for other insurance and retirement accounts. Proposed increases in the unemployment insurance tax rate, from 0.5% to 0.65%, and base, from $4,200 to $6,000 (both to become effective January 1, 1977), had been expected to increase unemployment tax receipts by $2.1 billion. However, the Unemployment Compensation Amendments of 1976, which increased the unemployment insurance tax rate from 0.5% to 0.7% effective January 1, 1977, and did not increase the tax base until January 1, 1978, increased unemployment tax receipts by only $0.3 billion. This net decrease in unemployment tax receipts of $1.8 billion was partially offset by higher than anticipated State taxes deposited in the Treasury to finance unemployment benefits.

An increase in estate and gift taxes of $1.5 billion largely reflects accelerated gifts in calendar year 1976 that were made in response to certain provisions of the Tax Reform Act of 1976.

Excise taxes in 1977 were $0.3 billion below the 1977 budget estimate, while customs duties were $0.8 billion higher.

A shortfall in 1977 miscellaneous receipts of $0.7 billion is in large part due to a $0.3 billion overestimate of deposits of earnings by the Federal Reserve System and a $0.3 billion overestimate of import fees on crude oil and petroleum products.

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PART 7

THE BUDGET SYSTEM AND CONCEPTS

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THE BUDGET SYSTEM AND CONCEPTS

The budget system of the U.S. Government is based upon a structure for financial administration that has as objectives the efficient management of programs in relation to the requirements of the Nation and effective financial control.

THE BUDGET PROCESS

The budget process has four main phases: (1) executive formulation and transmittal; (2) congressional action; (3) budget execution and control; and (4) review and audit. Each of these phases interrelates with and overlaps the others.

Executive formulation and transmittal.—The budget sets forth the President's financial plan of operation and thus indicates his priorities for the Federal Government during the coming year. The President's transmittal of his budget to the Congress early in each calendar year is the climax of many months of planning and analysis throughout the executive branch. Formulation of the 1979 budget began in the spring of 1977, although tentative goals for some programs were set earlier. The 1979 budget was the first prepared using zero-base budgeting (ZBB), a management process that provides for systematic, in-depth consideration of all programs and activities in conjunction with planning, budgeting, and evaluation.

During the period when a budget is being formulated in the executive branch, there is a continuous exchange of information, proposals, evaluations, and policy decisions among the President, the Office of Management and Budget (OMB), and the various Government agencies. Decisionmaking in the budget process is facilitated by the adoption of the zero-base approach.

In the spring, agency programs are evaluated, policy issues are identified, and budgetary projections are made, giving attention both to important modifications and innovations in programs and to alternative long-range program plans. These budgetary projections, including projections of estimated receipts prepared by the Department of the Treasury, are then presented to the President for his consideration, and the major issues are discussed. About the same time, the President receives projections of the economic outlook that are prepared jointly by the Council of Economic Advisers, the Department of the Treasury, and OMB.

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Following a review of these projections, the President establishes general budget and fiscal policy guidelines for the fiscal year that will begin about 15 months later—and, beginning this year, for 2 years beyond. Tentative policy decisions and planning ceilings are then given to the agencies to govern the preparation of their budgets.

Throughout the fall and early winter the executive branch is involved in the development of the President's budget. One feature of this process involves preparation of the current services estimates, which are required by the Congressional Budget Act. These estimates are projections of budget authority and outlays required to continue Federal programs and activities in the upcoming fiscal year without policy changes from the fiscal year in progress at the time the estimates are submitted. The current services estimates are intended to provide a basis for review of the President's budget. These estimates are required to be submitted by November 10 in order to provide the Congress with early information on projected costs of current programs. However, when the current services estimates are transmitted approximately 3 months before the President's budget, the economic assumptions underlying them are likely to be different from those in the budget because of changes in the economy during the intervening period. Therefore, this year, the Appropriations, Budget, and Joint Economic Committees have agreed to a 1-year experiment in which the current services estimates are transmitted with the President's budget, and therefore, are based upon the same economic assumptions.

The primary budget process involves the preparation of the President's budget for transmittal to the Congress. This process involves a detailed OMB review of agency zero-base budget requests. These requests and OMB's recommendations on them are presented to the President for decision and are subsequently discussed with the agencies along with the President's final decisions. Overall fiscal policy issues—relating to total budget outlays and receipts—are again examined. The effects of budget decisions on outlays in the years that follow are also considered and are explicitly taken into account. Thus, the budget process involves the simultaneous consideration of the resource needs of individual programs, and the total outlays and receipts that are appropriate in relation to current and prospective economic conditions. The budget reflects the results of both of these considerations.

Congressional action.—The Congress can act as it wishes on the President's budget proposals. It can change programs, eliminate them, or add programs not requested by the President. It can increase or decrease the amounts recommended by the President to finance

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existing and proposed new programs. It may also act upon legislation determining taxes and other means of increasing receipts.

In making appropriations, the Congress does not normally vote on outlays directly, but rather on budget authority. The Congress first enacts legislation that *authorizes* an agency to carry out a particular program and, in some cases, sets a limit on the amount that subsequently can be appropriated for the program. Many programs are authorized for a specified number of years, or even indefinitely; other programs, such as nuclear energy programs, space exploration, defense procurement, foreign affairs, and some construction programs, require annual authorizing legislation.

The granting of *budget authority* is usually a separate, subsequent action. Generally, budget authority becomes available each year only as voted by the Congress. However, in a significant number of cases, the Congress has voted permanent budget authority, under which funds become available annually without further congressional action. Most trust fund appropriations are permanent, as are a number of Federal fund appropriations, such as the appropriation to pay interest on the public debt.

Congressional review of the budget begins when the President transmits his budget estimates to the Congress within 15 days after the start of each new session in January, as required by law. Under the procedures established by the Congressional Budget Act, the Congress considers budget totals prior to completing action on individual appropriations. The act requires that each standing committee of the Congress submit reports on budget estimates to the House and Senate Budget Committees by March 15; and that the Congressional Budget Office submit a fiscal policy report to the two budget committees by April 1. This is followed, no later than May 15, by the adoption of the first concurrent budget resolution, containing Government-wide budget targets of receipts, budget authority, and outlays to guide the Congress in its subsequent consideration of appropriations and revenue measures.

Congressional consideration of requests for appropriations and for changes in revenue laws are considered first in the House of Representatives. The Appropriations Committee, through its subcommittees, studies the proposals for appropriations and examines in detail each agency's performance. The Ways and Means Committee reviews proposed revenue measures. Each committee then recommends the action to be taken by the House of Representatives.

As the appropriation and tax bills are approved by the House, they are forwarded to the Senate, where a similar review process is followed. In case of disagreement between the two Houses of the Congress, a conference committee (consisting of Members of both bodies) meets to

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resolve the issues. The report of the conference committee is returned to both Houses for approval. When the measure is agreed to, first in the House and then in the Senate, it is ready to be transmitted to the President in the form of an enrolled bill, for his approval or veto.

After action has been completed on all money bills, the Congress will, by September 15, adopt a second concurrent resolution. The resolution adopted by the Congress will contain budget *ceilings* classified by function for budget authority and outlays, and a *floor* for budget receipts. This resolution may retain or revise the levels set earlier in the year, and can include directives to the appropriations committees and to other committees to recommend changes in new or carryover authority or entitlements. Similarly, the second resolution may direct the appropriate committees to recommend changes in budget receipts or in the statutory limit on the public debt. Changes recommended by various committees pursuant to the second budget resolution are to be reported in a reconciliation bill (or resolution, in some cases) on which the Congress must complete action by September 25, a few days before the new fiscal year commences on October 1.

After the Congress completes action on the reconciliation bill or resolution, it may not consider any spending or revenue legislation that would breach any of the levels specified in the second resolution. The Congress would only be able to pass a supplemental appropriation that would cause budget authority or spending to rise above, or reduce receipts below, the second resolution's totals if it adopts a new budget resolution changing the levels set by the second resolution.

If action on appropriations is not completed by the beginning of the fiscal year, the Congress may enact a "continuing resolution" to provide authority for the affected agencies to continue operations until their regular appropriations are enacted.

Budget execution and control.—Once approved, the budget becomes the financial basis for the operations of each agency during the fiscal year.

Under the law, most budget authority and other budgetary resources are made available to the agencies of the executive branch through an apportionment system. The Director of OMB apportions (distributes) appropriations and other budgetary resources to each agency by time periods (usually quarters) or by activities. Obligations may not be incurred in excess of the amount apportioned. The objective of the apportionment system is to ensure the effective and orderly use of available authority and to reduce the need for requesting additional or supplemental authority.

Changes in laws or other factors may indicate the need for more authority during the year, and supplemental requests may have to

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be transmitted to the Congress. On the other hand, reserves may be established under the Antideficiency Act (31 U.S.C. 665) to provide for contingencies or to effect savings made possible by or through changes in requirements or greater efficiency of operations. Amounts may also be withheld for policy or other reasons pursuant to the Impoundment Control Act.

Whenever the President determines that all or part of any budget authority provided by the Congress will not be required to carry out the full objectives or scope of a program for which it was provided, or that such budget authority should be rescinded for fiscal policy or other reasons, a special message is transmitted by the President to the Congress requesting a rescission of the budget authority. The budget authority proposed by the President for rescission must be made available for obligation unless both the House and the Senate pass a rescission bill within 45 days of continuous session after receiving the President's message.

Whenever all or part of any budget authority provided by the Congress is deferred (that is, temporarily withheld from obligation), the President transmits a special message to the Congress on such deferrals. Either House may, at any time, pass a resolution disapproving this deferral of budget authority, thus requiring that the funds be made available for obligation. When no congressional action is taken, deferrals may remain in effect until, but not beyond, the end of the fiscal year. If the funds remain available beyond the end of a fiscal year and continued deferral of their use is desired by the President, he must transmit a new special message to the Congress.

Review and audit.—This is the final step in the budget process. The individual agencies are responsible for assuring—through their own review and control systems—that the obligations they incur and the resulting outlays follow the provisions of the authorizing and appropriating legislation, as well as other laws and regulations relating to the obligation and expenditure of funds. OMB reviews program and financial reports and keeps abreast of agency programs and the effort to attain program objectives.

In addition, the General Accounting Office (GAO), as an agent of the Congress, regularly audits, examines, and evaluates Government programs. Its findings and recommendations for corrective action are made to the Congress, to OMB, and to the agencies concerned. The GAO also monitors the executive branch's reporting of special messages on proposed rescissions and deferrals. The GAO reports any items not reported by the executive branch and any differences that it may have with the classification (as a rescission or deferral) of withholdings included in special messages submitted by the President. The GAO

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may bring civil actions to obtain compliance should the President fail to make budget authority available in accordance with the Impoundment Control Act.

COVERAGE OF THE BUDGET TOTALS

Agencies and programs.—The budget totals cover agencies and programs (including Government corporations) owned by the Federal Government, no matter how funded, except for the following off-budget Federal entities:

Exchange stabilization fund,[1]
Rural electrification and telephone revolving fund,
Rural Telephone Bank,
Board of Governors of the Federal Reserve System,
Pension Benefit Guaranty Corporation,
Postal Service fund,
United States Railway Association,[2]
Federal Financing Bank.

The totals also exclude privately owned, Government-sponsored enterprises, such as the Federal land banks and Federal home loan banks. The off-budget Federal entities listed above are discussed in Part 6 of the Budget, and financial statements are presented in Part IV of the Budget Appendix. These data are also presented in selected tables throughout the budget documents. Privately owned Government-sponsored enterprises are discussed in Part 6 of the Budget, and financial statements are presented in Part VI of the Budget Appendix.

Functional classification.[3]—The functional classification arrays budgetary data according to the major purpose served by the unit being classified. In accordance with the Congressional Budget Act, the Congress must pass resolutions establishing budget targets and ceilings by functional categories.

The following criteria are used in establishing and in assigning activities to functional categories:

- A function must have a common end or ultimate purpose addressed to an important national need. (The emphasis is on what the Federal Government seeks to accomplish rather than the means of accomplishment, what is purchased, or the clientele or geographic area served.)

[1] The administration has proposed legislation to include the administrative expenses of the Exchange stabilization fund (ESF) in the budget. See Part 6 for additional information.
[2] Investments in ConRail securities, which comprise almost all of the Association's activity after 1977, are included in the budget.
[3] A discussion of this subject is also found in Part 5 of this volume.

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- A function must be of continuing national importance and be significant in size, that is, normally account for at least 2% of total budget outlays over a number of years.
- Each basic unit of classification (generally the appropriation or fund account) is classified into the single best or predominant purpose and assigned to only one function. However, when an account serves more than one major purpose, it may be subdivided into two or more subfunctions.
- Activities and programs are normally classified by common purpose (or function) regardless of which agencies conduct the activities.

National needs presentation.—Section 601 of the Congressional Budget Act of 1974 (Public Law 93-344) requires that the budget for each fiscal year beginning with the fiscal year ending September 30, 1979:

> shall contain a presentation of budget authority, proposed budget authority, outlays, proposed outlays, and descriptive information in terms of—
>
> (1) a detailed structure of national needs which shall be used to reference all agency missions and programs;
>
> (2) agency missions; and
>
> (3) basic programs.

While national needs and agency missions have not been specified, as such, in previous budgets, the thrust of the budget functional classification has always been to summarize what the Government is doing, or expects to do, in terms of the ultimate purpose that the Government programs are designed to serve. Building upon this basic approach, the budget functional classification was refined in preparation for the 1979 budget to provide a sharper focus on end purposes and accomplishments. In addition, each major function is described in the context of national needs being served and subfunctions are described in the context of major missions devoted to serving national needs. This is in keeping with the act, which states:

> To the extent practicable, each agency shall furnish information in support of its budget requests in accordance with its assigned missions in terms of Federal functions and subfunctions, including mission responsibilities of component organizations, and shall relate its programs to agency missions.

In addition, the conference report stated:

> The conference substitute provides for the inclusion in the President's budget of a presentation in terms of national needs, agency missions, and basic programs. The managers anticipate that this need not be a separate classification but can be incor-

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porated, if the President deems it appropriate, into the main budget classifications.

In the national needs presentation, Federal programs are discussed in terms of national needs and the functional classification, and information is provided on the relationship of objectives, goals, accomplishments and allocation of budgetary resources to national needs.

In this context, a single program may be identified as serving several national needs. For example, medicare, primarily a health program, is identified as meeting the national need for improved health care. However, it also provides a form of income security by paying for medical bills and, hence, can also be identified as meeting the national need for income security. A discussion of Federal programs based solely on the functional classification system would have been limited to discussion of each program, classified by major purposes served, in only one category.

The national needs presentation can be found in Part 5 ("Meeting National Needs: the Federal Program by Function"). Since this is the first complete national needs presentation in the President's budget, some of the approaches are, of necessity, experimental. It is likely that some changes will evolve in future years.

Types of funds.—Agency activities are financed through Federal funds and through trust funds, both of which are included in the budget.

Federal funds are of four types. The *general fund* is credited with receipts not earmarked by law for a specific purpose, and is charged with payments from such receipts and from general borrowing. *Special funds* contain Federal receipts earmarked for specific purposes, other than for carrying out a cycle of operations. *Public enterprise* (revolving) funds finance a cycle of business-type operations in which outlays generate collections, primarily from the public. *Intragovernmental revolving and management funds* facilitate financing operations within and between Government agencies.

Trust funds are established to account for receipt and expenditure of moneys by the Government for use in carrying out specific purposes and programs in accordance with the terms of a trust agreement or statute. These moneys are not available for the general purposes of the Government. Within the category of trust funds there is a special subcategory of *trust revolving funds* that carry on a cycle of business-type operations.

Current expense and capital investment.—The budget includes spending for both current operating expenses and capital investment, such as the purchase of lands, structures, and equipment. It also includes capital investment in the form of lending and the purchase of

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investments. These categorizations of outlays are discussed in Special Analysis D.

BUDGET AUTHORITY AND RELATED TRANSACTIONS

Budget authority.—Government agencies—whether or not they are included in the budget totals—are permitted to enter into obligations requiring either immediate or future payment of money only when they have been granted authority to do so by law. This authority is usually provided as budget authority. (Collections specifically authorized to be credited to appropriation and fund accounts are also available for obligation.)

Budget authority permits *obligations* to be incurred. The amounts of budget authority requested are determined by the nature of the programs or projects being funded.

For activities for which the cost depends upon the program level planned for a fiscal year, the amount of budget authority requested covers the obligations expected to be incurred during the year. Most of these Federal activities, such as operations and maintenance, entitlement programs and continuing research programs, are fully funded on an annual basis.

For projects that are separate and distinct units, the amount of budget authority requested covers the entire cost to complete each project at the time it is initiated. Most direct Federal major procurement and construction projects are of this nature, and funds have traditionally been requested to cover the full cost of the projects, that is, "full funding" is requested. However, some of these projects (for example, water resources construction) have not been fully funded in the past. Beginning with fiscal year 1979, exceptions will generally be eliminated under a new administration policy. Full funding will apply to all new projects. However, ongoing projects that have been incrementally funded in the past will continue to be funded incrementally until completed.

Budget authority usually takes the form of *appropriations*, which permit obligations to be incurred and payments to be made. Some budget authority is in the form of *contract authority*, which permits obligations in advance of appropriations and therefore requires a subsequent appropriation or receipts to "liquidate" (pay) these obligations. There is also *authority to borrow*; such budget authority permits the use of borrowed money to incur obligations and make payments.

Since January 1976, it has not been in order for either House of the Congress to consider any bill, with certain exceptions, that provides new borrowing or contract authority unless that bill also provides that such new spending authority will be effective only to the extent or in such amounts as are provided in appropriations acts.

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Most appropriations for current operations are made available for obligation only during a specified fiscal year (*1-year appropriations*). Some are for a specified longer period (*multiple-year appropriations*). Others, including most of those for construction, some for research, and many trust fund appropriations, are made available for obligation until the objectives have been attained (*no-year appropriations*).

When budget authority is made available by the Congress for a specific period of time, any part that is not used for obligations during that period lapses and cannot be used later. *Reappropriations*—congressional actions to continue availability of unused balances that have lapsed—are counted as budget authority in the year of the congressional action.

A *rescission* is a legislative action that cancels new budget authority or unobligated balances of budget authority prior to the time the authority would otherwise have lapsed. Rescissions are offset against new budget authority in arriving at the total of budget authority for each year. A *deferral* is an executive branch action or inaction—including the establishment of reserves under the Antideficiency Act—that effectively delays the obligation or expenditure of budget authority.

Most authority to obligate funds is granted year by year (*current authority*). Under certain laws, some budget authority in Federal funds and most budget authority in the trust funds become available from time to time without further action by the Congress (*permanent authority*).

The amount of budget authority is usually stated specifically in the legislation that makes it available (*definite authority*). In a few cases the amount is left indefinite, to be determined by subsequent circumstances (*indefinite authority*). Examples of the latter type are the appropriation for interest on the public debt, and the trust fund appropriation equal to receipts under the Federal Insurance Contributions Act (social security).

Obligations incurred.—Following the enactment of budget 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 the purchase of supplies and equipment, construction and the acquisition of land; entering into contracts to make loans; and other contractual arrangements requiring the payment of money.

Outlays.—Obligations generally are liquidated by the issuance of checks or the disbursement of cash; such payments are called *outlays.* In lieu of issuing checks, obligations may also be liquidated (and outlays occur) by the maturing of interest coupons in the case of some bonds, or by the issuance of bonds or notes (or increases in the redemp-

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tion value of bonds outstanding). Outlays during a fiscal year may be for payment of obligations incurred in prior years or in the same year. Such outlays, therefore, flow in part from unexpended balances of prior year budget authority and in part from budget authority provided for the year in which the money is spent.[4] Total budget outlays are stated net of deductions for offsetting collections (see collections below), and exclude outlays of off-budget Federal entities.

Balances of authority.—Not all budget authority enacted for a fiscal year is obligated and paid out in the same year. The *obligated balance* is that portion of the budget authority that has been obligated but not yet paid. For example, in the case of salaries and wages, one to three weeks elapse between the time of obligation and the time of payment. In the case of major procurement and construction, up to several years may elapse. Obligated balances of budget authority are carried forward until the obligations are subsequently paid. In addition, in multiple-year or no-year accounts, budget authority that is still available for obligation (*unobligated balances*) may be carried forward for obligation in the following year.[5]

Therefore, a change in the amount of budget authority for a given year does not necessarily result in a similar change in either the obligations incurred or the budget outlays of that same year. A change in budget authority in any one year may have an effect on obligations for two or more years, and may affect budget outlays for an even longer period. In the case of standby budget authority, obligations and outlays may never materialize.

Allocations between agencies.—In some cases, an agency may share in the administration of a program for which appropriations are made to another agency or to the President. This is made possible by the establishment of allocations from the "parent" account, to which the appropriation was made. Obligations incurred through such allocations are included with the parent account in the *Budget* (without separate identification) and in the *Budget Appendix* (where the total obligations of each participating agency are identified separately under the parent account).

COLLECTIONS

In general.—Amounts collected during the year are classified into two major categories:

- *Budget receipts*, which are compared with total outlays in calculating the budget surplus or deficit.

[4] This process is depicted on a chart "Relation of Budget Authority to Outlays—1979 Budget" in Part 6 of this volume.

[5] Additional information on balances of budget authority is provided in a separate report, "Balances of Budget Authority" that is published by OMB shortly after the budget is transmitted.

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- *Offsetting collections*, which are deducted from disbursements in calculating total outlays. Corresponding offsets are made in arriving at total budget authority and net obligations incurred.

Budget receipts.—These are collections from the public that result from the exercise of the Government's sovereign or governmental powers and from contributions paid by participants in certain voluntary Federal social insurance programs. These collections, also called *governmental receipts*, consist primarily of tax receipts and social insurance premiums, but also include receipts from court fines, certain licenses, and deposits of earnings by the Federal Reserve System. Gifts and contributions (as distinguished from payments for services or cost-sharing deposits by State and local governments) are also counted as budget receipts.

Offsetting collections.—These are collections from other Government accounts or from transactions with the public that are of a business-type or market-oriented nature. They are classified into two major categories: *collections credited to appropriation or fund accounts* and *offsetting receipts* (that is, amounts deposited in receipt accounts). In general, the distinction between these two major categories is that collections credited to appropriation or fund accounts can be used without appropriation action by the Congress, whereas funds in receipt accounts cannot be used without being appropriated.

Collections credited to appropriation or fund accounts occur in two circumstances:

- *Reimbursements.*—When authorized by law, amounts collected for materials or services furnished (for example, amounts received from the public to pay expenses of providing information under the Freedom of Information Act) are treated as reimbursements to appropriations. These collections are netted in determining outlays from such appropriations.
- *Revolving funds.*—In the three types of revolving funds—public enterprise, intragovernmental, and trust revolving—collections are netted against spending and outlays are reported as the net amount.

Offsetting receipts generally are deducted from budget authority and outlays by function and/or subfunction, and by agency. Offsetting receipts are subdivided into two categories, as follows:

- *Proprietary receipts from the public.*—These are collections from the public—deposited in receipt accounts of the general fund, special funds, or trust funds—that arise out of the business-type or market-oriented activities of the Government (for example, loan repayments, interest, sale of property and products, charges for nonregulatory services, and rents and royalties). Such collec-

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tions are not counted as budget receipts, and, with one exception, are offset against total budget authority and outlays by agency and by function. The exception consists of receipts from rents and royalties from Outer Continental Shelf lands that are deducted from total budget authority and outlays for the Government as a whole rather than from any single agency or function.

- *Intragovernmental transactions.*—These are payments into receipt accounts from Federal appropriations or fund accounts. They are treated as an offset to budget authority and outlays, rather than as a budget receipt. Intragovernmental transactions may either be *intrabudgetary* (where the payment and receipt both occur within the budgetary universe) or result from *receipts from off-budget Federal entities* in those cases where the payment is made by a Federal entity whose funds are excluded from the budget totals. Normally, intragovernmental transactions are deducted from both the outlays and the budget authority for the agency receiving the payment. However, in two cases intragovernmental transactions are not deducted from the figures of any agency or function. Instead, intragovernmental transactions that involve agencies' payments (including payments by off-budget Federal entities) as employers into trust funds for retirement of employees and the payment of interest to trust (nonrevolving) funds appear as special deduct lines in computing total budget authority and outlays for the Government.

Intrabudgetary transactions are further subdivided into three categories: (1) *interfund transactions*, where the payment is from one fund group (either Federal funds or trust funds) to a receipt account in the other fund group; (2) *Federal intrafund transactions*, in those cases where the payment and receipt both occur within the Federal fund group; and (3) *trust intrafund transactions*, in those cases where the payment and receipt both occur within the trust fund group.

OTHER TRANSACTIONS

Borrowing and repayments.—Borrowing and debt repayment are not treated as receipts or outlays; if they were, the budget could be balanced simply by borrowing. This rule applies both to borrowing in the form of public debt securities and to specialized forms of borrowing—such as the sale of agency securities, the assumption of military family housing mortgages, and certificates representing participation in a pool of loans. However, there are transactions that otherwise would be treated as borrowing which are required by law to be treated as a sale of assets. This results in collections being credited to an appropriation or fund account with a corresponding reduction in outlays.

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Exercise of the monetary power.—Seigniorage is the profit from coining money; it is the difference between the value of coins as money and their cost, including the cost of manufacturing. Seigniorage on coins arises from the exercise of the Government's monetary powers and differs from receipts coming from the public, since there is no corresponding payment by another party. Therefore, seigniorage is excluded from receipts and treated as a means of financing a budget deficit, or as a supplementary amount to be applied to reduce debt or to increase the cash in Treasury in the years of a budget surplus. The increment (profit) resulting from the revaluation of gold as a monetary asset is treated like seigniorage, but the profit from sale of gold as a commodity is treated as a proprietary receipt.

Liabilities in deposit fund accounts.—Accounts outside the budget, known as deposit funds, are established to record certain amounts held in suspense temporarily, or held by the Government as agent for others (for example, savings accounts for military personnel, State and local income taxes withheld from Federal employees' salaries, and payroll deductions for the purchase of savings bonds by civilian employees of the Government). Such transactions affect Treasury's cash balances even though they are not a part of the budget.

Exchange of cash.—The Government's deposits with the International Monetary Fund (IMF) are considered similar to cash assets. Therefore, the movement of money between the IMF and the Department of the Treasury is not in itself considered a receipt or an outlay, borrowing or lending. In a similar manner, the holdings of foreign currency by the Exchange stabilization fund (ESF)—an off-budget Federal entity—are considered as cash assets. Changes in these holdings would be considered outlays only to the extent there is a loss, and offsetting collections only to the extent there is a profit on the exchange.

Obligations to international lending organizations.—Debt instruments issued (in lieu of checks) in payment of subscriptions to international lending organizations are not considered borrowing or outlays, but remain a part of the obligated balances until they are cashed, at which time they become outlays. These differ only in form, and not in substance, from ordinary balances for unpaid obligations.

BASIS FOR BUDGET FIGURES

In general.—Outlays are stated in terms of checks issued, including cash paid in lieu of checks, net of offsetting collections received. The accrual basis is generally used for interest on the public debt

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held by private investors; however, interest on the public debt held by trust and other Government accounts was converted to a cash basis during the transition quarter, and will remain on a cash basis for future years. When debt securities are issued at a discount (or at a premium), the difference between the sales price and the redemption value is treated as interest and is accrued evenly over time in the account that issues the securities. In addition, budget schedules for the Department of Energy include data for all 3 years, although the Department was not established until fiscal year 1978. The budget schedules for the agencies or parts thereof merged into the Department of Energy omit data applicable to activities transferred to the Department, and appropriate information is presented in the Department of Energy schedules to identify the predecessor accounts.

Data for 1977.—The 1977 column of this budget generally presents the actual transactions and balances as recorded in agency accounts and as summarized in the central financial reports prepared by the Department of the Treasury. However, the budget totals have been revised retroactively to include the transactions of the Housing for the elderly or handicapped fund and to reflect the treatment of amounts of earned income credit in excess of tax liabilities as negative budget receipts instead of as budget outlays.

Data for 1978.—All regular appropriation acts for 1978 have become law, except for the Labor, Health, Education, and Welfare, and District of Columbia appropriations bills. A continuing resolution has been enacted to provide appropriations for continued operation of the affected agencies. Also, some supplemental appropriations and rescissions are pending before the Congress, and additional supplemental appropriations will be required in certain cases. The additional supplementals represent the amounts required for various pay raises including those of October 1977 and the additional amounts requested to meet previously unforeseen program costs.

Where the word "enacted" is used with reference to 1978, as in tables 1 and 5 of Part 9 of the *Budget*, the amount represents budget authority already voted by the Congress. In the case of indefinite appropriations, the enacted sums include the amounts likely to be required. Actions "pending" before the Congress include supplemental appropriations and rescission proposals that are awaiting congressional action. "Appropriations transmitted herein" include amounts for unenacted appropriations for which appropriation language is provided, whether these amounts will be included in regular or supplemental appropriation bills. Where the word "estimate" is used, the amounts may include pending appropriations, needed supplementals,

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and enacted budget authority. Certain standard footnotes are used in Part 8 of the *Budget* (and are explained at the end of that part) to specify the status of these additional items for 1978.

Data for 1979.—This budget is complete as to the estimates for 1979. Part I of the *Budget Appendix* generally includes the proposed appropriation language for the various items identified in the budget. However, in some instances, estimates are included in the budget schedules without appropriation language for 1978 and 1979. For these, the requested amounts may already be pending, proposed legislation may be required, or the estimated amounts will be requested later when the requirements are known. In certain tables of the budget these items for later transmittal and the related outlays are separately identified. Estimates of the total requirements for 1978 and 1979 include both the amounts formally proposed and the amounts planned for later transmittal.

Allowances.—Lump sum allowances are included in the tables to cover possible additional changes, such as civilian pay increases and contingencies. The allowance for civilian agency pay raises includes an estimate of the additional amounts that will be required for pay raises anticipated in October 1978 for employees of civilian Government agencies. A separate allowance for pay raises is shown for the military and civilian employees of the Department of Defense and is included in its figures. These increases could not be reflected in the various program appropriation requests since the applicable detailed amounts have not yet been determined.

The allowance for contingencies is shown in two categories, as required by the Congressional Budget Act. The estimates in the first category, "Relatively uncontrollable programs," are zero because the probability of net decreases or net increases for such programs is believed to be equal. The second category, "Other requirements," contains estimates for requirements not now foreseen for existing programs and for the possible enactment of legislation not specifically provided for in the budget.

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PART 8

THE FEDERAL PROGRAM BY AGENCY AND ACCOUNT

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EXPLANATORY NOTE

This tabulation contains information on budget authority (BA) and outlays (O) for each appropriation and fund account. The budget authority in this tabulation takes account of certain transfers between appropriations. All budget authority items are current and definite appropriations except where otherwise indicated. In addition, budget authority and outlay data for off-budget Federal entities are presented at the end of this table.

Functional code numbers are shown for each account as a cross reference to tables 12 and 13 (pp. 443–469), where the figures are summarized by functional classification. Types of funds in the budget and the deduct entries at the end of each chapter of this tabulation are explained in Part 7 (pp. 279–284).

Congressional action in the appropriation process occasionally takes the form of a limitation on the use of a trust fund or other fund, or of an appropriation to liquidate contract authority. Amounts for such items, which do not affect budget authority, are included here in parentheses and identified in the stub column, but are not included in the totals.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)

Account and functional code		1977 actual	1978 estimate	1979 estimate
LEGISLATIVE BRANCH				
SENATE				
Federal Funds				
General and special funds:				
Compensation and mileage of the Vice President and Senators....801	BA	**5,884**	**6,474**	**6,480**
	O	5,863	6,474	6,480
Expense allowances of the Vice President, Majority and Minority Leaders and Majority and Minority Whips.....801	BA	**22**	**25**	**25**
	O	14	25	25
Salaries, officers and employees..801	BA	**96,393**	**94,680**	**116,154**
			D7,103	
	O	89,467	101,783	116,154
Payments to widows and heirs of deceased members of Congress: Indefinite.....801	BA	**45**	.....	.....
	O	45	.....	.....
Office of the Legislative Counsel of the Senate.....801	BA	**703**	**760**	**815**
			D33	
	O	682	793	815
Senate policy committees.....801	BA	**1,034**	**1,178**	**1,388**
			D93	
	O	848	1,271	1,388
Automobiles and maintenance.....801	BA	**45**	**50**	**60**
	O	37	50	60
Inquiries and investigations.....801	BA	**25,654**	**28,441**	**30,625**
			D1,554	
	O	22,130	29,995	30,625
Folding documents.....801	BA	**95**	**95**	**103**
			D8	
	O	77	103	103
Miscellaneous items.....801	BA	**24,339**	**21,476**	**28,943**
			D16	
	O	19,597	21,492	28,943
Postage stamps.....801	BA	**3**	**25**	**6**
	O	3	25	6
Stationery (revolving fund).....801	BA	**32**	**37**	**39**
	O	12	37	39
Public enterprise funds:				
Senate restaurant fund (revolving fund).....801	O	–188	.....	.....
Recording studio (revolving fund) 801	O	–46	.....	.....
Senate computer center (revolving fund).....801	O	–10	.....	.....
Senate barber shops (revolving fund) 801	O	–24	.....	.....
Total Federal funds Senate.....	BA	**154,249**	**162,048**	**184,638**
	O	138,507	162,048	184,638

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
LEGISLATIVE BRANCH—Continued				
HOUSE OF REPRESENTATIVES				
Federal Funds				
General and special funds:				
Payments to widows and heirs of deceased members of Congress: Indefinite.....801	BA	**89**	.....	.....
	O	89	.....	.....
Compensation of Members.....801	BA	**25,144**	**27,760**	**27,699**
	O	24,422	27,760	27,699
Mileage of Members.....801	BA	**210**	**210**	**210**
	O	191	210	210
House leadership offices.....801	BA	**1,938**	**2,057**	**2,147**
			D90	
	O	1,622	1,949	1,932
Salaries, officers and employees..801	BA	**22,283**	**22,904**	**26,341**
			D1,420	
	O	23,257	22,034	23,707
Committee employees.....801	BA	**21,805**	**24,705**	**24,705**
	O	20,784	22,234	22,234
Committee on Appropriations (Studies and Investigations) 801	BA	**2,753**	**2,768**	**2,895**
			D8	
	O	2,855	2,499	2,606
Committee on Budget (Studies)....801	BA	**329**	**261**	**261**
	O	158	235	235
Office of the Law Revision Counsel: 801	BA		D15	
Appropriation, Current, indefinite...	BA	**370**	**394**	**435**
	O	308	370	392
Office of the Legislative Counsel..801	BA	**1,358**	**1,682**	**1,879**
			D69	
	O	1,240	1,583	1,691
Members' clerk hire.....801	BA	**103,268**	**107,192**	**112,648**
			D5,456	
	O	108,048	101,929	101,383
Allowances and expenses.....801	BA	**50,419**	**57,185**	**59,967**
			D815	
	O	50,327	52,281	53,972
Stationery (revolving fund).....801	BA	**2,854**	**2,854**	.....
	O	2,711	2,569	.....
Special and select committees.....801	BA	**30,793**	**32,700**	**38,762**
			D2,363	
	O	31,078	31,793	34,886
New edition of the District of Columbia Code.....801	O	46	42	42
Public enterprise funds:				
House of Representatives restaurant fund (revolving fund).....801	O	–133	–92	–92
Recording studio (revolving fund) 801	O	20	–8	–8
General and special funds:				
Beauty shop (revolving fund).....801	O	–44	–16	–16
House barber shops (revolving fund) 801	O	15	15	15

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
LEGISLATIVE BRANCH—Continued				
HOUSE OF REPRESENTATIVES—Continued				
Federal Funds—Continued				
General and special funds:—Continued				
Office of the attending physician (revolving fund) 801	0	1	.....	.....
Intragovernmental funds:				
Consolidated working fund 801	0	20	.....	.....
Total Federal funds House of Representatives.	BA	**263,613**	**292,908**	**297,949**
	0	267,015	267,387	270,888
JOINT ITEMS				
Federal Funds				
General and special funds:				
Joint Economic Committee 801	BA	**1,551**	**1,697** **[D]103**	**1,800**
	0	1,311	1,800	1,800
Joint Committee on Atomic Energy 801	BA	**710**	.....	.....
	0	392	.....	.....
Joint Committee on Printing 801	BA	**552**	**1,081** **[D]36**	**621**
	0	479	1,117	621
American Indian Policy Review Commission.....801	BA	**363**	.....	.....
	0	461	.....	.....
Joint Committee on Inaugural Ceremonies of 1977.....801	0	453	.....	.....
Statements of appropriations, Senate 801	0	.....	7	7
Joint Committee on Taxation.....801	BA	**1,897**	**1,948** **[A]228** **[D]114**	**2,300**
	0	1,971	1,867 [A]228	2,070
Office of the Attending Physician.801	BA	**388**	**344**	**465**
	0	425	310	418
General expenses, Capitol police..801	BA	**702**	**725**	**750**
	0	620	652	675
Capitol Police Board.....801	BA	**1,619**	**1,572**	**1,468**
	0	1,344	1,415	1,321
Education of pages 801	BA	**180**	**194**	**206**
	0	208	194	206
Official mail costs.....801	BA	**95,830**	**48,926**	**64,944**
	0	60,695	44,033	58,450
Capitol Guide Service.....801	BA	**406**	**404** **[D]30**	**544**
	0	371	434	544
Statements of appropriations, House of Representatives.....801	BA	**13**	**13**	**13**
	0	.....	6	6
Joint Committee on Defense Production: Indefinite.....801	BA	**178**	.....	.....
	0	183	.....	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
LEGISLATIVE BRANCH—Continued				
JOINT ITEMS—Continued				
Federal Funds—Continued				
General and special funds:—Continued				
Joint Committee on Congressional Operations: Indefinite 801	BA	**743**	.....	.....
	O	565	.....	.....
Total Federal funds Joint Items.	BA	**105,132**	**57,415**	**73,111**
	O	69,478	52,063	66,118
CONGRESSIONAL BUDGET OFFICE				
Federal Funds				
General and special funds:				
Salaries and expenses 801	BA	**9,577**	**10,400**	**11,368**
	O	8,814	9,800	11,200
ARCHITECT OF THE CAPITOL				
Federal Funds				
General and special funds:				
Office of the Architect of the Capitol: Salaries 801	BA	**1,891**	**2,003** [C]**20** [D]**107**	**2,645**
	O	1,810	2,126	2,630
Contingent expenses 801	BA	**210**	**120** [A]**90**	**210**
	O	249	260 [A]90	210
Capitol buildings 801	BA	**6,066**	**5,516** [A]**575** [C]**229** [D]**68**	**6,415**
Reappropriation.....	BA	**137**	.....	.....
	O	5,872	6,581 [A]304	6,407 [A]271
Capitol grounds 801	BA	**1,918**	**1,919** [C]**94** [D]**7**	**4,241**
Reappropriation.....	BA	**82**	.....	.....
	O	1,918	2,144	3,436
West central front of the Capitol..801	O	.....	2,022	.....
Master plan for future development of the Capitol grounds and related areas 801	BA		[A]**100**	
	O	227	84 [A]100	.....
Acquisition of property as an addition to the Capitol grounds 801	O	3	39	.....
Senate office buildings 801	BA	**11,233**	**9,102** [A]**682** [C]**437** [D]**48**	**10,329**
Reappropriation.....	BA	**56**	.....	.....
	O	9,105	11,828 [A]307	10,957 [A]375
Construction of an extension to the New Senate Office Building.....801	BA		[A]**33,000**	
	O	4,054	23,005	44,461
Extension of additional Senate Office Building site 801	O	.....	78	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
LEGISLATIVE BRANCH—Continued				
ARCHITECT OF THE CAPITOL—Continued				
Federal Funds—Continued				
General and special funds:—Continued				
Acquisition of property as a site for parking facilities for the United States Senate 801	0	145	13	.....
Plans for garage and related facilities for the United States Senate 801	0	.....	49	.....
Senate garage 801	BA	**150**	**154** [C]**8**	**164**
	0	140	161	164
House office buildings 801	BA	**15,101**	**18,177** [A]**497** [C]**670** [D]**35**	**21,065**
	0	17,524	21,912 [A]497	19,648
Acquisition of property, construction, and equipment, additional House Office Building 801	0	2	85	.....
Capitol Power Plant 801	BA	**11,239**	**12,317** [C]**137**	**15,545**
	0	10,916	12,533	15,345
Expansion of facilities, Capitol Power Plant 801	0	20	265	.....
Modifications and enlargement, Capitol Power Plant 801	BA	**12,000**	.....	.....
	0	4,612	8,465	7,939
Alterations and improvements, buildings and grounds, to provide facilities for the physically handicapped 801	0	319	1,048	1,274
Structural and mechanical care, Library buildings and grounds 801	BA	**2,355**	**2,169** [C]**134**	**2,795**
Reappropriation	BA	**71**	.....	.....
	0	2,083	2,497	2,760
Library of Congress James Madison Memorial Building 801	BA		[F]**5,000**	
	0	29,808	35,826	10,129 [F]971
Total Federal funds Architect of the Capitol.	BA	**62,509**	**93,415**	**63,409**
	0	88,807	132,319	126,977
Trust Funds				
Contributions from the United States Capitol Historical Society: Permanent 503	BA	**112**	.....	.....
LIBRARY OF CONGRESS				
Federal Funds				
General and special funds:				
Salaries and expenses 503	BA	**83,617**	**81,295** [C]**184** [D]**3,672**	**102,058**
	0	80,409	89,487	100,371

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
LEGISLATIVE BRANCH—Continued				
LIBRARY OF CONGRESS—Continued				
Federal Funds—Continued				
General and special funds:—Continued				
Copyright Office: Salaries and expenses.....376	BA	**9,642**	**7,946**	**8,561**
			[D]615	
	O	8,795	9,393	8,506
National Commission on New Technological Usage of Copyrighted Works: Salaries and expenses.....376	BA	**560**	**520**	.....
	O	488	547	56
Congressional Research Service: Salaries and expenses.....801	BA	**20,520**	**21,795**	**26,379**
			[D]1,196	
	O	19,897	23,573	26,512
Books for the blind and physically handicapped: Salaries and expenses.....503	BA	**21,818**	**28,721**	**43,073**
			[C]9	
			[D]124	
	O	15,013	30,279	41,079
Collection and distribution of library materials (special foreign currency program).....503	BA	**2,910**	**3,441**	**3,860**
	O	2,804	3,259	3,967
Furniture and furnishings.....503	BA	**2,942**	**7,031**	**9,455**
	O	1,189	9,327	18,368
Oliver Wendell Holmes devise fund (special fund): Permanent.....503	BA	**4**	**8**	**2**
	O	26	11	20
Intragovernmental funds:				
Consolidated working fund.....503	O	–251	–495	5
Total Federal funds Library of Congress.	BA	**142,013**	**156,557**	**193,388**
	O	128,370	165,381	198,884
Trust Funds				
Gift and trust fund accounts, non-revolving: Permanent.....503	BA	**5,521**	**6,048**	**5,349**
	O	4,931	6,831	5,646
GOVERNMENT PRINTING OFFICE				
Federal Funds				
General and special funds:				
Printing and binding.....801	BA	**93,639**	**12,953**	**11,476**
	O	91,481	28,500	17,876
Congressional printing and binding 801	BA	.....	**71,674**	**73,961**
	O	.....	42,374	38,961
Office of Superintendent of Documents: Salaries and expenses 806	BA	**48,088**	**21,751**	**23,200**
			[D]294	
	O	47,815	26,146	27,695
Acquisition of site and general plans and designs of buildings.....806	BA	.....	.....	**18,000**
	O	.....	.....	22,600
Project planning.....806	O	41	41	.....
Intragovernmental funds:				
Government Printing Office revolving fund.....806	O	–24,346	–24,064	–690
Total Federal funds Government Printing Office.	BA	**141,727**	**106,672**	**126,637**
	O	114,991	72,997	106,442

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
LEGISLATIVE BRANCH—Continued				
GENERAL ACCOUNTING OFFICE				
Federal Funds				
General and special funds:				
Salaries and expenses.....801	BA	**157,090**	**167,000**	**187,843**
			[D]**8,980**	
	O	154,639	173,735	185,400
UNITED STATES TAX COURT				
Federal Funds				
General and special funds:				
Salaries and expenses.....752	BA	**7,254**	**8,188**	**8,715**
			[D]**106**	
	O	7,054	8,323	8,688
Construction.....752	O	1,444	1,000	262
Total Federal funds United States Tax Court.	BA	**7,254**	**8,294**	**8,715**
	O	8,498	9,323	8,950
Trust Funds				
Tax Court judges survivors annuity fund: Permanent, indefinite.....602	BA	**99**	**105**	**110**
	O	65	44	44
OTHER LEGISLATIVE BRANCH AGENCIES				
Federal Funds				
General and special funds:				
Commission on Security and Cooperation in Europe: Salaries and expenses.....801	BA	.....	**347**	**350**
	O	268	340	343
Botanic Garden: Salaries and expenses.....801	BA	**1,233**	**1,283**	**1,392**
			[C]**78**	
			[D]**10**	
	O	1,224	1,382	1,392
Copyright Royalty Tribunal: Salaries and expenses.....376	BA	**276**	**726**	**935**
			[D]**16**	
	O	.....	704	909
Cost-Accounting Standards Board: Salaries and expenses.....801	BA	**1,700**	**1,837**	**1,850**
	O	1,571	1,800	1,813
Temporary Commission on Financial Oversight of the District of Columbia: Salaries and expenses: Permanent.....801	BA	**1,500**	**3,000**	**3,000**
	O	–20	830	4,750
Office of Technology Assessment: Salaries and expenses.....801	BA	**6,797**	**7,400**	**10,000**
			[D]**281**	
Appropriation, Current, indefinite...	BA	**569**	.....	.....
	O	7,066	9,501	9,600
Total Federal funds Other Legislative Branch Agencies.	BA	**12,075**	**14,978**	**17,527**
	O	10,109	14,557	18,807
Trust Funds				
Office of Technology Assessment: Contributions and donations: Permanent.....801	BA	**1**	.....	.....
	O	.....	.....	1
SUMMARY				
Federal funds:				
(As shown in detail above).....	BA	**1,055,239**	**1,078,667**	**1,164,585**
	O	989,228	1,059,610	1,178,304

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
LEGISLATIVE BRANCH—Continued				
SUMMARY—Continued				
Federal funds:—Continued				
Deductions for offsetting receipts:				
Intrafund transactions.....803	BA	*–429*	*–220*	*–220*
	0			
902	BA	*–4*	*–8*	*–2*
	0			
Proprietary receipts from the public.....503	BA	*–6,722*	*–20*	*–20*
	0			
801	BA	*–7,248*	*–5,901*	*–5,914*
	0			
Total Federal funds.....	BA	**1,040,836**	**1,072,518**	**1,158,429**
	0	974,825	1,053,461	1,172,148
Trust funds:				
(As shown in detail above).....	BA	**5,733**	**6,153**	**5,459**
	0	4,996	6,875	5,691
Deductions for offsetting receipts:				
Proprietary receipts from the public.....503	BA	*–3,203*	*–2,926*	*–2,925*
	0			
902	BA	*–104*	*–110*	*–110*
	0			
Total trust funds.....	BA	**2,426**	**3,117**	**2,424**
	0	1,689	3,839	2,656
Interfund transactions.....803	BA	**– 16**	**– 20**	**– 20**
	0			
Total Legislative Branch.....	BA	**1,043,246**	**1,075,615**	**1,160,833**
	0	976,498	1,057,280	1,174,784
THE JUDICIARY				
SUPREME COURT OF THE UNITED STATES				
Federal Funds				
General and special funds:				
Salaries and expenses.....752	BA	**7,732**	**8,391** [D]**383**	**8,960**
	0	7,081	8,418	8,660
Care of the buildings and grounds 752	BA	**831**	**800** [C]**54**	**1,000**
	0	1,238	1,187	967
Total Federal funds Supreme Court of the United States.	BA	**8,563**	**9,628**	**9,960**
	0	8,319	9,605	9,627
COURT OF CUSTOMS AND PATENT APPEALS				
Federal Funds				
General and special funds:				
Salaries and expenses.....752	BA	**968**	**1,020** [D]**46**	**1,099**
	0	968	1,064	1,098

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
THE JUDICIARY—Continued				
CUSTOMS COURT				
Federal Funds				
General and special funds:				
Salaries and expenses.....752	BA	**2,886**	**2,907**	**3,055**
			D156	
	O	2,731	3,050	3,055
COURT OF CLAIMS				
Federal Funds				
General and special funds:				
Salaries and expenses.....752	BA	**2,754**	**3,000**	**3,574**
			D101	
	O	2,696	3,076	3,546
COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES				
Federal Funds				
General and special funds:				
Salaries of judges.....752	BA	**34,082**	**39,700**	**40,258**
	O	33,371	39,450	40,150
Salaries of supporting personnel..752	BA	**139,312**	**148,400**	**164,970**
			A156	
			D10,251	
	O	139,383	156,880	164,870
			A153	A3
Defender services.....752	BA	**21,000**	**24,000**	**24,800**
			D445	
	O	21,813	23,596	24,412
Fees of jurors and commissioners 752	BA	**21,500**	**23,250**	**23,250**
	O	19,549	21,750	23,300
Travel and miscellaneous expenses 752	BA	**24,380**	**27,600**	**31,695**
			A110	
	O	22,816	27,755	31,104
			A90	A20
Salaries and expenses of magistrates.....752	BA	**14,311**	**17,500**	**18,430**
			D370	
	O	13,527	17,560	18,367
Space and facilities.....752	BA	**71,980**	**89,700**	**99,577**
	O	68,137	89,684	99,499
Furniture and furnishings.....752	BA	**4,940**	**7,500**	**8,616**
	O	4,139	6,232	7,978
Speedy trial planning.....752	O	154	920	1,003
Pre-trial services agencies, The Judiciary.....752	O	2,654	3,522	2,130
Compensation and expenses of special masters.....752	BA		A5,875	
	O		A280	A1,620
Salaries and expenses of referees 752	BA	**31,791**	**33,500**	**35,315**
			D1,135	
	O	29,402	34,006	35,162
Total Federal funds Courts of Appeals, District Courts, and other Judicial Services.	BA	**363,296**	**429,492**	**446,911**
	O	354,945	421,878	449,618

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
THE JUDICIARY—Continued				
ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS				
Federal Funds				
General and special funds:				
Salaries and expenses 752	BA	**9,387**	**10,500**	**12,562**
			D575	
	O	9,778	11,028	12,506
Judicial survivors' annuity program 602	BA	**31,100**	.....	.....
	O	31,100	.....	.....
Intragovernmental funds:				
Consolidated working fund 752	O	–247	25	.....
Total Federal funds	BA	**40,487**	**11,075**	**12,562**
Administrative Office of the United States Courts.	O	40,631	11,053	12,506
FEDERAL JUDICIAL CENTER				
Federal Funds				
General and special funds:				
Salaries and expenses 752	BA	**7,772**	**6,550**	**8,744**
			A55	
			D144	
	O	8,781	7,280	8,333
			A54	A1
BICENTENNIAL EXPENSES, THE JUDICIARY				
Federal Funds				
General and special funds:				
Bicentennial activities....806	O	397	339	100
JUDICIARY TRUST FUNDS				
Trust Funds				
Judicial survivors' annuities fund:	BA	**35,523**	**6,356**	**7,135**
Permanent 602	O	4,776	1,915	2,124
Operation of the Public Defender	BA	**2,215**	.....	.....
Service for the District of Columbia:	O	2,162	106	.....
Permanent 752				
Total trust funds Judiciary	BA	**37,738**	**6,356**	**7,135**
Trust Funds.	O	6,938	2,021	2,124
SUMMARY				
Federal funds:				
(As shown in detail above).....	BA	**426,726**	**464,174**	**485,905**
	O	419,468	457,399	487,884
Deductions for offsetting receipts:				
Proprietary receipts from the public....750	BA, O	*–1,196*	*–1,225*	*–1,225*
902	BA, O	*–57*	*–60*	*–60*
Total Federal funds.....	BA	**425,473**	**462,889**	**484,620**
	O	418,215	456,114	486,599
Trust funds:				
(As shown in detail above).....	BA	**37,738**	**6,356**	**7,135**
	O	6,938	2,021	2,124

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
THE JUDICIARY—Continued				
SUMMARY—Continued				
Trust funds:—Continued				
Deductions for offsetting receipts:				
Proprietary receipts from the public.....752	BA 0	*–2,215*	.....	.....
Total trust funds.....	BA	**35,523**	**6,356**	**7,135**
	0	4,723	2,021	2,124
Interfund transactions.....602	BA 0	**– 31,100**	.....	.....
Total The Judiciary.....	BA	**429,896**	**469,245**	**491,755**
	0	391,838	458,135	488,723
EXECUTIVE OFFICE OF THE PRESIDENT				
COMPENSATION OF THE PRESIDENT				
Federal Funds				
General and special funds:				
Compensation of the President.....802	BA	**250**	**250**	**250**
	0	250	250	250
THE WHITE HOUSE OFFICE				
Federal Funds				
General and special funds:				
Salaries and expenses.....802	BA	**17,162**	**16,440**	**16,907**
	0	17,236	16,440	16,907
EXECUTIVE RESIDENCE				
Federal Funds				
General and special funds:				
Operating expenses.....802	BA	**2,180**	**2,157** [C]**38** [D]**41**	**2,575**
	0	2,062	2,236	2,575
OFFICIAL RESIDENCE OF THE VICE PRESIDENT				
Federal Funds				
General and special funds:				
Operating expenses.....802	BA	**91**	**121**	**129**
	0	245	111	171
SPECIAL ASSISTANCE TO THE PRESIDENT				
Federal Funds				
General and special funds:				
Salaries and expenses.....802	BA	**1,271**	**1,327**	**1,280**
	0	993	1,327	1,280
COUNCIL OF ECONOMIC ADVISERS				
Federal Funds				
General and special funds:				
Salaries and expenses.....802	BA	**1,873**	**1,995** [D]**23**	**2,042**
	0	1,833	2,033	2,036

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
EXECUTIVE OFFICE OF THE PRESIDENT—Continued				
COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF ENVIRONMENTAL QUALITY				
Federal Funds				
General and special funds:				
Council on Environmental Quality and Office of Environmental Quality.....802	BA	**3,300**	**2,854**	**[K]3,126**
	0	3,240	2,854	3,126
Intragovernmental funds:				
Consolidated working fund.....802	0	540	.....	.....
Total Council on Environmental Quality and Office of Environmental Quality.	BA	**3,300**	**2,854**	**3,126**
	0	3,780	2,854	3,126
COUNCIL ON INTERNATIONAL ECONOMIC POLICY				
Federal Funds				
General and special funds:				
Salaries and expenses.....802	BA	**1,450**	.....	.....
	0	1,083	134	.....
COUNCIL ON WAGE AND PRICE STABILITY				
Federal Funds				
General and special funds:				
Salaries and expenses.....802	BA	**1,917**	**2,100**	**1,753**
	0	1,861	1,790	1,760
DOMESTIC COUNCIL				
Federal Funds				
General and special funds:				
Salaries and expenses.....802	BA	**1,775**	**2,684**	**2,650**
	0	1,501	2,555	2,766
NATIONAL SECURITY COUNCIL				
Federal Funds				
General and special funds:				
Salaries and expenses.....802	BA	**3,270**	**3,000** **[A]160** **[D]155**	**3,432**
	0	2,965	3,195 [A]155	3,427 [A]5
OFFICE OF ADMINISTRATION				
Federal Funds				
General and special funds:				
Salaries and expenses.....802	BA	.....	**4,300** **[D]174**	**7,279**
	0	.....	4,048	7,140
OFFICE OF DRUG ABUSE POLICY				
Federal Funds				
General and special funds:				
Salaries and expenses.....802	BA	**1,100**	**429**	.....
	0	280	931	.....

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
EXECUTIVE OFFICE OF THE PRESIDENT—Continued				
OFFICE OF MANAGEMENT AND BUDGET				
Federal Funds				
General and special funds:				
Salaries and expenses.....802	BA	**27,472**	**24,991** [A]**635** [D]**857**	**28,146**
	O	25,435	27,548 [A]635	27,388
Office of Federal Procurement Policy: Salaries and expenses.....802	BA	**1,681**	**2,840** [D]**50**	**4,040**
	O	1,101	2,770	3,851
Total Office of Management and Budget.	BA	**29,153**	**29,373**	**32,186**
	O	26,536	30,953	31,239
OFFICE OF SCIENCE AND TECHNOLOGY POLICY				
Federal Funds				
General and special funds:				
Salaries and expenses.....802	BA	**2,300**	**2,800**	**2,621**
	O	1,811	3,000	2,700
OFFICE OF THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS				
Federal Funds				
General and special funds:				
Salaries and expenses.....802	BA	**2,581**	**2,680** [D]**71**	**2,665**
	O	2,232	2,900	2,700
OFFICE OF TELECOMMUNICATIONS POLICY				
Federal Funds				
General and special funds:				
Salaries and expenses.....802	BA	**8,476**	**2,399**	.....
	O	8,559	2,659	.....
SPECIAL ACTION OFFICE FOR DRUG ABUSE PREVENTION				
Federal Funds				
General and special funds:				
Salaries and expenses.....554	O	32	.....	.....
Special fund for drug abuse.....554	O	128	.....	.....
Total Special Action Office for Drug Abuse Prevention.	O	160	.....	.....
SUMMARY				
Federal funds:				
Total Executive Office of the President.	BA	**78,149**	**75,571**	**78,895**
	O	73,387	77,571	78,082

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
FUNDS APPROPRIATED TO THE PRESIDENT				
APPALACHIAN REGIONAL DEVELOPMENT PROGRAMS				
Federal Funds				
General and special funds:				
Appalachian regional development programs.....452	BA	**118,000**	**112,400**	**122,700**
Contract authority.....	BA	.....	**21,000**	**221,000**
Permanent.....	BA	.....	**180,000**	.....
Liquidation of contract authority....		(185,000)	(211,300)	(221,000)
	0	247,966	305,000	315,000
Public enterprise funds:				
Appalachian housing fund.....452	0	902	2,000	1,950
Total Appalachian Regional Development Programs.	BA	**118,000**	**313,400**	**343,700**
	0	248,868	307,000	316,950
DISASTER RELIEF				
Federal Funds				
General and special funds:				
Disaster relief.....453	BA	**300,000**	**150,000** **[A]150,000**	**200,000**
	0	294,016	225,000 [A]150,000	283,600
ECONOMIC STABILIZATION ACTIVITIES				
Federal Funds				
General and special funds:				
Salaries and expenses.....802	0	–255	.....	.....
UNANTICIPATED NEEDS				
Federal Funds				
General and special funds:				
Unanticipated needs.....802	BA	**1,000**	**1,000**	**1,000**
	0	104	1,017	1,000
EXPENSES OF MANAGEMENT IMPROVEMENT				
Federal Funds				
General and special funds:				
Expenses of management improvement.....802	0	25	474	.....
FOREIGN ASSISTANCE				
International Security Assistance				
Federal Funds				
General and special funds:				
Military assistance.....152	BA	**264,550**	**220,000** **[H]– 40,200**	**[K]133,500**
	0	209,280	190,000	200,000
International military education and training.....152	BA	**25,000**	**30,000**	**[K]32,100**
	0	25,259	29,000	31,000
Military assistance, South Vietnamese Forces.....152	0	–10,521	5,000	3,000
Foreign military credit sales.....152	BA	**698,500**	**675,850** **[B]5,000**	**[K]672,500**
	0	570,486	540,000	530,000
Security supporting assistance.....151	BA	**1,757,700**	**2,219,300**	**[K]1,854,400**
	0	1,061,880	1,813,000	1,666,000

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

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FUNDS APPROPRIATED TO THE PRESIDENT—Continued				
FOREIGN ASSISTANCE—Continued				
International Security Assistance—Continued				
Federal Funds—Continued				
General and special funds:—Continued				
Emergency security assistance for Israel 152	0	10,548	.....	.....
Public enterprise funds:				
Liquidation of foreign military sales fund 152	0	695	–5,000	–2,000
Trust Funds				
Advances, foreign military sales: 155				
Contract authority, Permanent, indefinite.	BA	**8,625,095**	**11,100,000**	**12,300,000**
Liquidation of contract authority		(9,368,676)	(8,700,000)	(9,200,000)
	0	8,209,640	8,500,000	9,500,000
Summary				
Federal funds:				
(As shown in detail above)	BA	**2,745,750**	**3,109,950**	**2,692,500**
	0	1,867,627	2,572,000	2,428,000
Deductions for offsetting receipts:				
Proprietary receipts from the public 150	BA, 0	*–125*	.....	.....
152	BA, 0	*–312,076*	*–302,000*	*–297,000*
Total Federal funds	BA	**2,433,549**	**2,807,950**	**2,395,500**
	0	1,555,426	2,270,000	2,131,000
Trust funds:				
(As shown in detail above)	BA	**8,625,095**	**11,100,000**	**12,300,000**
	0	8,209,640	8,500,000	9,500,000
Deductions for offsetting receipts:				
Proprietary receipts from the public 155	BA, 0	*–9,368,676*	*–8,700,000*	*–9,200,000*
Total trust funds	BA	**– 743,581**	**2,400,000**	**3,100,000**
	0	–1,159,036	–200,000	300,000
Total International Security Assistance.	BA	**1,689,968**	**5,207,950**	**5,495,500**
	0	396,390	2,070,000	2,431,000
International Development Assistance				
MULTILATERAL ASSISTANCE				
Federal Funds				
General and special funds:				
International financial institutions 151	BA	**1,141,477**	**1,925,500**	**3,504,598**
	0	874,615	837,768	908,554
United States participation, supplementary financing facility, IMF 155	BA		[B]**200,000**	
Payment to the International Fund for Agricultural Development 151	0	.....	10,000	20,000
International organizations and programs 151	BA	**243,750**	**231,250**	[K]**282,150**
	0	250,310	232,620	270,220
Total Federal funds, Multilateral Assistance.	BA	**1,385,227**	**2,356,750**	**3,786,748**
	0	1,124,925	1,080,388	1,198,774

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

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FUNDS APPROPRIATED TO THE PRESIDENT—Continued				
FOREIGN ASSISTANCE—Continued				
International Development Assistance—Con.				
BILATERAL ASSISTANCE				
Federal Funds				
General and special funds:				
Functional development assistance program 151	BA	**856,000**	**931,000**	**[K]1,262,400**
	O	512,263	742,266	889,201
Sahel development program 151	BA	.....	**50,000**	**[K]90,000**
	O	.....	5,000	18,000
Payment to the Foreign Service retirement and disability fund 153	BA	**21,250**	**21,450**	**24,820**
			[A]2,770	
	O	21,250	21,450	24,820
			[A]2,770	
American schools and hospitals abroad 151	BA	**19,800**	**23,750**	**[K]8,000**
	O	13,799	20,954	16,854
International disaster assistance 151	BA	**45,000**	**56,500**	**[K]25,000**
	O	64,741	66,655	44,012
Operating expenses of the Agency for International Development 151	BA	**195,055**	**213,000**	**[K]261,000**
			[D]6,352	
	O	195,189	218,166	255,048
Miscellaneous appropriations 151	O	43,589	62,141	30,222
Public enterprise funds:				
Development loans—revolving fund 151	O	147,956	32,020	32,023
Housing and other credit guaranty programs 151	O	1,079	2,369	2,333
Overseas Private Investment Corporation 151	O	–11,175	–42,692	–44,748
Inter-American Foundation 151	BA	.....	.....	**7,882**
	O	5,525	8,346	9,354
Intragovernmental funds:				
Advance acquisition of property—revolving fund 151	O	118	.....	.....
Office of the Inspector General of Foreign Assistance 151	O	–49	241	.....
Consolidated working fund 151	O	–262	2,500	626
Total Federal funds, Bilateral Assistance.	BA	**1,137,105**	**1,304,822**	**1,679,102**
	O	994,023	1,142,186	1,277,745
Trust Funds				
Miscellaneous trust funds: Permanent, indefinite 151	BA	**3,821**	**4,000**	**4,000**
	O	593	6,918	4,000
Summary				
Federal funds:				
(As shown in detail above)	BA	**2,522,332**	**3,661,572**	**5,465,850**
	O	2,118,948	2,222,574	2,476,519
Deductions for offsetting receipts: Proprietary receipts from the public 150	BA, O	*–281,573*	*–319,493*	*–338,966*

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
FUNDS APPROPRIATED TO THE PRESIDENT—Continued				
FOREIGN ASSISTANCE—Continued				
International Development Assistance—Con.				
Summary—Continued				
Federal funds:—Continued				
902	BA	*–198,135*	*–242,535*	*–278,525*
	O			
Total Federal funds	BA	**2,042,624**	**3,099,544**	**4,848,359**
	O	1,639,240	1,660,546	1,859,028
Trust funds:				
(As shown in detail above)	BA	**3,821**	**4,000**	**4,000**
	O	593	6,918	4,000
Deductions for offsetting receipts:				
Proprietary receipts from the public.....151	BA	*–3,818*	*–4,000*	*–4,000*
	O			
Total trust funds	BA	**3**	.....	.....
	O	–3,225	2,918	.....
Total International Development Assistance.	BA	**2,042,627**	**3,099,544**	**4,848,359**
	O	1,636,015	1,663,464	1,859,028
International Narcotics Control Assistance				
Federal Funds				
General and special funds:				
International narcotics control.....151	BA	**34,000**	**37,100**	**[K]40,000**
	O	31,404	33,875	39,747
Contingencies				
Federal Funds				
General and special funds:				
President's foreign assistance contingency fund 151	BA	**5,000**	**5,000**	**[K]5,000**
	O	467	4,689	4,844
Total Federal funds Foreign Assistance.	BA	**4,515,173**	**5,949,594**	**7,288,859**
	O	3,226,537	3,969,110	4,034,619
Total trust funds Foreign Assistance.	BA	**– 743,578**	**2,400,000**	**3,100,000**
	O	–1,162,261	–197,082	300,000
ISRAEL-UNITED STATES BINATIONAL AGREEMENTS				
Federal Funds				
General and special funds:				
Israel-United States binational industrial research and development foundation 151	BA	**30,000**	.....	.....
	O	30,000	.....	.....
Israel-United States binational agricultural research and development fund 352	BA	.....	.....	**40,000**
	O	.....	.....	40,000
Total Israel-United States Binational Agreements.	BA	**30,000**	.....	**40,000**
	O	30,000	.....	40,000

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
FUNDS APPROPRIATED TO THE PRESIDENT—Continued				
PETROLEUM RESERVES				
Federal Funds				
General and special funds:				
Petroleum Reserves:				
Petroleum reserves (Energy supply)....271	BA	**406,116**	.....	.....
Current, indefinite.....	BA	**24,659**	.....	.....
	O	107,225	213,821	112,501
Petroleum reserves (Emergency energy preparedness): Indefinite 274	BA	**367,066**	.....	.....
	O	122,003	245,063	.....
Total, Petroleum Reserves.....	BA	**797,841**	.....	.....
	O	229,228	458,884	112,501
Summary				
Federal funds:				
(As shown in detail above).....	BA	**797,841**	.....	.....
	O	229,228	458,884	112,501
Deductions for offsetting receipts:				
Proprietary receipts from the public.....271	BA, O	*–379,385*	.....	.....
Total Petroleum Reserves.....	BA	**418,456**	.....	.....
	O	–150,157	458,884	112,501
PUBLIC WORKS ACCELERATION				
Federal Funds				
General and special funds:				
Public works acceleration.....452	O	.....	1,166	.....
SUMMARY				
Federal funds:				
(As shown in detail above).....	BA	**6,553,923**	**7,428,022**	**8,788,050**
	O	4,820,432	5,976,679	5,703,161
Deductions for offsetting receipts:				
Proprietary receipts from the public.....150	BA, O	*–281,698*	*–319,493*	*–338,966*
152	BA, O	*–312,076*	*–302,000*	*–297,000*
271	BA, O	*–379,385*	.....	.....
902	BA, O	*–198,135*	*–242,535*	*–278,525*
Total Federal funds.....	BA	**5,382,629**	**6,563,994**	**7,873,559**
	O	3,649,138	5,112,651	4,788,670
Trust funds:				
(As shown in detail above).....	BA	**8,628,916**	**11,104,000**	**12,304,000**
	O	8,210,233	8,506,918	9,504,000
Deductions for offsetting receipts:				
Proprietary receipts from the public.....151	BA, O	*–3,818*	*–4,000*	*–4,000*

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
FUNDS APPROPRIATED TO THE PRESIDENT—Continued				
SUMMARY—Continued				
Trust funds:—Continued				
155	BA 0	*–9,368,676*	*–8,700,000*	*–9,200,000*
Total trust funds	BA	**– 743,578**	**2,400,000**	**3,100,000**
	0	–1,162,261	–197,082	300,000
Total Funds Appropriated to the President.	BA	**4,639,051**	**8,963,994**	**10,973,559**
	0	2,486,877	4,915,569	5,088,670
DEPARTMENT OF AGRICULTURE				
DEPARTMENTAL ADMINISTRATION				
Federal Funds				
General and special funds:				
Departmental administration.....352	BA	**14,809**	**14,299** **[C]22** **[D]744**	**16,700**
	0	14,229	14,673	16,308
Intragovernmental funds:				
Working capital fund.....352	0	2,112	.....	.....
Miscellaneous consolidated working funds.....352	0	–15,891	.....	.....
Total Federal funds Departmental Administration.	BA	**14,809**	**15,065**	**16,700**
	0	450	14,673	16,308
OFFICE OF THE SECRETARY				
Federal Funds				
General and special funds:				
Office of the Secretary.....352	BA	**2,337**	**2,496** **[D]188** **[W]145**	**4,473**
	0	2,978	2,591 [W]145	4,380
OFFICE OF THE INSPECTOR GENERAL				
Federal Funds				
General and special funds:				
Office of the Inspector General.....352	BA	**27,750**	**28,412** **[D]957** **[G]388**	**32,186**
	0	25,907	29,274	31,633
OFFICE OF THE GENERAL COUNSEL				
Federal Funds				
General and special funds:				
Office of the General Counsel.....352	BA	**9,321**	**9,450** **[D]580**	**10,325**
	0	8,901	9,851	10,146

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
DEPARTMENT OF AGRICULTURE—Continued				
AGRICULTURAL RESEARCH SERVICE				
Federal Funds				
General and special funds:				
Agricultural Research Service.....352	BA	**281,909**	**324,859**	**323,588**
			[C]1,984	
			[D]11,495	
Reappropriation.....	BA	**1,000**	**2,000**	.....
	O	286,630	341,779	317,375
Scientific activities overseas (special	BA	**7,500**	**5,750**	**7,500**
foreign currency program).....352	O	7,102	6,750	7,500
Total Federal funds Agricultural	BA	**290,409**	**346,088**	**331,088**
Research Service.	O	293,732	348,529	324,875
Trust Funds				
Miscellaneous contributed funds:	BA	**847**	**975**	**976**
Permanent, indefinite.....352	O	848	975	976
COOPERATIVE STATE RESEARCH SERVICE				
Federal Funds				
General and special funds:				
Cooperative State Research Service	BA	**129,022**	**143,150**	**158,150**
352	O	120,572	148,457	144,949
Trust Funds				
Miscellaneous contributed funds.....352	O	.....	3	.....
EXTENSION SERVICE				
Federal Funds				
General and special funds:				
Extension Service.....352	BA	**241,906**	**268,721**	**262,047**
			[D]341	
	O	238,974	265,730	263,111
Intragovernmental funds:				
Consolidated working fund 352	O	1,193	2,517	.....
Total Federal funds Extension	BA	**241,906**	**269,062**	**262,047**
Service.	O	240,167	268,247	263,111
NATIONAL AGRICULTURAL LIBRARY				
Federal Funds				
General and special funds:				
National Agricultural Library.....352	BA	**6,193**	**6,877**	**7,631**
			[D]236	
	O	6,309	7,189	7,721
Library facilities 352	O	27	13	.....
Total Federal funds National	BA	**6,193**	**7,113**	**7,631**
Agricultural Library.	O	6,336	7,202	7,721
STATISTICAL REPORTING SERVICE				
Federal Funds				
General and special funds:				
Statistical Reporting Service.....352	BA	**35,930**	**36,885**	.....
			[D]1,859	
	O	34,715	38,396	.....

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Account and functional code		1977 actual	1978 estimate	1979 estimate
DEPARTMENT OF AGRICULTURE—Continued				
ECONOMIC RESEARCH SERVICE				
Federal Funds				
General and special funds:				
Economic Research Service.....352	BA	**27,994**	**29,205** **[A]950** **[D]1,627**	.....
	0	27,358	30,832 [A]950	.....
Intragovernmental funds:				
Consolidated working fund.....151	0	5,592	2,000	.....
Total Federal funds Economic Research Service.	BA	**27,994**	**31,782**	.....
	0	32,950	33,782	.....
ECONOMICS, STATISTICS, AND COOPERATIVES SERVICE				
Federal Funds				
General and special funds:				
Salaries and expenses.....352	BA	**5,647**	**6,376** **[C]3** **[D]377**	**80,008**
	0	5,614	6,574	79,812
Trust Funds				
Miscellaneous contributed funds:	BA	**51**	**110**	**110**
Permanent, indefinite.....352	0	34	137	105
WORLD FOOD AND AGRICULTURAL OUTLOOK AND SITUATION BOARD				
Federal Funds				
General and special funds:				
World food and agricultural outlook and situation board.....352	BA	.....	**950**	**1,009**
	0	.....	903	959
FOREIGN AGRICULTURAL SERVICE				
Federal Funds				
General and special funds:				
Foreign Agricultural Service.....352	BA	**39,950**	**45,517** **[D]1,141**	**51,663**
	0	36,460	46,902	51,292
Salaries and expenses (special foreign currency program).....352	0	455	500	500
Total Federal funds Foreign Agricultural Service.	BA	**39,950**	**46,658**	**51,663**
	0	36,915	47,402	51,792
INTERNATIONAL DEVELOPMENT STAFF				
Federal Funds				
General and special funds:				
Salaries and expenses.....352	BA	.....	**192**	**199**
	0	.....	192	199
Trust Funds				
Miscellaneous contributed funds:	BA	**97**	**213**	**213**
Permanent, indefinite.....352	0	97	194	213

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DEPARTMENT OF AGRICULTURE—Continued				
FOREIGN ASSISTANCE PROGRAMS				
Federal Funds				
General and special funds:				
Expenses, Public Law 480, foreign assistance programs, Agriculture 151	BA	**1,169,255**	**922,885**	**805,900**
	O	850,230	1,068,147	1,068,680
Increase (–) or decrease in amount owed by the Public Law 480 account to the Commodity Credit Corportation 351	O	319,025	–145,262	–262,780
Total Federal funds Foreign Assistance Programs.	BA	**1,169,255**	**922,885**	**805,900**
	O	1,169,255	922,885	805,900
AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE				
Federal Funds				
General and special funds:				
Salaries and expenses 351	BA	**157,280**	**161,653** **[A]57,145** **[D]9,445**	**227,816**
	O	160,393	167,317 [A]55,875	222,746 [A]1,270
Sugar Act program.....351	O	2	.....	.....
Agricultural conservation program 302	BA	**150,000**	..... **[W]36,600**	**100,000**
Contract authority.....	BA	**190,000**	**190,000**	.....
Liquidation of contract authority....		(130,000)	(240,000)	(115,000)
	O	182,994	288,500 [W]36,600	181,700
Water Bank Act program.....302	BA	**10,000**	**10,000**	**10,000**
	O	5,129	6,100	7,100
Cropland adjustment program.....351	O	19,702	.....	.....
Emergency conservation measures 453	BA	**10,000**	**10,000**	**10,000**
	O	15,859	15,000	15,000
Dairy and beekeeper indemnity program.....351	BA	**4,050**	**4,050**	**3,240**
	O	3,883	4,050	3,240
Forestry incentives program.....302	BA	**15,000**	**15,000**	**10,000**
	O	12,701	15,658	15,661
Total Federal funds Agricultural Stabilization and Conservation Service.	BA	**536,330**	**493,893**	**361,056**
	O	400,663	589,100	446,717
FEDERAL CROP INSURANCE CORPORATION				
Federal Funds				
General and special funds:				
Administrative and operating expenses.....351	BA	**12,000**	**12,000**	**12,000**
	O	12,066	12,000	12,000

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DEPARTMENT OF AGRICULTURE—Continued				
FEDERAL CROP INSURANCE CORPORATION —Continued				
Federal Funds—Continued				
Public enterprise funds:				
Federal Crop Insurance Corporation fund.....351	BA	**90,000**	.....	.....
			[A]**20,000**	
			[W]**30,000**	
	O	78,902	87,137	7,518
			[W]22,826	[W]7,174
Limitation on administrative and operating expenses.		(9,384)	(11,413)	(12,669)
			[D](1,005)	
Total Federal funds Federal Crop Insurance Corporation.	BA	**102,000**	**62,000**	**12,000**
	O	90,968	121,963	26,692
COMMODITY CREDIT CORPORATION				
SUPPORT AND RELATED ACTIVITIES				
Federal Funds				
Public enterprise funds:				
Price support and related programs:	BA	**899,053**	**524,342**	**990,900**
Reimbursement for net realized losses.....351				[J]**– 990,900**
Authority to spend public debt receipts.				[J]**5,500,000**
			[A]**17,491**	
				[J]**– 4,031,342**
Permanent, indefinite.....	BA	.....	**1,529,240**	**4,031,342**
				[J](990,900)
	O	3,809,156	7,281,460	4,275,895
			[A]17,491	
Limitation on administrative expenses.		(41,220)	(45,750)	(50,100)
			[A](5,950)	
SPECIAL ACTIVITIES				
Federal Funds				
General and special funds:				
National Wool Act (special fund):	BA	**47,275**	**10,428**	**33,552**
Permanent, indefinite.....351	O	10,428	33,552	38,654
Intragovernmental funds:				
(Conservation loans).....302	O	.....	50,000	–50,000
Increase or decrease (–) in amount owed to the Corporation by the Public Law 480 account.....351	O	–319,025	145,262	262,780
Total Federal funds, Special Activities.	BA	**47,275**	**10,428**	**33,552**
	O	–308,597	228,814	251,434
Total Federal funds Commodity Credit Corporation.	BA	**946,328**	**2,081,501**	**5,533,552**
	O	3,500,559	7,527,765	4,527,329
RURAL ELECTRIFICATION ADMINISTRATION				
Federal Funds				
General and special funds:				
Salaries and expenses.....271	BA	**22,299**	**22,567**	**24,833**
			[D]**1,247**	
	O	21,709	24,378	24,923
FARMERS HOME ADMINISTRATION				
Federal Funds				
General and special funds:				
Rural development grant programs 451	BA	**285,000**	**265,000**	**275,000**
	O	122,488	296,554	260,182

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DEPARTMENT OF AGRICULTURE—Continued				
FARMERS HOME ADMINISTRATION—Continued				
Federal Funds—Continued				
General and special funds:—Continued				
Salaries and expenses 452	BA	**177,311**	**186,847**	**209,891**
			[A]**5,260**	
			[C]**11**	
			[D]**9,613**	
	0	172,656	195,989	209,340
			[A]5,000	[A]260
Rural community fire protection grants....452	BA	**3,500**	**3,500**	.....
	0	3,866	4,000	809
Rural housing grant programs 371	BA	**16,500**	**16,500**	**54,500**
	0	10,397	20,723	28,718
Very low income housing repair grants....604	BA	**5,000**	**5,000**	**24,000**
			[W]**4,000**	
	0	4,929	4,900	23,211
			[W]4,000	
Public enterprise funds:				
Self-help housing land development fund....371	0	324	472	525
Rural housing insurance fund....371	BA	**175,429**	**344,402**	**320,192**
Current, indefinite....	BA	.....	.....	**43,740**
Permanent, indefinite	BA	**188**	**726**	**344**
Authority to spend public debt receipts.				[J]**5,700**
Authority to spend public debt receipts, Permanent, indefinite.	BA	**330,163**	**385,155**	**23,529**
	0	88,803	433,821	−127,796
				[J]5,700
Agricultural credit insurance fund 351	BA	**141,189**	**164,735**	**143,565**
	0	393,435	183,306	−388,210
Rural development insurance fund 452	BA	**47,484**	**75,547**	**107,276**
Authority to spend public debt receipts, Permanent, indefinite.	BA	**411,977**	**213,894**	**214,260**
	0	167,552	113,635	133,191
Community Services loan fund....452	0	−1,244	−200	320
Total Federal funds Farmers Home Administration.	BA	**1,593,741**	**1,680,190**	**1,421,997**
	0	963,206	1,262,200	146,250
SOIL CONSERVATION SERVICE				
Federal Funds				
General and special funds:				
Conservation operations....302	BA	**223,144**	**229,060**	**252,459**
			[D]**13,600**	
	0	215,145	230,900	242,400
River basin surveys and investigations....301	BA	**15,362**	**15,506**	**16,487**
			[D]**966**	
	0	16,258	17,813	15,230
Watershed planning 301	BA	**11,651**	**11,847**	**5,759**
			[D]**740**	
	0	11,052	13,610	6,022
Watershed and flood prevention operations 301	BA	**160,039**	**156,492**	**152,522**
			[D]**2,832**	
			[W]**30,000**	
	0	177,258	264,833	177,776
			[W]30,000	

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DEPARTMENT OF AGRICULTURE—Continued				
SOIL CONSERVATION SERVICE—Continued				
Federal Funds—Continued				
General and special funds:—Continued				
Great plains conservation program 302	BA	**21,639**	**21,704**	**8,023**
			[D]**369**	
	O	20,781	21,313	21,185
Resource conservation and development....302	BA	**30,679**	**31,033**	**6,797**
			[D]**946**	
	O	31,130	35,803	13,444
Total Federal funds Soil Conservation Service.	BA	**462,514**	**515,095**	**442,047**
	O	471,624	614,272	476,057
Trust Funds				
Miscellaneous contributed funds:				
(Water resources): Permanent, indefinite....301	BA	**1,187**	**937**	**937**
	O	957	1,448	1,225
(Conservation and land management): Permanent, indefinite....302	BA	**174**	**275**	**275**
	O	262	275	275
Total, Miscellaneous contributed funds.	BA	**1,361**	**1,212**	**1,212**
	O	1,219	1,723	1,500
Total trust funds Soil Conservation Service.	BA	**1,361**	**1,212**	**1,212**
	O	1,219	1,723	1,500
ANIMAL AND PLANT HEALTH INSPECTION SERVICE				
Federal Funds				
General and special funds:				
Animal and Plant Health Inspection Service:				
(Agricultural research and services) 352	BA	**181,662**	**199,623**	**220,213**
			[A]**1,255**	
			[D]**6,906**	
	O	190,966	217,167	217,135
			[A]1,255	
(Consumer and occupational health and safety)....554	BA	**140,861**	.....	.....
	O	144,904	.....	.....
Total, Animal and Plant Health Inspection Service.	BA	**322,523**	**207,784**	**220,213**
	O	335,870	218,422	217,135
Animal quarantine station: Permanent, indefinite 352	BA	.....	**327**	.....
	O	.....	521	.....
Total Federal funds Animal and Plant Health Inspection Service.	BA	**322,523**	**208,111**	**220,213**
	O	335,870	218,943	217,135
Trust Funds				
Miscellaneous trust funds: Permanent, indefinite 352	BA	**1,174**	**1,166**	**2,286**
	O	1,250	1,099	2,286

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DEPARTMENT OF AGRICULTURE—Continued				
FEDERAL GRAIN INSPECTION SERVICE				
Federal Funds				
General and special funds:				
Salaries and expenses 352	BA	**8,522**	**11,000** **[4]8,038** **[D]488**	**22,708**
	O	3,041	11,488 [4]8,038	22,708
Public enterprise funds:				
Inspection and weighing services 352	BA	**11,307**	.....	.....
	O	6,333	3,868	.....
Total Federal funds Federal Grain Inspection Service.	BA	**19,829**	**19,526**	**22,708**
	O	9,374	23,394	22,708
AGRICULTURAL MARKETING SERVICE				
Federal Funds				
General and special funds:				
Marketing services 352	BA	**49,615**	**40,950** **[D]2,145** **[W]2,000**	**49,231** **[J]– 5,665**
	O	50,829	43,293 [W]2,000	49,081 [J]–5,635
Payments to States and possessions 352	BA	**1,600**	**1,600**	.....
	O	271	1,600	.....
Perishable Agricultural Commodities Act fund: Permanent, indefinite 352	BA	**1,691**	**1,570**	**1,535**
	O	1,693	1,982	1,897
Total Federal funds Agricultural Marketing Service.	BA	**52,906**	**48,265**	**45,101**
	O	52,793	48,875	45,343
Trust Funds				
Miscellaneous trust funds 352	BA			**[J]7,428**
Permanent, indefinite	BA	**31,459**	**130**	**130**
	O	32,629	130	130 [J]6,348
Milk market orders assessment fund 351	O	–2,085	.....	.....
Total trust funds Agricultural Marketing Service.	BA	**31,459**	**130**	**7,558**
	O	30,544	130	6,478
FOOD SAFETY AND QUALITY SERVICE				
Federal Funds				
General and special funds:				
Salaries and expenses 554	BA	**103,493**	**253,328** **[D]14,000**	**271,475**
	O	84,424	266,139	268,426
Funds for strengthening markets, income, and supply (section 32): Permanent, indefinite 604	BA	**83,747**	**364,600**	**206,100**
	O	41,921	301,222	281,100 [J]–15,300
Total Federal funds Food Safety and Quality Service.	BA	**187,240**	**631,928**	**477,575**
	O	126,345	567,361	534,226

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Account and functional code		1977 actual	1978 estimate	1979 estimate
DEPARTMENT OF AGRICULTURE—Continued				
FOOD SAFETY AND QUALITY SERVICE—Con.				
Trust Funds				
Expenses and refunds, inspection and grading of farm products:	BA	**15,879**	**51,686**	**54,284**
Permanent, indefinite.....352	0	11,348	51,686	54,284
FOOD AND NUTRITION SERVICE				
Federal Funds				
General and special funds:				
Food program administration.....604	BA	.....	**64,951**	**[K]72,223**
			[D]3,317	
	0	.....	71,187	71,148
Food stamp program.....604	BA	**5,506,169**	**5,618,769**	**5,779,200**
			[F]– 388	
	0	5,398,795	5,655,000	5,748,498
Special milk program.....604	BA	**159,000**	**155,000**	**142,000**
				[J]– 112,000
	0	157,034	155,000	139,900
				[J]–95,100
Child nutrition programs.....604	BA	**1,788,032**	**1,488,344**	**[K]1,281,535**
				[J]– 105,400
Appropriation, Permanent.....	BA	**1,039,000**	**1,014,557**	**1,411,575**
	0	2,635,039	2,639,280	2,713,112
				[J]–105,400
Special supplemental food programs (WIC).....604	BA	**250,000**	**247,000**	**[K]555,000**
	0	245,356	360,000	525,800
Food donations program.....604	BA	**27,109**	**31,400**	**12,800**
	0	27,752	31,200	12,800
Elderly feeding program.....604	BA	**22,000**	**30,000**	.....
	0	21,476	30,000	216
Total Federal funds Food and Nutrition Service.	BA	**8,791,310**	**8,652,950**	**9,036,933**
	0	8,485,452	8,941,667	9,010,974
FOREST SERVICE				
Federal Funds				
General and special funds:				
Forest protection and utilization...302	BA	**764,524**	**688,465**	**833,531**
			[A]204,000	
			[D]25,882	
			[W]1,836	
	0	724,843	719,262	748,295
			[A]183,600	[A]20,400
			[W]1,650	[W]186
Construction and land acquisition 302	BA	**40,159**	**40,630**	**19,545**
			[D]463	
	0	26,399	64,389	22,795
Youth Conservation Corps.....302	BA	**60,000**	**60,000**	**60,000**
	0	48,058	71,613	56,000
Forest roads and trails.....302	BA	**12,952**	**175,833**	**173,922**
			[D]11,391	
Contract authority.....	BA	**– 39,828**	.....	.....
Liquidation of contract authority....		(208,104)	(78,781)	.....
	0	192,530	192,763	181,958
Forest roads.....302	BA	**206,800**	**212,115**	**243,466**
	0	9,121	91,020	178,350

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
DEPARTMENT OF AGRICULTURE—Continued				
FOREST SERVICE—Continued				
Federal Funds—Continued				
General and special funds:—Continued				
Assistance to States for tree improvement.....302	BA	**1,385**	**1,387**	**1,409**
			D22	
	O	1,622	1,408	1,235
Other general appropriations.....302	O	–5	285	.....
Acquisition of lands for national forests, special acts.....302	BA	**160**	**165**	**160**
	O	103	140	155
Acquisition of lands to complete land exchanges.....302	BA	**54**	**38**	**242**
	O	67	38	242
Rangeland improvements.....302	BA	**700**	**5,200**	**6,374**
	O	700	4,700	6,800
Construction and operation of recreation facilities.....303	BA	**2,552**	**4,084**	**3,459**
	O	3,009	4,005	4,129
Timber salvage sales.....302	BA	**3,000**	.....	.....
Permanent, indefinite.....	BA	**130**	.....	**1,556**
	O	471	2,529	1,472
Rights of way.....302	BA	.....	.....	**100**
	O	.....	.....	100
Forest Service permanent appropriations: Permanent, indefinite.....302	BA	**52,900**	**115,662**	**124,654**
	O	42,786	102,812	106,237
Forest Service permanent appropriations: Permanent, indefinite.....852	BA	**50,366**	**225,572**	**241,552**
	O	50,366	225,572	241,552
Intragovernmental funds:				
Working capital fund.....302	O	–9,377	231	–3,415
Consolidated working fund.....302	O	1,011	4,729	8,036
Total Federal funds Forest Service.	BA	**1,155,854**	**1,772,745**	**1,709,970**
	O	1,091,704	1,670,746	1,574,527
Trust Funds				
Cooperative work: Permanent, indefinite 302	BA	**131,247**	**94,500**	**105,002**
	O	70,426	75,000	78,174
Highland scenic highway.....401	BA	.....	**1,500**	.....
	O	1,331	8,250	3,050
Total trust funds Forest Service	BA	**131,247**	**96,000**	**105,002**
	O	71,757	83,250	81,224
SUMMARY				
Federal funds:				
(As shown in detail above).....	BA	**16,193,397**	**18,061,079**	**21,069,364**
	O	17,528,759	23,489,767	18,794,666
Deductions for offsetting receipts:				
Intrafund transactions.....302	BA } O }	*–9,121*	*–91,020*	*–227,343*
Proprietary receipts from the public.....270	BA } O }	*–2*	.....	.....
300	BA } O }	*–113,002*	*–314,372*	*–333,527*
302	BA } O }	*–594,683*	*–445,178*	*–476,332*

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DEPARTMENT OF AGRICULTURE—Continued				
SUMMARY—Continued				
Federal funds:—Continued				
350	BA	*–10,951*	*–2,881*	*–5,894*
	O			
450	BA	*1,862*	*–25*	*–25*
	O			
550	BA	.....	*–69*	*–69*
	O			
600	BA	*–47*	*–319*	*–319*
	O			
902	BA	*–68*	*–49*	*–49*
	O			
Total Federal funds	BA	**15,467,385**	**17,207,166**	**20,025,806**
	O	16,802,747	22,635,854	17,751,108
Trust funds:				
(As shown in detail above)	BA	**182,115**	**151,492**	**171,641**
	O	117,097	139,197	147,066
Deductions for offsetting receipts:				
Proprietary receipts from the public.....302	BA	*–131,247*	*–94,500*	*–105,002*
	O			
352	BA	*–50,868*	*–55,492*	*–66,639*
	O			
Total trust funds	BA	.....	**1,500**	.....
	O	–65,018	–10,795	–24,575
Total Department of Agriculture	BA	**15,467,385**	**17,208,666**	**20,025,806**
	O	16,737,729	22,625,059	17,726,533
DEPARTMENT OF COMMERCE				
GENERAL ADMINISTRATION				
Federal Funds				
General and special funds:				
Salaries and expenses.....376	BA	**22,208**	**20,765**	**23,172**
			[D]**1,500**	
	O	20,194	22,496	23,149
White House conference on balanced national growth and economic development.....376	BA	.....	**750**	.....
	O	.....	700	50
Special foreign currency program.376	BA	.....	.....	**500**
	O	627	1,200	1,280
Participation in United States expositions.....376	O	178	310	.....
Intragovernmental funds:				
Working capital fund.....376	O	123	.....	.....
Consolidated working fund.....376	O	–1,294	–616	.....
Total Federal funds General Administration.	BA	**22,208**	**23,015**	**23,672**
	O	19,828	24,090	24,479
Trust Funds				
Miscellaneous trust funds: Permanent, indefinite.....376	BA	**113**	**500**	**500**
	O	100	500	425

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DEPARTMENT OF COMMERCE—Continued				
BUREAU OF THE CENSUS				
Federal Funds				
General and special funds:				
Salaries and expenses.....376	BA	**44,887**	**45,164**	**50,745**
			[C]**39**	
			[D]**2,411**	
	0	47,703	47,385	50,436
Periodic censuses and programs..376	BA	**48,800**	**70,718**	**237,355**
			[A]**2,530**	
			[D]**3,150**	
			[W]**7,000**	
	0	40,128	64,424	201,750
			[A]2,100	[A]430
			[W]6,700	[W]300
Intragovernmental funds:				
Consolidated working fund.....376	0	–4,436	.....	.....
Total Federal funds Bureau of the Census.	BA	**93,687**	**131,012**	**288,100**
	0	83,395	120,609	252,916
Trust Funds				
Special studies, services, and projects:	BA	**5,827**	**6,740**	**4,876**
Permanent, indefinite.....376	0	5,846	6,740	4,876
ECONOMIC AND STATISTICAL ANALYSIS				
Federal Funds				
General and special funds:				
Salaries and expenses.....376	BA	**12,800**	**13,306**	**16,875**
			[D]**804**	
	0	12,639	13,840	16,625
Intragovernmental funds:				
Consolidated working fund.....376	0	–418	.....	.....
Total Federal funds Economic and Statistical Analysis.	BA	**12,800**	**14,110**	**16,875**
	0	12,221	13,840	16,625
Trust Funds				
Special studies, services, and projects:	BA	**104**	**150**	**150**
Permanent, indefinite.....376	0	83	150	150
ECONOMIC DEVELOPMENT ASSISTANCE				
Economic Development Administration				
Federal Funds				
General and special funds:				
Economic development assistance programs.....452	BA	**390,100**	**382,500**	[K]**627,425**
			[A]**117,000**	
	0	297,091	318,960	380,623
			[A]21,325	[A]18,060
Local public works program.....452	BA	**6,000,000**	.....	[K]**10,607**
			[B]**3,788**	
	0	585,264	2,300,000	2,010,788
			[B]3,545	[B]243
Drought assistance program.....452	BA	**175,000**	.....	.....
	0	14,903	150,000	.....
Administration of economic development assistance programs 452	BA	**27,525**	**26,717**	**28,827**
			[A]**250**	
			[D]**1,420**	
	0	27,328	27,858	28,584
			[A]225	[A]25

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DEPARTMENT OF COMMERCE—Continued				
ECONOMIC DEVELOPMENT ASSISTANCE—Con.				
Economic Development Administration—Con.				
Federal Funds—Continued				
General and special funds:—Continued				
Financial and technical assistance 376	0	1,290	1,645	1,000
Job opportunities program.....504	0	98,018	13,000	.....
Public enterprise funds:				
Economic development revolving fund.....452	0	–19,652	–21,500	–27,000
Total Federal funds Economic Development Administration.	BA	**6,592,625**	**531,675**	**666,859**
	0	1,004,242	2,815,058	2,412,323
Regional Action Planning Commissions				
Federal Funds				
General and special funds:				
Regional development programs...452	BA	**63,500**	**64,598** [D]**209**	**63,876**
	0	59,967	65,367	67,316
Trust Funds				
Regional action planning commissions: Permanent, indefinite.....452	BA	**43,047**	**41,402**	**41,963**
	0	46,973	42,960	41,252
Total Federal funds Economic Development Assistance.	BA	**6,656,125**	**596,482**	**730,735**
	0	1,064,209	2,880,425	2,479,639
Total trust funds Economic Development Assistance.	BA	**43,047**	**41,402**	**41,963**
	0	46,973	42,960	41,252
PROMOTION OF INDUSTRY AND COMMERCE				
Industry and Trade Administration				
Federal Funds				
General and special funds:				
Operations and administration.....376	BA	**58,555**	**63,461** [A]**3,360** [D]**3,275**	**69,733**
	0	63,085	65,611 [A]3,285	69,634 [A]75
Trust Funds				
Miscellaneous trust funds: Permanent, indefinite.....376	BA	**5,416**	**5,300**	**7,600**
	0	4,797	5,624	7,600
Minority Business Enterprise				
Federal Funds				
General and special funds:				
Minority business development.....376	BA	**50,350**	**48,997** [D]**425**	**60,559**
	0	54,258	60,278	55,195
United States Travel Service				
Federal Funds				
General and special funds:				
Salaries and expenses.....376	BA	**14,470**	**14,140** [D]**224**	[K]**14,543**
	0	14,373	14,616	14,651

See footnotes at end of table.

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DEPARTMENT OF COMMERCE—Continued				
PROMOTION OF INDUSTRY AND COMMERCE—Continued				
United States Travel Service—Continued				
Federal Funds—Continued				
Intragovernmental funds:				
Consolidated working fund.....376	0	–9	.....	.....
Total Federal funds United States Travel Service.	BA	**14,470**	**14,364**	**14,543**
	0	14,364	14,616	14,651
Total Federal funds Promotion of Industry and Commerce.	BA	**123,375**	**133,882**	**144,835**
	0	131,707	143,790	139,555
Total trust funds Promotion of Industry and Commerce.	BA	**5,416**	**5,300**	**7,600**
	0	4,797	5,624	7,600
SCIENCE AND TECHNOLOGY				
National Oceanic and Atmospheric Administration				
Federal Funds				
General and special funds:				
Operations, research, and facilities 306	BA	**582,875**	**605,521** [C]**1,307** [D]**17,928** [E]**505**	[K]**659,567**
Current, indefinite.....	BA	**1,620**	**1,600**	**1,600**
	0	509,976	612,315	654,277
Construction.....306	BA	**970**	**15,500**	**44,000**
	0	1,131	5,836	30,000
Coastal zone management.....302	BA	**37,695**	**50,780** [D]**144**	[K]**57,279**
	0	22,076	31,152	43,099
Promote and develop fishery products and research pertaining to American fisheries: Permanent, indefinite.....376	BA	**7,990**	**12,984**	**15,000**
	0	8,516	10,000	10,000
Public enterprise funds:				
Fisheries loan fund.....376	0	–245	3	85
Offshore shrimp fisheries fund.....376	0	420	.....	.....
Fishermen's guaranty fund.....376	BA	**61**	.....	.....
	0	–14	32	61
Coastal energy impact fund.....452	BA	**115,000**	**115,000**	**4,036**
	0	.....	3,900	14,988
Federal ship financing fund, fishing vessels.....376	0	62	37	–50
Intragovernmental funds:				
Consolidated working fund.....306	0	–1,366	.....	.....
Total Federal funds National Oceanic and Atmospheric Administration.	BA	**746,211**	**821,269**	**781,482**
	0	540,556	663,275	752,460
Trust Funds				
Miscellaneous trust funds: Permanent, indefinite.....306	BA	**10,567**	**11,297**	**11,297**
	0	10,332	11,297	11,297

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DEPARTMENT OF COMMERCE—Continued				
SCIENCE AND TECHNOLOGY—Continued				
National Fire Prevention and Control Administration				
Federal Funds				
General and special funds:				
Operations, research, and administration.....451	BA	**12,339**	**13,849**	[K]**17,826**
			[D]**349**	
	O	12,265	17,526	17,563
Facilities.....451	BA	**2,850**	.....	.....
	O	2,600	250	.....
Total Federal funds National Fire Prevention and Control Administration.	BA	**15,189**	**14,198**	**17,826**
	O	14,865	17,776	17,563
Patent and Trademark Office				
Federal Funds				
General and special funds:				
Salaries and expenses.....376	BA	**89,400**	**89,461**	**94,753**
			[C]**106**	
			[D]**4,754**	
	O	87,409	94,100	94,280
Science and Technical Research				
Federal Funds				
General and special funds:				
Scientific and technical research and services.....376	BA	**69,450**	**68,684**	[K]**91,764**
			[A]**1,084**	
			[C]**367**	
			[D]**3,316**	
	O	70,656	67,901	83,921
			[A]1,000	[A]84
Intragovernmental funds:				
Working capital fund.....376	BA	**2,085**	**2,667**	**3,756**
			[A]**485**	
	O	2,808	1,800	4,379
			[A]364	[A]121
Consolidated working fund.....376	O	–2,035	.....	.....
Total Federal funds Science and Technical Research.	BA	**71,535**	**76,603**	**95,520**
	O	71,429	71,065	88,505
Trust Funds				
Information products and services:	BA	**17,838**	**18,400**	**19,787**
Permanent, indefinite.....376	O	15,895	18,400	19,787
National Telecommunications and Information Administration				
Federal Funds				
General and special funds:				
Salaries and expenses.....376	BA	.....	**7,158**	**11,981**
			[D]**373**	
	O	.....	7,454	9,075
Total Federal funds Science and Technology.	BA	**922,335**	**1,013,922**	**1,001,562**
	O	714,259	853,670	961,883
Total trust funds Science and Technology.	BA	**28,405**	**29,697**	**31,084**
	O	26,227	29,697	31,084

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DEPARTMENT OF COMMERCE—Continued				
OCEAN SHIPPING				
Maritime Administration				
Federal Funds				
General and special funds:				
Ship construction 403	BA	.....	**135,000**	[K]**157,000**
	O	219,425	185,000	168,000
Operating-differential subsidies: 403				
Contract authority, Permanent, indefinite.	BA	**320,022**	**309,145**	**305,504**
Liquidation of contract authority....		(388,000)	(352,000)	(262,800)
	O	343,876	322,500	336,526
Research and development 403	BA	**18,500**	**18,325**	[K]**17,500**
	O	17,164	22,160	17,500
Operations and training 403	BA	**49,700**	**53,994**	[K]**57,328**
			[C]**202**	
			[D]**1,848**	
	O	48,555	55,064	57,395
Public enterprise funds:				
Federal ship financing fund 403	O	–30,931	–41,000	–47,300
Vessel operations revolving fund 403	O	243	–364	.....
War risk insurance revolving fund 403	O	–507	–459	–330
Intragovernmental funds:				
Consolidated working fund 403	O	–4,328	3,889	.....
Total Federal funds Maritime Administration.	BA	**388,222**	**518,514**	**537,332**
	O	593,497	546,790	531,791
Trust Funds				
Special studies, services and projects:	BA	**160**	**420**	**420**
Permanent, indefinite 403	O	13	522	420
Total Federal funds Ocean Shipping.	BA	**388,222**	**518,514**	**537,332**
	O	593,497	546,790	531,791
Total trust funds Ocean Shipping.	BA	**160**	**420**	**420**
	O	13	522	420
SUMMARY				
Federal funds:				
(As shown in detail above)	BA	**8,218,752**	**2,430,937**	**2,743,111**
	O	2,619,116	4,583,214	4,406,888
Deductions for offsetting receipts:				
Proprietary receipts from the public 300	BA, O	*–1,861*	*–1,703*	*–1,702*
370	BA, O	*–4,306*	*–3,984*	*–2,518*
400	BA, O	*–6,551*	*–49,770*	*–5,831*
450	BA, O	*–137*	*–182*	*–182*
902	BA, O	*–1,695*	*–5,875*	*–11,128*
Total Federal funds	BA	**8,204,202**	**2,369,423**	**2,721,750**
	O	2,604,566	4,521,700	4,385,527

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
DEPARTMENT OF COMMERCE—Continued				
SUMMARY—Continued				
Trust funds:				
(As shown in detail above)	BA	**83,072**	**84,209**	**86,593**
	O	84,039	86,193	85,807
Deductions for offsetting receipts:				
Intrafund transactions.....376	BA	*–1,044*	*–5,872*	*–4,064*
	O			
Proprietary receipts from the public.....306	BA	*–10,566*	*–11,297*	*–11,297*
	O			
376	BA	*–28,155*	*–19,228*	*–22,379*
	O			
403	BA	*–160*	*–420*	*–420*
	O			
452	BA	*–1,405*	*–1,572*	*–1,706*
	O			
Total trust funds	BA	**41,742**	**45,820**	**46,727**
	O	42,709	47,804	45,941
Interfund transactions.....376	BA		**– 5,520**	**– 6,000**
	O			
452	BA	**– 41,642**	**– 39,830**	**– 40,257**
	O			
Total Department of Commerce.	BA	**8,204,302**	**2,369,893**	**2,722,220**
	O	2,605,633	4,524,154	4,385,211
DEPARTMENT OF DEFENSE—MILITARY				
MILITARY PERSONNEL				
Federal Funds				
General and special funds:				
Military personnel, Army.....051	BA	**8,841,053**	**8,741,800** **[A]13,300** **[E]401,633**	**9,180,000**
	O	8,695,556	9,011,700 [A]13,300	9,042,000
Military personnel, Navy.....051	BA	**6,141,630**	**6,169,662** **[A]10,900** **[E]284,550**	**6,463,000**
	O	6,020,797	6,358,100 [A]10,900	6,400,000
Military personnel, Marine Corps..051	BA	**1,909,462**	**1,918,400** **[A]2,836** **[E]101,964**	**2,016,500**
	O	1,871,089	1,950,164 [A]2,836	1,977,000
Military personnel, Air Force.....051	BA	**7,335,652**	**7,199,900** **[A]5,300** **[E]395,890**	**7,576,000**
	O	7,269,499	7,511,700 [A]5,300	7,500,000
Reserve personnel, Army.....051	BA	**479,769**	**532,600**	**532,600**
	O	469,808	512,000	527,000
Reserve personnel, Navy.....051	BA	**220,010**	**206,075** **[E]10,625**	**179,000**
	O	215,237	211,000	180,000

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DEPARTMENT OF DEFENSE—MILITARY—Continued				
MILITARY PERSONNEL—Continued				
Federal Funds—Continued				
General and special funds:—Continued				
Reserve personnel, Marine Corps..051	BA	**78,173**	**78,700**	**81,200**
			[E]2,800	
	O	74,911	80,000	81,000
Reserve personnel, Air Force.....051	BA	**163,807**	**171,400**	**183,600**
			[E]7,400	
	O	155,534	165,000	174,000
National Guard personnel, Army...051	BA	**721,915**	**782,500**	**747,100**
	O	722,195	762,000	736,000
National Guard personnel, Air Force 051	BA	**226,500**	**231,800**	**252,200**
			[E]11,700	
	O	220,311	238,000	249,000
Total Federal funds Military Personnel.	BA	**26,117,971**	**27,281,735**	**27,211,200**
	O	25,714,937	26,832,000	26,866,000
RETIRED MILITARY PERSONNEL				
Federal Funds				
General and special funds:				
Retired pay, Defense.....051	BA	**8,238,100**	**9,010,000**	**10,148,938**
			[A]229,600	
	O	8,216,429	8,982,000	10,121,400
			[A]229,000	[A]600
OPERATION AND MAINTENANCE				
Federal Funds				
General and special funds:				
Operation and maintenance, Army 051	BA	**8,115,702**	**8,225,774**	**9,233,400**
			[A]180,800	
			[C]94,600	
			[D]180,500	
	O	7,590,150	8,086,500	8,971,700
			[A]177,500	[A]3,300
Operation and maintenance, Navy 051	BA	**9,689,813**	**10,779,963**	**11,843,000**
			[A]54,700	
			[C]116,600	
			[D]140,000	
	O	9,020,800	10,378,400	11,509,900
			[A]53,600	[A]1,100
Operation and maintenance, Marine Corps.....051	BA	**592,925**	**619,128**	**744,100**
			[A]16,100	
			[C]8,100	
			[D]7,800	
	O	562,213	607,200	730,700
			[A]15,800	[A]300
Operation and maintenance, Air Force.....051	BA	**8,273,379**	**8,451,479**	**9,415,200**
			[A]47,700	
			[C]58,700	
			[D]118,900	
	O	8,033,634	8,532,300	9,279,000
			[A]46,700	[A]1,000

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DEPARTMENT OF DEFENSE—MILITARY—Continued				
OPERATION AND MAINTENANCE—Continued				
Federal Funds—Continued				
General and special funds:—Continued				
Operation and maintenance, Defense agencies.....051	BA	**2,807,253**	**2,809,790** **[A]7,800** **[C]10,600** **[D]118,400** **[W]3,400**	**3,094,000**
	O	2,799,667	2,838,100 [A]7,600 [W]3,300	2,979,700 [A]200 [W]100
Operation and maintenance, Army Reserve.....051	BA	**364,689**	**379,194** **[C]3,300** **[D]10,000**	**420,800**
	O	357,368	382,000	410,000
Operation and maintenance, Navy Reserve.....051	BA	**290,600**	**316,290** **[C]1,300** **[D]1,700**	**379,300**
	O	298,827	314,000	359,000
Operation and maintenance, Marine Corps Reserve.....051	BA	**15,135**	**16,528** **[D]85**	**20,000**
	O	13,140	16,000	19,000
Operation and maintenance, Air Force Reserve.....051	BA	**355,525**	**374,349** **[C]4,500** **[D]6,000**	**395,300**
	O	352,544	376,000	388,000
Operation and maintenance, Army National Guard.....051	BA	**724,066**	**739,546** **[C]10,500** **[D]18,300**	**795,700**
	O	688,916	747,000	785,000
Operation and maintenance, Air National Guard.....051	BA	**792,000**	**825,207** **[C]9,900** **[D]14,000**	**938,600**
	O	786,894	831,000	922,000
National Board for the Promotion of Rifle Practice, Army.....051	BA	**300**	**365**	**352**
	O	276	350	360
Claims, Defense.....051	BA	**82,500**	**82,500**	**89,500**
	O	80,952	77,000	88,000
Contingencies, Defense.....051	BA	**2,500**	**2,500**	**5,000**
	O	674	1,850	3,690
Court of Military Appeals, Defense 051	BA	**1,286**	**1,735** **[D]115**	**1,948**
	O	1,387	1,800	1,950
Total Federal funds Operation and Maintenance.	BA	**32,107,673**	**34,868,748**	**37,376,200**
	O	30,587,442	33,494,000	36,454,000
PROCUREMENT				
Federal Funds				
General and special funds:				
Aircraft procurement, Army.....051	BA	**533,900**	**657,100**	**[K]1,017,800**
	O	300,684	358,000	527,000
Missile procurement, Army.....051	BA	**473,000**	**536,883**	**[K]773,200**
	O	374,307	424,000	551,000

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DEPARTMENT OF DEFENSE—MILITARY—Continued				
PROCUREMENT—Continued				
Federal Funds—Continued				
General and special funds:—Continued				
Procurement of weapons and tracked combat vehicles, Army.....051	BA	**1,089,800**	**1,421,200**	**[K]1,636,600**
	O	581,867	932,000	1,021,000
Procurement of ammunition, Army 051	BA	**897,900**	**1,171,300**	**[K]1,420,100**
	O	646,942	873,000	1,008,000
Other procurement, Army.....051	BA	**1,383,000**	**1,400,325**	**1,789,200**
	O	693,209	964,000	1,201,000
Aircraft procurement, Navy.....051	BA	**2,843,500**	**3,479,000**	**[K]4,078,800**
			[W]73,900	
	O	2,656,599	2,664,000	3,081,000
			[W]11,000	[W]31,000
Weapons procurement, Navy.....051	BA	**2,022,200**	**2,181,900**	**[K]2,047,500**
			[A]58,700	
	O	1,004,557	1,491,100	1,726,500
			[A]5,900	[A]23,500
Shipbuilding and conversion, Navy 051	BA	**5,742,400**	**5,760,500**	**[K]4,712,400**
	O	2,840,524	3,000,000	3,256,000
Other procurement, Navy.....051	BA	**2,179,800**	**2,176,410**	**2,708,600**
	O	1,624,848	1,844,000	2,100,000
Procurement, Marine Corps.....051	BA	**326,700**	**440,400**	**[K]371,900**
	O	250,218	264,000	333,000
Aircraft procurement, Air Force.....051	BA	**6,067,700**	**6,207,100**	**[K]6,897,700**
			[W]– 429,000	
	O	3,586,184	4,638,000	5,067,000
			[W]–43,000	[W]–172,000
Missile procurement, Air Force.....051	BA	**1,827,700**	**1,695,700**	**[K]1,676,800**
			[W]62,600	
	O	1,501,478	1,676,400	1,774,000
			[W]10,600	[W]31,000
Other procurement, Air Force.....051	BA	**2,289,350**	**2,323,445**	**2,516,100**
	O	1,834,232	2,161,000	2,321,000
Procurement, Defense agencies....051	BA	**244,700**	**327,826**	**280,900**
	O	149,925	213,000	288,000
Procurement of aircraft and missiles, Navy.....051	O	107,600	55,000	30,000
Procurement of equipment and missiles, Army.....051	O	25,057	10,000	10,000
Total Federal funds Procurement.	BA	**27,921,650**	**29,545,289**	**31,927,600**
	O	18,178,231	21,552,000	24,208,000
RESEARCH, DEVELOPMENT, TEST, AND EVALUATION				
Federal Funds				
General and special funds:				
Research, development, test, and evaluation, Army.....051	BA	**2,280,816**	**2,408,327**	**[K]2,721,400**
	O	2,069,189	2,304,000	2,575,000
Research, development, test, and evaluation, Navy.....051	BA	**3,722,552**	**3,991,791**	**[K]4,490,500**
	O	3,480,513	3,800,000	4,184,000

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DEPARTMENT OF DEFENSE—MILITARY—Continued				
RESEARCH, DEVELOPMENT, TEST, AND EVALUATION—Continued				
Federal Funds—Continued				
General and special funds:—Continued				
Research, development, test, and evaluation, Air Force.....051	BA	**3,754,530**	**3,917,766**	[K]**4,339,100**
			[W]**240,500**	
	O	3,618,473	3,778,000	4,164,000
			[W]149,000	[W]83,000
Research, development, test, and evaluation, Defense agencies...051	BA	**651,280**	**745,278**	[K]**889,400**
			[W]**9,000**	
	O	610,460	659,000	825,000
			[W]5,000	[W]3,000
Director of test and evaluation, Defense.....051	BA	**30,000**	**25,000**	[K]**27,600**
	O	16,531	19,000	27,000
Total Federal funds Research, Development, Test, and Evaluation.	BA	**10,439,178**	**11,337,662**	**12,468,000**
	O	9,795,166	10,714,000	11,861,000
MILITARY CONSTRUCTION				
Federal Funds				
General and special funds:				
Military construction, Army.....051	BA	**597,664**	**527,769**	[K]**881,900**
	O	654,861	669,000	626,000
Military construction, Navy.....051	BA	**570,265**	**463,056**	[K]**820,900**
	O	655,356	590,000	547,000
Military construction, Air Force.....051	BA	**808,079**	**406,986**	[K]**639,100**
	O	385,106	449,000	573,000
Military construction, Defense agencies.....051	BA	**41,396**	**58,009**	[K]**176,300**
	O	23,547	24,000	52,000
Military construction, Army National Guard.....051	BA	**61,128**	**49,400**	[K]**49,700**
	O	59,582	56,000	52,000
Military construction, Air National Guard.....051	BA	**37,200**	**43,300**	[K]**41,500**
	O	45,207	40,000	42,000
Military construction, Army Reserve 051	BA	**53,804**	**50,500**	[K]**34,800**
Permanent, indefinite.....	BA	.....	**662**	.....
	O	40,331	49,000	49,000
Military construction, Naval Reserve 051	BA	**23,600**	**21,700**	[K]**20,400**
	O	36,572	27,000	22,000
Military construction, Air Force Reserve.....051	BA	**10,773**	**11,200**	[K]**12,500**
	O	13,243	15,000	13,000
Total Federal funds Military Construction.	BA	**2,203,909**	**1,632,582**	**2,677,100**
	O	1,913,805	1,919,000	1,976,000
FAMILY HOUSING				
Federal Funds				
General and special funds:				
Family housing, Defense.....051	BA	**1,257,722**	**1,344,300**	[K]**1,570,900**
			[A]**1,700**	
			[C]**6,775**	
			[D]**1,178**	
	O	1,356,154	1,449,300	1,429,000
			[A]1,700	

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
DEPARTMENT OF DEFENSE—MILITARY—Continued				
FAMILY HOUSING—Continued				
Federal Funds—Continued				
Public enterprise funds:				
Homeowners assistance fund, Defense 051	BA	.....	1,500	K5,000
	0	1,712	4,000	7,000
Total Federal funds Family Housing.	BA	1,257,722	1,355,453	1,575,900
	0	1,357,866	1,455,000	1,436,000
CIVIL DEFENSE				
Federal Funds				
General and special funds:				
Operation and maintenance, Defense Civil Preparedness Agency 051	BA	67,826	69,300	K77,000
			D1,300	
	0	69,130	71,000	75,000
Research, shelter survey, and marking 051	BA	19,628	20,700	K19,500
			D300	
	0	23,597	27,000	23,000
Total Federal funds Civil Defense.	BA	87,454	91,600	96,500
	0	92,727	98,000	98,000
SPECIAL FOREIGN CURRENCY PROGRAM				
Federal Funds				
General and special funds:				
Special foreign currency program 051	BA	3,665	2,480	K14,362
	0	2,856	2,600	2,800
REVOLVING AND MANAGEMENT FUNDS				
Federal Funds				
Public enterprise funds:				
Defense production guarantees 051	0	–522	240	990
Laundry service, Naval Academy 051	0	–25	80	.....
Intragovernmental funds:				
Army stock fund 051	BA	100,000	100,000	74,000
	0	–11,001	142,600	170,300
Navy stock fund 051	BA	32,000	30,000	.....
	0	51,767	–6,600	79,700
Marine Corps stock fund 051	BA	6,200	1,900	.....
	0	6,920	27,600	200
Air Force stock fund 051	BA	58,800	34,600	26,800
	0	18,536	15,000	37,800
Defense stock fund 051	BA	22,800	4,300	.....
	0	–254,213	112,200	–55,500
Army industrial fund 051	0	39,979	–41,710	22,822
Navy industrial fund 051	0	32,265	54,190	–19,857
Marine Corps industrial fund 051	0	2,273	402	–646
Air Force industrial fund 051	0	146,586	–22,269	–22,658
Defense industrial fund 051	0	1,135	–8,500	.....
Army management fund 051	0	–13,641	.....	.....
Navy management fund 051	0	5,036	5,407	.....

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DEPARTMENT OF DEFENSE—MILITARY—Continued				
REVOLVING AND MANAGEMENT FUNDS—Con.				
Federal Funds—Continued				
Intragovernmental funds:—Continued				
Air Force management fund.....051	0	388	1,260	849
Total Federal funds Revolving and Management Funds.	BA	**219,800**	**170,800**	**100,800**
	0	25,483	279,900	214,000
ALLOWANCES				
Federal Funds				
General and special funds:				
Civilian and military pay raises...051	BA			[1] **2,371,100**
	BA			[2] **– 135,900**
	0			[1] 2,353,200
	0			[2] –134,900
Retired pay legislation.....051	BA			[2] **23,300**
	0			[2] 23,300
Other legislation.....051	BA			[2] **46,400**
	0			[2] 46,400
Total Federal funds Allowances.	BA	.....	.....	**2,304,900**
	0	.....	.....	2,288,000
TRUST FUNDS				
Miscellaneous trust funds: Permanent, indefinite.....051	BA	**10,611**	**9,295**	**9,892**
	0	8,631	9,226	9,541
Miscellaneous trust revolving funds.051	0	–60,855	4,574	9,459
Total trust funds.....	BA	**10,611**	**9,295**	**9,892**
	0	–52,224	13,800	19,000
SUMMARY				
Federal funds:				
(As shown in detail above).....	BA	**108,597,122**	**115,525,949**	**125,901,500**
	0	95,884,942	105,557,500	115,525,800
Deductions for offsetting receipts: Proprietary receipts from the public.....051	BA, 0	*–173,471*	*–262,700*	*–335,700*
Total Federal funds.....	BA	**108,423,651**	**115,263,249**	**125,565,800**
	0	95,711,471	105,294,800	115,190,100
Trust funds:				
(As shown in detail above).....	BA	**10,611**	**9,295**	**9,892**
	0	–52,224	13,800	19,000
Interfund transactions.....051	BA, 0	**– 9,092**	**– 8,600**	**– 9,100**
Total Department of Defense—Military.	BA	**108,425,170**	**115,263,944**	**125,566,592**
	0	95,650,155	105,300,000	115,200,000
DEPARTMENT OF DEFENSE—CIVIL				
CEMETERIAL EXPENSES, ARMY				
Federal Funds				
General and special funds:				
Salaries and expenses.....705	BA	**6,161**	**5,000**	**5,200**
	0	4,815	6,300	6,500

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Account and functional code		1977 actual	1978 estimate	1979 estimate
DEPARTMENT OF DEFENSE—CIVIL—Continued				
CORPS OF ENGINEERS—CIVIL				
Federal Funds				
General and special funds:				
General investigations.....301	BA	**71,920**	**103,646**	**108,100**
			[G]3,300	
	O	69,818	90,300	110,000
Construction, general.....301	BA	**1,430,195**	**1,523,820**	[K]**1,274,400**
			[F]– 30,000	
	O	1,320,708	1,390,000	1,362,000
Operation and maintenance, general 301	BA	**667,600**	**745,370**	**750,500**
			[G]23,500	
	O	638,826	704,200	741,900
Flood control and coastal emergencies.....301	BA	**22,140**	**18,000**	**20,000**
	O	40,857	–25,000	19,800
General expenses.....301	BA	**49,050**	**56,800**	**66,500**
			[G]3,200	
	O	49,991	59,400	66,000
Flood control, Mississippi River and tributaries.....301	BA	**231,497**	**253,081**	[K]**204,000**
	O	220,072	225,000	212,000
Special recreation use fees.....303	BA	**2,000**	**6,000**	**3,300**
	O	1,801	5,200	3,500
Permanent appropriations:				
(Water resources): Permanent, indefinite.....301	BA	**1,370**	**1,000**	**1,025**
	O	2,742	1,428	1,000
(Other general purpose fiscal assistance): Permanent, indefinite.....852	BA	**4,656**	**6,470**	**5,175**
	O	.....	6,126	5,000
Total, Permanent appropriations	BA	**6,026**	**7,470**	**6,200**
	O	2,742	7,554	6,000
Public enterprise funds:				
Alaska hydro-electric power development fund.....271	BA		[W]5,450	
Intragovernmental funds:				
Revolving fund.....301	BA	**6,600**	**21,525**	**22,000**
	O	–21,842	15,254	16,866
Consolidated working fund.....301	O	–46,619	56,996	3,670
Trust Funds				
Corps of Engineers—Civil: Permanent, indefinite.....301	BA	**31,463**	**33,500**	**35,000**
	O	33,775	33,500	35,000
Summary				
Federal funds:				
(As shown in detail above).....	BA	**2,487,028**	**2,741,162**	**2,455,000**
	O	2,276,354	2,528,904	2,541,736
Deductions for offsetting receipts:				
Proprietary receipts from the public.....271	BA, O	*–11*	*–13*	*–14*
300	BA, O	*–13,940*	*–16,500*	*–17,800*
902	BA, O	*–1,792*	*–1,987*	*–2,186*
Total Federal funds.....	BA	**2,471,285**	**2,722,662**	**2,435,000**
	O	2,260,611	2,510,404	2,521,736

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
DEPARTMENT OF DEFENSE—CIVIL—Continued				
CORPS OF ENGINEERS—CIVIL—Continued				
Summary—Continued				
Trust funds:				
(As shown in detail above)	BA	**31,463**	**33,500**	**35,000**
	O	33,775	33,500	35,000
Deductions for offsetting receipts:				
Proprietary receipts from the public.....301	BA, O	*–31,463*	*–33,500*	*–35,000*
Total trust funds	O	2,312	.....	.....
Total Corps of Engineers—Civil	BA	**2,471,285**	**2,722,662**	**2,435,000**
	O	2,262,923	2,510,404	2,521,736
RYUKYU ISLANDS, ARMY				
Federal Funds				
General and special funds:				
Administration.....806	O	.....	3	.....
Summary				
Federal funds:				
(As shown in detail above)	O	.....	3	.....
Deductions for offsetting receipts:				
Proprietary receipts from the public.....800	BA, O	*–409*	*–410*	*–410*
Total Ryukyu Islands, Army	BA	**– 409**	**– 410**	**– 410**
	O	–409	–407	–410
SOLDIERS' AND AIRMEN'S HOME				
Trust Funds				
Operation and maintenance.....705	BA	**16,099**	**16,356** [C]**80** [D]**446**	**16,939**
	O	15,801	16,882	16,927
Payment of claims: Permanent, indefinite.....705	BA	.....	**5**	**5**
	O	.....	5	5
Soldiers' and Airmen's Home revolving fund.....705	O	2	.....	.....
Summary				
Federal funds:				
Deductions for offsetting receipts:				
Proprietary receipts from the public.....705	BA, O	*–1*	.....	.....
Total Federal funds	BA	**– 1**	.....	.....
	O	–1	.....	.....
Trust funds:				
(As shown in detail above)	BA	**16,099**	**16,887**	**16,944**
	O	15,803	16,887	16,932
Deductions for offsetting receipts:				
Proprietary receipts from the public.....705	BA, O	*–1,404*	*–1,839*	*–2,022*
Total trust funds	BA	**14,695**	**15,048**	**14,922**
	O	14,399	15,048	14,910
Total Soldiers' and Airmen's Home.	BA	**14,694**	**15,048**	**14,922**
	O	14,398	15,048	14,910

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
DEPARTMENT OF DEFENSE—CIVIL—Continued				
THE PANAMA CANAL				
CANAL ZONE GOVERNMENT				
Federal Funds				
General and special funds:				
Operating expenses.....806	BA	**65,900**	**70,500**	**74,621**
			[D]567	
	O	61,431	71,067	74,621
Capital outlay.....806	BA	**3,150**	**2,130**	**2,285**
	O	4,063	4,000	2,625
Total Federal funds, Canal Zone Government.	BA	**69,050**	**73,197**	**76,906**
	O	65,494	75,067	77,246
PANAMA CANAL COMPANY				
Federal Funds				
Public enterprise funds:				
Corporation: Panama Canal Company 403	O	–986	556	1,625
Limitation on general and administrative expenses.		(25,285)	(26,231)	(27,580)
			[D](625)	
Summary				
Federal funds:				
(As shown in detail above).....	BA	**69,050**	**73,197**	**76,906**
	O	64,508	75,623	78,871
Deductions for offsetting receipts:				
Intrafund transactions.....806	BA, O	*–17,771*	*–21,990*	*–23,854*
Proprietary receipts from the public.....800	BA, O	*–48,427*	*–48,963*	*–50,354*
902	BA, O	*–48*	*–70*	*–70*
Total The Panama Canal.....	BA	**2,804**	**2,174**	**2,628**
	O	–1,738	4,600	4,593
MISCELLANEOUS ACCOUNTS				
Federal Funds				
General and special funds:				
Wildlife conservation, etc., military reservations: Permanent, indefinite 303	BA	**668**	**847**	**898**
	O	674	857	898
Summary				
Federal funds:				
(As shown in detail above).....	BA	**668**	**847**	**898**
	O	674	857	898
Deductions for offsetting receipts:				
Proprietary receipts from the public.....300	BA, O	*–668*	*–847*	*–898*
Total Miscellaneous Accounts....	O	6	10	.....
SUMMARY				
Federal funds:				
(As shown in detail above).....	BA	**2,562,907**	**2,820,206**	**2,538,004**
	O	2,346,351	2,611,687	2,628,005
Deductions for offsetting receipts:				
Intrafund transactions.....806	BA, O	*–17,771*	*–21,990*	*–23,854*

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
DEPARTMENT OF DEFENSE—CIVIL—Continued				
SUMMARY—Continued				
Federal funds:—Continued				
Proprietary receipts from the public.....271	BA	*–11*	*–13*	*–14*
	0			
300	BA	*–14,608*	*–17,347*	*–18,698*
	0			
705	BA	*–1*	.....	.....
	0			
800	BA	*–48,836*	*–49,373*	*–50,764*
	0			
902	BA	*–1,840*	*–2,057*	*–2,256*
	0			
Total Federal funds.....	BA	**2,479,840**	**2,729,426**	**2,442,418**
	0	2,263,284	2,520,907	2,532,419
Trust funds:				
(As shown in detail above).....	BA	**47,562**	**50,387**	**51,944**
	0	49,578	50,387	51,932
Deductions for offsetting receipts:				
Proprietary receipts from the public.....301	BA	*–31,463*	*–33,500*	*–35,000*
	0			
705	BA	*–1,404*	*–1,839*	*–2,022*
	0			
Total trust funds.....	BA	**14,695**	**15,048**	**14,922**
	0	16,711	15,048	14,910
Total Department of Defense—Civil.	BA	**2,494,535**	**2,744,474**	**2,457,340**
	0	2,279,995	2,535,955	2,547,329
DEPARTMENT OF ENERGY				
DEPARTMENTAL OPERATIONS				
Federal Funds				
General and special funds:				
Atomic energy defense activities..053	BA	**2,088,541**	**2,512,396**	**2,829,083**
	0	1,935,780	2,307,765	2,535,833
General science and research.....251	BA	**351,429**	**397,093**	**426,300**
	0	323,604	362,762	414,800
Energy:				
(Energy supply).....271	BA	**3,475,101**	**3,489,313**	**3,431,266**
			[F]– 1,847	
				[J]– 163,000
			[W]84,917	
	0	2,511,759	3,037,967	3,234,130
				[J]–163,000
			[W]50,100	[W]34,817
(Energy conservation).....272	BA	**242,081**	**456,725**	**1,009,563**
			[W]235,127	
	0	142,624	397,741	720,609
			[W]53,500	[W]181,627
(Emergency energy preparedness) 274	BA	**78,316**	**2,797,284**	**4,255,360**
			[I]415,016	
			[W]383,173	
	0	1,218	2,028,754	2,486,409
				[I]415,016
				[W]383,173

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
DEPARTMENT OF ENERGY—Continued				
DEPARTMENTAL OPERATIONS—Continued				
Federal Funds—Continued				
General and special funds:—Continued				
Energy:—Continued				
(Energy information, policy, and regulation).....276	BA	**462,248**	**508,187**	**669,985**
			[W]8,150	[J]5,000
	0	433,089	517,862	617,409
				[J]3,300
			[W]6,100	[W]2,050
Total, Energy.....	BA	**4,257,746**	**8,376,045**	**9,208,174**
	0	3,088,690	6,092,024	7,915,540
Special foreign currency program.271	BA	.....	**1,500**	**2,000**
	0	502	2,700	2,500
Geothermal resources development fund.....271	BA	**30,000**	**15,000**	.....
	0	319	6,600	6,000
Payments to states under Federal Power Act: Permanent, indefinite 852	BA	**112**	**85**	**85**
	0	.....	85	85
Total Federal funds Departmental Operations.	BA	**6,727,828**	**11,302,119**	**12,465,642**
	0	5,348,895	8,771,936	10,874,758
Trust Funds				
Advances for cooperative work: Permanent, indefinite.....271	BA	**14,218**	**5,539**	**2,500**
	0	13,083	5,539	2,500
POWER MARKETING ADMINISTRATIONS				
Federal Funds				
General and special funds:				
Operation and maintenance, Alaska Power Administration.....271	BA	**1,890**	**2,095**	**2,614**
			[G]68	
	0	1,793	2,163	2,582
Public enterprise funds:				
Bonneville Power Administration fund 271	0	–8,473	51,500	39,800
General and special funds:				
Operation and maintenance, Southeastern Power Administration 271	BA	**1,076**	**1,143**	**1,212**
			[G]54	
	0	936	1,195	1,210
Operation and maintenance, Southwestern Power Administration.....271	BA	**28,909**	**12,505**	**19,909**
			[G]272	
	0	18,703	13,284	16,909
Construction, rehabilitation, operation and maintenance, Western Area Power Administration.....271	BA	**91,004**	**87,799**	**101,252**
			[G]1,438	
	0	88,940	89,237	101,252
Emergency fund, Western Area Power Administration.....271	BA	**200**	.....	**200**
	0	.....	200	200
Public enterprise funds:				
Colorado river basins power marketing fund, Western Area Power Administration.....271	BA	**11,098**	**3,798**	**2,286**
			[G]15	
	0	9,273	2,213	786
Total Federal funds Power Marketing Administrations.	BA	**134,177**	**109,187**	**127,473**
	0	111,172	159,792	162,739

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DEPARTMENT OF ENERGY—Continued				
SUMMARY				
Federal funds:				
(As shown in detail above)	BA	**6,862,005**	**11,411,306**	**12,593,115**
	O	5,460,067	8,931,728	11,037,497
Deductions for offsetting receipts:				
Proprietary receipts from the public.....270	BA	*–22,993*	*–26,034*	*–94,935*
	O			
271	BA	*–218,567*	*–753,611*	*–856,033*
	O			
300	BA	*–5*	.....	.....
	O			
902	BA	*–1*	.....	.....
	O			
Total Federal funds	BA	**6,620,439**	**10,631,661**	**11,642,147**
	O	5,218,501	8,152,083	10,086,529
Trust funds:				
(As shown in detail above)	BA	**14,218**	**5,539**	**2,500**
	O	13,083	5,539	2,500
Deductions for offsetting receipts:				
Proprietary receipts from the public.....271	BA	*–574*	*–270*	*–270*
	O			
301	BA	*–13,644*	*–5,269*	*–2,230*
	O			
Total trust funds	O	–1,135	.....	.....
Total Department of Energy	BA	**6,620,439**	**10,631,661**	**11,642,147**
	O	5,217,366	8,152,083	10,086,529
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE				
PUBLIC HEALTH SERVICE				
Food and Drug Administration				
Federal Funds				
General and special funds:				
Salaries and expenses.....554	BA	**250,019**	**276,220** [C]**248** [D]**11,394** [E]**848**	**294,304**
	O	241,517	281,334	292,964
Buildings and facilities.....554	BA	**3,125**	**6,665**	**11,984**
	O	4,287	1,730	4,799
Public enterprise funds:				
Revolving fund for certification and other services.....554	O	–789	.....	.....
Total Federal funds Food and Drug Administration.	BA	**253,144**	**295,375**	**306,288**
	O	245,015	283,064	297,763
Health Services Administration				
Federal Funds				
General and special funds:				
Health services.....551	BA	**1,090,672**	**1,204,691** [C]**1,172** [D]**6,267** [E]**2,509**	[K]**1,721,866**
	O	1,028,970	1,124,941	1,225,312

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DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued				
PUBLIC HEALTH SERVICE—Continued				
Health Services Administration—Continued				
Federal Funds—Continued				
General and special funds:—Continued				
Indian health services.....551	BA	**345,892**	**428,891** **[A]2,888** **[C]1,124** **[D]7,202** **[E]2,552**	**472,852**
	0	325,538	416,908 [A]2,660	462,956 [A]228
Indian health facilities.....551	BA	**163,163**	**71,257**	**69,955**
	0	69,783	114,800 [A]–2,690	95,587 [A]3,136
Emergency health.....054	0	8	.....	.....
Total Federal funds Health Services Administration.	BA	**1,599,727**	**1,728,553**	**2,264,673**
	0	1,424,299	1,656,619	1,787,219
Center for Disease Control				
Federal Funds				
General and special funds:				
Preventive health services:				
(Health care services).....551	BA	**130,004**	**156,394** **[C]1,028** **[D]3,687** **[E]433**	**186,816**
	0	208,082	178,142	180,261
(Health research).....552	BA	**49,769**	**55,177** **[C]62** **[D]713** **[E]313**	**57,094**
	0	36,565	50,480	54,923
Total, Preventive health services.	BA	**179,773**	**217,807**	**243,910**
	0	244,647	228,622	235,184
Total Federal funds Center for Disease Control.	BA	**179,773**	**217,807**	**243,910**
	0	244,647	228,622	235,184
National Institutes of Health				
Federal Funds				
General and special funds:				
National Cancer Institute:				
(Health research).....552	BA	**781,515**	**832,260** **[C]438** **[D]4,735** **[E]663**	**[K]843,991**
	0	774,838	798,524	827,377
(Education and training of health care work force).....553	BA	**33,485**	**34,876**	**[K]34,811**
	0	23,720	34,683	35,029
Total, National Cancer Institute.	BA	**815,000**	**872,972**	**878,802**
	0	798,558	833,207	862,406

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Account and functional code		1977 actual	1978 estimate	1979 estimate
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued				
PUBLIC HEALTH SERVICE—Continued				
National Institutes of Health—Continued				
Federal Funds—Continued				
General and special funds:—Continued				
National Heart, Lung and Blood Institute:				
(Health research).....552	BA	**376,802**	**417,966** [C]**294** [D]**2,051** [E]**216**	[K]**426,181**
	0	332,816	384,586	415,723
(Education and training of health care work force).....553	BA	**19,859**	**27,676**	[K]**28,155**
	0	17,541	25,310	26,954
Total, National Heart, Lung and Blood Institute.	BA	**396,661**	**448,203**	**454,336**
	0	350,357	409,896	442,677
National Institute of Dental Research:				
(Health research).....552	BA	**52,249**	**56,783** [C]**50** [D]**626** [E]**154**	**57,841**
	0	44,274	51,644	57,101
(Education and training of health care work force).....553	BA	**3,324**	**4,198**	[K]**4,198**
	0	5,953	5,845	3,900
Total, National Institute of Dental Research.	BA	**55,573**	**61,811**	**62,039**
	0	50,227	57,489	61,001
National Institute of Arthritis, Metabolism, and Digestive Diseases:				
(Health research).....552	BA	**209,954**	**241,684** [C]**200** [D]**1,617** [E]**175**	**249,369**
	0	180,704	221,872	241,789
(Education and training of health care work force).....553	BA	**9,646**	**16,777**	[K]**17,877**
	0	6,047	11,451	17,051
Total, National Institute of Arthritis, Metabolism, and Digestive Diseases.	BA	**219,600**	**260,453**	**267,246**
	0	186,751	233,323	258,840
National Institute of Neurological and Communicative Disorders and Stroke:				
(Health research).....552	BA	**148,654**	**169,085** [C]**150** [D]**1,310** [E]**138**	**173,002**
	0	138,109	157,608	168,757
(Education and training of health care work force).....553	BA	**6,846**	**7,915**	[K]**7,930**
	0	9,196	7,118	7,630
Total, National Institute of Neurological and Communicative Disorders and Stroke.	BA	**155,500**	**178,598**	**180,932**
	0	147,305	164,726	176,387

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PUBLIC HEALTH SERVICE—Continued				
National Institutes of Health—Continued				
Federal Funds—Continued				
General and special funds:—Continued				
National Institute of Allergy and Infectious Diseases:				
(Health research).....552	BA	**133,689**	**152,181** [C]**160** [D]**1,127** [E]**172**	**159,333**
	0	125,759	142,176	153,341
(Education and training of health care work force).....553	BA	**7,311**	**8,861**	[K]**7,469**
	0	6,877	8,200	7,056
Total, National Institute of Allergy and Infectious Diseases.	BA	**141,000**	**162,501**	**166,802**
	0	132,636	150,376	160,397
National Institute of General Medical Sciences:				
(Health research).....552	BA	**159,492**	**181,652** [C]**45** [D]**372** [E]**28**	**182,668**
	0	126,933	163,535	179,457
(Education and training of health care work force).....553	BA	**45,508**	**48,744**	[K]**51,744**
	0	36,220	43,786	49,443
Total, National Institute of General Medical Sciences.	BA	**205,000**	**230,841**	**234,412**
	0	163,153	207,321	228,900
National Institute of Child Health and Human Development:				
(Health research).....552	BA	**135,491**	**154,731** [C]**92** [D]**1,044** [E]**118**	[K]**190,421**
	0	120,871	141,649	164,723
(Education and training of health care work force).....553	BA	**10,052**	**10,530**	[K]**8,510**
	0	8,970	9,562	10,720
Total, National Institute of Child Health and Human Development.	BA	**145,543**	**166,515**	**198,931**
	0	129,841	151,211	175,443
National Institute of Aging:				
(Health research).....552	BA	**27,647**	**34,430** [C]**14** [D]**287** [E]**37**	**35,773**
	0	15,390	29,098	34,688
(Education and training of health care work force).....553	BA	**2,353**	**2,570**	[K]**2,137**
	0	1,435	2,248	2,058
Total, National Institute of Aging.	BA	**30,000**	**37,338**	**37,910**
	0	16,825	31,346	36,746
National Eye Institute:				
(Health research).....552	BA	**58,865**	**79,845** [C]**55** [D]**373** [E]**27**	**81,889**
	0	45,795	66,652	80,850

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DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued				
PUBLIC HEALTH SERVICE—Continued				
National Institutes of Health—Continued				
Federal Funds—Continued				
General and special funds:—Continued				
National Eye Institute:—Continued				
(Education and training of health care work force).....553	BA	**5,135**	**5,155**	**[K]4,539**
	0	3,882	3,901	3,456
Total, National Eye Institute.....	BA	**64,000**	**85,455**	**86,428**
	0	49,677	70,553	84,306
National Institute of Environmental Health Sciences:				
(Health research).....552	BA	**46,898**	**58,115** **[C]20** **[D]663** **[E]29**	**63,927**
	0	42,812	52,713	60,699
(Education and training of health care work force).....553	BA	**4,243**	**5,485**	**[K]5,320**
	0	1,620	3,899	5,120
Total, National Institute of Environmental Health Sciences.	BA	**51,141**	**64,312**	**69,247**
	0	44,432	56,612	65,819
Research resources:				
(Health research).....552	BA	**137,008**	**144,412** **[C]2** **[D]135** **[E]19**	**148,479**
	0	113,151	138,628	130,468
(Education and training of health care work force).....553	BA	**492**	**535**	**[K]570**
	0	467	508	542
Total, Research resources.....	BA	**137,500**	**145,103**	**149,049**
	0	113,618	139,136	131,010
John E. Fogarty International Center for Advanced Study in the Health Sciences.....552	BA	**7,992**	**8,369** **[C]2** **[D]109** **[E]9**	**8,489**
	0	5,485	7,060	8,328
National Library of Medicine:				
(Health research).....552	BA	**7,600**	**7,900**	**8,000**
	0	5,300	5,400	5,600
(Education and training of health care work force).....553	BA	**27,634**	**28,846** **[C]19** **[D]868** **[E]11**	**[K]31,774**
	0	26,398	30,372	32,622
Total, National Library of Medicine.	BA	**35,234**	**37,644**	**39,774**
	0	31,698	35,772	38,222
Office of the Director:				
(Health research).....552	BA	**15,550**	**16,556** **[C]15** **[D]865** **[E]14**	**17,750**
	0	14,269	18,114	17,714

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PUBLIC HEALTH SERVICE—Continued				
National Institutes of Health—Continued				
Federal Funds—Continued				
General and special funds:—Continued				
Office of the Director:—Continued				
(Education and training of health care work force) 553	BA	**1,384**	**1,315** [C]**3** [D]**153** [E]**2**	**1,623**
	0	1,270	1,528	1,620
Total, Office of the Director.....	BA	**16,934**	**18,923**	**19,373**
	0	15,539	19,642	19,334
Buildings and facilities.....552	BA	**67,400**	**65,650**	**30,950**
	0	15,050	70,436	64,216
Intragovernmental funds:				
General research support grants..552	0	100	.....	.....
National Institutes of Health management fund 552	0	–3,967	.....	.....
Consolidated working fund 552	0	5,302	2,375	1,045
Service and supply fund.....552	0	455	2,193	–290
Total Federal funds National Institutes of Health.	BA	**2,544,078**	**2,844,808**	**2,884,720**
	0	2,253,042	2,642,674	2,814,787
Alcohol, Drug Abuse, and Mental Health Administration				
Federal Funds				
General and special funds:				
Alcohol, drug abuse, and mental health:				
(Health care services).....551	BA	**603,512**	**651,650** [D]**1,769** [E]**151**	[K]**669,675**
	0	516,277	604,505	644,715
(Health research).....552	BA	**172,586**	**178,844** [C]**49** [D]**1,146** [E]**188**	[K]**222,014**
	0	166,875	172,952	198,933
(Education and training of health care work force) 553	BA	**109,473**	**108,388** [D]**308** [E]**26**	[K]**111,182**
	0	104,094	109,987	108,646
Total, Alcohol, drug abuse, and mental health.	BA	**885,571**	**942,519**	**1,002,871**
	0	787,246	887,444	952,294
Construction and renovation, St. Elizabeths Hospital.....551	BA	.....	**2,010** [A]**55,300**	.....
	0	1,549	5,161 [A]5,530	4,771 [A]22,120
Saint Elizabeths Hospital: Indefinite 551	BA	**69,571**	**68,746** [C]**1,530** [D]**4,160** [E]**48**	**75,824**
	0	65,252	71,922	74,820

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DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued				
PUBLIC HEALTH SERVICE—Continued				
Alcohol, Drug Abuse, and Mental Health Administration—Continued				
Federal Funds—Continued				
Intragovernmental funds:				
Working capital fund, Lexington Addiction Research Center.....551	0	10	3	.....
Total Federal funds Alcohol, Drug Abuse, and Mental Health Administration.	BA	**955,142**	**1,074,313**	**1,078,695**
	0	854,057	970,060	1,054,005
Health Resources Administration				
Federal Funds				
General and special funds:				
Health resources:				
(Health care services).....551	BA	**155,717**	**162,073** [D]**925** [E]**19**	[K]**169,894**
	0	431,284	255,283	182,689
(Health research).....552	BA	**63,389**	.....	.....
	0	78,012	.....	.....
(Education and training of health care work force).....553	BA	**556,718**	**550,480** [C]**8** [D]**1,414** [E]**36**	[K]**342,618**
	0	729,560	534,847	457,000
Total, Health resources.....	BA	**775,824**	**714,955**	**512,512**
	0	1,238,856	790,130	639,689
Public enterprise funds:				
Health education loans.....553	BA	**2,727**	**1,814**	**1,899**
	0	–1,374	1,814	1,899
Nurse training fund.....553	BA	**1,273**	**778**	**513**
	0	–634	778	513
Medical facilities guarantee and loan fund.....551	BA	**31,000**	**41,000**	**42,000**
	0	30,385	40,423	40,754
Total Federal funds Health Resources Administration.	BA	**810,824**	**758,547**	**556,924**
	0	1,267,233	833,145	682,855
Office of Assistant Secretary for Health				
Federal Funds				
General and special funds:				
Salaries and expenses:				
(Health care services).....551	BA	**22,316**	**50,273** [C]**16** [D]**1,417** [E]**97**	**57,674**
	0	17,264	37,883	49,307
(Health research).....552	BA	.....	**69,868** [D]**1,435** [E]**47**	**74,497**
	0	.....	34,653	59,784
Total, Salaries and expenses.....	BA	**22,316**	**123,153**	**132,171**
	0	17,264	72,536	109,091
Adolescent health, services, and pregnancy prevention.....551	BA			[J]**60,000**
	0			[J]20,000

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DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued				
PUBLIC HEALTH SERVICE—Continued				
Office of Assistant Secretary for Health —Continued				
Federal Funds—Continued				
General and special funds:—Continued				
Retirement pay and medical benefits for commissioned officers: Indefinite.....551	BA	**52,352**	**56,948**	**65,083**
	O	45,628	51,281	60,270
Scientific activities overseas (special foreign currency program).....552	BA	**1,500**	**11,387**	**11,387**
	O	7,532	10,513	10,915
Public enterprise funds:				
Health maintenance organization loan and loan guarantee fund.551	O	–8,072	22,450	–17,518
Intragovernmental funds:				
Service and supply fund.....551	O	103	.....	.....
Miscellaneous consolidated working funds.....552	O	–2,388	15,899	.....
Total Federal funds Office of Assistant Secretary for Health.	BA	**76,168**	**191,488**	**268,641**
	O	60,067	172,679	182,758
Trust Funds				
Miscellaneous trust funds: Permanent, indefinite.....551	BA	**4,700**	**1,600**	**1,600**
	O	2,386	2,537	1,882
Total Federal funds Public Health Service.	BA	**6,418,856**	**7,110,891**	**7,603,851**
	O	6,348,360	6,786,863	7,054,571
Total trust funds Public Health Service.	BA	**4,700**	**1,600**	**1,600**
	O	2,386	2,537	1,882
HEALTH CARE FINANCING ADMINISTRATION				
Federal Funds				
General and special funds:				
Grants to States for Medicaid.....551	BA	.....	**10,699,000**	**12,065,000**
		.....	**[J]– 5,000**	**[J]– 112,900**
	O	.....	10,851,000	12,065,000
		.....	[J]–5,000	[J]–112,900
Payments to health care trust funds 551	BA	.....	**7,242,941**	**7,763,913**
	O	.....	7,242,941	7,763,913
Quality care management, research, and administration: (Health care services).....551	BA	.....	**106,973**	**115,069**
		.....	**[A]1,063**	
		.....	**[D]2,485**	
		.....	**[J]5,084**	**[J]17,582**
	O	.....	106,000	103,111
		.....	[A]1,063	
		.....	[J]5,084	[J]17,582
Intragovernmental funds:				
Miscellaneous consolidated working fund.....551	O	–1,386	1,670	.....
Total Federal funds Health Care Financing Administration.	BA	.....	**18,052,546**	**19,848,664**
	O	–1,386	18,202,758	19,836,706
Trust Funds				
Federal hospital insurance trust fund: Permanent, indefinite.....551	BA	**15,374,024**	**18,489,341**	**21,960,849**
	O	15,207,149	17,920,303	20,965,220
			[J]–40,000	[J]–636,000

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DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued				
HEALTH CARE FINANCING ADMINISTRATION —Continued				
Trust Funds—Continued				
Federal supplementary medical insurance trust fund: Permanent, indefinite 551	BA	**7,382,584**	**8,992,300**	**9,742,064**
	O	6,341,666	7,691,043	9,073,613
				[J]7,000
Limitation on administrative expenses.		.....	(693,253)	.....
Total trust funds Health Care Financing Administration.	BA	**22,756,608**	**27,481,641**	**31,702,913**
	O	21,548,815	25,571,346	29,409,833
EDUCATION DIVISION				
Office of Education				
Federal Funds				
General and special funds:				
Elementary and secondary education 501	BA	**2,722,072**	**3,181,050**	**[K]3,394,720**
				[J]400,000
Permanent.....	BA	.....	**9,478**	.....
	O	2,352,472	2,573,600	3,003,492
				[J]28,000
Indian education 501	BA	**57,212**	**59,660**	**75,735**
			[D]72	
	O	48,090	57,882	63,648
School assistance in federally affected areas.....501	BA	**793,000**	**800,000**	**856,400**
				[J]675,600
			[A]31,000	
	O	764,628	787,300	830,233
			[A]23,000	[A]8,000
				[J]–57,733
Emergency school aid 501	BA	**292,200**	**310,200**	**332,700**
	O	241,117	280,872	304,743
Education for the handicapped 501	BA	**469,360**	**622,825**	**971,825**
	O	248,688	367,389	562,180
Occupational, vocational, and adult education 501	BA	**1,153,908**	**725,750**	**718,750**
Permanent.....	BA	**12,532**	**7,161**	**7,161**
	O	692,933	740,000	803,000
Student assistance.....502	BA	.....	**3,254,503**	**3,278,243**
	O	.....	2,567,040	3,026,577
Higher and continuing education .502	BA	**3,539,338**	**333,500**	**314,000**
			[W]5,000	
Permanent.....	BA	**2,700**	**2,700**	**2,700**
	O	2,877,324	304,012	337,482
			[W]1,000	[W]2,000
Library resources.....503	BA	**238,042**	**253,212**	**232,837**
	O	169,378	203,739	232,515
Special projects and training 503	BA	**84,993**	**100,659**	**104,546**
				[J]11,365
	O	42,709	75,000	91,895
				[J]2,273
Educational activities overseas (special foreign currency program) 503	BA	**2,000**	**2,000**	**2,000**
	O	2,116	1,900	2,100

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DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued				
EDUCATION DIVISION—Continued				
Office of Education—Continued				
Federal Funds—Continued				
General and special funds:—Continued				
Salaries and expenses.....503	BA	**124,386**	**126,607** **[A]2,300** **[D]5,006**	**127,166**
	0	117,960	128,763 [A]1,840	125,540 [A]460
Educational development.....503	0	6,505	1,500	1,000
Public enterprise funds:				
Student loan insurance fund.....502	BA	**32,312**	**255,724** **[A]223,939**	**725,814**
Authority to spend public debt receipts.	BA	.....	**25,000**	**25,000**
Authority to spend public debt receipts.			**[W]15,000**	
	0	142,611	618,877 [A]68,300	553,477 [A]155,639
Higher education facilities loan and insurance fund.....502	BA	**2,119**	**1,847**	**52,204**
Permanent, indefinite.....	BA	**1,218**	**1,166**	**1,136**
	0	−12,747	28,427	4,071 [A]6,000 [W]1,500
Health professions graduate student loan insurance fund.....553	BA	.....	.....	**1,500**
Authority to spend public debt receipts.	BA	.....	.....	**5,000**
	0	.....	.....	−900
Intragovernmental funds:				
Consolidated working fund.....503	0	−2,324	.....	.....
Total Federal funds Office of Education.	BA	**9,527,392**	**10,355,359**	**12,316,402**
	0	7,691,460	8,830,441	10,087,192
National Institute of Education				
Federal Funds				
General and special funds:				
National Institute of Education.....503	BA	**70,385**	**89,600** **[D]600**	**100,000**
	0	64,493	79,542	90,376
Intragovernmental funds:				
Consolidated working fund.....503	0	−501	.....	.....
Total Federal funds National Institute of Education.	BA	**70,385**	**90,200**	**100,000**
	0	63,992	79,542	90,376
Office of the Assistant Secretary for Education				
Federal Funds				
General and special funds:				
Salaries and expenses: (Higher education).....502	BA	**11,500**	**12,000**	**14,500**
	0	8,984	10,925	11,730

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DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued				
EDUCATION DIVISION—Continued				
Office of the Assistant Secretary for Education—Continued				
Federal Funds—Continued				
General and special funds:—Continued				
Salaries and expenses:—Continued				
(Research and general education aids).....503	BA	**22,182**	**23,879**	**31,757**
			D470	
	O	19,062	22,056	26,490
Total, Salaries and expenses.....	BA	**33,682**	**36,349**	**46,257**
	O	28,046	32,981	38,220
Institute of Museum Services.....503	BA	**100**	**4,000**	**7,752**
			D11	
	O	.....	1,538	5,029
Total Federal funds Office of the Assistant Secretary for Education.	BA	**33,782**	**40,360**	**54,009**
	O	28,046	34,519	43,249
Trust Funds				
Special statistical compilations and surveys: Permanent, indefinite.....503	BA	**7**	**60**	**80**
	O	–20	130	75
Total Federal funds Education Division.	BA	**9,631,559**	**10,485,919**	**12,470,411**
	O	7,783,498	8,944,502	10,220,817
Total trust funds Education Division.	BA	**7**	**60**	**80**
	O	–20	130	75
SOCIAL AND REHABILITATION SERVICE				
Federal Funds				
General and special funds:				
Public assistance:				
(Social services).....506	BA	**2,730,299**	.....	.....
	O	2,550,684	.....	.....
(Health care services).....551	BA	**10,229,318**	.....	.....
	O	9,875,829	.....	.....
(Public assistance and other income supplements).....604	BA	**6,306,430**	.....	.....
	O	6,350,596	.....	.....
Total, Public assistance.....	BA	**19,266,047**	.....	.....
	O	18,777,109	.....	.....
Program Administration.....506	BA	**66,084**	.....	.....
	O	63,840	.....	.....
Total Federal funds Social and Rehabilitation Service.	BA	**19,332,131**	.....	.....
	O	18,840,949	.....	.....
SOCIAL SECURITY ADMINISTRATION				
Federal Funds				
General and special funds:				
Payments to social security trust funds:				
(Health care services).....551	BA	**5,997,000**	.....	.....
	O	5,997,000	.....	.....
(General retirement and disability insurance).....601	BA	**716,902**	**741,203**	**760,774**
	O	716,853	741,203	760,774

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

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DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued				
SOCIAL SECURITY ADMINISTRATION—Con.				
Federal Funds—Continued				
General and special funds:—Continued				
Payments to social security trust funds:—Continued				
(Public assistance and other income supplements).....604	0	6	.....	.....
Total, Payments to social security trust funds.	BA	**6,713,902**	**741,203**	**760,774**
	0	6,713,859	741,203	760,774
Special benefits for disabled coal miners.....601	BA	**961,965**	**967,623**	**1,016,608**
	0	956,025	979,090	996,967
Supplemental security income program.....604	BA	**5,895,122**	**5,250,000**	**5,714,971**
	0	5,297,173	5,974,021	5,555,236
Assistance payments program.....604	BA	.....	**6,353,412** **[A]187,000** **[D]1,212**	**6,823,056** **[J]23,000**
	0	.....	6,524,474 [A]187,000	6,822,586 [J]23,000
Refugee assistance.....604	BA	**132,000**	**71,950** **[W]124,000**	**147,500**
	0	173,300	105,900 [W]86,800	133,553 [W]32,847
Payments to states from receipts for child support: Permanent.....604	BA	.....	**365**	**400**
	0	.....	365	400
Total Federal funds Social Security Administration.	BA	**13,702,989**	**13,696,765**	**14,486,309**
	0	13,140,357	14,598,853	14,325,363
Trust Funds				
Gifts and donations, refugee assistance 604	0	.....	5	.....
Federal old-age and survivors insurance trust fund: Indefinite.....601	BA			**[J]13,000**
Permanent, indefinite.....	BA	**71,795,139**	**76,999,603**	**86,407,111**
	0	73,478,596	81,703,060 [J]–38,000	90,159,157 [J]–581,000
Federal disability insurance trust fund: Indefinite.....601	BA			**[J]2,000**
Permanent, indefinite.....	BA	**9,374,156**	**12,722,900**	**15,107,663**
	0	11,589,730	13,066,338 [J]–2,000	14,943,340 [J]–63,000
Limitation on administrative expenses.		(2,612,531)	(2,139,508)	(2,279,642)
Total trust funds Social Security Administration.	BA	**81,169,295**	**89,722,503**	**101,529,774**
	0	85,068,326	94,729,403	104,458,497
SPECIAL INSTITUTIONS				
Federal Funds				
General and special funds:				
American Printing House for the Blind.....501	BA	**3,012**	**3,498**	**3,906**
	0	2,986	3,498	3,906
National Technical Institute for the Deaf.....502	BA	**12,675**	**14,630**	**16,625**
	0	12,671	14,732	16,625

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued				
SPECIAL INSTITUTIONS—Continued				
Federal Funds—Continued				
General and special funds:—Continued				
Gallaudet College.....502	BA	**41,798**	**45,976**	**44,833**
	O	36,893	45,043	53,500
Howard University.....502	BA	**88,093**	**99,118**	**113,393**
	O	101,936	102,234	111,412
Total Federal funds Special Institutions.	BA	**145,578**	**163,222**	**178,757**
	O	154,486	165,507	185,443
HUMAN DEVELOPMENT SERVICES				
Federal Funds				
General and special funds:				
Grants to states for social services and child welfare services.....506	BA	.....	**2,518,738**	**2,578,052** **[J]284,750**
	O	.....	2,702,634	2,578,052 [J]264,420
Human development services:				
(Elementary, secondary, and vocational education).....501	BA	**524,911**	**675,002** **[D]649**	**[K]735,289**
	O	489,464	586,531	664,323
(Social services).....506	BA	**1,382,686**	**1,546,297** **[D]1,954**	**[K]2,913,061**
	O	1,379,369	1,463,497	1,596,865
Total, Human development services.	BA	**1,907,597**	**2,223,902**	**3,648,350**
	O	1,868,833	2,050,028	2,261,188
Work incentives.....504	BA	**370,000**	**365,000**	**365,271**
	O	360,537	365,000	365,271
Research and training activities overseas (special foreign curency program).....506	BA	.....	.....	**3,490**
	O	3,456	3,000	3,300
Total Federal funds Human Development Services.	BA	**2,277,597**	**5,107,640**	**6,879,913**
	O	2,232,826	5,120,662	5,472,231
DEPARTMENTAL MANAGEMENT				
Federal Funds				
General and special funds:				
General Departmental management: (Community development).....451	O	5,000	.....	.....
(Public assistance and other income supplements).....604	BA	**97,287**	**80,135** **[A]1,047** **[D]7,024** **[W]1,719**	**129,738**
	O	97,366	89,034 [A]963 [W]1,719	126,801 [A]84
Total, General Departmental management.	BA	**97,287**	**89,925**	**129,738**
	O	102,366	91,716	126,885
Office of Inspector General.....604	BA	.....	**25,343** **[A]2,328** **[D]1,940**	**35,606**
	O	.....	25,100 [A]2,148	34,036 [A]180

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Account and functional code		1977 actual	1978 estimate	1979 estimate
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued				
DEPARTMENTAL MANAGEMENT—Continued				
Federal Funds—Continued				
General and special funds:—Continued				
Office for Civil Rights.....751	BA	**30,385**	**33,307** **[A]20,146** **[D]1,646**	**72,156**
	O	24,153	36,141 [A]18,534	69,030 [A]1,612
Office of Consumer Affairs.....506	BA	**1,631**	**1,750** **[D]50**	**1,737**
	O	1,534	1,818	1,743
Policy research.....604	BA	**20,000**	**30,000**	**27,000**
	O	21,252	25,905	27,640
Intragovernmental funds:				
Working capital fund.....506	O	–3,240	12,366	274
Consolidated working fund.....506	O	–1,847	7,849	.....
Grants management fund.....552	O	153,329	–65	.....
Total Federal funds Departmental Management.	BA	**149,303**	**206,435**	**266,237**
	O	297,547	221,512	261,400
SUMMARY				
Federal funds:				
(As shown in detail above).....	BA	**51,658,013**	**54,823,418**	**61,734,142**
	O	48,796,637	54,040,657	57,356,531
Deductions for offsetting receipts: Intrafund transactions.....902	BA, O	.....	*–49,341*	*–24,700*
Proprietary receipts from the public.....500	BA, O	*–6,862*	*–3,901*	*–4,142*
550	BA, O	*–9,576*	*–11,337*	*–11,936*
902	BA, O	*–4,031*	*–1,608*	*–1,560*
Total Federal funds.....	BA	**51,637,544**	**54,757,231**	**61,691,804**
	O	48,776,168	53,974,470	57,314,193
Trust funds:				
(As shown in detail above).....	BA	**103,930,610**	**117,205,804**	**133,234,367**
	O	106,619,507	120,303,416	133,870,287
Deductions for offsetting receipts: Intrafund transactions.....601	BA, O	*–1,207,523*	*–1,681,000*	*–1,377,000*
902	BA, O	*–7,319*	*–16,000*	*–16,000*
Proprietary receipts from the public.....503	BA, O	*–7*	*–60*	*–80*
551	BA, O	*–42*	.....	.....
554	BA, O	*–3,770*	*–1,290*	*–1,290*
601	BA, O	*–20*	.....	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued				
SUMMARY—Continued				
Trust funds:—Continued				
902	BA	*–7,715*	.....	.....
	O			
Total trust funds	BA	**102,704,214**	**115,507,454**	**131,839,997**
	O	105,393,111	118,605,066	132,475,917
Interfund transactions 551	BA	**– 5,996,944**	**– 7,242,941**	**– 7,763,913**
	O			
601	BA	**– 716,902**	**– 741,203**	**– 760,774**
	O			
Total Department of Health, Education, and Welfare.	BA	**147,627,912**	**162,280,541**	**185,007,114**
	O	147,455,433	164,595,392	181,265,423
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
HOUSING PROGRAMS				
Federal Funds				
General and special funds:				
Subsidized housing programs: 604				
Contract authority	BA	**27,982,805**	**31,483,563**	[K]**24,650,950**
			[A]**24,300**	
Current, indefinite	BA	**– 15,430**	.....	.....
Permanent	BA	**15,378**	**39,158**	**39,700**
Liquidation of contract authority		(3,085,265)	(4,032,000)	[K](4,503,000)
			[A](24,300)	
	O	2,442,883	3,020,000	3,575,000
			[A]22,800	[A]1,500
Payments for operation of low income housing projects 604	BA	.....	**685,000**	[K]**729,000**
Contract authority	BA	**595,600**	.....	.....
Liquidation of contract authority		(595,600)	.....	.....
	O	505,768	612,000	686,000
Troubled projects operating subsidy 604	BA			[J]**74,000**
	O			[J]52,000
Public enterprise funds:				
Federal Housing Administration fund: Indefinite 371	BA	**456,897**	**15,000**	[K]**352,290**
Authority to spend public debt receipts, Permanent.	BA	**203,862**	**540,200**	**98,877**
	O	492,384	406,657	221,168
Housing for the elderly or handicapped fund: 371				
Authority to spend public debt receipts.	BA	**850,000**	**750,000**	**800,000**
	O	3,907	335,000	713,000
College housing—loans and other expenses 502	BA	**12,640**	**10,479**	.....
Appropriation, Permanent, indefinite.	BA	**412**	**286**	.....
	O	–64,766	15,700	.....
Low-rent public housing—loans and other expenses 604	O	–32,336	.....	.....
Emergency homeowners' relief fund 371	BA	**1,000**	.....	.....
Nonprofit sponsor assistance 604	O	35	3,376	650
Community disposal operations fund 451	O	–652	–550	–490

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—Continued				
HOUSING PROGRAMS—Continued				
Federal Funds—Continued				
Public enterprise funds:—Continued				
Rental housing assistance fund...604	0	–6,740	59,886	.....
Revolving fund (liquidating programs).....451	BA	**2,125**	**1,969**	**16,777**
Appropriation, Permanent, indefinite.	BA	**1,089**	**689**	**1,164**
	0	36,367	42,273	71,785
Intragovernmental funds:				
Disaster assistance fund.....453	0	36,928	–50,529	.....
Total Federal funds Housing Programs.	BA	**30,106,378**	**33,550,644**	**26,762,758**
	0	3,413,778	4,466,613	5,320,613
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION				
Federal Funds				
General and special funds:				
Payment of participation sales insufficiencies.....371	BA	**2,200**	.....	.....
Public enterprise funds:				
Special assistance functions fund 371	BA	**4,300**	**4,139**	**3,700**
Appropriation, Permanent, indefinite.	BA	**3,300**	**3,260**	**3,100**
Authority to spend public debt receipts, Permanent.	BA	.....	.....	**1,500,000**
	0	–804,872	–197,142	–50,943
Emergency mortgage purchase assistance.....371	0	–224,321	294,268	439,701
Management and liquidating functions fund.....371	0	–35,562	–32,000	–28,000
Guarantees of mortgage-backed securities.....371	0	–21,553	–24,700	–28,100
Participation sales fund:				
(Mortgage credit and thrift insurance).....371	0	4,710	–1,308	–37
(Other advancement and regulation of commerce).....376	0	323	–3,462	–1,141
(Community development).....451	0	–2,892	1,950	1,828
(Higher education).....502	0	1,545	14,493	10,202
(Health research).....552	0	–420	–433	–653
(Veterans housing).....704	0	–7,179	–9,527	–8,539
Total, Participation sales fund..	0	–3,913	1,713	1,660
Total Federal funds Government National Mortgage Association.	BA	**9,800**	**7,399**	**1,506,800**
	0	–1,090,221	42,139	334,318
COMMUNITY PLANNING AND DEVELOPMENT				
Federal Funds				
General and special funds:				
Community development grants...451	BA	**3,248,000**	**4,000,000**	**[K]4,150,000**
	0	2,088,813	2,584,000	2,803,000
Comprehensive planning grants...451	BA	**62,500**	**57,000**	**[K]57,000**
	0	76,914	64,000	60,500

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—Continued				
COMMUNITY PLANNING AND DEVELOPMENT—Continued				
Federal Funds—Continued				
General and special funds:—Continued				
Urban extension program.....451	BA			[J]**10,000**
	0			[J]2,000
Urban homesteading.....451	BA	.....	.....	[K]**20,000**
	0	.....	.....	9,900
Miscellaneous appropriations.....451	0	18,684	25,000	17,934
Public enterprise funds:				
Rehabilitation loan fund.....451	BA	**50,000**	.....	[K]**95,000**
	0	41,032	42,931	84,600
Urban renewal programs.....451				
Liquidation of contract authority....		(1,000,000)	(700,000)	(303,007)
	0	850,271	600,000	350,000
Total Federal funds Community Planning and Development.	BA	**3,360,500**	**4,057,000**	**4,332,000**
	0	3,075,714	3,315,931	3,327,934
NEW COMMUNITIES ADMINISTRATION				
Federal Funds				
General and special funds:				
New community assistance grants 451	0	1,709	3,000	3,900
Public enterprise funds:				
New communities fund: 451				
Authority to spend public debt receipts, Permanent.	BA	**89,401**	**135,148**	**48,157**
	0	87,124	135,148	48,157
Total Federal funds New Communities Administration.	BA	**89,401**	**135,148**	**48,157**
	0	88,833	138,148	52,057
FEDERAL INSURANCE ADMINISTRATION				
Federal Funds				
Public enterprise funds:				
National insurance development fund 376	0	3,044	4,489	7,335
National flood insurance fund.....453	BA	**75,000**	**91,000**	[K]**114,000**
	0	96,635	144,274	149,734
Total Federal funds Federal Insurance Administration.	BA	**75,000**	**91,000**	**114,000**
	0	99,679	148,763	157,069
NEIGHBORHOODS, VOLUNTARY ASSOCIATIONS, AND CONSUMER PROTECTION				
Federal Funds				
General and special funds:				
Housing counseling assistance.....506	BA	**3,000**	**5,000**	**8,000**
	0	360	3,400	8,000
Mobile home standards program..376	BA	**1,000**	.....	.....
	0	21	1,236	199
Interstate land sales: Permanent, indefinite.....376	BA	**334**	**365**	**365**
	0	.....	794	365
Total Federal funds Neighborhoods, Voluntary Associations, and Consumer Protection.	BA	**4,334**	**5,365**	**8,365**
	0	381	5,430	8,564

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—Continued				
POLICY DEVELOPMENT AND RESEARCH				
Federal Funds				
General and special funds:				
Research and technology.....451	BA	**55,000**	**52,000**	**[A]62,000**
	O	62,593	59,800	57,000
MANAGEMENT AND ADMINISTRATION				
Federal Funds				
General and special funds:				
Salaries and expenses, Department of Housing and Urban Development:				
(Other advancement and regulation of commerce).....376	BA	**6,631**	**5,971**	**7,243**
			[D]581	
	O	6,155	6,673	7,058
(Community development).....451	BA	**128,880**	**149,426**	**169,996**
			[D]6,880	
	O	119,566	149,183	167,347
(Disaster relief and insurance) 453	BA	**7,374**	**7,569**	**9,080**
			[D]460	
	O	6,844	7,690	8,866
(Public assistance and other income supplements).....604	BA	**45,874**	**55,533**	**75,549**
			[D]3,729	
	O	42,579	56,292	72,236
(Federal law enforcement activities).....751	BA	**12,239**	**14,995**	**17,702**
			[D]890	
	O	11,358	15,051	17,333
Total, Salaries and expenses, Department of Housing and Urban Development.	BA	**200,998**	**246,034**	**279,570**
	O	186,502	234,889	272,840
Urban transportation.....401	O	1,479	89	.....
Low income-housing demonstration program.....451	O	–16	717	.....
Intragovernmental funds:				
Working capital fund.....451	O	–1,092	–334	–184
Joint grants management fund....451	O	1,430	86	.....
Total Federal funds Management and Administration.	BA	**200,998**	**246,034**	**279,570**
	O	188,303	235,447	272,656
SUMMARY				
Federal funds:				
(As shown in detail above).....	BA	**33,901,411**	**38,144,590**	**33,113,650**
	O	5,839,060	8,412,271	9,530,211
Deductions for offsetting receipts:				
Proprietary receipts from the public.....450	BA, O	*–699*	*–724*	*–724*
902	BA, O	*–804*	*–900*	*–900*
Total Department of Housing and Urban Development.	BA	**33,899,908**	**38,142,966**	**33,112,026**
	O	5,837,557	8,410,647	9,528,587

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
DEPARTMENT OF THE INTERIOR				
LAND AND WATER RESOURCES				
Bureau of Land Management				
Federal Funds				
General and special funds:				
Management of lands and resources 302	BA	**278,977**	**246,938** **[A]27,000** **[D]7,659**	**275,368**
	0	302,935	248,353 [A]27,000	283,625
Acquisition, construction and maintenance 302	BA	**10,760**	**18,707**	**17,683**
Contract authority	BA	**– 13,900**	.....	.....
Liquidation of contract authority		(5,000)	(1,924)	.....
	0	14,102	18,700	19,071
Payments in lieu of taxes 852	BA	**100,000**	**100,000**	**105,000**
	0	99,983	100,011	105,000
Mineral impact loan assistance 852	BA			**[J]40,000**
	0			[J]40,000
Oregon and California grant lands: Indefinite 302	BA	**53,023**	**56,500**	**58,250**
	0	39,687	44,070	50,588
Range improvements: Indefinite 302	BA	**7,472**	**9,172**	**10,900**
	0	7,113	8,800	11,100
Recreation development and operation of recreation facilities 302	BA	**300**	**300**	**300**
	0	233	300	400
Service charges, deposits, and forfeitures: Indefinite 302	BA	**149**	**11,531**	**20,523**
	0	.....	10,770	14,321
Miscellaneous permanent appropriations:				
(Conservation and land management): Permanent, indefinite 302	BA	**2,443**	**2,502**	**2,502**
	0	2,914	3,594	2,602
(Other general purpose fiscal assistance): Permanent, indefinite 852	BA	**138,018**	**285,854**	**322,174**
	0	136,541	287,423	322,174
Total, Miscellaneous permanent appropriations.	BA	**140,461**	**288,356**	**324,676**
	0	139,455	291,017	324,776
Intragovernmental funds:				
Working capital fund 302	BA	.....	**2,000**	.....
	0	.....	–44	–325
Total Federal funds Bureau of Land Management.	BA	**577,242**	**768,163**	**852,700**
	0	603,508	748,977	848,556
Trust Funds				
Miscellaneous trust funds: Indefinite 302	BA	**100**	**100**	**100**
Permanent, indefinite	BA	**605**	**600**	**600**
	0	502	650	700
Bureau of Reclamation				
Federal Funds				
General and special funds:				
Loan program 301	BA	**27,495**	**27,753**	**23,031**
	0	24,759	29,000	21,030

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Account and functional code		1977 actual	1978 estimate	1979 estimate
DEPARTMENT OF THE INTERIOR—Continued				
LAND AND WATER RESOURCES—Continued				
Bureau of Reclamation—Continued				
Federal Funds—Continued				
General and special funds:—Continued				
Recreational and fish and wildlife facilities 303	BA	**4,131**	**4,015** **[W]875**	**4,025**
	O	5,354	3,899 [W]875	3,510
Colorado River Basin Salinity control projects 301	BA	**44,680**	**22,675**	**[K]42,315**
	O	22,881	30,000	28,494
Drought emergency assistance 301	BA	**100,000**	.....	.....
	O	6,533	46,231	.....
General investigations 301	BA	**24,762**	**25,106**	**22,200**
	O	23,647	25,500	20,764
Emergency fund 301	BA	**30,800**	.....	.....
	O	9,386	21,800	800
Construction and rehabilitation 301	BA	**530,557**	**353,950** **[F]− 4,022**	**[K]270,562**
	O	454,176	384,138	288,877
Operation and maintenance 301	BA	**68,830**	**78,489** **[G]2,842**	**87,873**
	O	67,648	77,814	80,890
General administrative expenses 301	BA	**22,720**	**23,665** **[G]1,180**	**25,250**
	O	22,559	24,553	24,948
Miscellaneous permanent appropriations: Permanent 852	BA	**600**	**600**	**600**
Permanent, indefinite	BA	**4,060**	**2,100**	**2,100**
	O	4,895	2,700	2,700
Public enterprise funds:				
Colorado River Basin project 301	BA	**73,420**	**78,145**	**73,770**
Liquidation of contract authority		(20,600)	.....	.....
	O	57,825	92,000	69,547
Upper Colorado River storage project 301	BA	**41,102**	**63,253**	**66,249**
	O	45,219	56,200	62,420
Intragovernmental funds:				
Consolidated working fund 301	O	86	.....	.....
Total Federal funds Bureau of Reclamation.	BA	**973,157**	**680,626**	**617,975**
	O	744,968	794,710	603,980
Trust Funds				
Reclamation trust funds: Permanent, indefinite 301	BA	**20,221**	**13,331**	**4,470**
	O	20,762	10,000	6,770
Office of Water Research and Technology				
Federal Funds				
General and special funds:				
Salaries and expenses 301	BA	**19,024**	**25,307**	**[K]27,154**
	O	14,208	20,907	25,148

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code			1977 actual	1978 estimate	1979 estimate
DEPARTMENT OF THE INTERIOR—Continued					
LAND AND WATER RESOURCES—Continued					
Office of Water Research and Technology—Continued					
Federal Funds—Continued					
Intragovernmental funds:					
Consolidated working fund	306	0	124	164	.....
Total Federal funds Office of Water Research and Technology.		BA	**19,024**	**25,307**	**27,154**
		0	14,332	21,071	25,148
Total Federal funds Land and Water Resources.		BA	**1,569,423**	**1,474,096**	**1,497,829**
		0	1,362,808	1,564,758	1,477,684
Total trust funds Land and Water Resources.		BA	**20,926**	**14,031**	**5,170**
		0	21,264	10,650	7,470
FISH AND WILDLIFE AND PARKS					
Bureau of Outdoor Recreation					
Federal Funds					
General and special funds:					
Salaries and expenses	303	BA	**6,977**	**11,574**	**15,158**
				[D]**329**	
		0	6,771	8,410	17,687
Land and water conservation fund	303	BA	**530,799**	**626,000**	**725,000**
Contract authority, Permanent		BA	**30,000**	**30,000**	**30,000**
		0	343,757	472,000	554,000
Intragovernmental funds:					
Consolidated working fund	303	0	−132	.....	.....
Total Federal funds Bureau of Outdoor Recreation.		BA	**567,776**	**667,903**	**770,158**
		0	350,396	480,410	571,687
United States Fish and Wildlife Service					
Federal Funds					
General and special funds:					
Resource management	303	BA	**148,506**	**169,279**	**191,937**
				[A]**1,583**	
				[C]**660**	
				[D]**6,036**	
		0	134,758	169,155	185,970
				[A]400	[A]1,183
Construction and anadromous fish	303	BA	**24,211**	**65,060**	**89,943**
				[W]**3,600**	
		0	13,268	40,300	64,993
				[W]1,440	[W]2,160
Migratory bird conservation account	303	BA	**14,000**	**10,000**	**10,000**
					[J]**11,000**
Permanent, indefinite		BA	**10,691**	**12,000**	**12,000**
		0	17,169	22,000	20,900
					[J]11,000
Development and operation of recreation facilities	303	BA	.....	**150**	**150**
		0	.....	150	150
Miscellaneous permanent appropriations:					
(Recreational resources):		BA	**116,452**	**94,176**	**112,355**
Permanent, indefinite	303	0	82,644	79,970	98,633

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
DEPARTMENT OF THE INTERIOR—Continued				
FISH AND WILDLIFE AND PARKS—Continued				
United States Fish and Wildlife Service—Continued				
Federal Funds—Continued				
General and special funds:—Continued				
Miscellaneous permanent appropriations:—Continued				
(Other general purpose fiscal assistance): Permanent, indefinite 852	BA	**5,099**	**4,500**	**4,200**
	O	5,988	5,100	4,200
Total, Miscellaneous permanent appropriations.	BA	**121,551**	**98,676**	**116,555**
	O	88,632	85,070	102,833
Intragovernmental funds:				
Consolidated working fund 303	O	–3,442	800	800
Total Federal funds United States Fish and Wildlife Service.	BA	**318,959**	**367,044**	**431,585**
	O	250,385	319,315	389,989
Trust Funds				
Contributed funds: Permanent, indefinite 303	BA	**2,176**	**2,500**	**2,800**
	O	2,153	2,400	2,400
National Park Service				
Federal Funds				
General and special funds:				
Operation of the national park system....303	BA	**295,033**	**323,105** [A]**2,750** [C]**5,296** [D]**10,893**	**363,637**
	O	289,947	338,897 [A]2,750	363,616
Construction 303	BA	**130,952**	**161,442**	**121,328**
	O	36,544	90,000	121,275
Road construction: 303				
Contract authority....	BA	**– 133,995**	....	....
Liquidation of contract authority....		(21,800)	(30,198)	....
	O	29,778	16,184	21,912
Preservation of historic properties 303	BA	**22,623**	**5,667** [D]**225**	**5,897**
	O	22,403	20,917	13,065
John F. Kennedy Center for the Performing Arts....303	BA	**7,600**	**3,750** [C]**64** [D]**47**	**4,066**
	O	3,046	8,104	3,987
Historic preservation fund....303	BA	....	**45,000**	**45,000**
	O	....	15,000	30,000
Planning, development, and operation of recreation facilities 303	BA	**14,000**	**14,000** [D]**468**	**15,478**
	O	13,663	15,949	17,478
Commemorative activities fund: Permanent, indefinite 303	BA	**4,668**	**500**	....
	O	11,440	180	330
Miscellaneous permanent appropriations: Permanent, indefinite....303	BA	**518**	**500**	**435**
	O	318	500	435

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DEPARTMENT OF THE INTERIOR—Continued				
FISH AND WILDLIFE AND PARKS—Continued				
National Park Service—Continued				
Federal Funds—Continued				
Intragovernmental funds:				
Consolidated working fund.....303	0	−1,843	250	250
Total Federal funds National Park Service.	BA	**341,399**	**573,707**	**555,841**
	0	405,296	508,731	572,348
Trust Funds				
Miscellaneous trust funds: Permanent 303	BA	**2,604**	**3,000**	**2,200**
	0	2,606	3,000	2,265
Total Federal funds Fish and Wildlife and Parks.	BA	**1,228,134**	**1,608,654**	**1,757,584**
	0	1,006,077	1,308,456	1,534,024
Total trust funds Fish and Wildlife and Parks.	BA	**4,780**	**5,500**	**5,000**
	0	4,759	5,400	4,665
ENERGY AND MINERALS				
Geological Survey				
Federal Funds				
General and special funds:				
Surveys, investigations and research 306	BA	**320,433**	**361,547** [C]**415** [D]**12,787** [W]**2,000**	**398,363**
	0	306,086	370,774 [W]2,000	393,838
Exploration of national petroleum reserve in Alaska.....271	BA	.....	**209,541**	**185,548**
	0	.....	191,541	187,150
Payments from proceeds, sale of water: Permanent, indefinite....301	BA	**2**	.....	.....
Intragovernmental funds:				
Consolidated working fund.....306	0	−3,686	.....	.....
Total Federal funds Geological Survey.	BA	**320,435**	**586,290**	**583,911**
	0	302,400	564,315	580,988
Office of Surface Mining Reclamation and Enforcement				
Federal Funds				
General and special funds:				
Regulation and technology.....302	BA	**1,000**	.....	[K]**37,761**
			[W]**30,880**	
	0	.....	985	30,472
			[W]24,015	[W]6,865
Abandoned mine reclamation fund (including transfer of funds)....302	BA		[W]**36,647**	
	0		[W]23,000	[W]13,647
Total Federal funds Office of Surface Mining Reclamation and Enforcement.	BA	**1,000**	**67,527**	**37,761**
	0	.....	48,000	50,984
Trust Funds				
Abandoned mine reclamation fund...302	BA	.....	.....	**70,861**
	0	.....	.....	18,886

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
DEPARTMENT OF THE INTERIOR—Continued				
ENERGY AND MINERALS—Continued				
Mining Enforcement and Safety Administration				
Federal Funds				
General and special funds:				
Salaries and expenses.....554	BA	**99,301**	**51,011**	.....
	0	98,193	52,963	.....
Intragovernmental funds:				
Consolidated working fund.....554	0	–91	72	.....
Total Federal funds Mining Enforcement and Safety Administration.	BA	**99,301**	**51,011**	.....
	0	98,102	53,035	.....
Trust Funds				
Contributed funds.....554	0	–14	19	.....
Bureau of Mines				
Federal Funds				
General and special funds:				
Mines and minerals.....306	BA	**133,611**	**135,270**	**121,329**
			[D]3,084	
	0	116,410	125,286	127,975
Drainage of anthracite mines.....306	0	.....	50	50
Public enterprise funds:				
Helium fund: 306				
Contract authority, Permanent.....	BA	.....	.....	**47,500**
	0	–296	3,316	1,362
Intragovernmental funds:				
Consolidated working fund.....306	0	553	783	610
Total Federal funds Bureau of Mines.	BA	**133,611**	**138,354**	**168,829**
	0	116,667	129,435	129,997
Trust Funds				
Contributed funds: Permanent, indefinite.....306	BA	**452**	**800**	**800**
	0	684	800	800
Total Federal funds Energy and Minerals.	BA	**554,347**	**843,182**	**790,501**
	0	517,169	794,785	761,969
Total trust funds Energy and Minerals.	BA	**452**	**800**	**71,661**
	0	670	819	19,686
INDIAN AFFAIRS				
Bureau of Indian Affairs				
Federal Funds				
General and special funds:				
Operation of Indian programs: (Conservation and land management).....302	BA	**45,536**	**61,283**	**70,303**
			[A]7,273	
			[C]231	
			[D]1,330	
			[W]7,224	
	0	45,783	60,546	69,291
			[A]6,473	[A]800
			[W]7,224	

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Account and functional code		1977 actual	1978 estimate	1979 estimate
DEPARTMENT OF THE INTERIOR—Continued				
INDIAN AFFAIRS—Continued				
Bureau of Indian Affairs—Continued				
Federal Funds—Continued				
General and special funds:—Continued				
Operation of Indian programs:—Con.				
(Area and regional development) 452	BA	**343,947**	**366,730** **[A]1,576** **[C]3,318** **[D]5,652** **[W]1,150**	**419,912**
	0	345,811	363,260 [A]1,576 [W]1,150	418,511
(Elementary, secondary, and vocational education).....501	BA	**236,700**	**249,168** **[A]1,107** **[C]1,797** **[D]7,863**	**271,041**
	0	237,980	251,503 [A]1,107	270,138
Total, Operation of Indian programs.	BA	**626,183**	**715,702**	**761,256**
	0	629,574	692,839	758,740
Construction 452	BA	**77,101**	**64,153** **[W]2,166**	**86,815**
	0	60,045	59,282 [W]2,166	82,289
Road construction 452	BA	**39,075**	**75,335**	**71,410**
Liquidation of contract authority....		(36,795)	(22,912)	.....
	0	64,638	79,368	71,552
Miscellaneous permanent appropriations:				
(Area and regional development):	BA	**16,696**	**15,430**	**17,000**
Permanent, indefinite.....452	0	16,714	14,600	16,000
(Other general government).....806	BA	**30,000**	**30,000**	**30,000**
Permanent, indefinite.....	BA	**593**	**200**	**200**
	0	30,593	30,200	30,200
Total, Miscellaneous permanent appropriations.	BA	**47,289**	**45,630**	**47,200**
	0	47,307	44,800	46,200
Public enterprise funds:				
Revolving fund for loans.....452	0	6,592	9,200	5,600
Indian loan guaranty and insurance fund.....452	BA	**15,000**	.....	.....
	0	1,450	1,200	2,200
Liquidation of Hoonah Housing Project revolving fund.....452	0	–8	3	13
Intragovernmental funds:				
Consolidated working fund 452	0	2,470	.....	.....
Total Federal funds Bureau of Indian Affairs.	BA	**804,648**	**902,986**	**966,681**
	0	812,068	888,858	966,594
Trust Funds				
Miscellaneous trust funds:				
(Area and regional development)..452	BA	**1,036**	**3,000**	**3,000**
Current, indefinite.....	BA	**30,574**	**23,000**	**21,000**
Permanent, indefinite	BA	**210,620**	**240,000**	**238,900**
	0	221,768	154,480	147,200

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
DEPARTMENT OF THE INTERIOR—Continued				
INDIAN AFFAIRS—Continued				
Bureau of Indian Affairs—Continued				
Trust Funds—Continued				
Miscellaneous trust funds:—Continued				
(Other general government): Permanent.....806	BA	**30,000**	**30,000**	**30,000**
Permanent, indefinite.....	BA	**1,076**	**94,000**	**86,600**
	O	30,475	129,914	116,600
Total, Miscellaneous trust funds.	BA	**273,306**	**390,000**	**379,500**
	O	252,243	284,394	263,800
Total trust funds Bureau of Indian Affairs.	BA	**273,306**	**390,000**	**379,500**
	O	252,243	284,394	263,800
Total Federal funds Indian Affairs.	BA	**804,648**	**902,986**	**966,681**
	O	812,068	888,858	966,594
Total trust funds Indian Affairs.	BA	**273,306**	**390,000**	**379,500**
	O	252,243	284,394	263,800
TERRITORIAL AFFAIRS				
Office of Territorial Affairs				
Federal Funds				
General and special funds:				
Administration of territories.....806	BA	**58,072**	**21,105**	[K]**49,436**
			[D]**65**	
				[I]**1,078**
			[W]**1,798**	
	O	37,398	50,062	44,202
				[I]1,078
			[W]1,798	
Trust Territory of the Pacific Islands 806	BA	**101,717**	**110,444**	[K]**106,920**
			[A]**3,149**	
			[D]**223**	
	O	85,456	107,502	98,420
			[A]3,149	
Micronesian claims fund, Trust Territory of the Pacific Islands.806	O	6,689	1,858	.....
Office of the Comptroller for Guam 806	O	466	198	.....
Internal revenue collections for the Virgin Islands: Permanent, indefinite.....852	BA	**20,298**	**20,000**	**20,000**
	O	18,874	20,000	20,000
Total Federal funds Office of Territorial Affairs.	BA	**180,087**	**156,784**	**177,434**
	O	148,883	184,567	163,700
SECRETARIAL OFFICES				
Office of the Solicitor and Office of the Secretary				
Federal Funds				
General and special funds:				
Office of the Solicitor, salaries and expenses.....306	BA	**12,381**	**13,309**	**16,225**
			[D]**816**	
			[W]**1,100**	
	O	12,242	14,081	16,182
			[W]1,080	[W]20

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Account and functional code		1977 actual	1978 estimate	1979 estimate
DEPARTMENT OF THE INTERIOR—Continued				
SECRETARIAL OFFICES—Continued				
Office of the Solicitor and Office of the Secretary—Continued				
Federal Funds—Continued				
General and special funds:—Continued				
Office of the Secretary, salaries and expenses.....306	BA	**20,842**	**21,810** **D1,397** **W250**	**24,852**
	O	20,017	22,701 W237	25,318 W13
Departmental operations.....306	BA	**13,256**	**12,744** **D664** **W795**	**16,091**
	O	11,207	14,410 W770	17,408 W25
Salaries and expenses (special foreign currency program).....306	BA	**907**	**1,000**	**1,000**
	O	1,561	1,200	1,200
Litter prevention and cleanup: Permanent, indefinite.....304	BA	**2**	.....	.....
	O	2	.....	.....
Intragovernmental funds:				
Working capital fund.....306	O	–633	.....	.....
Consolidated working fund, Office of the Secretary.....306	O	–704	.....	.....
Total Federal funds Office of the Solicitor and Office of the Secretary.	BA	**47,388**	**53,885**	**58,168**
	O	43,692	54,479	60,166
SUMMARY				
Federal funds:				
(As shown in detail above).....	BA	**4,384,027**	**5,039,587**	**5,248,197**
	O	3,890,697	4,795,903	4,964,137
Deductions for offsetting receipts: Proprietary receipts from the public.....274	BA, O	.....	*–500*	*–500*
300	BA, O	*–656,443*	*–750,692*	*–823,306*
301	BA, O	*–15*	*–30*	*–30*
302	BA, O	*–3,835*	*–13,650*	*–22,600*
450	BA, O	*–17,121*	*–15,930*	*–17,500*
500	BA, O	*–50*	*–70*	*–70*
800	BA, O	*–763*	*–1,595*	*–1,495*
902	BA, O	*–4,544*	*–5,112*	*–5,512*
Total Federal funds.....	BA	**3,701,256**	**4,252,008**	**4,377,184**
	O	3,207,926	4,008,324	4,093,124
Trust funds:				
(As shown in detail above).....	BA	**299,464**	**410,331**	**461,331**
	O	278,936	301,263	295,621

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
DEPARTMENT OF THE INTERIOR—Continued				
SUMMARY—Continued				
Trust funds:—Continued				
Deductions for offsetting receipts:				
Proprietary receipts from the public.....301	BA	*–20,221*	*–13,331*	*–4,470*
	O			
302	BA	*–704*	*–700*	*–700*
	O			
303	BA	*–2,176*	*–2,500*	*–2,800*
	O			
306	BA	*–452*	*–800*	*–800*
	O			
452	BA	*–177,227*	*–231,725*	*–271,448*
	O			
902	BA	*–30,453*	*–31,382*	*–31,230*
	O			
Total trust funds.....	BA	**68,231**	**129,893**	**149,883**
	O	47,703	20,825	–15,827
Interfund transactions.....452	BA	**– 61,908**	**– 125,000**	**– 75,000**
	O			
Total Department of the Interior	BA	**3,707,579**	**4,256,901**	**4,452,067**
	O	3,193,721	3,904,149	4,002,297
DEPARTMENT OF JUSTICE				
GENERAL ADMINISTRATION				
Federal Funds				
General and special funds:				
Salaries and expenses.....751	BA	**22,882**	**26,229** **[A]368** **[C]30** **[D]1,117**	**28,996**
	O	20,225	26,424 [A]350	27,884 [A]18
Intragovernmental funds:				
Consolidated working fund.....751	O	–1,064	709	800
Working capital fund.....751	BA	**2,238**	.....	.....
	O	1,647	–94	–682
Total Federal funds General Administration.	BA	**25,120**	**27,744**	**28,996**
	O	20,808	27,389	28,020
LEGAL ACTIVITIES				
Federal Funds				
General and special funds:				
Salaries and expenses, General Legal Activities.....752	BA	**71,909**	**76,075** **[A]724** **[D]3,733** **[W]1,445**	**89,884**
	O	67,169	80,798 [A]682 [W]1,388	89,564 [A]42 [W]57

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
DEPARTMENT OF JUSTICE—Continued				
LEGAL ACTIVITIES—Continued				
Federal Funds—Continued				
General and special funds:—Continued				
Salaries and expenses, Antitrust Division 752	BA	**27,706**	**39,785** **[A]864** **[D]1,363** **[W]1,223**	**46,377**
	O	25,638	35,235 [A]850 [W]1,185	44,886 [A]14 [W]38
Salaries and expenses, United States Attorneys and Marshals.....752	BA	**167,870**	**179,075** **[D]7,000**	**196,736**
	O	163,758	184,251	194,066
Support of United States prisoners 752	BA	**41,875**	**21,000**	**25,100**
	O	40,421	24,493	24,400
Fees and expenses of witnesses...752	BA	**19,177**	**20,050**	**20,144**
	O	15,747	19,849	19,942
Salaries and expenses, Community Relations Service 752	BA	**4,528**	**5,192**	**5,353**
	O	4,213	5,252	5,323
Total Federal funds Legal Activities.	BA	**333,065**	**357,529**	**383,594**
	O	316,946	353,983	378,332
FEDERAL BUREAU OF INVESTIGATION				
Federal Funds				
General and special funds:				
Salaries and expenses 751	BA	**513,377**	**529,454** **[D]24,500**	**556,750**
	O	520,218	550,050	555,239
IMMIGRATION AND NATURALIZATION SERVICE				
Federal Funds				
General and special funds:				
Salaries and expenses 751	BA	**244,515**	**266,450** **[D]12,887**	**298,019**
	O	242,714	276,320	295,550
DRUG ENFORCEMENT ADMINISTRATION				
Federal Funds				
General and special funds:				
Salaries and expenses 751	BA	**168,244**	**181,895** **[D]6,600**	**192,953**
	O	166,839	190,069	193,500
FEDERAL PRISON SYSTEM				
Federal Funds				
General and special funds:				
Salaries and expenses, Bureau of Prisons 753	BA	**218,200**	**259,576** **[C]812** **[D]9,027** **[E]161**	**315,479**
	O	216,837	264,351	310,340
National Institute of Corrections...754	BA	**5,043**	**9,900**	**9,943**
	O	1,503	8,000	9,913
Buildings and facilities.....753	BA	**78,980**	**38,850**	**37,080**
	O	23,588	54,582	62,184

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DEPARTMENT OF JUSTICE—Continued				
FEDERAL PRISON SYSTEM—Continued				
Federal Funds—Continued				
Intragovernmental funds:				
Federal Prison Industries, Incorporated.....753	0	475	.....	.....
Limitation on administrative expenses.		(1,256)	(2,000)	(2,041)
Limitation on vocational expenses.		(4,055)	(4,548)	(3,513)
Total Federal funds Federal Prison System.	BA	**302,223**	**318,326**	**362,502**
	0	242,403	326,933	382,437
Trust Funds				
Commissary funds, Federal prisons (trust revolving fund).....753	0	–649	.....	.....
LAW ENFORCEMENT ASSISTANCE ADMINISTRATION				
Federal Funds				
General and special funds:				
Salaries and expenses.....754	BA	**753,000**	**644,582**	**641,488**
			[D]**1,525**	
	0	845,742	809,037	706,934
Public enterprise funds:				
Revolving fund.....754	0	–2	.....	.....
Total Federal funds Law Enforcement Assistance Administration.	BA	**753,000**	**646,107**	**641,488**
	0	845,740	809,037	706,934
SUMMARY				
Federal funds:				
(As shown in detail above).....	BA	**2,339,544**	**2,371,492**	**2,464,302**
	0	2,355,668	2,533,781	2,540,012
Deductions for offsetting receipts:				
Proprietary receipts from the public.....750	BA, 0	*–728*	*–6,934*	*–6,998*
902	BA, 0	*–4,564*	*–14*	*–14*
Total Federal funds.....	BA	**2,334,252**	**2,364,544**	**2,457,290**
	0	2,350,376	2,526,833	2,533,000
Trust funds:				
(As shown in detail above).....	0	–649	.....	.....
Total Department of Justice.....	BA	**2,334,252**	**2,364,544**	**2,457,290**
	0	2,349,727	2,526,833	2,533,000
DEPARTMENT OF LABOR				
EMPLOYMENT AND TRAINING ADMINISTRATION				
Federal Funds				
General and special funds:				
Program administration.....504	BA	**76,222**	**90,832**	[K]**90,438**
	0	76,881	91,247	88,134
Employment and training assistance 504	BA	**5,889,830**	**3,377,930**	[K]**4,852,828**
			[A]**76,540**	
	0	3,290,898	4,775,000	5,400,000
			[A]76,540	

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DEPARTMENT OF LABOR—Continued				
EMPLOYMENT AND TRAINING ADMINISTRATION—Continued				
Federal Funds—Continued				
General and special funds:—Continued				
Community service employment for older Americans.....504	BA	**150,000**	**190,400**	[K]**228,450**
			[A]**30,000**	
	O	72,102	140,100	178,400
			[A]10,200	[A]19,800
Temporary employment assistance 504	BA	**6,847,000**	.....	[K]**5,955,286**
	O	2,340,409	4,765,000	5,956,000
Employment opportunities program 504	BA			[J]**50,000**
	O			[J]35,000
Federal unemployment benefits and allowances.....603	BA	**860,000**	**1,200,000**	**950,000**
	O	833,089	1,200,000	950,000
Grants to States for unemployment insurance and employment services.....504	BA	**89,100**	**53,600**	**21,600**
	O	53,034	53,600	21,600
Advances to the unemployment trust fund and other funds.....603	BA	**5,000,000**	.....	.....
	O	4,338,118	600,000	.....
Intragovernmental funds:				
Consolidated working fund.....504	O	10,562	.....	.....
Total Federal funds Employment and Training Administration.	BA	**18,912,152**	**5,019,302**	**12,148,602**
	O	11,015,093	11,711,687	12,648,934
Trust Funds				
Gifts and bequests, National Commission for Manpower Policy: Permanent, indefinite.....504	BA	**32**	**100**	**100**
	O	43	177	100
Unemployment trust fund:				
(Training and employment): Permanent, indefinite.....504	BA	**547,136**	**639,703**	**723,160**
	O	573,804	639,703	723,160
(Unemployment compensation): Indefinite.....603	BA			[J]**— 600,000**
Permanent, indefinite.....	BA	**14,438,836**	**14,760,297**	**16,676,840**
	O	13,529,154	11,160,297	11,276,840
				[J]—400,000
Total, Unemployment trust fund	BA	**14,985,972**	**15,400,000**	**16,800,000**
	O	14,102,958	11,800,000	11,600,000
Total trust funds Employment and Training Administration.	BA	**14,986,004**	**15,400,100**	**16,800,100**
	O	14,103,001	11,800,177	11,600,100
LABOR-MANAGEMENT SERVICES ADMINISTRATION				
Federal Funds				
General and special funds:				
Salaries and expenses.....505	BA	**50,754**	**55,961**	**59,954**
			[A]**956**	
			[D]**1,387**	
	O	47,207	55,265	57,566
			[A]837	[A]119

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DEPARTMENT OF LABOR—Continued				
EMPLOYMENT STANDARDS ADMINISTRATION				
Federal Funds				
General and special funds:				
Salaries and expenses.....505	BA	**98,992**	**111,280**	**128,981**
			[A]940	
			[D]4,987	
			[W]3,700	
	O	97,937	112,737	125,075
			[A]900	[A]40
			[W]3,500	[W]200
Special benefits:				
(General retirement and disability insurance).....601	BA	**29,542**	**27,035**	**31,863**
	O	22,325	27,035	31,863
(Federal employee retirement and disability).....602	BA	**307,407**	**292,325**	**228,137**
	O	275,370	292,325	228,137
Total, Special benefits.....	BA	**336,949**	**319,360**	**260,000**
	O	297,695	319,360	260,000
Total Federal funds Employment Standards Administration.	BA	**435,941**	**440,267**	**388,981**
	O	395,632	436,497	385,315
Trust Funds				
Special workers' compensation expenses: Permanent.....601	BA	**3,135**	**3,890**	**4,707**
	O	3,581	3,898	4,728
OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION				
Federal Funds				
General and special funds:				
Salaries and expenses.....554	BA	**130,333**	**136,640**	**162,730**
			[D]2,430	
	O	126,729	127,980	150,480
Intragovernmental funds:				
Consolidated working fund.....554	O	671	1,089	.....
Total Federal funds Occupational Safety and Health Administration.	BA	**130,333**	**139,070**	**162,730**
	O	127,400	129,069	150,480
MINE SAFETY AND HEALTH ADMINISTRATION				
Federal Funds				
General and special funds:				
Salaries and expenses.....554	BA	.....	**55,174**	**123,500**
			[A]9,433	
	O	.....	51,249	116,187
			[A]6,070	[A]3,363
BUREAU OF LABOR STATISTICS				
Federal Funds				
General and special funds:				
Salaries and expenses.....505	BA	**75,617**	**82,857**	**94,950**
			[A]536	
			[D]2,858	
	O	77,013	84,000	93,051
			[A]526	[A]10

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DEPARTMENT OF LABOR—Continued				
BUREAU OF LABOR STATISTICS—Continued				
Federal Funds—Continued				
Intragovernmental funds:				
Consolidated working fund.....505	0	–1,170	.....	.....
Total Federal funds Bureau of Labor Statistics.	BA	**75,617**	**86,251**	**94,950**
	0	75,843	84,526	93,061
Trust Funds				
Special statistical work.....505	0	–1	.....	.....
DEPARTMENTAL MANAGEMENT				
Federal Funds				
General and special funds:				
Salaries and expenses.....505	BA	**51,936**	**60,257** **[D]3,142** **[A]1,240** **[W]1,270**	**[K]78,731**
	0	48,502	61,389 [A]925 [W]1,270	74,944 [A]315
Special foreign currency program.505	BA	**70**	**70**	**200**
	0	68	159	160
Intragovernmental funds:				
Working capital fund.....505	0	498	.....	.....
Miscellaneous consolidated working funds.....505	0	–223	.....	.....
Total Federal funds Departmental Management.	BA	**52,006**	**65,979**	**78,931**
	0	48,845	63,743	75,419
SUMMARY				
Federal funds:				
(As shown in detail above).....	BA	**19,656,803**	**5,873,780**	**13,057,648**
	0	11,710,020	12,538,943	13,530,444
Deductions for offsetting receipts:				
Proprietary receipts from the public.....500	BA 0	*–199*	*–644*	*–648*
550	BA 0	.....	*–90*	*–150*
600	BA 0	*252*	*–255*	*–257*
902	BA 0	*–465*	*–465*	*–465*
Total Federal funds.....	BA	**19,656,391**	**5,872,326**	**13,056,128**
	0	11,709,608	12,537,489	13,528,924
Trust funds:				
(As shown in detail above).....	BA	**14,989,139**	**15,403,990**	**16,804,807**
	0	14,106,581	11,804,075	11,604,828
Interfund transactions.....603	BA 0	**– 3,442,095**	**– 600,000**	.....
Total Department of Labor.....	BA	**31,203,435**	**20,676,316**	**29,860,935**
	0	22,374,094	23,741,564	25,133,752

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
DEPARTMENT OF STATE				
ADMINISTRATION OF FOREIGN AFFAIRS				
Federal Funds				
General and special funds:				
Salaries and expenses.....153	BA	**548,500**	**603,577**	[K]**662,117**
			[A]**3,250**	
			[C]**136**	
			[D]**15,846**	
	O	543,353	593,000	637,300
			[A]1,500	[A]1,750
Representation allowances.....153	BA	**2,000**	**2,500**	[K]**2,900**
	O	1,856	2,400	2,800
Acquisition, operation, and maintenance of buildings abroad 153	BA	**67,350**	**103,101**	[K]**118,644**
			[A]**10,000**	
			[D]**209**	
	O	30,894	63,970	100,341
			[A]1,000	[A]7,000
Acquisition, operation, and maintenance of buildings abroad (special foreign currency program) 153	BA	**30,235**	**7,520**	[K]**6,025**
	O	8,577	10,345	15,331
Emergencies in the diplomatic and consular service.....153	BA	**2,100**	**2,350**	[K]**2,350**
	O	1,676	2,180	2,270
Payment to the Foreign Service retirement and disability fund.153	BA	**25,849**	**26,599**	[K]**38,107**
			[A]**11,008**	
Permanent, indefinite.....	BA	**67,800**	**78,300**	**92,300**
	O	93,649	104,899	130,407
			[A]11,008	
Intragovernmental funds:				
Working capital fund.....153	O	526	–271	–538
Consolidated working fund.....153	O	39	.....	.....
Total Federal funds	BA	**743,834**	**864,396**	**922,443**
Administration of Foreign Affairs.	O	680,570	790,031	896,661
Trust Funds				
Foreign Service retirement and disability fund.....602	BA		[A]**13,778**	
Permanent, indefinite.....	BA	**176,156**	**176,964**	**207,817**
	O	83,843	101,488	117,430
Miscellaneous trust funds: Permanent, indefinite.....153	BA	**736**	**740**	**740**
	O	576	740	740
Total trust funds	BA	**176,892**	**191,482**	**208,557**
Administration of Foreign Affairs.	O	84,419	102,228	118,170
INTERNATIONAL ORGANIZATIONS AND CONFERENCES				
Federal Funds				
General and special funds:				
Contributions to international organizations.....153	BA	**325,843**	**325,979**	[K]**355,392**
			[B]**64,127**	
	O	322,583	316,792	338,070
			[B]48,095	[B]16,032
Contributions for international peacekeeping activities.....153	BA	**28,000**	**32,000**	[K]**32,000**
			[H]**– 5,000**	
	O	27,168	20,250	30,750

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DEPARTMENT OF STATE—Continued				
INTERNATIONAL ORGANIZATIONS AND CONFERENCES—Continued				
Federal Funds—Continued				
General and special funds:—Continued				
Missions to international organizations.....153	BA	**9,695**	**10,144** **[A]1,117** **[D]247**	**[K]12,072**
	O	10,570	9,526 [A]1,093	11,536 [A]24
International conferences and contingencies.....153	BA	**8,660**	**8,000**	**[K]8,600**
	O	4,408	8,440	8,710
International trade negotiations...153	BA	**3,550**	**3,800** **[A]412** **[D]85**	**[K]4,717**
	O	2,942	3,864 [A]371	4,247 [A]41
Total Federal funds International Organizations and Conferences.	BA	**375,748**	**440,911**	**412,781**
	O	367,671	408,431	409,410
Trust Funds				
Gifts and bequests, National Commission on Educational, Scientific, and Cultural Cooperation: Permanent, indefinite.....153	BA	**23**	**25**	**25**
	O	27	20	20
INTERNATIONAL COMMISSIONS				
Federal Funds				
General and special funds:				
International Boundary and Water Commission, United States and Mexico:				
Salaries and expenses.....301	BA	**6,040**	**6,300** **[C]100** **[D]220**	**[K]6,840**
	O	5,793	6,608	6,865
Construction.....301	BA	**3,919**	**17,000**	**[K]3,968**
	O	3,305	15,000	12,000
American sections, international commissions.....301	BA	**1,910**	**2,232** **[D]56**	**[K]2,553**
	O	1,657	2,283	2,503
International fisheries commissions 302	BA	**5,550**	**5,745** **[A]519**	**[K]6,612**
	O	5,250	5,750 [A]519	6,612
Total Federal funds International Commissions.	BA	**17,419**	**32,172**	**19,973**
	O	16,005	30,160	27,980
OTHER				
Federal Funds				
General and special funds:				
Migration and refugee assistance 151	BA	**28,755**	**53,054** **[D]35** **[W]6,300**	**[K]56,336**
	O	26,222	50,807 [W]5,400	50,441 [W]900

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
DEPARTMENT OF STATE—Continued				
OTHER—Continued				
Federal Funds—Continued				
General and special funds:—Continued				
United States emergency refugee and migration assistance fund.....151	BA	**3,660**	**10,000**	**15,000**
	O	10,327	14,728	15,000
Assistance to refugees from the Soviet Union and other communist countries in Eastern Europe.....151	BA	**15,000**	.....	.....
	O	15,120	.....	.....
Special assistance to refugees from Cambodia and Vietnam.....604	O	6,515	–3,700	.....
Eighth Pan American games.....154	BA	**10,000**	.....	.....
	O	.....	3,152	6,848
Payment to the Republic of Panama: Permanent.....153	BA	**2,328**	**2,328**	**2,328**
	O	2,328	2,328	2,328
International Center, Washington, D.C.: Permanent, indefinite.....153	BA	.....	**146**	**2,346**
	O	598	1,357	2,346
Total Federal funds Other.....	BA	**59,743**	**71,863**	**76,010**
	O	61,110	74,072	77,863
SUMMARY				
Federal funds:				
(As shown in detail above).....	BA	**1,196,744**	**1,409,342**	**1,431,207**
	O	1,125,356	1,302,694	1,411,914
Deductions for offsetting receipts: Intrafund transactions.....153	BA, O	*–519*	*–519*	*–519*
Proprietary receipts from the public.....150	BA, O	*–19,762*	*–15,911*	*–18,111*
300	BA, O	*–150*	*–84*	*–84*
301	BA, O	*–425*	*–425*	*–425*
400	BA, O	*–198*	*–200*	*–200*
902	BA, O	*2,368*	*–350*	*–350*
Total Federal funds.....	BA	**1,178,058**	**1,391,853**	**1,411,518**
	O	1,106,670	1,285,205	1,392,225
Trust funds:				
(As shown in detail above).....	BA	**176,915**	**191,507**	**208,582**
	O	84,446	102,248	118,190
Deductions for offsetting receipts: Intrafund transactions.....602	BA, O	*–248*	*–300*	*–300*
Total trust funds.....	BA	**176,667**	**191,207**	**208,282**
	O	84,198	101,948	117,890
Interfund transactions.....153	BA, O	**– 114,899**	**– 140,127**	**– 155,227**
Total Department of State.....	BA	**1,239,826**	**1,442,933**	**1,464,573**
	O	1,075,969	1,247,026	1,354,888

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
DEPARTMENT OF TRANSPORTATION				
OFFICE OF THE SECRETARY				
Federal Funds				
General and special funds:				
Salaries and expenses 407	BA	**36,150**	**33,454** **[D]2,100** **[G]67**	**33,335**
	0	35,306	36,050	33,300
Transportation planning, research, and development 407	BA	**28,000**	**25,000**	**12,465**
	0	24,703	24,000	16,000
Transportation research activities overseas (special foreign currency program) 407	BA	**100**	..... **[F]−67**	.....
	0	401	93	.....
Intragovernmental funds:				
Working capital fund....407	0	2,033	−1,500	−500 [A]4,865
Total Federal funds Office of the Secretary.	BA	**64,250**	**60,554**	**45,800**
	0	62,443	58,643	53,665
COAST GUARD				
Federal Funds				
General and special funds:				
Operating expenses 403	BA	**838,186**	**878,659** **[C]1,464** **[D]4,217** **[E]27,721**	**[K]944,585**
	0	827,675	903,293	936,800
Acquisition, construction, and improvements....403	BA	**236,000**	**236,000**	**[K]279,208**
	0	131,581	190,358	223,600
Alteration of bridges 403	BA	**10,900**	**15,100**	**[K]34,603**
	0	10,148	15,000	15,000
Retired pay....403	BA	**140,300**	**155,401** **[A]2,399**	**173,500**
	0	139,516	155,317 [A]2,399	173,500
Reserve training....403	BA	**35,750**	**36,560** **[D]108** **[E]1,892**	**[K]39,000**
	0	35,630	37,000	38,000
Research, development, test, and evaluation 403	BA	**18,800**	**20,000**	**[K]20,000**
	0	16,992	18,000	18,000
State boating safety assistance...403	BA	**5,790**	**5,790**	**[K]3,000**
	0	7,039	5,790	3,000
Pollution fund....304	BA	**15,000**	.....	.....
Appropriation, Permanent, indefinite.	BA	**6,888**	**7,000**	**7,000**
	0	9,303	8,000	7,000
Oil pollution liability and compensation fund: Indefinite..304	BA			**[J]180,000**
	0			[J]50,000
Intragovernmental funds:				
Coast Guard supply fund....403	0	1,915	900	500
Coast Guard yard fund 403	0	−21,964	21,422	−5,000
Total Federal funds Coast Guard.	BA	**1,307,614**	**1,392,311**	**1,680,896**
	0	1,157,835	1,357,479	1,460,400

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DEPARTMENT OF TRANSPORTATION—Continued				
COAST GUARD—Continued				
Trust Funds				
Coast Guard general gift fund:	BA	**7**	**30**	**30**
Permanent, indefinite.....403	0	6	30	30
Special statistical work: Permanent, indefinite.....403	BA	.....	**275**	.....
	0	.....	275	.....
Miscellaneous trust revolving funds.403	0	947	26	26
Total trust funds Coast Guard...	BA	**7**	**305**	**30**
	0	953	331	56
FEDERAL AVIATION ADMINISTRATION				
Federal Funds				
General and special funds:				
Operations.....402	BA	**1,487,800**	**1,527,700**	**1,708,953**
			D97,600	
				J– 3,000
	0	1,475,819	1,603,793	1,682,000
				J–3,000
Facilities, engineering and development.....402	BA	**15,500**	**14,263**	**19,411**
	0	13,454	22,500	18,000
Operation and maintenance, Metropolitan Washington Airports 402	BA	**21,500**	**21,273**	**23,858**
			D1,020	
	0	20,726	22,196	23,878
Construction, Metropolitan Washington Airports.....402	BA	**5,000**	**5,500**	**5,270**
	0	6,105	10,000	10,538
Civil supersonic aircraft development termination.....402	0	80	.....	.....
Safety regulation.....402	0	959	1,000	180
United States International Aeronautical Exposition.....402	0	.....	237	.....
Public enterprise funds:				
Aviation war risk insurance revolving fund.....402	0	–897	–744	–786
Total Federal funds Federal Aviation Administration.	BA	**1,529,800**	**1,667,356**	**1,754,492**
	0	1,516,246	1,658,982	1,730,810
Trust Funds				
Grants-in-aid for airports (Airport and airway trust fund).....402	BA	.....	**15,000**	**15,000**
Contract authority, Permanent.....	BA	**510,000**	**540,000**	**575,000**
Liquidation of contract authority.....		(355,000)	(325,000)	(550,000)
	0	334,823	540,000	565,000
Facilities and equipment (Airport and airway trust fund).....402	BA	**200,000**	**200,000**	**370,947**
Reappropriation.....	BA	.....	**9,000**	.....
	0	197,109	200,000	200,000
Research, engineering and development (Airport and airway trust fund)....402	BA	**74,350**	**80,800**	**75,373**
	0	70,487	79,000	78,000
Operations (Airport and airway trust fund).....402	BA	**250,000**	**275,000**	**300,000**
	0	250,245	274,807	300,000
Total trust funds Federal Aviation Administration.	BA	**1,034,350**	**1,119,800**	**1,336,320**
	0	852,664	1,093,807	1,143,000

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DEPARTMENT OF TRANSPORTATION—Continued				
FEDERAL HIGHWAY ADMINISTRATION				
Federal Funds				
General and special funds:				
Motor carrier safety.....401	BA	**7,212**	**8,000**	**13,351**
			[D]**370**	
	O	7,076	7,763	12,286
Highway beautification.....401	BA	**28,000**	**19,150**	[K]**23,150**
				[J]**– 23,150**
Liquidation of contract authority....		(33,600)	(5,000)	(18,000)
	O	33,945	40,500	33,700
				[J]–4,630
Darien Gap Highway.....151	BA	.....	.....	**20,000**
			[A]**20,000**	
	O	7,934	5,570	7,600
			[A]4,000	[A]6,065
Territorial highways.....401	BA	.....	**5,600**	**5,600**
				[J]**– 5,600**
Contract authority.....	BA	**– 14,464**	.....	.....
Liquidation of contract authority....		(3,560)	(290)	(5,500)
	O	5,963	3,400	8,500
				[J]–1,300
Railroad-highway crossings	BA	**8,667**	**1,767**	.....
demonstration projects.....401	O	2,841	5,600	7,200
National scenic and recreational highway.....401				
Liquidation of contract authority....		(8,200)	(2,700)	(6,000)
	O	1,906	6,000	7,700
Alaska Highway.....401	BA	**15,000**	.....	.....
	O	34	5,500	5,700
Off-systems roads programs.....401	BA	**275,000**	**165,000**	.....
Liquidation of contract authority....		(70,000)	(45,000)	(34,000)
	O	58,056	100,400	135,600
Access highways to public recreation	BA	.....	**8,650**	.....
areas on certain lakes.....401	O	471	2,900	6,000
Highways crossing federal projects	BA	**50,000**	**20,000**	**16,000**
401	O	1,986	23,120	17,960
Miscellaneous appropriations.....401	BA	**200**	.....	.....
Liquidation of contract authority....		(474)	.....	.....
	O	–1,887	21,986	.....
Total Federal funds Federal	BA	**369,615**	**248,537**	**49,351**
Highway Administration.	O	118,325	226,739	242,381
Trust Funds				
Federal-aid highways (trust fund): 401				
Contract authority.....	BA	**– 211,843**	.....	.....
				[J]**– 3,625,000**
Permanent.....	BA	**3,538,239**	**6,842,778**	**3,625,000**
Liquidation of contract authority.....		(6,528,100)	(5,850,000)	(7,250,000)
				[J](–7,250,000)
	O	5,972,946	6,549,735	7,180,000
				[J]–7,180,000
Limitation on general operating expenses.		(154,100)	(159,725)	(172,055)
			[D](6,400)	
Federal-aid highways (trust fund): 401	BA			[J]**7,800,000**
				[J](7,250,000)
	O			[J]7,190,130

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
DEPARTMENT OF TRANSPORTATION—Continued				
FEDERAL HIGHWAY ADMINISTRATION—Con.				
Trust Funds—Continued				
Highway related safety grants: 401				
Contract authority, Permanent	BA	.....	**24,756**	.....
Liquidation of contract authority		(20,320)	(20,000)	(23,000)
	0	20,320	20,000	23,000
				[J]—4,200
Baltimore-Washington Parkway.....401	BA	**1,500**	.....	.....
	0	70	1,170	1,120
Trust fund share of other highway programs 401	BA	**17,333**	**3,333**	.....
Contract authority, Permanent	BA	.....	**25,000**	.....
Liquidation of contract authority		(27,518)	(7,300)	(13,000)
	0	8,524	32,288	35,300
Highway safety research and development 401	BA	**9,000**	**9,000**	[K]**9,000**
	0	7,571	10,400	15,800
Overseas highway.....401	BA	**12,500**	**17,000**	**17,000**
	0	1,830	6,700	12,200
Miscellaneous trust funds: Permanent 151	BA	**3,881**	**15,552**	**14,915**
Contract authority, Permanent	BA	**119**	.....	.....
Liquidation of contract authority		(911)	(592)	.....
	0	5,773	19,963	14,915
Miscellaneous trust funds	BA	**20,000**	**27,250**	.....
Demonstration projects.....401	0	508	11,780	13,990
Right-of-way revolving fund (trust revolving fund).....401				
Liquidation of contract authority		(35,000)	(20,000)	(30,000)
	0	9,176	35,825	20,000
Total trust funds Federal Highway Administration.	BA	**3,390,729**	**6,964,669**	**7,840,915**
	0	6,026,718	6,687,861	7,322,255
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION				
Federal Funds				
General and special funds:				
Traffic and highway safety.....401	BA	**49,203**	**52,168**	[K]**56,295**
			[D]**732**	
	0	42,256	55,720	47,235
State and community highway safety 401	BA	.....	**1,140**	**1,715**
			[A]**524**	
Liquidation of contract authority		(5,140)	.....	.....
	0	1,399	2,100	2,000
			[A]130	[A]394
Total Federal funds National Highway Traffic Safety Administration.	BA	**49,203**	**54,564**	**58,010**
	0	43,655	57,950	49,629

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
DEPARTMENT OF TRANSPORTATION—Continued				
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION—Continued				
Trust Funds				
Trust fund share of highway safety programs 401	BA	**27,081**	**26,220** [D]**580**	**26,450**
Contract authority	BA		[A]**−524**	**173,285**
Permanent	BA	**15,000**	**150,860**	
Liquidation of contract authority		(83,360)	(112,000)	(166,000)
	0	124,900	148,430 [A]−130	197,104 [A]−394
Gifts and donations 401	0	4	7	
Total trust funds National Highway Traffic Safety Administration.	BA	**42,081**	**177,136**	**199,735**
	0	124,904	148,307	196,710
FEDERAL RAILROAD ADMINISTRATION				
Federal Funds				
General and special funds:				
Office of the administrator 401	BA	**6,570**	**6,950** [A]**500** [D]**367**	**9,215**
	0	5,426	7,307 [A]400	8,400 [A]100
Railroad safety 401	BA	**19,750**	**19,100** [D]**675**	[K]**24,155**
	0	16,742	21,300	25,351
Railroad research and development 401	BA	**52,900**	**53,600**	**55,670**
	0	57,274	63,800	52,950
Rail service assistance 401	BA	**85,000**	**81,500** [A]**2,500**	**87,210**
Authority to spend public debt receipts.	BA	**880**		
	0	29,402	90,700 [A]1,500	89,750 [A]1,000
Northeast corridor improvement program 401	BA	**200,000**	**400,000**	**455,000**
	0	82,492	190,000	410,000
Grants to National Railroad Passenger Corporation 401	BA	**600,700**	**646,500** [W]**18,000**	**660,000**
	0	730,062	646,500 [W]18,000	660,000
Public enterprise funds:				
Alaska Railroad revolving fund 401	BA	**6,000**	**3,000**	**3,000**
	0	7,509	1,888	2,731
Railroad rehabilitation and improvement financing funds 401	BA	**120,000**	**200,000**	**278,920**
	0	12,044	135,000	150,920
Total Federal funds Federal Railroad Administration.	BA	**1,091,800**	**1,432,692**	**1,573,170**
	0	940,951	1,176,395	1,401,202

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DEPARTMENT OF TRANSPORTATION—Continued				
URBAN MASS TRANSPORTATION ADMINISTRATION				
Federal Funds				
General and special funds:				
Urban mass transportation fund..401	BA	**528,800**	**574,000**	**291,900**
				[J] **– 291,900**
Contract authority	BA	**– 73,800**	**– 90,000**	**– 91,900**
				[J] **91,900**
Liquidation of contract authority		(1,700,000)	(1,756,000)	(1,850,000)
				[J](–1,850,000)
	0	1,708,910	1,975,000	2,250,000
				[J] –2,250,000
Urban mass transportation fund..401	BA			[J] **2,865,000**
				[J](1,850,000)
	0			[J] 2,250,000
Total Federal funds Urban Mass Transportation Administration.	BA	**455,000**	**484,000**	**2,865,000**
	0	1,708,910	1,975,000	2,250,000
SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION				
Federal Funds				
Public enterprise funds:				
Saint Lawrence Seaway Development Corporation.....403	0	–1,284	–1,236	–1,464
Limitation on administrative expenses.		(1,028)	(1,114)	(1,280)
			[D](65)	
RESEARCH AND SPECIAL PROGRAMS DIRECTORATE				
Federal Funds				
General and special funds:				
Research and special programs...407	BA	**2,250**	**8,100**	[K] **24,420**
			[A] **636**	
			[D] **213**	
	0	1,725	7,862	19,300
			[A] 475	[A] 161
Intragovernmental funds:				
Consolidated working fund, transportation systems center..407	0	–1,356	–2,800	3,000
Total Federal funds Research and Special Programs Directorate.	BA	**2,250**	**8,949**	**24,420**
	0	369	5,537	22,461
SUMMARY				
Federal funds:				
(As shown in detail above)	BA	**4,869,532**	**5,348,963**	**8,051,139**
	0	5,547,450	6,515,489	7,209,084
Deductions for offsetting receipts:				
Proprietary receipts from the public.....400	BA, 0	*–35,499*	*–35,863*	*–59,913*
902	BA, 0	*–735*	*–700*	*–700*
Total Federal funds	BA	**4,833,298**	**5,312,400**	**7,990,526**
	0	5,511,216	6,478,926	7,148,471

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
DEPARTMENT OF TRANSPORTATION—Continued				
SUMMARY—Continued				
Trust funds:				
(As shown in detail above)	BA	**4,467,167**	**8,261,910**	**9,377,000**
	O	7,005,239	7,930,306	8,662,021
Deductions for offsetting receipts:				
Proprietary receipts from the public.....151	BA	*–2,401*	*–13,729*	*–12,515*
	O			
403	BA	.....	*–275*	.....
	O			
902	BA	*–20*	.....	.....
	O			
Total trust funds	BA	**4,464,746**	**8,247,906**	**9,364,485**
	O	7,002,818	7,916,302	8,649,506
Total Department of Transportation.	BA	**9,298,044**	**13,560,306**	**17,355,011**
	O	12,514,034	14,395,228	15,797,977
DEPARTMENT OF THE TREASURY				
OFFICE OF THE SECRETARY				
Federal Funds				
General and special funds:				
Salaries and expenses.....803	BA	**26,842**	**29,400** [D]**914**	**32,381**
	O	28,392	31,387	31,754
Investment in fund anticipation notes.....401	BA	**120,000** [J]**– 120,000**	**200,000** [J]**– 200,000**	**278,920** [J]**– 278,920**
Taxable municipal bond option.....852	BA			[J]**7,094,000**
	O			[J]99,000
Presidential election campaign fund: Permanent, indefinite.....806	BA	**36,640**	**38,400**	**40,400**
	O	8,212	.....	1,200
Miscellaneous permanent appropriations: Permanent, indefinite.....803	BA	**18**	**24**	**25**
	O	16	25	25
Public enterprise funds:				
Liquidation of Reconstruction Finance Corporation.....803	O	–426	–403	–193
Intragovernmental funds:				
Working capital fund.....803	O	–238	–30	.....
Total Federal funds Office of the Secretary.	BA	**63,500**	**68,738**	**7,166,806**
	O	35,956	30,979	131,786
Trust Funds				
Pershing Hall memorial fund: Permanent, indefinite.....705	BA	**7**	**7**	**7**
	O	7	7	7
OFFICE OF REVENUE SHARING				
Federal Funds				
General and special funds:				
Salaries and expenses.....851	BA	**5,973**	**7,500** [D]**150**	**7,493**
	O	4,200	8,144	7,776
Antirecession financial assistance fund.....852	BA	**1,570,000**	**1,400,000**	[K]**1,040,000**
	O	1,698,824	1,572,694	1,050,400

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Account and functional code		1977 actual	1978 estimate	1979 estimate
DEPARTMENT OF THE TREASURY—Continued				
OFFICE OF REVENUE SHARING—Continued				
Federal Funds—Continued				
General and special funds:—Continued				
Payments to State and local government fiscal assistance trust fund.....851	BA	**4,991,085**	**6,854,924**	**6,854,924**
Permanent.....	BA	**1,663,695**	.....	.....
	O	6,654,780	6,854,924	6,854,924
Total Federal funds Office of Revenue Sharing.	BA	**8,230,753**	**8,262,574**	**7,902,417**
	O	8,357,804	8,435,762	7,913,100
Trust Funds				
State and local government fiscal assistance trust fund.....851	BA	**4,991,085**	**6,854,924**	**6,854,924**
Permanent.....	BA	**1,663,695**	.....	.....
	O	6,760,092	6,826,629	6,852,294
FEDERAL LAW ENFORCEMENT TRAINING CENTER				
Federal Funds				
General and special funds:				
Salaries and expenses.....751	BA	**9,936**	**12,000** **[A]1,515** **[C]113** **[D]340**	**15,423**
	O	11,000	12,125 [A]1,484	14,788 [A]31
Construction, Federal Law Enforcement Training Center....751	O	4,021	17,840	7,136
Total Federal funds Federal Law Enforcement Training Center.	BA	**9,936**	**13,968**	**15,423**
	O	15,021	31,449	21,955
BUREAU OF GOVERNMENT FINANCIAL OPERATIONS				
Federal Funds				
General and special funds:				
Salaries and expenses.....803	BA	**145,669**	**146,511** **[A]13,500** **[D]2,826**	**174,687**
	O	144,664	151,170 [A]13,365	172,940 [A]135
Special payment to recipients of certain retirement and survivor benefits.....601	O	–451	.....	.....
New York City seasonal financing fund, administrative expenses.852	BA	**1,250**	**1,150**	**1,150**
	O	626	1,200	1,238
Claims, judgments, and relief acts: (Social services).....506	BA		**[J]543,000**	
	O		[J]543,000	

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
DEPARTMENT OF THE TREASURY—Continued				
BUREAU OF GOVERNMENT FINANCIAL OPERATIONS—Continued				
Federal Funds—Continued				
General and special funds:—Continued				
Claims, judgments, and relief acts: —Continued.				
(Other general government).....806	BA	**137,904**	.....	.....
			[1]**127,000**	[1]**2,000**
Permanent, indefinite.....	BA	**15,436**	**80,000**	**145,000**
	O	153,278	80,132	145,000
			[1]127,000	[1]2,000
Total, Claims, judgments, and relief acts.	BA	**153,340**	**750,000**	**147,000**
	O	153,278	750,132	147,000
Interest on uninvested funds: Permanent, indefinite.....902	BA	**7,206**	**7,691**	**7,841**
	O	7,689	7,691	7,841
Payment of Government losses in shipment.....803	BA	**500**	.....	.....
	O	410	400	400
Eisenhower College grants.....502	O	667	.....	.....
Grants to Hoover Institution on War, Revolution, and Peace.....503	O	3,700	2,509	.....
Public enterprise funds:				
Check forgery insurance fund.....803	O	11	10	10
Intragovernmental funds:				
Fishermen's protective fund.....376	O	.....	1,059	.....
Total Federal funds Bureau of Government Financial Operations.	BA	**307,965**	**921,678**	**330,678**
	O	310,594	927,536	329,564
Trust Funds				
Miscellaneous trust funds: Permanent, indefinite.....806	BA	**19**	**18**	**18**
	O	18	19	18
BUREAU OF ALCOHOL, TOBACCO AND FIREARMS				
Federal Funds				
General and special funds:				
Salaries and expenses.....751	BA	**118,664**	**122,600**	**135,522**
			[D]**6,032**	
	O	117,391	127,487	134,686
UNITED STATES CUSTOMS SERVICE				
Federal Funds				
General and special funds:				
Salaries and expenses.....751	BA	**359,190**	**384,700**	**431,350**
			[C]**217**	
			[D]**20,557**	
	O	348,997	403,552	431,722
Miscellaneous permanent appropriations: Permanent, indefinite.....852	BA	**239,233**	**267,000**	**282,000**
	O	248,353	267,000	282,000
Intragovernmental funds:				
Consolidated working fund.....803	O	–3,995	.....	.....
Total Federal funds United States Customs Service.	BA	**598,423**	**672,474**	**713,350**
	O	593,355	670,552	713,722

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Account and functional code		1977 actual	1978 estimate	1979 estimate
DEPARTMENT OF THE TREASURY—Continued				
UNITED STATES CUSTOMS SERVICE—Con.				
Trust Funds				
Refunds, transfers and expenses, unclaimed, abandoned and seized goods: Permanent, indefinite.....803	BA	**2,887**	**4,000**	**4,000**
	0	3,091	4,000	4,000
BUREAU OF ENGRAVING AND PRINTING				
Federal Funds				
Intragovernmental funds:				
Bureau of Engraving and Printing fund.....803	BA	.....	**5,000**	.....
	0	–3,735	.....	.....
BUREAU OF THE MINT				
Federal Funds				
General and special funds:				
Salaries and expenses.....803	BA	**41,400**	**41,000**	**44,274**
	0	39,735	40,200	43,260
Construction of mint facilities.....803	0	142	.....	.....
Coinage profit fund: Permanent, indefinite.....803	BA	**3,245**	**3,200**	**3,000**
	0	1,888	3,200	3,000
Total Federal funds Bureau of the Mint.	BA	**44,645**	**44,200**	**47,274**
	0	41,765	43,400	46,260
BUREAU OF THE PUBLIC DEBT				
Federal Funds				
General and special funds:				
Administering the public debt.....803	BA	**113,580**	**116,263**	**183,411**
			[A]15,512	
			[C]44	
			[D]2,073	
	0	108,808	122,823	183,876
			[A]15,512	
INTERNAL REVENUE SERVICE				
Federal Funds				
General and special funds:				
Salaries and expenses.....803	BA	**50,268**	**51,000**	**56,100**
			[A]400	
			[D]2,763	
			[J]625	**[J]1,305**
	0	48,930	53,108	55,876
			[A]398	[A]2
			[J]620	[J]1,300
Accounts, collection and taxpayer service.....803	BA	**849,634**	**872,740**	**964,900**
			[A]10,800	
			[D]40,069	
			[J]19,261	**[J]22,037**
	0	857,207	909,571	961,040
			[A]10,765	[A]35
			[J]19,166	[J]21,812
Compliance.....803	BA	**907,709**	**938,500**	**1,026,300**
			[A]4,100	
			[D]50,312	
			[J]1,598	**[J]7,246**
	0	883,872	985,628	1,022,195
			[A]4,084	[A]16
			[J]1,590	[J]7,221

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
DEPARTMENT OF THE TREASURY—Continued				
INTERNAL REVENUE SERVICE—Continued				
Federal Funds—Continued				
General and special funds:—Continued				
Refunding internal revenue collections, interest: Permanent, indefinite.....902	BA	**318,048**	**323,000**	**328,000**
	0	318,048	323,000	328,000
Fuel efficiency incentive and crude oil tax programs:				
(Energy conservation): Indefinite 272	BA		**[1]150,000**	**[1]500,000**
	0		[1]150,000	[1]500,000
(Public assistance and other income supplements): Indefinite 604	BA		**[1]167,000**	**[1]1,333,000**
	0		[1]167,000	[1]1,333,000
Total, Fuel efficiency incentive and crude oil tax programs.	BA	.....	**317,000**	**1,833,000**
	0	.....	317,000	1,833,000
Internal revenue collections for Puerto Rico: Permanent, indefinite 852	BA	**162,799**	**168,000**	**176,000**
	0	157,089	168,000	176,000
Public enterprise funds:				
Federal tax lien revolving fund.....803	0	37	.....	.....
Total Federal funds Internal Revenue Service.	BA	**2,288,458**	**2,800,168**	**4,414,888**
	0	2,265,183	2,792,930	4,406,497
UNITED STATES SECRET SERVICE				
Federal Funds				
General and special funds:				
Salaries and expenses.....751	BA	**118,030**	**123,000**	**135,899**
			[4]4,400	
			[D]5,890	
	0	119,964	129,326	134,766
			[4]4,388	[4]12
Contribution for annuity benefits: Permanent, indefinite 751	BA	**3,394**	**6,000**	**8,000**
	0	3,394	6,000	8,000
Total Federal funds United States Secret Service.	BA	**121,424**	**139,290**	**143,899**
	0	123,358	139,714	142,778
COMPTROLLER OF THE CURRENCY				
Trust Funds				
Assessment funds.....376	0	–4,182	–2,550	–3,950
INTEREST ON THE PUBLIC DEBT				
Federal Funds				
General and special funds:				
Interest on the public debt: Permanent, indefinite 901	BA	**41,899,720**	**48,600,000**	**55,400,000**
	0	41,899,720	48,600,000	55,400,000
SUMMARY				
Federal funds:				
(As shown in detail above).....	BA	**53,797,068**	**61,790,614**	**76,453,668**
	0	53,865,220	61,938,144	69,424,224
Deductions for offsetting receipts:				
Intrafund transactions.....155	BA } 0 }	.....	*–20,000*	*–20,000*
803	BA } 0 }	*–593*	*–800*	*–850*

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
DEPARTMENT OF THE TREASURY—Continued				
SUMMARY—Continued				
Federal funds:—Continued				
902	BA	*–1,500,191*	*–1,613,154*	*–1,818,684*
	O			
Receipts from off-budget Federal agencies.....374	BA	*–142,700*	.....	.....
	O			
902	BA	*–2,098,485*	*–2,716,369*	*–4,098,334*
	O			
Proprietary receipts from the public.....050	BA	*–417*	*–1,500*	*–2,000*
	O			
150	BA	*–123,483*	*–204,656*	*–197,965*
	O			
800	BA	*–90,304*	*–83,020*	*–61,137*
	O			
902	BA	*–272,681*	*–419,587*	*–470,178*
	O			
Total Federal funds.....	BA	**49,568,214**	**56,731,528**	**69,784,520**
	O	49,636,366	56,879,058	62,755,076
Trust funds:				
(As shown in detail above).....	BA	**6,657,693**	**6,858,949**	**6,858,949**
	O	6,759,026	6,828,105	6,852,369
Interfund transactions.....803	BA	**– 178,038**	**– 164,700**	**– 140,500**
	O			
851	BA	**– 6,657,170**	**– 6,854,924**	**– 6,854,924**
	O			
Total Department of the Treasury.	BA	**49,390,699**	**56,570,853**	**69,648,045**
	O	49,560,184	56,687,539	62,612,021
ENVIRONMENTAL PROTECTION AGENCY				
Federal Funds				
General and special funds:				
Agency and regional management 304	BA	**72,294**	**75,033** **[D]3,180** **[E]20**	**84,085**
	O	72,675	75,000	82,000
Research and development: (Energy supply).....271	BA	**94,960**	**96,213** **[D]249** **[W]34,700**	**[K]114,965**
	O	95,180	121,000 [W]5,000	109,000 [W]16,500

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
ENVIRONMENTAL PROTECTION AGENCY—Continued				
Federal Funds—Continued				
General and special funds:—Continued				
Research and development:—Con.				
(Pollution control and abatement) 304	BA	**165,606**	**175,979** **[A]1,400** **[D]2,994** **[E]157** **[W]9,500**	**[K]209,163**
	0	163,885	162,000 [A]900 [W]4,000	177,000 [A]500 [W]5,500
Total, Research and development.	BA	**260,566**	**321,192**	**324,128**
	0	259,065	292,900	308,500
Abatement and control.....304	BA	**386,501**	**424,146** **[A]8,000** **[D]6,835** **[E]265** **[W]85,000**	**[K]617,969**
Liquidation of contract authority....		(49,182)	.....	.....
	0	435,884	461,000 [A]3,000 [W]9,000	471,000 [A]5,000 [W]46,000
Enforcement.....304	BA	**57,244**	**73,432** **[D]2,470** **[E]30**	**[K]94,855**
	0	53,527	73,000	92,000
Buildings and facilities.....304	BA	**2,100**	.....	**2,563**
	0	1,539	2,000	2,000
Construction grants.....304	BA	**1,980,000**	..... **[W]4,500,000**	**4,500,000**
Liquidation of contract authority....		(3,800,000)	(5,000,000)	(1,400,000)
	0	3,529,577	4,130,000 [W]5,000	4,350,000 [W]310,000
Scientific activities overseas (Special foreign currency program).....304	BA	**5,000**	**4,000**	**4,000**
	0	4,950	3,000	5,000
Operations, research, and facilities 304	0	7,919	9,000	8,000
Public enterprise funds:				
Revolving fund for certification and other services.....304	0	–139	.....	.....
Intragovernmental funds:				
Consolidated working fund.....304	0	90	145	.....
Total Federal funds	BA	**2,763,705**	**5,503,603**	**5,627,600**
Environmental Protection Agency.	0	4,365,087	5,063,045	5,679,500
Trust Funds				
Miscellaneous trust funds: Permanent, indefinite.....304	BA	**40**	.....	.....
	0	36	37	30
SUMMARY				
Federal funds:				
(As shown in detail above).....	BA	**2,763,705**	**5,503,603**	**5,627,600**
	0	4,365,087	5,063,045	5,679,500
Deductions for offsetting receipts:				
Proprietary receipts from the public.....300	BA 0	*–201*	*–208*	*–208*

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ENVIRONMENTAL PROTECTION AGENCY—Continued				
SUMMARY—Continued				
Federal funds:—Continued				
304	BA	*–46*	*–46*	*–46*
	O			
902	BA	*–29*	*–29*	*–29*
	O			
Total Federal funds	BA	**2,763,429**	**5,503,320**	**5,627,317**
	O	4,364,811	5,062,762	5,679,217
Trust funds:				
(As shown in detail above)	BA	**40**	.....	.....
	O	36	37	30
Deductions for offsetting receipts:				
Proprietary receipts from the public.....304	BA	*–40*	.....	.....
	O			
Total trust funds	O	–4	37	30
Total Environmental Protection Agency.	BA	**2,763,429**	**5,503,320**	**5,627,317**
	O	4,364,807	5,062,799	5,679,247
GENERAL SERVICES ADMINISTRATION				
REAL PROPERTY ACTIVITIES				
Federal Funds				
General and special funds:				
Disposal of surplus real and related personal property, operating expenses.....804	BA	**6,442**	**7,935**	**7,549**
	O	6,467	7,935	7,549
Expenses, disposal of surplus real and related personal property: Permanent, indefinite 804	BA	**738**	**1,000**	**1,000**
	O	681	1,000	1,000
Real property miscellaneous accounts:				
(Federal litigative and judicial activities).....752	O	1,603	313	.....
(General property and records management) 804	O	1,046	2,322	.....
Total, Real property miscellaneous accounts.	O	2,649	2,635	.....
Intragovernmental funds:				
Federal buildings fund.....804	BA	**125,000**	**– 75,000**	.....
	O	–121,642	1,208	–4,898
			[W]2,500	[W]10,200
Construction services fund 804	O	–9,567	–2,022	–2,322
Consolidated working fund, real property activities.....804	O	–1,054	–1,000	–400
Total Federal funds Real Property Activities.	BA	**132,180**	**– 66,065**	**8,549**
	O	–122,466	12,256	11,129

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
GENERAL SERVICES ADMINISTRATION—Continued				
PERSONAL PROPERTY ACTIVITIES				
Federal Funds				
General and special funds:				
Federal Supply Service, operating expenses.....804	BA	**157,275**	**161,064** [C]**1,442** [D]**5,638**	**167,468**
	0	157,345	168,180	167,468
Intragovernmental funds:				
General supply fund.....804	0	–54,484	.....	.....
Working capital fund.....804	0	–248	–170	.....
Total Federal funds Personal Property Activities.	BA	**157,275**	**168,144**	**167,468**
	0	102,613	168,010	167,468
RECORDS ACTIVITIES				
Federal Funds				
General and special funds:				
National Archives and Records Service, operating expenses.....804	BA	**66,269**	**67,134** [D]**2,340**	**73,093**
	0	63,921	69,474	73,093
Records declassification.....804	BA	**1,470**	**1,470** [D]**95**	**1,565**
	0	1,352	1,565	1,565
Total Federal funds Records Activities.	BA	**67,739**	**71,039**	**74,658**
	0	65,273	71,039	74,658
Trust Funds				
National archives gift fund: Permanent, indefinite.....804	BA	**271**	**120**	**130**
	0	154	150	150
National archives trust fund.....804	0	345	–100	–100
Total trust funds Records Activities.	BA	**271**	**120**	**130**
	0	499	50	50
AUTOMATED DATA AND TELECOMMUNICATIONS ACTIVITIES				
Federal Funds				
General and special funds:				
Automated Data and Telecommunications Service, operating expenses.....804	BA	**7,831**	**8,024** [D]**466**	**8,673**
	0	7,561	8,476	8,673
Intragovernmental funds:				
Federal telecommunications fund.804	BA	**20,000**	.....	.....
	0	–6,178	–2,941	1,717
Automatic data processing fund..804	0	11,275	11,159	856
Total Federal funds Automated Data and Telecommunications Activities.	BA	**27,831**	**8,490**	**8,673**
	0	12,658	16,694	11,246
PROPERTY MANAGEMENT AND DISPOSAL ACTIVITIES				
Federal Funds				
General and special funds:				
Rare silver dollar program: (Defense-related activities).....054	0	276	87	.....

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Account and functional code		1977 actual	1978 estimate	1979 estimate
GENERAL SERVICES ADMINISTRATION—Continued				
PROPERTY MANAGEMENT AND DISPOSAL ACTIVITIES—Continued				
Federal Funds—Continued				
General and special funds:—Continued				
Rare silver dollar program:—Con.				
(General property and records management) 804	0	86	2,032	315
Total, Rare silver dollar program.	0	362	2,119	315
Strategic and critical materials....054	0	–17	.....	.....
Total Federal funds Property Management and Disposal Activities.	0	345	2,119	315
PREPAREDNESS ACTIVITIES				
Federal Funds				
General and special funds:				
Federal Preparedness Agency, salaries and expenses.....054	BA	**17,320**	**38,800** **[A]70,500** **[C]294** **[D]1,108**	**213,345**
	0	17,321	37,885 [A]50,500	194,319 [A]20,000
Expenses, Defense Production Act 054	BA	.....	**1,300**	**4,374**
	0	.....	1,300	4,374
State and local preparedness.....054	0	23	95	.....
Public enterprise funds:				
Defense Production Act, loan guarantee activities.....054	0	–11	.....	.....
William Langer Jewel bearing plant revolving fund.....054	0	–172	–70	.....
Total Federal funds Preparedness Activities.	BA	**17,320**	**112,002**	**217,719**
	0	17,161	89,710	218,693
GENERAL ACTIVITIES				
Federal Funds				
General and special funds:				
General management and agency operations, salaries and expenses 804	BA	**8,861**	**12,915** **[D]739**	**14,476**
	0	8,428	13,317	14,207
Indian trust accounting 806	BA	**2,814**	**2,818** **[D]137**	**2,658**
	0	2,641	2,939	2,635
Allowances and office staff for former Presidents.....802	BA	**390**	**617** **[W]54**	**771**
	0	339	617 [W]54	771
Expenses, presidential transition..802	BA	**3,000**	.....	.....
	0	2,160	196	.....
Administrative and staff support services, salaries and expenses 804	BA	**75,215**	**79,425** **[D]4,257**	**91,390**
	0	69,635	83,025	90,724

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
GENERAL SERVICES ADMINISTRATION—Continued				
GENERAL ACTIVITIES—Continued				
Federal Funds—Continued				
General and special funds:—Continued				
Consumer information center.....376	BA	**1,092**	**4,700**	**1,186**
			[D]31	
	O	1,010	4,812	1,191
Refunds under Renegotiation Act.902	BA	**1,000**	.....	.....
			[A]1,000	
	O	94	24	.....
			[A]551	[A]449
Miscellaneous appropriations.....804	O	4	.....	.....
Public enterprise funds:				
Virgin Islands Corporation liquidation fund.....804	O	–789	–699	–593
Intragovernmental funds:				
Administrative operations fund.....804	O	2	.....	.....
Total Federal funds General activities.	BA	**92,372**	**106,693**	**110,481**
	O	83,524	104,836	109,384
SUMMARY				
Federal funds:				
(As shown in detail above).....	BA	**494,717**	**400,303**	**587,548**
	O	159,108	464,664	592,893
Deductions for offsetting receipts:				
Intrafund transactions.....054	BA	*–990*	.....	.....
	O			
902	BA	*–10*	.....	.....
	O			
Proprietary receipts from the public.....054	BA	*–148,413*	*–131,200*	*–242,200*
	O			
800	BA	*–40,353*	*–44,300*	*–44,500*
	O			
902	BA	*–943*	*–700*	*–500*
	O			
Total Federal funds.....	BA	**304,008**	**224,103**	**300,348**
	O	–31,601	288,464	305,693
Trust funds:				
(As shown in detail above).....	BA	**271**	**120**	**130**
	O	499	50	50
Total General Services Administration.	BA	**304,279**	**224,223**	**300,478**
	O	–31,102	288,514	305,743
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				
Federal Funds				
General and special funds:				
Research and development:				
(Space flight).....253	BA	**1,736,700**	**1,751,500**	**[K]1,827,700**
	O	1,817,689	1,762,100	1,819,700
(Space science, applications, and technology).....254	BA	**674,625**	**753,800**	**[K]907,900**
	O	717,540	716,700	841,100
(Supporting space activities)...255	BA	**255,000**	**278,300**	**[K]305,400**
	O	264,262	273,100	299,400

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Account and functional code		1977 actual	1978 estimate	1979 estimate
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION—Continued				
Federal Funds—Continued				
General and special funds:—Continued				
Research and development:—Con.				
(Air transportation)....402	BA	**190,100**	**228,000**	**[K]264,100**
	O	181,172	208,700	243,600
Total, Research and development.	BA	**2,856,425**	**3,011,600**	**3,305,100**
	O	2,980,663	2,960,600	3,203,800
Construction of facilities:				
(Space flight)....253	BA	**30,695**	**64,880**	**[K]31,070**
	O	56,550	48,400	56,300
(Space science, applications, and technolgoy)....254	BA	**8,800**	**9,510**	.....
	O	3,671	10,000	8,200
(Supporting space activities)...255	BA	**43,645**	**49,550**	**[K]44,900**
	O	36,947	41,400	47,800
(Air transportation)....402	BA	**34,950**	**38,400**	**[K]76,530**
	O	7,802	32,700	41,700
Total, Construction of facilities.	BA	**118,090**	**162,340**	**152,500**
	O	104,970	132,500	154,000
Research and program management:				
(Space flight)....253	BA	**370,553**	**361,810** **[D]19,810**	**[K]388,400**
	O	377,470	381,450	388,200
(Space science, applications, and technology)....254	BA	**280,467**	**277,150** **[D]15,170**	**[K]301,800**
	O	284,840	291,670	301,000
(Supporting space activities)...255	BA	**41,010**	**39,380** **[D]2,150**	**[K]42,600**
	O	42,043	41,820	42,500
(Air transportation)....402	BA	**152,545**	**165,660** **[D]9,070**	**[K]181,200**
	O	155,325	173,560	180,600
Total, Research and program management.	BA	**844,575**	**890,200**	**914,000**
	O	859,678	888,500	912,300
Total Federal funds National Aeronautics and Space Administration.	BA	**3,819,090**	**4,064,140**	**4,371,600**
	O	3,945,311	3,981,600	4,270,100
Trust Funds				
Miscellaneous trust funds: Permanent, indefinite....255	BA	**1,547**	**15**	.....
	O	1,357	2,045	.....
SUMMARY				
Federal funds:				
(As shown in detail above).....	BA	**3,819,090**	**4,064,140**	**4,371,600**
	O	3,945,311	3,981,600	4,270,100
Deductions for offsetting receipts:				
Proprietary receipts from the public....250	BA O	*−1,109*	*−1,300*	*−1,300*
902	BA O	*−198*	.....	.....
Total Federal funds.....	BA	**3,817,783**	**4,062,840**	**4,370,300**
	O	3,944,004	3,980,300	4,268,800

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NATIONAL AERONAUTICS AND SPACE ADMINISTRATION—Continued				
SUMMARY—Continued				
Trust funds:				
(As shown in detail above)	BA	**1,547**	**15**	.....
	O	1,357	2,045	.....
Deductions for offsetting receipts:				
Proprietary receipts from the public.....255	BA, O	*–1,547*	*–15*	.....
Total trust funds	O	–190	2,030	.....
Total National Aeronautics and Space Administration.	BA	**3,817,783**	**4,062,840**	**4,370,300**
	O	3,943,814	3,982,330	4,268,800
VETERANS ADMINISTRATION				
Federal Funds				
General and special funds:				
Compensation and pensions:				
(Veterans service-connected compensation).....701	BA	**5,710,981**	**5,789,259** **[A]361,647**	**6,167,534** **[J]309,900**
	O	5,721,850	5,790,085 [A]331,547	6,144,801 [A]30,100 [J]284,060
(Veterans non-service-connected pension).....701	BA	**3,107,581**	**3,155,589** **[A]127,200**	**3,232,400** **[J]111,000**
	O	3,113,495	3,156,038 [A]113,100	3,220,486 [A]14,100 [J]111,000
(Other veterans income security programs).....701	BA	**163,938**	**171,952** **[A]753**	**177,366**
	O	164,251	171,977 [A]753	176,713
Total, compensations and pensions.....701	BA	**8,982,500**	**9,116,800** **[A]489,600**	**9,577,300** **[J]420,900**
	O	8,999,596	9,118,100 [A]445,400	9,542,000 [A]44,200 [J]395,060
Readjustment benefits.....702	BA	**3,983,900**	**2,648,025**	**2,119,000** **[J]– 100,000**
	O	3,700,004	3,101,900	2,708,500 [J]–100,000
Veterans insurance and indemnities 701	BA	**7,000**	**2,465**	**5,750**
	O	7,922	2,951	5,775
Medical care.....703	BA	**4,373,807**	**4,721,686** **[A]4,288** **[C]25,000** **[D]173,963**	**5,279,699** **[J]– 142,127**
	O	4,290,617	4,900,214 [A]4,061	5,276,304 [A]227 [J]–142,127
Medical and prosthetic research..703	BA	**104,533**	**107,000** **[D]4,853**	**112,667**
	O	104,460	111,573	112,662

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Account and functional code		1977 actual	1978 estimate	1979 estimate
VETERANS ADMINISTRATION—Continued				
Federal Funds—Continued				
General and special funds:—Continued				
Medical administration and miscellaneous operating expenses 703	BA	**39,941**	**42,000** [D]**1,316**	**47,855**
	O	38,668	43,239	47,932
General operating expenses 705	BA	**525,633**	**550,000** [A]**8,600** [C]**600** [D]**25,300**	**622,074** [J]**– 1,495**
	O	510,264	573,365 [A]8,345	621,819 [A]255 [J]–1,495
Construction, major projects 703	BA	**405,681**	**393,689**	**295,855**
	O	168,402	198,786	301,767
Construction, minor projects 703	BA	**92,791**	**94,106** [D]**1,128**	**121,147**
	O	65,438	114,988	93,980
Grants for construction of state extended care facilities 703	BA	**10,000**	**10,000** [W]**5,000**	**5,000**
	O	7,828	11,407 [W]2,500	12,000 [W]1,000
Grants to the Republic of the Philippines 703	BA	**2,100**	**1,700**	.....
	O	2,045	1,718	296
Assistance for health manpower training institutions 703	BA	**45,045**	**45,611** [A]**21,589** [W]**3,847**	**75,000**
	O	31,109	48,155	51,890 [W]1,405
Public enterprise funds:				
Loan guaranty revolving fund 704	O	660	54,000	27,000
Direct loan revolving fund 704	O	–138,723	–75,000	–73,000
Canteen service revolving fund 705	O	1,114	850	–1,857
Service-disabled veterans insurance fund 701	O	–1,509	3,363	.....
Veterans reopened insurance fund 701	O	–27,227	–25,872	–24,733
Education loan fund 702	BA	.....	**17,200**	**74,300**
	O	13,320	70,700	74,400
Vocational rehabilitation revolving fund 702	O	64	10	10
Special therapeutic and rehabilitation activities fund 703	O	–76	–150	–150
Intragovernmental funds:				
Supply fund: Indefinite 705	BA	.....	**20,000**	.....
	O	7,820	10,000	.....
Consolidated working fund 705	O	297	.....	.....
Total Federal funds Veterans Administration.	BA	**18,572,931**	**18,535,366**	**18,512,925**
	O	17,782,093	18,724,603	18,975,120
Trust Funds				
Post-Vietnam era veterans education account: Permanent, indefinite 702	BA	**3,321**	**30,792**	**55,189**
	O	.....	459	2,603

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VETERANS ADMINISTRATION—Continued				
Trust Funds—Continued				
General post fund, national homes:	BA	**5,497**	**6,100**	**6,400**
Permanent, indefinite.....705	O	4,375	5,000	5,700
National service life insurance fund:	BA	**912,821**	**971,900**	**963,800**
Permanent, indefinite.....701	O	697,602	700,000	750,000
United States government life insurance	BA	**37,402**	**37,983**	**36,165**
fund: Permanent, indefinite.....701	O	71,105	63,654	69,068
Veterans special life insurance fund 701	O	–46,016	–55,238	–37,540
Total trust funds Veterans	BA	**959,041**	**1,046,775**	**1,061,554**
Administration.	O	727,066	713,875	789,831
SUMMARY				
Federal funds:				
(As shown in detail above).....	BA	**18,572,931**	**18,535,366**	**18,512,925**
	O	17,782,093	18,724,603	18,975,120
Deductions for offsetting receipts:				
Proprietary receipts from the public.....700	BA, O	*–662*	*–2,583*	*–2,583*
902	BA, O	*–17*	*–17*	*–17*
Total Federal funds.....	BA	**18,572,252**	**18,532,766**	**18,510,325**
	O	17,781,414	18,722,003	18,972,520
Trust funds:				
(As shown in detail above).....	BA	**959,041**	**1,046,775**	**1,061,554**
	O	727,066	713,875	789,831
Deductions for offsetting receipts:				
Proprietary receipts from the public.....701	BA, O	*–483,661*	*–505,233*	*–466,928*
702	BA, O	*–3,321*	*–30,690*	*–49,789*
Total trust funds.....	BA	**472,059**	**510,852**	**544,837**
	O	240,084	177,952	273,114
Interfund transactions.....701	BA, O	**– 2,147**	**– 1,934**	**– 1,832**
702	BA, O	.....	**– 102**	**– 5,400**
Total Veterans Administration....	BA	**19,042,164**	**19,041,582**	**19,047,930**
	O	18,019,351	18,897,919	19,238,402
OTHER INDEPENDENT AGENCIES				
ACTION				
Federal Funds				
General and special funds:				
Operating expenses, international programs (Foreign economic and financial assistance).....151	BA	**80,000**	**82,900** **[B]3,644** **[D]1,069**	**95,135**
	O	76,726	83,513 [B]3,097	92,682 [B]547

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
OTHER INDEPENDENT AGENCIES—Continued				
ACTION—Continued				
Federal Funds—Continued				
General and special funds:—Continued				
Operating expenses, domestic programs.....506	BA	**109,110**	**117,260** **[A]1,400** **[D]1,011**	**130,986**
	O	109,215	116,365 [A]1,054	128,081 [A]346
Trust Funds				
Miscellaneous trust funds: Permanent, indefinite.....151	BA	**174**	**280**	**245**
	O	277	224	245
Summary				
Federal funds:				
(As shown in detail above).....	BA	**189,110**	**207,284**	**226,121**
	O	185,941	204,029	221,656
Deductions for offsetting receipts: Proprietary receipts from the public.....150	BA O	*160*	*–50*	*–50*
Total Federal funds.....	BA	**189,270**	**207,234**	**226,071**
	O	186,101	203,979	221,606
Trust funds:				
(As shown in detail above).....	BA	**174**	**280**	**245**
	O	277	224	245
Deductions for offsetting receipts: Proprietary receipts from the public.....151	BA O	*–81*	*–195*	*–160*
Total trust funds.....	BA	**93**	**85**	**85**
	O	196	29	85
Total ACTION.....	BA	**189,363**	**207,319**	**226,156**
	O	186,297	204,008	221,691
ADMINISTRATIVE CONFERENCE OF THE UNITED STATES				
Federal Funds				
General and special funds:				
Salaries and expenses.....751	BA	**880**	**914** **[D]21**	**[K]1,062**
	O	862	919	1,046
ADVISORY COMMITTEE ON FEDERAL PAY				
Federal Funds				
General and special funds:				
Salaries and expenses.....805	BA	**215**	**220**	**232**
	O	126	218	230
ADVISORY COUNCIL ON HISTORIC PRESERVATION				
Federal Funds				
General and special funds:				
Salaries and expenses.....303	BA	**877**	**1,080** **[D]61**	**1,553**
	O	439	1,490	1,481

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
OTHER INDEPENDENT AGENCIES—Continued				
AMERICAN BATTLE MONUMENTS COMMISSION				
Federal Funds				
General and special funds:				
Salaries and expenses.....705	BA	**5,824**	**6,463**	**6,240**
	O	6,086	6,368	5,982
Trust Funds				
Contributions: Permanent, indefinite	BA	**29**	**25**	**28**
705	O	84	25	31
Summary				
Federal funds:				
(As shown in detail above).....	BA	**5,824**	**6,463**	**6,240**
	O	6,086	6,368	5,982
Deductions for offsetting receipts:				
Proprietary receipts from the public.....700	BA, O	*–1*	*–3*	*–3*
Total Federal funds.....	BA	**5,823**	**6,460**	**6,237**
	O	6,085	6,365	5,979
Trust funds:				
(As shown in detail above).....	BA	**29**	**25**	**28**
	O	84	25	31
Total American Battle Monuments Commission.	BA	**5,852**	**6,485**	**6,265**
	O	6,169	6,390	6,010
ARMS CONTROL AND DISARMAMENT AGENCY				
Federal Funds				
General and special funds:				
Arms control and disarmament activities.....153	BA	**12,420**	**13,600** **[A]2,570** **[D]350**	**[K]16,395**
	O	11,863	13,269 [A]1,570	15,470 [A]1,000
BOARD FOR INTERNATIONAL BROADCASTING				
Federal Funds				
General and special funds:				
Grants and expenses.....154	BA	**56,735**	**65,900** **[B]10,468**	**[K]85,180**
	O	57,837	63,015 [B]10,468	78,597
CABINET COMMITTEE ON OPPORTUNITIES FOR SPANISH-SPEAKING PEOPLE				
Federal Funds				
General and special funds:				
Salaries and expenses.....506	O	4	.....	.....
CENTRAL INTELLIGENCE AGENCY				
Federal Funds				
General and special funds:				
Payment to the Central Intelligence Agency retirement and disability fund.....054	BA	**28,300**	**35,100**	**43,500**
	O	28,300	35,100	43,500

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
OTHER INDEPENDENT AGENCIES—Continued				
CIVIL AERONAUTICS BOARD				
Federal Funds				
General and special funds:				
Salaries and expenses 402	BA	**22,646**	**23,367**	**27,042**
			[A]**700**	
			[D]**1,240**	
	O	23,043	23,803	26,811
			[A]692	[A]8
Payments to air carriers 402	BA	**73,911**	**64,260**	**68,900**
Contract authority, Permanent	BA	**8,250**	**9,940**	....
Liquidation of contract authority....		(6,096)	(8,250)	....
			[A](9,940)	
	O	79,787	72,872	63,157
			[A]3,756	[A]6,184
Summary				
Federal funds:				
(As shown in detail above)....	BA	**104,807**	**99,507**	**95,942**
	O	102,830	101,123	96,160
Deductions for offsetting receipts:				
Proprietary receipts from the public....400	BA, O	*–121*	*–126*	*–131*
902	BA, O	*–2*	*–3*	....
Total Civil Aeronautics Board	BA	**104,684**	**99,378**	**95,811**
	O	102,707	100,994	96,029
CIVIL SERVICE COMMISSION				
Federal Funds				
General and special funds:				
Salaries and expenses 805	BA	**107,095**	**111,066**	**120,815**
			[A]**447**	
			[D]**5,780**	
				[J]**1,000**
	O	100,347	116,350	118,270
			[A]447	
				[J]1,000
Limitation payable under trust funds.		(26,475)	(30,065)	(32,275)
			[D](1,290)	
Government payment for annuitants, employees health benefits.....551	BA	**451,844**	**506,467**	**606,035**
	O	437,034	506,617	606,035
Payment to civil service retirement and disability fund.....805	BA	**3,107,598**	**1,737,070**	**2,105,283**
			[A]**428,758**	
Permanent, indefinite	BA	**4,190,795**	**5,231,332**	**6,249,340**
	O	7,298,393	6,968,402	8,354,623
			[A]428,758	
Federal Labor Relations Council:	BA	**1,637**	**1,787**	**1,787**
Salaries and expenses.....805	O	1,559	1,787	1,787
Intergovernmental personnel assistance.....806	BA	**15,000**	**20,000**	**20,000**
	O	12,561	18,000	18,000
Intragovernmental funds:				
Revolving fund 805	O	–1,807	1,132	–325
Trust Funds				
Civil service retirement and disability fund: Indefinite.....602	BA		[A]**428,758**	
Permanent, indefinite.....	BA	**16,479,980**	**17,247,438**	**19,242,348**
	O	9,563,523	10,896,017	12,163,901

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
OTHER INDEPENDENT AGENCIES—Continued				
CIVIL SERVICE COMMISSION—Continued				
Trust Funds—Continued				
Employees health benefits fund.....551	0	–71,935	–109,816	–43,266
Employees life insurance fund.....602	0	–397,717	–450,661	–485,211
Retired employees health benefits fund 551	0	4,502	–118	497
Summary				
Federal funds:				
(As shown in detail above).....	BA	**7,873,969**	**8,042,707**	**9,104,260**
	0	7,848,087	8,041,493	9,099,390
Deductions for offsetting receipts:				
Proprietary receipts from the public.....800	BA, 0	*–1,228*	*–1,350*	*–1,500*
902	BA, 0	*–1*	.....	.....
Total Federal funds.....	BA	**7,872,740**	**8,041,357**	**9,102,760**
	0	7,846,858	8,040,143	9,097,890
Trust funds:				
(As shown in detail above).....	BA	**16,479,980**	**17,676,196**	**19,242,348**
	0	9,098,373	10,335,422	11,635,921
Deductions for offsetting receipts:				
Intrafund transactions.....602	BA, 0	*–13,612*	*–100*	*–75*
Total trust funds.....	BA	**16,466,368**	**17,676,096**	**19,242,273**
	0	9,084,761	10,335,322	11,635,846
Interfund transactions.....602	BA, 0	**– 13,105**	**– 29,300**	**– 30,765**
805	BA, 0	**– 7,298,393**	**– 7,397,160**	**– 8,354,623**
Total Civil Service Commission..	BA	**17,027,610**	**18,290,993**	**19,959,645**
	0	9,620,121	10,949,005	12,348,348
COMMISSION OF FINE ARTS				
Federal Funds				
General and special funds:				
Salaries and expenses 451	BA	**221**	**233** [D]**11**	**264**
	0	170	244	264
COMMISSION ON CIVIL RIGHTS				
Federal Funds				
General and special funds:				
Salaries and expenses 751	BA	**10,078**	**10,480** [D]**446**	[K]**10,752**
	0	9,476	10,809	10,666
COMMITTEE FOR PURCHASE FROM THE BLIND AND OTHER SEVERELY HANDICAPPED				
Federal Funds				
General and special funds:				
Salaries and expenses 505	BA	**316**	**344** [D]**17**	**441**
	0	280	397	436

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

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OTHER INDEPENDENT AGENCIES—Continued				
COMMODITY FUTURES TRADING COMMISSION				
Federal Funds				
General and special funds:				
Commodity Futures Trading Commission.....376	BA	**13,085**	**13,196** [A]**971** [D]**633**	**15,804**
	O	13,489	13,741 [A]921	15,747 [A]50
Summary				
Federal funds:				
(As shown in detail above).....	BA	**13,085**	**14,800**	**15,804**
	O	13,489	14,662	15,797
Deductions for offsetting receipts:				
Proprietary receipts from the public.....370	BA O	*–5*	*–5*	*–5*
Total Commodity Futures Trading Commission.	BA	**13,080**	**14,795**	**15,799**
	O	13,484	14,657	15,792
COMMUNITY SERVICES ADMINISTRATION				
Federal Funds				
General and special funds:				
Community services program:				
(Training and employment).....504	O	580	.....	.....
(Social services).....506	BA	**631,169**	**596,353** [D]**1,700**	[K]**538,000**
	O	528,943	613,216	558,100
(Public assistance and other income supplements).....604	BA	**163,384**	..... [W]**200,000**	.....
	O	110,000	53,384	.....
Total, Community services program.	BA	**794,553**	**798,053**	**538,000**
	O	639,523	666,600	558,100
Trust Funds				
Gifts and contributions.....506	O	.....	5	.....
Summary				
Federal funds:				
(As shown in detail above).....	BA	**794,553**	**798,053**	**538,000**
	O	639,523	666,600	558,100
Deductions for offsetting receipts:				
Proprietary receipts from the public.....500	BA O	*–6*	*–7*	*–7*
902	BA O	*–191*	*–193*	*–193*
Total Federal funds.....	BA	**794,356**	**797,853**	**537,800**
	O	639,326	666,400	557,900
Trust funds:				
(As shown in detail above).....	O	.....	5	.....
Total Community Services Administration.	BA	**794,356**	**797,853**	**537,800**
	O	639,326	666,405	557,900

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
OTHER INDEPENDENT AGENCIES—Continued				
CONSUMER PRODUCT SAFETY COMMISSION				
Federal Funds				
General and special funds:				
Salaries and expenses.....554	BA	**39,759**	**39,144**	[K]**41,463**
			[D]**1,467**	
	O	39,872	42,380	39,720
Summary				
Federal funds:				
(As shown in detail above).....	BA	**39,759**	**40,611**	**41,463**
	O	39,872	42,380	39,720
Deductions for offsetting receipts:				
Proprietary receipts from the public.....550	BA, O	*–5*	*–5*	*–5*
Total Consumer Product Safety Commission.	BA	**39,754**	**40,606**	**41,458**
	O	39,867	42,375	39,715
CORPORATION FOR PUBLIC BROADCASTING				
Federal Funds				
General and special funds:				
Public broadcasting fund.....503	BA	**103,000**	**107,150**	.....
			[A]**12,050**	
Permanent.....	BA	.....	.....	**120,200**
	O	103,000	107,150	120,200
			[A]12,050	
DISTRICT OF COLUMBIA				
Federal Funds				
General and special funds:				
Federal payment to District of Columbia.....852	BA	**279,357**	**278,707**	[K]**327,300**
	O	279,357	278,707	327,300
Loans for capital outlay.....852	BA	**101,292**	**92,000**	**129,790**
	O	100,000	114,200	120,500
Loans to stadium sinking fund: 852				
Authority to spend public debt receipts, Permanent, indefinite.	BA	**832**	**832**	**832**
	O	832	832	832
Repayable advances to the District of Columbia general fund: Permanent, indefinite 852	BA	**20,000**	**20,000**	.....
	O	20,000	20,000	.....
Summary				
Federal funds:				
(As shown in detail above).....	BA	**401,481**	**391,539**	**457,922**
	O	400,189	413,739	448,632
Deductions for offsetting receipts:				
Proprietary receipts from the public.....852	BA, O	*–84,472*	*–43,979*	*–22,359*
Total District of Columbia.....	BA	**317,009**	**347,560**	**435,563**
	O	315,717	369,760	426,273
EMERGENCY LOAN GUARANTEE BOARD				
Federal Funds				
Public enterprise funds:				
Emergency loan guarantee fund...376	O	–5,014	1,590	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
OTHER INDEPENDENT AGENCIES—Continued				
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION				
Federal Funds				
General and special funds:				
Salaries and expenses.....751	BA	**70,513**	**77,050**	**110,000**
			[1]**13,950**	
	O	71,855	77,509	104,500
			[1]10,182	[1]3,768
Summary				
Federal funds:				
(As shown in detail above).....	BA	**70,513**	**91,000**	**110,000**
	O	71,855	87,691	108,268
Deductions for offsetting receipts:				
Intrafund transactions.....804	BA, O	*–92*	.....	.....
Proprietary receipts from the public.....750	BA, O	*–34*	*–34*	*–34*
Total Equal Employment Opportunity Commission.	BA	**70,387**	**90,966**	**109,966**
	O	71,729	87,657	108,234
EXPORT-IMPORT BANK OF THE UNITED STATES				
Federal Funds				
Public enterprise funds:				
Export-Import Bank of the United States: 155				
Authority to spend public debt receipts, Permanent, indefinite.	BA	.....	.....	**659,665**
	O	339,977	196,000	403,776
Limitation on administrative expenses.		(12,306)	(12,695)	(13,515)
			[D](495)	
Limitation on program activity.....		(6,334,443)	(5,458,207)	(5,347,345)
FARM CREDIT ADMINISTRATION				
Federal Funds				
Public enterprise funds:				
Revolving fund for administrative expenses.....351	O	–560	144	.....
Limitation on administrative expenses.		(8,429)	(9,509)	.....
			[D](433)	
Summary				
Federal funds:				
(As shown in detail above).....	O	–560	144	.....
Deductions for offsetting receipts:				
Proprietary receipts from the public.....350	BA, O	.....	*–2*	*–2*
Total Farm Credit Administration.	BA	.....	**–2**	**–2**
	O	–560	142	–2
FEDERAL COMMUNICATIONS COMMISSION				
Federal Funds				
General and special funds:				
Salaries and expenses.....376	BA	**56,911**	**61,400**	**67,035**
			[D]**3,068**	
	O	55,791	65,936	66,309

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
OTHER INDEPENDENT AGENCIES—Continued				
FEDERAL COMMUNICATIONS COMMISSION—Continued				
Summary				
Federal funds:				
(As shown in detail above)	BA	**56,911**	**64,468**	**67,035**
	0	55,791	65,936	66,309
Deductions for offsetting receipts:				
Proprietary receipts from the public.....370	BA, 0	*–14*	*–13*	*–13*
Total Federal Communications Commission.	BA	**56,897**	**64,455**	**67,022**
	0	55,777	65,923	66,296
FEDERAL DEPOSIT INSURANCE CORPORATION				
Trust Funds				
Federal Deposit Insurance Corporation 371	0	–851,645	–379,002	–945,000
FEDERAL ELECTION COMMISSION				
Federal Funds				
General and special funds:				
Salaries and expenses.....806	BA	**6,180**	**7,300**	**8,224**
			[D]**310**	
	0	6,625	8,152	8,457
FEDERAL HOME LOAN BANK BOARD				
Federal Funds				
General and special funds:				
Interest adjustment payments.....371	0	1,071	538	459
Public enterprise funds:				
Federal Home Loan Bank Board revolving fund: 371				
Authority to spend public debt receipts.	BA		[H]– **10,055**	
	0	–1,490,915	888	.....
Limitation on administrative expenses.		(17,100)	(16,730)	(18,258)
			[D](862)	
Limitation on nonadministrative expenses.		(24,520)	(26,230)	(30,290)
			[A](250)	
			[D](1,520)	
Federal Savings and Loan Insurance Corporation fund.....371	0	–423,511	–361,755	–467,000
			[A]250	
Limitation on administrative expenses.		(875)	(870)	(960)
			[D](51)	
Total Federal Home Loan Bank Board.	BA	.....	**– 10,055**	.....
	0	–1,913,355	–360,079	–466,541
FEDERAL MARITIME COMMISSION				
Federal Funds				
General and special funds:				
Salaries and expenses.....403	BA	**8,640**	**9,424**	**10,530**
			[D]**470**	
	0	8,479	9,825	10,455
Summary				
Federal funds:				
(As shown in detail above)	BA	**8,640**	**9,894**	**10,530**
	0	8,479	9,825	10,455

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
OTHER INDEPENDENT AGENCIES—Continued				
FEDERAL MARITIME COMMISSION—Continued				
Summary—Continued				
Federal funds:—Continued				
Deductions for offsetting receipts:				
Proprietary receipts from the public.....400	BA 0	*–30*	*–40*	*–40*
Total Federal Maritime Commission.	BA	**8,610**	**9,854**	**10,490**
	0	8,449	9,785	10,415
FEDERAL MEDIATION AND CONCILIATION SERVICE				
Federal Funds				
General and special funds:				
Salaries and expenses.....505	BA	**21,177**	**21,932** **[D]533**	**22,686**
	0	19,571	21,320	21,559
Summary				
Federal funds:				
(As shown in detail above).....	BA	**21,177**	**22,465**	**22,686**
	0	19,571	21,320	21,559
Deductions for offsetting receipts:				
Proprietary receipts from the public.....500	BA 0	*–1*	*–1*	*–1*
Total Federal Mediation and Conciliation Service.	BA	**21,176**	**22,464**	**22,685**
	0	19,570	21,319	21,558
FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION				
Federal Funds				
General and special funds:				
Salaries and expenses.....554	BA	.....	**903** **[A]1,036**	**4,776**
	0	.....	810 [A]1,025	4,500 [A]11
FEDERAL TRADE COMMISSION				
Federal Funds				
General and special funds:				
Salaries and expenses.....376	BA	**54,680**	**59,500** **[B]418** **[C]35** **[D]2,615**	**[K]66,485**
	0	51,536	61,153 [B]390	64,447 [B]28
Summary				
Federal funds:				
(As shown in detail above).....	BA	**54,680**	**62,568**	**66,485**
	0	51,536	61,543	64,475
Deductions for offsetting receipts:				
Proprietary receipts from the public.....400	BA 0	*166*	*–39*	*–39*
Total Federal Trade Commission	BA	**54,846**	**62,529**	**66,446**
	0	51,702	61,504	64,436

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
OTHER INDEPENDENT AGENCIES—Continued				
FOREIGN CLAIMS SETTLEMENT COMMISSION				
Federal Funds				
General and special funds:				
Salaries and expenses.....153	BA	**742**	**920**	**1,015**
	0	732	800	930
Payment of Vietnam prisoner of war claims.....153	0	43	450	.....
Total Foreign Claims Settlement Commission.	BA	**742**	**920**	**1,015**
	0	775	1,250	930
HARRY S TRUMAN SCHOLARSHIP FOUNDATION				
Federal Funds				
General and special funds:				
Payment to the Harry S Truman memorial scholarship trust fund 502	BA	**20,000**	.....	.....
	0	20,000	.....	.....
Trust Funds				
Harry S Truman memorial scholarship trust fund.....502	0	–21,108	–1,716	–1,583
Summary				
Federal funds:				
(As shown in detail above).....	BA	**20,000**	.....	.....
	0	20,000	.....	.....
Trust funds:				
(As shown in detail above).....	0	–21,108	–1,716	–1,583
Total Harry S Truman Scholarship Foundation.	BA	**20,000**	.....	.....
	0	–1,108	–1,716	–1,583
HISTORICAL AND MEMORIAL AGENCIES				
American Revolution Bicentennial Administration				
Federal Funds				
General and special funds:				
Salaries and expenses.....806	BA	**65**	.....	.....
	0	2,180	555	.....
Trust Funds				
Gifts and donations.....806	0	–1	1	.....
Summary				
Federal funds:				
(As shown in detail above).....	BA	**65**	.....	.....
	0	2,180	555	.....
Deductions for offsetting receipts:				
Proprietary receipts from the public.....800	BA 0	*–4,672*	.....	.....
902	BA 0	*–5*	.....	.....
Total Federal funds.....	BA	**–4,612**	.....	.....
	0	–2,497	555	.....
Trust funds:				
(As shown in detail above).....	0	–1	1	.....
Total American Revolution Bicentennial Administration.	BA	**–4,612**	.....	.....
	0	–2,498	556	.....

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Account and functional code		1977 actual	1978 estimate	1979 estimate
OTHER INDEPENDENT AGENCIES—Continued				
HISTORICAL AND MEMORIAL AGENCIES—Con.				
Other Historical and Memorial Agencies				
Federal Funds				
General and special funds:				
Franklin Delano Roosevelt Memorial Commission: Salaries and expenses.....806	BA	**29**	**25**	**20**
	O	14	35	35
Miscellaneous expired appropriations 806	O	.....	6	.....
Trust Funds				
Civil War Centennial Commission: Donations.....806	O	1	.....	.....
Summary				
Federal funds:				
(As shown in detail above).....	BA	**29**	**25**	**20**
	O	14	41	35
Trust funds:				
(As shown in detail above).....	O	1	.....	.....
Total Other Historical and Memorial Agencies.	BA	**29**	**25**	**20**
	O	15	41	35
Total Federal funds Historical and Memorial Agencies.	BA	**−4,583**	**25**	**20**
	O	−2,483	596	35
Total trust funds Historical and Memorial Agencies.	O	.....	1	.....
INDIAN CLAIMS COMMISSION				
Federal Funds				
General and special funds:				
Salaries and expenses.....752	BA	**1,560**	**1,500** ^{D}**70**	.....
	O	1,569	1,567	67
INTERGOVERNMENTAL AGENCIES				
Advisory Commission on Intergovernmental Relations				
Federal Funds				
General and special funds:				
Salaries and expenses.....806	BA	**1,431**	**1,600** ^{D}**54**	**1,659**
	O	1,339	1,614	1,659
Intragovernmental funds:				
Consolidated working fund.....806	O	160	−26	.....
Trust Funds				
Contributions: Permanent, indefinite 806	BA	**31**	**60**	**100**
	O	12	80	100
Summary				
Federal funds:				
(As shown in detail above).....	BA	**1,431**	**1,654**	**1,659**
	O	1,499	1,588	1,659

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OTHER INDEPENDENT AGENCIES—Continued				
INTERGOVERNMENTAL AGENCIES—Continued				
Advisory Commission on Intergovernmental Relations—Continued				
Summary—Continued				
Trust funds:				
(As shown in detail above)	BA	**31**	**60**	**100**
	O	12	80	100
Total Advisory Commission on Intergovernmental Relations.	BA	**1,462**	**1,714**	**1,759**
	O	1,511	1,668	1,759
Appalachian Regional Commission				
Federal Funds				
General and special funds:				
Salaries and expenses 452	BA	**1,925**	**2,075** [D]8	**2,220**
	O	1,917	2,083	2,220
Intragovernmental funds:				
Consolidated working fund 452	O	–412	.....	.....
Trust Funds				
Miscellaneous trust funds: Permanent, indefinite 452	BA	**3,781**	**4,110**	**4,270**
	O	3,821	4,366	4,570
Summary				
Federal funds:				
(As shown in detail above)	BA	**1,925**	**2,083**	**2,220**
	O	1,505	2,083	2,220
Trust funds:				
(As shown in detail above)	BA	**3,781**	**4,110**	**4,270**
	O	3,821	4,366	4,570
Deductions for offsetting receipts: Proprietary receipts from the public 452	BA, O	*–1,573*	*–1,700*	*–1,780*
Total trust funds	BA	**2,208**	**2,410**	**2,490**
	O	2,248	2,666	2,790
Interfund transactions 452	BA, O	**– 2,208**	**– 2,410**	**– 2,490**
Total Appalachian Regional Commission.	BA	**1,925**	**2,083**	**2,220**
	O	1,545	2,339	2,520
Delaware River Basin Commission				
Federal Funds				
General and special funds:				
Salaries and expenses 301	BA	**91**	**87** [D]11	**102**
	O	84	98	102
Contribution to Delaware River Basin Commission 301	BA	**198**	**232**	**245**
	O	171	179	245
Total Delaware River Basin Commission.	BA	**289**	**330**	**347**
	O	255	277	347

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OTHER INDEPENDENT AGENCIES—Continued				
INTERGOVERNMENTAL AGENCIES—Continued				
Interstate Commission on the Potomac River Basin				
Federal Funds				
General and special funds:				
Contribution to Interstate Commission on the Potomac River Basin.....304	BA	**52**	**53**	**53**
	0	52	53	53
Susquehanna River Basin Commission				
Federal Funds				
General and special funds:				
Salaries and expenses.....301	BA	**91**	**88**	**102**
			D11	
	0	86	99	102
Contribution to Susquehanna River Basin Commission.....301	BA	**150**	**200**	**200**
	0	150	200	200
Total Susquehanna River Basin Commission.	BA	**241**	**299**	**302**
	0	236	299	302
Washington Metropolitan Area Transit Authority				
Federal Funds				
General and special funds:				
Federal contribution.....401	BA	**38,417**	**51,357**	**19,374**
Permanent.....	BA	**90,059**	**15,422**	.....
	0	289,804	204,657	60,744
Summary				
Federal funds:				
(As shown in detail above).....	BA	**132,414**	**71,198**	**23,955**
	0	293,351	208,957	65,325
Trust funds:				
(As shown in detail above).....	BA	**3,812**	**4,170**	**4,370**
	0	3,833	4,446	4,670
Deductions for offsetting receipts:				
Proprietary receipts from the public.....452	BA, 0	*–1,573*	*–1,700*	*–1,780*
Total trust funds.....	BA	**2,239**	**2,470**	**2,590**
	0	2,260	2,746	2,890
Interfund transactions.....452	BA, 0	**– 2,208**	**– 2,410**	**– 2,490**
Total Intergovernmental Agencies.	BA	**132,445**	**71,258**	**24,055**
	0	293,403	209,293	65,725
INTELLIGENCE COMMUNITY STAFF				
Federal Funds				
General and special funds:				
Intelligence community staff.....054	BA	**8,748**	**8,950**	**9,683**
			D269	
			E30	
	0	4,017	11,590	9,650

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OTHER INDEPENDENT AGENCIES—Continued				
INTERNATIONAL COMMUNICATION AGENCY				
Federal Funds				
General and special funds:				
Salaries and expenses.....154	BA	**310,580**	**330,683** **[A]1,500** **[C]352** **[D]7,418**	**[K]370,318**
	O	305,470	330,928 [A]1,288	359,800 [A]212
Salaries and expenses (special foreign currency program).....154	BA	**10,186**	**8,657**	**[K]9,824**
	O	9,219	10,043	11,102
Center for Cultural and Technical Interchange Between East and West.....154	BA	**10,000**	**12,200**	**[K]13,500**
	O	9,264	12,936	13,500
Acquisition and construction of radio facilities.....154	BA	**2,142**	**13,032**	**[K]19,685**
	O	3,460	9,314	8,425
Miscellaneous expired special foreign currency programs.....154	O	61	245	65
Educational exchange fund, payments by Finland, World War I debt.....154	O	199	308	.....
Trust Funds				
Trust funds: Permanent, indefinite...154	BA	**298**	**316**	**331**
	O	193	584	337
Summary				
Federal funds:				
(As shown in detail above).....	BA	**332,908**	**373,842**	**413,327**
	O	327,673	365,062	393,104
Deductions for offsetting receipts:				
Proprietary receipts from the public.....150	BA O	*–253*	*–347*	*–347*
Total Federal funds.....	BA	**332,655**	**373,495**	**412,980**
	O	327,420	364,715	392,757
Trust funds:				
(As shown in detail above).....	BA	**298**	**316**	**331**
	O	193	584	337
Deductions for offsetting receipts:				
Proprietary receipts from the public.....154	BA O	*–215*	*–227*	*–238*
Total trust funds.....	BA	**83**	**89**	**93**
	O	–22	357	99
Total International Communication Agency.	BA	**332,738**	**373,584**	**413,073**
	O	327,398	365,072	392,856
INTERNATIONAL TRADE COMMISSION				
Federal Funds				
General and special funds:				
Salaries and expenses.....153	BA	**11,840**	**11,500** **[D]713**	**13,113**
	O	10,806	12,463	13,113

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
OTHER INDEPENDENT AGENCIES—Continued				
INTERSTATE COMMERCE COMMISSION				
Federal Funds				
General and special funds:				
Salaries and expenses.....401	BA	**57,769**	**59,717**	**69,422**
			[1]**2,300**	
			[D]**2,900**	
	O	58,682	61,716	68,180
			[1]2,300	
Payments for directed rail service 401	O	17	100	792
Summary				
Federal funds:				
(As shown in detail above).....	BA	**57,769**	**64,917**	**69,422**
	O	58,699	64,116	68,972
Deductions for offsetting receipts:				
Proprietary receipts from the public.....400	BA O	*–48*	*–51*	*–52*
Total Interstate Commerce Commission.	BA	**57,721**	**64,866**	**69,370**
	O	58,651	64,065	68,920
JAPAN-UNITED STATES FRIENDSHIP COMMISSION				
Federal Funds				
General and special funds:				
Japan-United States friendship trust fund.....154	O	72	.....	.....
Trust Funds				
Japan-United States friendship trust fund.....154	BA	.....	**1,000**	**1,500**
	O	386	1,000	1,500
Summary				
Federal funds:				
(As shown in detail above).....	O	72	.....	.....
Trust funds:				
(As shown in detail above).....	BA	.....	**1,000**	**1,500**
	O	386	1,000	1,500
Total Japan-United States Friendship Commission.	BA	.....	**1,000**	**1,500**
	O	458	1,000	1,500
LEGAL SERVICES CORPORATION				
Federal Funds				
General and special funds:				
Payment to the Legal Services Corporation.....752	BA	**125,000**	**205,000**	**255,000**
	O	125,004	153,814	243,000
MARINE MAMMAL COMMISSION				
Federal Funds				
General and special funds:				
Salaries and expenses.....302	BA	**1,000**	**900**	**702**
	O	1,053	980	822

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
OTHER INDEPENDENT AGENCIES—Continued				
NATIONAL CAPITAL PLANNING COMMISSION				
Federal Funds				
General and special funds:				
Salaries and expenses.....451	BA	**1,966**	**1,819**	**1,939**
			D252	
	O	2,077	2,071	1,939
NATIONAL CENTER FOR PRODUCTIVITY AND QUALITY OF WORKING LIFE				
Federal Funds				
General and special funds:				
Salaries and expenses.....376	BA	**2,750**	**2,900**	K**2,900**
	O	2,109	3,300	2,900
NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE				
Federal Funds				
General and special funds:				
Salaries and expenses.....503	BA	**4,008**	**563**	**683**
			D44	
	O	910	1,767	1,743
Trust Funds				
Contributions.....503	O	–1	.....	.....
Summary				
Federal funds:				
(As shown in detail above).....	BA	**4,008**	**607**	**683**
	O	910	1,767	1,743
Trust funds:				
(As shown in detail above).....	O	–1	.....	.....
Total National Commission on Libraries and Information Science.	BA	**4,008**	**607**	**683**
	O	909	1,767	1,743
NATIONAL CREDIT UNION ADMINISTRATION				
Federal Funds				
Public enterprise funds:				
Operating fund.....371	O	–70	416	.....
Credit union share insurance fund 371	O	–19,211	–30,046	–36,000
Total National Credit Union Administration.	O	–19,281	–29,630	–36,000
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES				
NATIONAL ENDOWMENT FOR THE ARTS				
Federal Funds				
General and special funds:				
Salaries and expenses.....503	BA	**166,743**	**98,000**	**112,160**
			D373	
Appropriation, Current, indefinite...	BA	**32,500**	**25,500**	**37,500**
	O	182,263	112,834	132,799
Intragovernmental funds:				
Consolidated working fund (arts).503	O	–53	80	.....

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
OTHER INDEPENDENT AGENCIES—Continued				
NATIONAL ENDOWMENT FOR THE ARTS—Con.				
Trust Funds				
Gifts and donations (arts): Permanent,	BA	**10,544**	.....	.....
indefinite 503	O	10,544	.....	.....
Summary				
Federal funds:				
(As shown in detail above).....	BA	**199,243**	**123,873**	**149,660**
	O	182,210	112,914	132,799
Trust funds:				
(As shown in detail above).....	BA	**10,544**	.....	.....
	O	10,544	.....	.....
Total National Endowment for	BA	**209,787**	**123,873**	**149,660**
the Arts.	O	192,754	112,914	132,799
NATIONAL ENDOWMENT FOR THE HUMANITIES				
Federal Funds				
General and special funds:				
Salaries and expenses 503	BA	.....	**96,000**	**111,100**
			D292	
Appropriation, Current, indefinite...	BA	.....	**25,000**	**34,500**
	O	.....	141,915	105,273
Intragovernmental funds:				
Consolidated working fund	O	.....	80	.....
(humanities).....503				
Trust Funds				
Gifts and donations (humanities):	BA	.....	**16,000**	**16,000**
Permanent, indefinite.....503	O	.....	16,000	16,000
Summary				
Federal funds:				
(As shown in detail above).....	BA	.....	**121,292**	**145,600**
	O	.....	141,995	105,273
Trust funds:				
(As shown in detail above).....	BA	.....	**16,000**	**16,000**
	O	.....	16,000	16,000
Total National Endowment for	BA	.....	**137,292**	**161,600**
the Humanities.	O	.....	157,995	121,273
NATIONAL INSTITUTE OF BUILDING SCIENCES				
Federal Funds				
General and special funds:				
Salaries and expenses 376	BA	.....	**1,000**	.....
	O	.....	1,000	.....
NATIONAL LABOR RELATIONS BOARD				
Federal Funds				
General and special funds:				
Salaries and expenses: Indefinite.505	BA	**80,908**	**88,520**	**100,467**
			D3,988	
	O	80,727	93,030	99,930
Summary				
Federal funds:				
(As shown in detail above).....	BA	**80,908**	**92,508**	**100,467**
	O	80,727	93,030	99,930

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
OTHER INDEPENDENT AGENCIES—Continued				
NATIONAL LABOR RELATIONS BOARD—Con.				
Summary—Continued				
Federal funds:—Continued				
Deductions for offsetting receipts:				
Proprietary receipts from the public.....500	BA O	*–181*	*–236*	*–244*
Total National Labor Relations Board.	BA	**80,727**	**92,272**	**100,223**
	O	80,546	92,794	99,686
NATIONAL MEDIATION BOARD				
Federal Funds				
General and special funds:				
Salaries and expenses.....505	BA	**3,660**	**3,703** **[D]210**	**3,969**
	O	3,327	3,610	3,660
Summary				
Federal funds:				
(As shown in detail above).....	BA	**3,660**	**3,913**	**3,969**
	O	3,327	3,610	3,660
Deductions for offsetting receipts:				
Proprietary receipts from the public.....500	BA O	*–6*	*–5*	*–6*
Total National Mediation Board.	BA	**3,654**	**3,908**	**3,963**
	O	3,321	3,605	3,654
NATIONAL SCIENCE FOUNDATION				
Federal Funds				
General and special funds:				
Research and related activities....251	BA	**712,311**	**783,200** **[C]22** **[D]1,220** **[E]758**	**850,400**
	O	667,611	744,700	774,000
Scientific activities (special foreign currency program).....251	BA	**4,600**	**4,900**	**6,000**
	O	5,346	5,000	5,000
Science education activities.....251	BA	**59,000**	**73,200**	**77,600**
	O	65,184	70,600	73,300
Intragovernmental funds:				
Consolidated working fund.....251	O	8,746	1,000	500
Trust Funds				
Donations: Permanent, indefinite.....251	BA	**6,841**	**5,000**	**5,300**
	O	5,982	4,000	4,500
Summary				
Federal funds:				
(As shown in detail above).....	BA	**775,911**	**863,300**	**934,000**
	O	746,887	821,300	852,800
Deductions for offsetting receipts:				
Proprietary receipts from the public.....250	BA O	*–832*	*–278*	*–278*
902	BA O	*–1*	*–22*	*–22*
Total Federal funds.....	BA	**775,078**	**863,000**	**933,700**
	O	746,054	821,000	852,500

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OTHER INDEPENDENT AGENCIES—Continued				
NATIONAL SCIENCE FOUNDATION—Continued				
Summary—Continued				
Trust funds:				
(As shown in detail above)	BA	**6,841**	**5,000**	**5,300**
	O	5,982	4,000	4,500
Total National Science Foundation.	BA	**781,919**	**868,000**	**939,000**
	O	752,036	825,000	857,000
NATIONAL TRANSPORTATION SAFETY BOARD				
Federal Funds				
General and special funds:				
Salaries and expenses 407	BA	**13,800**	**14,710**	**15,650**
			[D]**690**	
	O	13,087	15,290	15,370
Summary				
Federal funds:				
(As shown in detail above)	BA	**13,800**	**15,400**	**15,650**
	O	13,087	15,290	15,370
Deductions for offsetting receipts:				
Proprietary receipts from the public 400	BA, O	*–38*	*–35*	*–35*
Total National Transportation Safety Board.	BA	**13,762**	**15,365**	**15,615**
	O	13,049	15,255	15,335
NUCLEAR REGULATORY COMMISSION				
Federal Funds				
General and special funds:				
Salaries and expenses 276	BA	**248,780**	**281,423**	[K]**330,670**
			[A]**5,350**	
			[D]**5,350**	
	O	230,559	271,600	305,150
			[A]3,300	[A]2,050
Summary				
Federal funds:				
(As shown in detail above)	BA	**248,780**	**292,123**	**330,670**
	O	230,559	274,900	307,200
Deductions for offsetting receipts:				
Proprietary receipts from the public 270	BA, O	*–13*	.....	.....
Total Nuclear Regulatory Commission.	BA	**248,767**	**292,123**	**330,670**
	O	230,546	274,900	307,200
CONSUMER PROTECTION ACTIVITIES				
Federal Funds				
General and special funds:				
Consumer protection activities 506	BA			[J]**– 11,600**
	O			[J]–11,600
OFFICE OF CONSUMER REPRESENTATION				
Federal Funds				
General and special funds:				
Salaries and expenses 506	BA			[J]**15,000**
	O			[J]14,500

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OTHER INDEPENDENT AGENCIES—Continued				
OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION				
Federal Funds				
General and special funds:				
Salaries and expenses.....554	BA	**6,607**	**7,150**	**7,658**
	O	6,899	7,088	7,368
PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION				
Federal Funds				
General and special funds:				
Salaries and expenses.....451	BA	**1,032**	**1,294**	[K]**1,530**
			[D]**32**	
	O	1,084	1,457	1,530
Public development.....451	BA	**4,081**	**12,354**	[K]**12,355**
	O	35	2,400	7,635
Public enterprise funds:				
Land acquisition and development fund: 451				
Authority to spend public debt receipts.	BA	**25,000**	**7,500**	**13,400**
	O	.....	21,000	24,900
Total Pennsylvania Avenue Development Corporation.	BA	**30,113**	**21,180**	**27,285**
	O	1,119	24,857	34,065
POSTAL SERVICE				
Federal Funds				
General and special funds:				
Payment to the Postal Service fund 372	BA	**2,266,170**	**1,695,540**	**1,829,994**
			[A]**91,959**	
	O	2,267,449	1,695,540	1,829,994
			[A]91,959	
RAILROAD RETIREMENT BOARD				
Federal Funds				
General and special funds:				
Payments to Railroad Retirement Trust Fund.....601	BA	**250,000**	**250,000**	**313,000**
	O	250,000	250,000	313,000
Regional rail transportation protective account.....604	BA	**65,000**	**50,000**	**25,000**
	O	59,983	50,049	30,000
Trust Funds				
Railroad retirement account:	BA	**3,597,043**	**3,973,000**	**3,902,000**
Permanent, indefinite.....601	O	3,799,623	4,094,000	4,280,000
Limitation on salaries and expenses..		(30,230)	(33,282)	(34,746)
Summary				
Federal funds:				
(As shown in detail above).....	BA	**315,000**	**300,000**	**338,000**
	O	309,983	300,049	343,000
Deductions for offsetting receipts:				
Proprietary receipts from the public.....600	BA, O	*–1*	.....	.....
Total Federal funds.....	BA	**314,999**	**300,000**	**338,000**
	O	309,982	300,049	343,000
Trust funds:				
(As shown in detail above).....	BA	**3,597,043**	**3,973,000**	**3,902,000**
	O	3,799,623	4,094,000	4,280,000

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OTHER INDEPENDENT AGENCIES—Continued				
RAILROAD RETIREMENT BOARD—Continued				
Summary—Continued				
Trust funds:—Continued				
Deductions for offsetting receipts:				
Intrafund transactions.....902	BA	*–757*	*16,000*	*16,000*
	O			
Total trust funds.....	BA	**3,596,286**	**3,989,000**	**3,918,000**
	O	3,798,866	4,110,000	4,296,000
Interfund transactions.....601	BA	**– 250,000**	**– 250,000**	**– 313,000**
	O			
Total Railroad Retirement Board.	BA	**3,661,285**	**4,039,000**	**3,943,000**
	O	3,858,848	4,160,049	4,326,000
RENEGOTIATION BOARD				
Federal Funds				
General and special funds:				
Salaries and expenses.....054	BA	**6,002**	**6,000**	**7,277**
			[D]332	
	O	5,804	6,519	7,240
Summary				
Federal funds:				
(As shown in detail above).....	BA	**6,002**	**6,332**	**7,277**
	O	5,804	6,519	7,240
Deductions for offsetting receipts:				
Proprietary receipts from the public.....050	BA	*–2*	*–2*	*–4*
	O			
Total Renegotiation Board.....	BA	**6,000**	**6,330**	**7,273**
	O	5,802	6,517	7,236
SECURITIES AND EXCHANGE COMMISSION				
Federal Funds				
General and special funds:				
Salaries and expenses.....376	BA	**56,270**	**58,100**	[K]**64,800**
			[A]1,425	
			[D]3,000	
	O	53,659	64,500	64,800
			[A]1,400	[A]25
Summary				
Federal funds:				
(As shown in detail above).....	BA	**56,270**	**62,525**	**64,800**
	O	53,659	65,900	64,825
Deductions for offsetting receipts:				
Proprietary receipts from the public.....370	BA	*–24*	*–23*	*–23*
	O			
Total Securities and Exchange Commission.	BA	**56,246**	**62,502**	**64,777**
	O	53,635	65,877	64,802
SELECTIVE SERVICE SYSTEM				
Federal Funds				
General and special funds:				
Salaries and expenses.....054	BA	**7,920**	**6,300**	**9,500**
			[D]118	
			[E]229	
	O	9,587	7,796	8,500

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
OTHER INDEPENDENT AGENCIES—Continued				
SELECTIVE SERVICE SYSTEM—Continued				
Summary				
Federal funds:				
(As shown in detail above)	BA	**7,920**	**6,647**	**9,500**
	O	9,587	7,796	8,500
Deductions for offsetting receipts:				
Proprietary receipts from the public.....050	BA } O }	.....	.....	.....
Total Selective Service System...	BA	**7,920**	**6,647**	**9,500**
	O	9,587	7,796	8,500
SMALL BUSINESS ADMINISTRATION				
Federal Funds				
General and special funds:				
Salaries and expenses 376	BA	**36,470**	**164,000**	**165,100**
			[D]4,000	
	O	28,942	166,850	164,000
Public enterprise funds:				
Business loan and investment fund 376	BA	**601,600**	**605,000**	**441,000**
	O	463,534	345,700	354,000
Disaster loan fund 453	BA	**290,000**	**1,515,000**	**190,000**
Permanent, indefinite	BA	**1,304**	**180**	**300**
	O	184,200	1,195,000	550,000
Lease guarantees revolving fund..376	BA	**3,000**	**4,000**	**4,000**
	O	4,005	3,350	3,350
Surety bond guarantees revolving fund.....376	BA	**36,000**	**47,000**	**27,000**
	O	19,507	35,000	25,000
Pollution control equipment contract guarantee revolving fund 376	BA	**15,000**	.....	.....
	O	–199	–4,000	–3,000
Summary				
Federal funds:				
(As shown in detail above)	BA	**983,374**	**2,339,180**	**827,400**
	O	699,989	1,741,900	1,093,350
Deductions for offsetting receipts:				
Proprietary receipts from the public.....370	BA } O }	*–14*	.....	.....
Total Small Business Administration.	BA	**983,360**	**2,339,180**	**827,400**
	O	699,975	1,741,900	1,093,350
SMITHSONIAN INSTITUTION				
Federal Funds				
General and special funds:				
Salaries and expenses 503	BA	**85,236**	**88,238**	**96,307**
			[A]1,100	
			[C]1,179	
			[D]3,636	
	O	87,330	92,435	94,982
			[A]1,100	
Museum programs and related research (special foreign currency program) 503	BA	**3,481**	**4,000**	**3,700**
	O	3,243	4,095	4,152
Science information exchange 251	BA	**1,972**	**1,777**	**2,218**
			[D]85	
	O	1,900	1,934	2,218

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
OTHER INDEPENDENT AGENCIES—Continued				
SMITHSONIAN INSTITUTION—Continued				
Federal Funds—Continued				
General and special funds:—Continued				
Construction and improvements, National Zoological Park.....503	BA	**6,580**	**2,500**	**3,900**
	O	9,280	8,595	2,600
Restoration and renovation of buildings.....503	BA	**2,950**	**2,425**	**3,100**
	O	947	4,485	4,000
Construction.....503	BA	.....	**325**	**575**
	O	1,025	1,700	1,100
The John F. Kennedy Center for the Performing Arts.....303	O	.....	21	.....
Salaries and expenses, National Gallery of Art.....503	BA	**12,686**	**14,509** [A]**720** [C]**241** [D]**464**	**19,305**
	O	10,318	16,382 [A]720	18,794
Salaries and expenses, Woodrow Wilson International Center for Scholars.....503	BA	**1,140**	**1,256** [D]**31**	**1,317**
	O	920	1,287	1,317
Trust Funds				
Smithsonian Institution trust funds: Permanent.....251	BA	**76**	**70**	**70**
	O	78	67	72
Summary				
Federal funds:				
(As shown in detail above).....	BA	**114,045**	**122,486**	**130,422**
	O	114,963	132,754	129,163
Deductions for offsetting receipts: Proprietary receipts from the public.....500	BA, O	*–52*	*–52*	*–52*
Total Federal funds.....	BA	**113,993**	**122,434**	**130,370**
	O	114,911	132,702	129,111
Trust funds:				
(As shown in detail above).....	BA	**76**	**70**	**70**
	O	78	67	72
Total Smithsonian Institution.....	BA	**114,069**	**122,504**	**130,440**
	O	114,989	132,769	129,183
TEMPORARY STUDY COMMISSIONS				
Joint Federal-State Land Use Planning Commission for Alaska				
Federal Funds				
General and special funds:				
Salaries and expenses.....452	BA	**737**	**712**	**594**
	O	545	891	842
Trust Funds				
Cooperative funds: Permanent, indefinite.....452	BA	**645**	**586**	**431**
	O	707	588	504
Summary				
Federal funds:				
(As shown in detail above).....	BA	**737**	**712**	**594**
	O	545	891	842

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
OTHER INDEPENDENT AGENCIES—Continued				
TEMPORARY STUDY COMMISSIONS—Con.				
Joint Federal-State Land Use Planning Commission for Alaska—Continued				
Summary—Continued				
Trust funds:				
(As shown in detail above)	BA	**645**	**586**	**431**
	O	707	588	504
Deductions for offsetting receipts:				
Proprietary receipts from the public.....452	BA, O	*–645*	*–586*	*–431*
Total trust funds	O	62	2	73
Total Joint Federal-State Land Use Planning Commission for Alaska.	BA	**737**	**712**	**594**
	O	607	893	915
Other Temporary Commissions				
Federal Funds				
General and special funds:				
Commission on Executive, Legislative, and Judicial Salaries: Salaries and expenses.....805	BA	**100**	.....	.....
	O	83	14	.....
Commission on Federal Paperwork: Salaries and Expenses.....804	BA	**5,000**	.....	.....
	O	6,045	1,036	.....
Commission on the Organization of the Government for the Conduct of Foreign Policy: Salaries and expenses.....153	O	.....	5	.....
Commission on the Review of the National Policy toward Gambling: Salaries and expenses.....751	BA	**265**	.....	.....
	O	317	7	.....
Defense Manpower Commission: Salaries and expenses.....054	O	37	.....	.....
Lowell Historic Canal District Commission: Salaries and expenses.....303	O	38	.....	.....
National Commission for the Review of Federal and State Laws.....751	O	–9	37	.....
National Commission on Air Quality: Salaries and expenses.....304	BA	.....	.....	**4,000**
		.....	[4]**2,000**	
	O	.....	.....	3,000
		.....	[4]1,500	[4]500
National Commission on Electronic Fund Transfers: Salaries and expenses.....376	BA	**1,300**	**200**	.....
	O	1,255	348	.....
National Commission on Materials Policy: Salaries and expenses..376	O	17	.....	.....
National Commission on Supplies and Shortages: Salaries and expenses.....376	BA	**360**	.....	.....
	O	654	22	.....
National Commission on Water Quality: Salaries and expenses 304	O	10	3	.....

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
OTHER INDEPENDENT AGENCIES—Continued				
TEMPORARY STUDY COMMISSIONS—Con.				
Other Temporary Commissions—Continued				
Federal Funds—Continued				
General and special funds:—Continued				
National Transportation Policy Study Commission: Salaries and	BA	**3,000**	**2,000**	.....
			[D]70	
expenses.....407	O	508	2,865	1,605
National Study Commission on Records and Documents of Federal Officials: Salaries and	BA	**350**	.....	.....
expenses.....804	O	376	.....	.....
Navajo and Hopi Indian Relocation Commission: Salaries and	BA	**400**	**2,050**	**13,129**
			[B]405	
expenses.....806	O	1,219	10,414	13,311
			[B]380	[B]25
Privacy Protection Study Commission:	BA	**776**	.....	.....
Salaries and expenses.....806	O	1,014	.....	.....
Retirement Policy Commission:	BA		[J]250	[J]995
Salaries and expenses.....601	O		[J]235	[J]950
Total Other Temporary Commissions.	BA	**11,551**	**6,975**	**18,124**
	O	11,564	16,866	19,391
National Commission on the Observance of International Women's Year, 1975				
Federal Funds				
General and special funds:				
Salaries and expenses.....806	O	2,974	1,999	.....
Trust Funds				
Contributions: Permanent, indefinite	BA	**8**	**53**	.....
806	O	.....	62	.....
Summary				
Federal funds:				
(As shown in detail above).....	O	2,974	1,999	.....
Trust funds:				
(As shown in detail above).....	BA	**8**	**53**	.....
	O	.....	62	.....
Total National Commission on the Observance of International Women's Year, 1975.	BA	**8**	**53**	.....
	O	2,974	2,061	.....
Total Federal funds Temporary Study Commissions.	BA	**12,288**	**7,687**	**18,718**
	O	15,083	19,756	20,233
Total trust funds Temporary Study Commissions.	BA	**8**	**53**	.....
	O	62	64	73
TENNESSEE VALLEY AUTHORITY				
Federal Funds				
Public enterprise funds:				
Tennessee Valley Authority fund: (Energy supply).....271	O	1,003,252	1,125,000	1,239,365

See footnotes at end of table.

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
OTHER INDEPENDENT AGENCIES—Continued				
TENNESSEE VALLEY AUTHORITY—Continued				
Federal Funds—Continued				
Public enterprise funds:—Continued				
Tennessee Valley Authority fund: —Continued.				
(Area and regional development)	BA	**125,930**	**138,510**	**134,635**
452	O	96,343	145,000	134,635
Total, Tennessee Valley Authority fund.	BA	**125,930**	**138,510**	**134,635**
	O	1,099,595	1,270,000	1,374,000
Summary				
Federal funds:				
(As shown in detail above)	BA	**125,930**	**138,510**	**134,635**
	O	1,099,595	1,270,000	1,374,000
Deductions for offsetting receipts:				
Proprietary receipts from the public.....270	BA, O	*–36*	*–24*	*–24*
Total Tennessee Valley Authority	BA	**125,894**	**138,486**	**134,611**
	O	1,099,559	1,269,976	1,373,976
UNITED STATES RAILWAY ASSOCIATION				
Federal Funds				
General and special funds:				
Administrative expenses.....401	BA	**12,000**	**10,000**	[K]**27,200**
			[B]**13,000**	
	O	12,320	11,500	25,500
			[B]9,500	[B]3,500
Purchase of Conrail securities:	BA	.....	**425,000**	**136,000**
Permanent.....401	O	723,180	598,700	394,820
Total United States Railway Association.	BA	**12,000**	**448,000**	**163,200**
	O	735,500	619,700	423,820
WATER RESOURCES COUNCIL				
Federal Funds				
General and special funds:				
Water resources planning.....301	BA	**13,665**	**13,696**	[K]**11,560**
	O	12,413	16,705	13,602
Intragovernmental funds:				
Consolidated working fund.....301	O	1	.....	.....
Trust Funds				
River Basin Commissions.....301	BA	**5,731**	**8,016**	**5,623**
	O	5,556	8,868	6,068
Summary				
Federal funds:				
(As shown in detail above)	BA	**13,665**	**13,696**	**11,560**
	O	12,414	16,705	13,602
Trust funds:				
(As shown in detail above)	BA	**5,731**	**8,016**	**5,623**
	O	5,556	8,868	6,068

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
OTHER INDEPENDENT AGENCIES—Continued				
WATER RESOURCES COUNCIL—Continued				
Summary—Continued				
Trust funds:—Continued				
Deductions for offsetting receipts:				
Proprietary receipts from the public.....301	BA	*–1,736*	*–1,599*	*–1,013*
	O			
Total trust funds.....	BA	**3,995**	**6,417**	**4,610**
	O	3,820	7,269	5,055
Interfund transactions.....301	BA	**– 3,997**	**– 6,417**	**– 4,610**
	O			
Total Water Resources Council..	BA	**13,663**	**13,696**	**11,560**
	O	12,237	17,557	14,047
SUMMARY				
Federal funds:				
(As shown in detail above).....	BA	**15,826,216**	**17,631,581**	**17,760,356**
	O	15,503,148	18,103,515	18,614,288
Deductions for offsetting receipts:				
Intrafund transactions.....804	BA	*–92*	.....	.....
	O			
Proprietary receipts from the public.....050	BA	*–2*	*–2*	*–4*
	O			
150	BA	*–93*	*–397*	*–397*
	O			
250	BA	*–832*	*–278*	*–278*
	O			
270	BA	*–49*	*–24*	*–24*
	O			
350	BA	.....	*–2*	*–2*
	O			
370	BA	*–57*	*–41*	*–41*
	O			
400	BA	*–71*	*–291*	*–297*
	O			
500	BA	*–246*	*–301*	*–310*
	O			
550	BA	*–5*	*–5*	*–5*
	O			
600	BA	*–1*	.....	.....
	O			
700	BA	*–1*	*–3*	*–3*
	O			
750	BA	*–34*	*–34*	*–34*
	O			
800	BA	*–5,900*	*–1,350*	*–1,500*
	O			
852	BA	*–84,472*	*–43,979*	*–22,359*
	O			

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
OTHER INDEPENDENT AGENCIES—Continued				
SUMMARY—Continued				
Federal funds:—Continued				
902	BA	*–200*	*–218*	*–215*
	O			
Total Federal funds	BA	**15,734,161**	**17,584,656**	**17,734,887**
	O	15,411,093	18,056,590	18,588,819
Trust funds:				
(As shown in detail above)	BA	**20,105,181**	**21,684,712**	**23,178,246**
	O	12,052,882	14,084,574	15,003,265
Deductions for offsetting receipts:				
Intrafund transactions.....602	BA	*–13,612*	*–100*	*–75*
	O			
902	BA	*–757*	*16,000*	*16,000*
	O			
Proprietary receipts from the public.....151	BA	*–81*	*–195*	*–160*
	O			
154	BA	*–215*	*–227*	*–238*
	O			
301	BA	*–1,736*	*–1,599*	*–1,013*
	O			
452	BA	*–2,218*	*–2,286*	*–2,211*
	O			
Total trust funds	BA	**20,086,562**	**21,696,305**	**23,190,549**
	O	12,034,263	14,096,167	15,015,568
Interfund transactions.....301	BA	**– 3,997**	**– 6,417**	**– 4,610**
	O			
452	BA	**– 2,208**	**– 2,410**	**– 2,490**
	O			
601	BA	**– 250,000**	**– 250,000**	**– 313,000**
	O			
602	BA	**– 13,105**	**– 29,300**	**– 30,765**
	O			
805	BA	**– 7,298,393**	**– 7,397,160**	**– 8,354,623**
	O			
Total Other Independent Agencies.	BA	**28,253,020**	**31,595,674**	**32,219,948**
	O	19,877,653	24,467,470	24,898,899

ALLOWANCES

Allowances for:				
Civilian agency pay raises	BA	.....	.....	**[1]1,197,000**
		.....	.....	**[2]– 47,000**
	O	.....	.....	[1]1,145,000
		.....	.....	[2]–45,000
Contingencies for:				
Relatively uncontrollable programs	BA	.....	.....	**0**
	O	.....	.....	0
Other requirements	BA	.....	.....	**3,000,000**
	O	.....	.....	1,700,000
Total Allowances	BA	.....	.....	**4,150,000**
	O	.....	.....	2,800,000

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

Account and functional code		1977 actual	1978 estimate	1979 estimate
BUDGET TOTALS				
Federal funds:				
(As shown in detail above)	BA	**363,828,021**	**380,232,690**	**427,926,511**
	O	305,026,605	351,160,464	376,738,745
Deductions for offsetting receipts:				
(As shown in detail above):				
Intrafund transactions	BA, O	*−1,529,720*	*−1,797,052*	*−2,116,172*
Receipts from off-budget Federal agencies.	BA, O	*−2,241,185*	*−2,716,369*	*−4,098,334*
Proprietary receipts from the public.	BA, O	*−3,933,958*	*−4,610,831*	*−5,144,408*
(Undistributed by agency and function):				
Proprietary receipts from the public:				
Rents and royalties on the Outer Continental Shelf...953	BA, O	*−2,373,747*	*−2,000,000*	*−1,800,000*
Total deductions	BA, O	*−10,078,610*	*−11,124,252*	*−13,158,914*
Federal fund totals	BA	**353,749,411**	**369,108,438**	**414,767,597**
	O	294,947,995	340,036,212	363,579,831
Trust funds:				
(As shown in detail above)	BA	**160,597,033**	**182,481,544**	**203,824,130**
	O	156,068,666	170,880,924	187,014,612
Deductions for offsetting receipts:				
(As shown in detail above):				
Intrafund transactions	BA, O	*−1,230,503*	*−1,687,272*	*−1,381,439*
Proprietary receipts from the public.	BA, O	*−10,385,529*	*−9,766,460*	*−10,299,672*
(Undistributed by agency and function):				
Receipts from off-budget Federal agencies:				
Employer share, employee retirement.....951	BA, O	*−1,185,973*	*−1,237,678*	*−1,241,507*
Total deductions	BA, O	*−12,802,005*	*−12,691,410*	*−12,922,618*
Trust fund totals	BA	**147,795,028**	**169,790,134**	**190,901,512**
	O	143,266,661	158,189,514	174,091,994
Interfund transactions (−):				
Employer share, employee retirement 951	BA, O	**− 3,362,100**	**− 3,786,349**	**− 3,915,390**
Interest received by trust funds...952	BA, O	**− 8,131,396**	**− 8,595,131**	**− 9,063,641**
Applied by agency above	BA, O	**− 24,819,656**	**− 23,610,188**	**− 24,518,435**
Total interfund transactions	BA, O	**− 36,313,152**	**− 35,991,668**	**− 37,497,466**
Budget totalsΔ	BA	**465,231,287**	**502,906,904**	**568,171,643**
	O	401,901,504	462,234,058	500,174,359

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BUDGET ACCOUNTS LISTING (in thousands of dollars)—Continued

BUDGET TOTALS—Continued

△ Budget totals are distributed as follows

	1978		1979	
	BA	Outlays	BA	Outlays
Federal funds:				
Enacted, pending, and initial requests:				
Appropriations	366, 296, 174	343, 585, 840	408, 147, 152	367, 591, 158
Supplemental requests pending (W)	5, 893, 041	563, 592	----------	1, 036, 304
Proposed in this budget:				
Supplemental requests:				
Program:				
Under existing legislation (A)	3, 256, 872	2, 649, 210	----------	404, 099
Needing authorizing legislation (B)	300, 850	75, 475	----------	20, 375
Pay:				
Wage-board pay raises (C)	381, 666	385, 666	----------	10, 146
Civilian pay raises (D)	1, 673, 099	1, 634, 384	----------	60, 623
Military pay raises (E)	1, 257, 409	1, 257, 602	----------	77
Rescission proposals (H)	−55, 255	----------	----------	----------
To be proposed separately:				
Under existing legislation (I)	547, 016	127, 000	3, 078	419, 065
Under proposed legislation (J)	681, 818	881, 695	13, 321, 381	2, 108, 898
Allowances	----------	----------	6, 454, 900	5, 088, 000
Deductions for offsetting receipts	−11, 124, 252	−11, 124, 252	−13, 158, 914	−13, 158, 914
Total Federal funds	369, 108, 438	340, 036, 212	414, 767, 597	363, 579, 831
Trust funds:				
Enacted, pending, and initial requests: Appropriations	182, 038, 426	170, 959, 958	200, 226, 702	188, 675, 718
Proposed in the budget:				
Supplemental requests:				
Program: Under existing legislation (A)	442, 012	−130	----------	−394
Pay:				
Wage-board pay raises (C)	80	80	----------	----------
Civilian pay raises (D)	1, 026	1, 016	----------	10
To be proposed separately: Under proposed legislation (J)	----------	−80, 000	3, 597, 428	−1, 660, 722
Deductions for offsetting receipts	−12, 691, 410	−12, 691, 410	−12, 922, 618	−12, 922, 618
Total trust funds	169, 790, 134	158, 189, 514	190, 901, 512	174, 091, 994
Interfund transactions (−)	−35, 991, 668	−35, 991, 668	−37, 497, 466	−37, 497, 466
Budget totals	**502, 906, 904**	**462, 234, 058**	**568, 171, 643**	**500, 174, 359**

A Proposed supplemental under existing legislation.
B Supplemental. Additional authorizing legislation required.
C Supplemental now requested, wage-board pay raises.
D Supplemental now requested, civilian pay raises.
E Supplemental now requested, military pay raises.
F Proposed transfer to other accounts for pay raises (−).
G Proposed transfer from other accounts for pay raises.
H Rescission pending.
I Proposed for later transmittal under existing legislation.
J Proposed for later transmittal under proposed legislation.
K Additional authorizing legislation required.
W Supplementals pending.

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ACCOUNTS LISTING FOR OFF-BUDGET FEDERAL ENTITIES
(in thousands of dollars)

Account and functional code		1977	1978	1979
DEPARTMENT OF AGRICULTURE				
Public enterprise funds:				
Rural electrification and telephone revolving fund 271				
Authority to spend debt receipts: Permanent, indefinite	BA	149,367	43,841	----------
	O	393,615	62,053	----------
Rural Telephone Bank 452	BA	30,000	30,000	30,000
Authority to spend debt receipts: Permanent, indefinite	BA	111,818	128,651	168,667
	O	58,580	78,668	104,517
Total, Department of Agriculture	BA	291,185	202,492	198,667
	O	452,195	140,721	104,517
DEPARTMENT OF LABOR				
Public enterprise funds:				
Pension Benefit Guaranty Corporation 601	BA	----------	----------	----------
	O	−15,593	−28,264	−29,701
DEPARTMENT OF THE TREASURY				
Intragovernmental funds:				
Exchange Stabilization Fund 155	BA	----------	----------	----------
	O	8,734	−77,858	−69,602
Federal Financing Bank 374				
Authority to spend debt receipts: Indefinite	BA	9,533,957	13,842,835	15,864,600
	O	8,201,140	10,567,298	12,509,954
Total, Department of the Treasury	BA	9,533,957	13,842,835	15,864,600
	O	8,209,874	10,489,440	12,440,352
OTHER INDEPENDENT AGENCIES				
U.S. POSTAL SERVICE				
Public enterprise funds:				
Postal Service fund 372	BA	----------	----------	----------
	O	−173,141	815,151	−763
U.S. RAILWAY ASSOCIATION				
Intragovernmental funds:				
Regional Rail Reorganization Program 401				
Authority to spend debt receipts	BA	5,788	18,359	23,400
	O	219,337	97,133	23,117
Authority to spend debt receipts: Permanent, indefinite	BA	120,000	----------	----------
SUMMARY				
Off-budget Federal entities:				
(As shown in detail above)	BA	9,950,930	14,063,686	16,086,667
	O	8,692,672	11,514,181	12,537,522
Budget totals	BA	465,231,287	502,906,904	568,171,643
	O	401,901,504	462,234,058	500,174,359
Total, including off-budget Federal entities	BA	475,182,217	516,970,590	584,258,310
	O	410,594,176	473,748,239	512,711,881

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PART 9

SUMMARY TABLES

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EXPLANATORY NOTE RELATING TO THE SUMMARY TABLES

Types of tables.—This part of the budget consists of tables as follows:

- Tables 1 through 9 are short summary tables of the budget.
- Tables 10 through 13 provide greater detail in support of financial data in the first three tables.
- Table 15 presents 5-year projections of the estimated costs of proposed legislation pursuant to section 221(a) of the Legislative Reoganization Act of 1970.
- Table 14 and tables 16 through 21 are historical in nature, giving data, for earlier years, comparable to those data in the preceding tables, and also giving information on the national income accounts, the gross national product over a longer period, and the budget in constant (Fiscal Year 1972) prices.

Periods covered.—Due to the change in fiscal year required by the Congressional Budget Act, the following periods are covered by the various columns:

- July 1 through June 30 for the 1976 and prior columns.
- July 1 through September 30, 1976, for the TQ column.
- October 1 through September 30 for the 1977 and subsequent columns.

Concepts followed.—The concepts used in the current and historical tables are discussed in Part 7 of this volume. Budget authority and outlays for off-budget Federal entities are included in selected tables.

Other sources of summary data.—The Special Analyses volume, Parts 1 and 2, presents data covering alternative views of the budget and Government finances and operations as a whole. These include, for example: the current services estimates; a comparison of budget totals with the Federal sector of the national income accounts; selected data on Federal and trust funds; a description of current developments and trends in Federal borrowing and debt; information that distinguishes between outlays of a "capital" nature and outlays for operating purposes; a discussion of tax expenditures included in the budget; and information on civilian employment in the executive branch.

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Table 1. **BUDGET SUMMARY** (in millions of dollars)

Description	1977 actual	1978 estimate	1979 estimate
Budget authority (largely appropriations):			
Available through current action by Congress:			
Enacted and pending	317,620	319,333	-------
Proposed in this budget	-------	6,815	343,552
To be requested separately	−120	1,229	23,377
Available without current action by Congress	206,925	235,337	264,822
Deductions for offsetting receipts [1]	−59,194	−59,807	−63,579
Total budget authority	**465,231**	**502,907**	**568,172**
Budget authority, off-budget Federal entities	*(9,951)*	*(14,064)*	*(16,087)*
Budget authority including off-budget Federal entities	*(475,182)*	*(516,971)*	*(584,258)*
Receipts, outlays, and surplus or deficit:			
Receipts:			
Total budget receipts [2]	**356,861**	**400,387**	**439,588**
Outlays:			
Total budget outlays [2 3]	**401,902**	**462,234**	**500,174**
Outlays, off-budget Federal entities	*(8,693)*	*(11,514)*	*(12,538)*
Outlays, including off-budget entities	*(410,594)*	*(473,748)*	*(512,712)*
Surplus or deficit (−):			
Total budget deficit (−)	**−45,040**	**−61,847**	**−60,586**
Deficit, off-budget Federal entities	*(−8,693)*	*(−11,514)*	*(−12,538)*
Total deficit (−)	*(−53,733)*	*(−73,361)*	*(−73,124)*

	TQ actual			
Outstanding debt, end of period:				
Gross Federal debt	646,379	709,138	785,583	873,668
Held by:				
Government agencies	148,052	157,295	167,740	182,826
The public	498,327	551,843	617,843	690,843
Federal Reserve System	96,702	105,004		
Others	401,625	446,839		
MEMORANDUM				
Outstanding loans, end of year:				
Direct loans—on-budget accounts	65,610	68,160	76,091	80,420
Direct loans—off-budget accounts	23,750	32,733	43,882	56,839
Guaranteed and insured loans [4]	169,873	183,924	200,385	223,573
Government-sponsored enterprise loans [5]	87,895	98,928	115,237	130,082

[1] These consist of intragovernmental transactions and proprietary receipts from the public.

[2] The amounts of earned income credit in excess of tax liabilities are now shown as negative budget receipts rather than as budget outlays. Accordingly, the 1977 budget totals have been adjusted retroactively. These adjustments decrease budget receipts and outlays by $901 million in 1977; $947 million in 1978; and $900 million in 1979.

[3] The transactions of the housing for the elderly or handicapped fund, formerly excluded from the budget by law as of Sept. 1, 1974, are included in the budget totals in accordance with Public Law 95–119. Accordingly, the budget totals for 1975–77 have been adjusted retroactively. These adjustments change budget outlays by −$13 million in 1975; −$15 million in 1976; −$3 million in the TQ; $5 million in 1977; $335 million in 1978; and $713 million in 1979.

[4] Excludes loans held by Government accounts and sponsored credit enterprises.

[5] Net of lending between Government-sponsored enterprises or between such enterprises and Federal agencies; excludes Federal Reserve banks.

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Table 2. BUDGET RECEIPTS, OUTLAYS, AND BUDGET AUTHORITY

(In millions of dollars)

Description	1977 actual	1978 estimate	1979 estimate
Budget receipts by source:			
Individual income taxes	156,725	178,828	190,077
Corporation income taxes	54,892	58,949	62,487
Social insurance taxes and contributions	108,688	124,122	141,889
Excise taxes	17,548	20,150	25,475
Estate and gift taxes	7,327	5,618	6,067
Customs duties	5,150	5,792	6,390
Miscellaneous receipts	6,531	6,928	7,203
Total budget receipts	**356,861**	**400,387**	**439,588**
Budget outlays by function:			
National defense [1]	97,501	107,626	117,779
International affairs	4,831	6,747	7,691
General science, space, and technology	4,677	4,757	5,077
Energy	4,172	7,837	9,634
Natural resources and environment	10,000	12,125	12,222
Agriculture	5,526	9,106	5,433
Commerce and housing credit	−31	3,523	2,969
Transportation	14,636	16,310	17,399
Community and regional development	6,283	9,694	8,669
Education, training, employment, and social services	20,985	27,471	30,421
Health	38,785	44,261	49,677
Income security	137,004	147,640	160,024
(Social security)	(83,861)	(93,048)	(103,171)
(Other)	(53,143)	(54,592)	(56,853)
Veterans benefits and services	18,038	18,916	19,257
Administration of justice	3,600	4,019	4,211
General government	3,357	4,119	4,304
General purpose fiscal assistance	9,499	9,860	9,636
Interest	38,092	43,841	48,991
Allowances [2]			2,800
Undistributed offsetting receipts	−15,053	−15,619	−16,021
Total budget outlays	**401,902**	**462,234**	**500,174**
Budget surplus or deficit (−)	−45,040	−61,847	−60,586
Budget authority by function:			
National defense [1]	110,432	117,813	128,439
International affairs	6,587	11,102	13,801
General science, space, and technology	4,576	4,889	5,216
Energy	4,978	8,539	9,544
National resources and environment	9,457	12,935	12,664
Agriculture	2,424	3,761	7,197
Commerce and housing credit	5,481	5,381	6,597
Transportation	10,363	15,150	18,573
Community and regional development	12,790	8,719	7,716
Education, training, employment, and social services	30,377	22,829	33,604
Health	40,368	46,469	52,604
Income security	168,566	180,381	190,885
(Social security)	(79,962)	(88,042)	(100,153)
(Other)	(88,604)	(92,340)	(90,732)
Veterans benefits and services	19,069	19,068	19,074
Administration of justice	3,601	3,904	4,144
General government	3,851	4,055	4,361
General purpose fiscal assistance	9,272	9,691	16,632
Interest	38,092	43,841	48,990
Allowances [2]			4,150
Undistributed offsetting receipts	−15,053	−15,619	−16,021
Total budget authority	**465,231**	**502,907**	**568,172**

[1] Includes allowances for civilian and military pay raises for Department of Defense.
[2] Includes allowances for civilian agency pay raises and contingencies.

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Table 3. BUDGET AUTHORITY AND OUTLAYS BY AGENCY

(In millions of dollars)

Department or other unit	Budget authority			Outlays		
	1977 actual	1978 estimate	1979 estimate	1977 actual	1978 estimate	1979 estimate
Legislative branch	1,043	1,076	1,161	976	1,057	1,175
The Judiciary	430	469	492	392	458	489
Executive Office of the President	78	76	79	73	78	78
Funds appropriated to the President	4,639	8,964	10,974	2,487	4,916	5,089
Agriculture	15,467	17,209	20,026	16,738	22,625	17,727
Commerce	8,204	2,370	2,722	2,606	4,524	4,385
Defense—Military [1]	108,425	115,264	125,567	95,650	105,300	115,200
Defense—Civil	2,495	2,744	2,457	2,280	2,536	2,547
Energy [2]	6,620	10,632	11,642	5,217	8,152	10,087
Health, Education, and Welfare	147,628	162,281	185,007	147,455	164,595	181,265
Housing and Urban Development	33,900	38,143	33,112	5,838	8,411	9,529
Interior	3,708	4,257	4,452	3,194	3,904	4,002
Justice	2,334	2,365	2,457	2,350	2,527	2,533
Labor	31,203	20,676	29,861	22,374	23,742	25,134
State	1,240	1,443	1,465	1,076	1,247	1,355
Transportation	9,298	13,560	17,355	12,514	14,395	15,798
Treasury	49,391	56,571	69,648	49,560	56,688	62,612
Environmental Protection Agency	2,763	5,503	5,627	4,365	5,063	5,679
General Services Administration	304	224	300	−31	289	306
National Aeronautics and Space Administration	3,818	4,063	4,370	3,944	3,982	4,269
Veterans Administration	19,042	19,042	19,048	18,019	18,898	19,238
Other independent agencies	28,253	31,596	32,220	19,878	24,467	24,899
Allowances [3]	-------	-------	4,150	-------	-------	2,800
Undistributed offsetting receipts:						
Employer share, employee retirement	−4,548	−5,024	−5,157	−4,548	−5,024	−5,157
Interest received by trust funds	−8,131	−8,595	−9,064	−8,131	−8,595	−9,064
Rents and royalties on the Outer Continental Shelf lands	−2,374	−2,000	−1,800	−2,374	−2,000	−1,800
Total budget authority and outlays	**465,231**	**502,907**	**568,172**	**401,902**	**462,234**	**500,174**
MEMORANDUM						
Portion available through current action by Congress	317,500	327,377	366,929	190,864	196,355	218,015
Portion available without current action by Congress	206,925	235,337	264,822	134,434	157,607	180,109
Outlays from obligated balances [4]	-------	-------	-------	78,889	107,166	121,814
Outlays from unobligated balances [4]	-------	-------	-------	56,908	60,914	43,816
Deductions for offsetting receipts:						
Intragovernmental transactions	−42,501	−43,430	−46,335	−42,501	−43,430	−46,335
Proprietary receipts from the public	−16,693	−16,377	−17,244	−16,693	−16,377	−17,244
Total budget authority and outlays	**465,231**	**502,907**	**568,172**	**401,902**	**462,234**	**500,174**

[1] Includes allowances for civilian and military pay raises for Department of Defense.
[2] This agency assumes the energy activities previously performed by the Energy Research and Development Administration, the Federal Energy Administration, and several other agencies.
[3] Includes allowances for civilian agency pay raises and contingencies.
[4] Outlays from appropriations to liquidate contract authority are included as outlays from balances.

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Table 4. BUDGET AUTHORITY AND OUTLAYS AVAILABLE THROUGH CURRENT ACTION BY CONGRESS (in millions of dollars)

Department or other unit	Budget authority			Outlays		
	1977 actual	1978 estimate	1979 estimate	1977 actual	1978 estimate	1979 estimate
Legislative branch	1,054	1,076	1,162	860	869	1,013
The Judiciary	427	464	486	384	414	440
Executive Office of the President	78	76	79	66	70	73
Funds appropriated to the President	6,554	7,248	8,788	2,269	2,435	2,569
Agriculture	14,176	14,201	14,787	11,268	12,430	11,007
Commerce	7,891	2,109	2,423	1,503	1,010	1,242
Defense—Military [1]	108,597	115,525	125,902	76,991	76,239	82,469
Defense—Civil	2,572	2,829	2,548	1,753	1,811	1,589
Energy	6,862	11,411	12,593	2,682	4,799	4,389
Health, Education, and Welfare	51,642	54,803	61,738	34,644	36,384	41,264
Housing and Urban Development	33,588	37,425	31,422	888	544	998
Interior	4,066	4,597	4,772	2,361	2,636	2,687
Justice	2,340	2,371	2,464	1,493	1,653	1,739
Labor	19,657	5,874	12,458	8,293	4,059	10,980
State	1,127	1,342	1,334	874	1,028	1,039
Transportation	5,263	6,005	13,206	3,443	3,867	4,580
Treasury	14,439	19,152	26,918	12,287	17,121	17,918
Environmental Protection Agency	2,764	5,504	5,628	730	476	601
General Services Administration	494	399	587	316	413	526
National Aeronautics and Space Administration	3,819	4,064	4,372	2,930	3,021	3,255
Veterans Administration	18,573	18,535	18,513	15,531	15,875	16,521
Other independent agencies	11,521	12,367	10,601	9,300	9,200	8,314
Allowances [2]	-------	--------	4,150	-------	--------	2,800
Total budget authority and outlays from budget authority available through current action by Congress	**317,500**	**327,377**	**366,929**	**190,864**	**196,355**	**218,015**
MEMORANDUM						
Appropriations and outlays from appropriations to liquidate contract authority: [3]						
Funds appropriated to the President	185	211	221	-------	5	7
Agriculture	338	319	1,106	286	264	1,054
Commerce	388	352	263	388	352	263
Housing and Urban Development	3,681	4,056	4,503	2,052	2,080	2,458
Interior	84	55	-------	45	25	-------
Transportation	8,870	8,143	9,946	7,657	8,108	9,841
Environmental Protection Agency	3,849	5,000	1,400	2,705	2,745	1,385
Other independent agencies	6	18	--------	6	12	--------
Total appropriations and outlays from appropriations to liquidate contract authority	**17,402**	**18,155**	**17,438**	**13,141**	**13,591**	**15,009**

[1] Includes allowances for civilian and military pay raises for Department of Defense.
[2] Includes allowances for civilian agency pay raises and contingencies.
[3] Excluded from budget authority and outlays above.

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Table 5. RELATION OF BUDGET AUTHORITY TO OUTLAYS

(In millions of dollars)

Description	1977 actual	1978 estimate	1979 estimate
Budget authority available through current action by Congress:			
Enacted, pending, or recommended herein:			
Appropriations [1]	288,478	293,704	317,755
Contract authority	28,265	31,646	24,953
Authority to borrow	876	787	843
Reappropriations and reauthorizations	1	11	----------
To be requested separately:			
Appropriations [1]	−120	1,229	17,636
Contract authority	----------	----------	236
Authority to borrow	----------	----------	5,506
Total budget authority available through current action by Congress (table 4)	**317,500**	**327,377**	**366,929**
Budget authority available without current action by Congress (permanent authorizations):			
Appropriations [1]	192,827	213,281	241,322
Contract authority	13,062	20,781	20,954
Authority to borrow	1,036	1,275	2,545
Deductions for offsetting receipts (table 11):			
Intragovernmental transactions	−42,501	−43,430	−46,335
Proprietary receipts from the public	−16,693	−16,377	−17,244
Total budget authority for the year (table 3)	**465,231**	**502,907**	**568,172**
Unobligated balances and adjustments:			
Unobligated balances:			
Brought forward at start of year (table 7)	268,712	255,191	220,424
Written off (rescinded, lapsed, etc.) [2]	−13,995	−18,171	−2,777
Carried forward at end of year (table 7)	−255,191	−220,424	−224,301
Application of new authority to prior obligations:			
Budget authority of year, obligated previously	−3,791	−4,726	−5,484
Budget authority of subsequent year, obligated currently	4,609	5,484	5,716
Obligations incurred, net (table 6)	**465,575**	**520,261**	**561,751**
Obligated balances:			
Brought forward at start of year, funded (table 7)	272,836	335,358	393,570
Adjustments in expired accounts	−1,173	185	8
Deficiency appropriations	21	----------	----------
Carried forward at end of year (table 7)	−335,358	−393,570	−455,154
Budget outlays (table 3)	**401,902**	**462,234**	**500,174**
MEMORANDUM			
Federal funds included above:			
Budget authority available through current action by Congress	312,055	319,364	355,370
Budget authority [3]	353,749	369,108	414,768
Obligations incurred, net [3]	355,058	392,225	420,034
Budget outlays [3]	294,948	340,036	363,580

[1] Excludes appropriations to liquidate contract authority:

	1977 actual	*1978 estimate*	*1979 estimate*
Enacted, pending, or recommended herein	27,771	27,555	25,950
For later transmittal	------	------	991

[2] Includes redemption of agency debt and capital transfers to the general fund.
[3] Amounts are net of intrafund transactions, receipts from off-budget Federal entities, and proprietary receipts from the public.

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Table 6. **OBLIGATIONS INCURRED, NET** (in millions of dollars)

Department or other unit	1977 actual	1978 estimate	1979 estimate
Legislative branch	1,044	1,145	1,184
The Judiciary	393	463	491
Executive Office of the President	75	75	79
Funds appropriated to the President:			
International Security Assistance	2,243	5,305	5,492
International Development Assistance	1,744	2,580	3,446
Other	921	921	633
Agriculture	20,003	23,407	19,095
Commerce	8,124	2,513	2,970
Defense—Military [1]	108,620	114,395	125,096
Defense—Civil	2,433	2,857	2,580
Energy [2]	6,682	11,272	10,305
Health, Education, and Welfare	149,613	169,918	186,847
Housing and Urban Development	32,559	41,086	38,723
Interior	3,570	4,613	4,334
Justice	2,195	2,547	2,465
Labor	26,009	21,401	24,661
State	1,118	1,440	1,374
Transportation	14,885	17,450	17,241
Treasury	49,496	56,702	69,616
Environmental Protection Agency	7,944	5,079	6,129
General Services Administration	47	384	280
National Aeronautics and Space Administration	3,840	4,376	4,377
Veterans Administration	18,199	19,139	19,345
Civil Service Commission	10,124	11,496	12,942
Export-Import Bank	−1,619	488	1,722
Federal Deposit Insurance Corporation	−799	−287	−945
Federal Home Loan Bank Board	−1,925	−374	−465
U.S. Postal Service	2,266	1,787	1,830
Railroad Retirement Board	3,919	4,138	4,336
Other Independent Agencies	6,906	9,564	7,439
Allowances [3]	-------	-------	4,150
Undistributed offsetting receipts	−15,053	−15,619	−16,021
Total	**465,575**	**520,261**	**561,751**
MEMORANDUM			
Federal funds	355,058	392,225	420,034
Trust funds	146,830	164,028	179,215
Interfund transactions	−36,313	−35,992	−37,497
Total	465,575	520,261	561,751

[1] Includes allowances for civilian and military pay raises for Department of Defense.
[2] This agency assumes the energy activities previously performed by the Energy Research and Development Administration, the Federal Energy Administration, and several other agencies.
[3] Includes allowances for civilian agency pay raise and contingencies.

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Table 7. **BALANCES OF BUDGET AUTHORITY** (in millions of dollars)

Department or other unit	Start 1977		End 1977		End 1978		End 1979	
	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated
Legislative branch	144	209	211	189	300	96	308	72
The Judiciary	39	23	41	52	46	58	49	58
Executive Office of the President	14	*	15	*	12	-------	13	-------
Funds appropriated to the President:								
Intl. security assistance	15,550	10,073	17,402	120	20,636	22	23,696	16
Intl. development assistance	4,039	10,713	4,147	10,847	5,063	11,363	6,650	12,766
Other	928	316	1,393	293	1,133	28	967	25
Agriculture	5,770	12,223	9,028	7,106	9,794	848	11,171	1,756
Commerce	1,757	714	7,263	789	5,253	646	3,838	397
Defense—Military [1]	30,275	21,031	42,689	20,000	51,783	20,719	61,679	20,985
Defense—Civil	674	243	827	299	1,149	186	1,181	64
Energy [2]	2,171	1,910	3,636	1,712	6,755	937	6,974	2,139
Health, Education, and Welfare	23,144	50,766	25,004	49,113	30,533	42,227	36,115	40,614
Housing and Urban Development	140,038	33,725	166,748	33,426	199,423	16,774	228,618	9,125
Interior	1,486	1,237	1,852	1,277	2,551	871	2,883	899
Justice	1,173	144	1,007	276	1,028	94	960	85
Labor	2,230	6,939	5,714	12,130	3,383	10,025	2,910	15,225
State	232	236	249	356	437	359	456	449
Transportation	13,274	23,063	15,618	17,321	18,672	13,439	20,115	13,551
Treasury	2,108	2,826	2,034	2,694	2,048	263	9,052	295
Environ. Protection Agency	9,500	6,857	13,077	1,673	13,094	2,097	13,544	1,596
General Services Administration	293	202	371	377	466	156	441	162
National Aeronautics and Space Administration	815	407	709	385	1,102	72	1,210	66
Veterans Administration	2,141	10,892	2,304	11,610	2,545	11,402	2,652	10,996
Civil Service Commission	3,062	42,135	3,565	49,024	4,113	55,819	4,706	62,837
Export-Import Bank	7,619	-------	5,660	1,619	5,951	1,097	7,269	-------
Federal Deposit Insurance Corporation	128	9,501	182	10,300	274	10,586	274	11,531
Federal Home Loan Bank Board	26	7,492	13	9,417	−1	9,781	1	10,246
Railroad Retirement Board	293	3,178	353	2,874	332	2,775	342	2,382
Other independent agencies	3,911	11,658	4,244	9,912	5,694	7,686	5,730	5,966
Allowances [3]	-------	-------	-------	-------	-------	-------	1,350	-------
Total	**272,836**	**268,712**	**335,358**	**255,191**	**393,570**	**220,424**	**455,154**	**224,301**
MEMORANDUM								
Federal funds	237,412	132,964	296,341	127,630	348,714	87,101	405,176	79,291
Trust funds	35,425	135,747	39,017	127,561	44,856	133,323	49,979	145,010
Total	**272,836**	**268,712**	**335,358**	**255,191**	**393,570**	**220,424**	**455,154**	**224,301**

*$500 thousand or less.
[1] Includes balances of allowances for civilian and military pay raises for Department of Defense.
[2] This agency assumes the energy activities previously performed by the Energy Research and Development Administration, the Federal Energy Administration, and several other agencies.
[3] Includes balances of allowances for civilian agency pay raises and contingencies.

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Table 8. SUMMARY OF FULL-TIME PERMANENT CIVILIAN EMPLOYMENT IN THE EXECUTIVE BRANCH [1]

[Excluding the Postal Service]

Agency	Sept. 30		
	1977 actual	1978 estimate	1979 estimate
Agriculture	82,051	84,800	84,000
Commerce [2]	29,491	29,800	29,800
Defense—military functions [2]	911,637	912,100	904,900
Defense—civil functions	28,912	28,700	28,600
Energy [2]	18,078	19,500	19,100
Health, Education, and Welfare	140,389	144,300	145,100
Housing and Urban Development	15,261	16,000	17,400
Interior [2]	53,291	55,700	56,000
Justice	50,986	53,400	55,100
Labor [2]	18,948	20,800	20,800
State [2]	22,412	22,800	22,800
Transportation	71,550	72,800	73,100
Treasury	107,150	109,700	112,500
Environmental Protection Agency	9,779	10,200	10,800
General Services Administration	34,040	35,900	36,000
National Aeronautics and Space Administration	23,569	23,200	23,200
Veterans Administration	195,175	202,400	203,000
Other:			
Agency for International Development	5,712	5,900	5,900
Civil Service Commission	6,875	7,000	7,200
International Communication Agency [2]	8,519	8,600	8,600
Nuclear Regulatory Commission	2,499	2,700	2,800
Panama Canal	12,914	13,500	13,500
Small Business Administration	4,307	4,500	4,600
Tennessee Valley Authority	17,060	17,300	18,000
Miscellaneous [2]	38,383	40,800	41,200
Subtotal	1,908,988	1,942,700	1,944,200
Contingencies [3]	---	2,000	2,000
Subtotal	1,908,988	1,944,700	1,946,200
Expected lapse	---	−14,600	−14,600
Total	**1,908,988**	**1,930,100**	**1,931,600**

[1] Excludes Postal Service employment. Actual employment for 1977 was 527,078; employment for 1978 is estimated to be 524,600, and 523,800 for 1979. Also excludes developmental positions under the worker trainee opportunity program (WTOP), as well as certain statutory exemptions.

[2] Sept. 30, 1977, numbers have been adjusted to reflect the establishment of the Department of Energy and its absorption of the Energy Research and Development Administration, Federal Energy Administration, Federal Power Commission, and parts of other agencies. Similar adjustments have been made to reflect establishment of the International Communication Agency and the transfer of employees to it from the Department of State and the United States Information Agency. Transfer of the Mining Enforcement and Safety Administration from the Interior Department to the Labor Department is also reflected.

[3] Subject to later distribution.

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Table 9. BUDGET FINANCING AND OUTSTANDING DEBT

(In millions of dollars)

BUDGET FINANCING

	1977 actual	1978 estimate	1979 estimate
Budget surplus or deficit (−)	−45,040	−61,847	−60,586
Deficit (−), off-budget Federal entities	−8,693	−11,514	−12,538
Total deficit (−)	−53,733	−73,361	−73,124
Means of financing other than borrowing from the public:			
Decrease or increase (−) in cash and monetary assets	−2,209	7,104	.....
Increase or decrease (−) in liabilities for:			
Checks outstanding, etc.[1]	1,765	222	−142
Deposit fund balances	253	−518	−224
Seigniorage on coins	407	553	490
Total, means of financing other than borrowing from the public	217	7,361	124
Total requirements for borrowing from the public	−53,516	−66,000	−73,000
Change in debt held by the public	**53,516**	**66,000**	**73,000**
Nonbank investors	39,935		
Commercial banks	5,279		
Federal Reserve System	8,302		

OUTSTANDING DEBT, END OF YEAR

	TQ actual			
Gross Federal debt:				
Debt issued by Treasury	634,701	698,840	776,805	866,400
Debt issued by other agencies	11,678	10,298	8,778	7,268
Total gross Federal debt	646,379	709,138	785,583	873,668
Held by:				
Government agencies	148,052	157,295	167,740	182,826
The public	498,327	551,843	617,843	690,843
Federal Reserve System	96,702	105,004		
Others	401,625	446,839		

DEBT SUBJECT TO STATUTORY LIMITATION, END OF YEAR

Debt issued by Treasury	634,701	698,840	776,805	866,400
Treasury debt not subject to limitation	−613	−611	−611	−611
Agency debt subject to limitation	1,713	1,714	1,711	1,738
Notes not part of Federal debt but included in debt limit[2]	20	20	20	20
Total debt subject to statutory limitation[3]	**635,822**	**699,963**	**777,926**	**867,547**

[1] Includes military payment certificates, accrued interest (less unamortized discount) on Treasury debt, and as offset certain collections in transit.

[2] Almost entirely District of Columbia stadium bonds. See Special Analysis E for further explanation.

[3] The statutory debt limit is permanently established at $400 billion. Public Law 95–120 temporarily increased the statutory debt limit to $752 billion through Mar. 31, 1978. Legislation is required to change the limitation

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Table 10. **BUDGET RECEIPTS BY SOURCE** (in millions of dollars)

Source	1977 actual	1978 estimate	1979 estimate
Individual income taxes:			
Withheld	144,857	168,159	202,496
Other	42,062	47,108	57,674
Proposed legislation	.....	−1,406	−28,857
Gross individual income taxes	186,919	213,861	231,313
Refunds	−29,293	−33,840	−38,075
Proposed legislation	.....	−246	−2,261
Earned income credits in excess of tax liabilities	−901	−947	−900
Net individual income taxes	**156,725**	**178,828**	**190,077**
Corporation income taxes	**60,057**	**64,817**	**75,536**
Proposed legislation	.....	−550	−7,489
Refunds	−5,164	−5,318	−5,560
Net corporation income taxes	**54,892**	**58,949**	**62,487**
Social insurance taxes and contributions (trust funds):			
Employment taxes and contributions:			
Old-age and survivors insurance	68,032	73,336	83,062
Disability insurance	8,786	12,204	14,568
Hospital insurance	13,484	16,588	19,926
Railroad retirement	1,908	1,858	2,053
Total employment taxes and contributions	92,210	103,986	119,609
Unemployment insurance:			
State taxes deposited in Treasury [1]	9,252	11,600	13,800
Federal unemployment tax receipts [1]	1,875	2,600	2,900
Proposed legislation	.....	.....	−600
Railroad unemployment tax receipts [1]	185	220	222
Total unemployment insurance	11,312	14,420	16,322
Contributions for other insurance and retirement:			
Supplementary medical insurance	2,193	2,408	2,631
Federal employees' retirement—employee contributions	2,915	3,246	3,265
Other retirement contributions [2]	59	62	62
Total contributions for other insurance and retirement	5,167	5,716	5,958
Total social insurance taxes and contributions	**108,688**	**124,122**	**141,889**
Excise taxes:			
Federal Funds:			
Alcohol taxes:			
Distilled spirits	3,793	3,835	3,878
Beer	1,396	1,448	1,503
Rectification tax	18	20	21
Wines	180	180	181
Special taxes in connection with liquor occupations	20	21	21
Refunds	−112	−114	−116
Total alcohol taxes	5,295	5,390	5,488

See footnotes at end of table.

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Table 10. **BUDGET RECEIPTS BY SOURCE** (in millions of dollars)—Continued

Source	1977 actual	1978 estimate	1979 estimate
Excise taxes—Continued			
Federal Funds—Continued			
Tobacco taxes:			
Cigarettes	2,358	2,413	2,471
Cigars	37	36	34
Cigarette papers and tubes	1	1	1
Other	2	2	3
Refunds	−5	−5	−6
Total tobacco taxes	2,393	2,447	2,503
Manufacturers' excise taxes:			
Gasoline	33	34	35
Firearms, shells, and cartridges	55	60	66
Fishing rods, creels, etc	25	28	32
Pistols and revolvers	13	15	17
Bows and arrows	4	5	5
Other	−3	----------	----------
Proposed legislation	----------	150	500
Refunds	−16	−12	−12
Proposed legislation	----------	----------	3
Total manufacturers' excise taxes	112	280	646
Miscellaneous excise taxes:			
General and toll telephone and teletype service	1,709	1,503	1,310
Proposed legislation	----------	----------	−955
Wagering taxes, including occupational taxes	7	7	8
Coin-operated gaming devices	7	7	7
Employee pension plans	2	2	2
Tax on foundations	81	80	79
Foreign insurance policies	39	46	53
Other	1	1	1
Proposed legislation	----------	1,700	7,874
Refunds	−15	−16	−17
Proposed legislation	----------	−12	−318
Total miscellaneous excise taxes	1,831	3,318	8,044
Retailers' excise taxes:			
Other	*	----------	----------
Proposed legislation	----------	22	47
Total retailer's excise taxes	----------	22	47
Undistributed Federal tax deposits and unapplied collections	17	200	50
Total Federal fund excise taxes	9,648	11,657	16,778

See footnotes at end of table.

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Table 10. **BUDGET RECEIPTS BY SOURCE** (in millions of dollars)—Continued

Source	1977 actual	1978 estimate	1979 estimate
Trust funds:			
Highway:			
Gasoline	4,364	4,529	4,675
Trucks, buses, and trailers	708	745	790
Proposed legislation		−9	−9
Tires, innertubes, and tread rubber	813	851	897
Diesel fuel used on highways	454	516	593
Use-tax on certain vehicles	240	281	277
Truck parts and accessories	165	200	221
Lubricating oils	101	113	114
Refunds	−135	−136	−140
Proposed legislation		−4	
Total highway trust fund	6,709	7,086	7,418
Airport and airway:			
Transportation of persons	1,007	1,070	1,179
Proposed legislation			−295
Waybill tax	51	64	71
Proposed legislation			−28
Tax on fuels	56	67	72
International departure tax	57	60	64
Aircraft registration fees	22	26	28
Tires and innertubes	1	1	1
Refunds	−2	−2	−2
Total airport and airway trust fund	1,191	1,287	1,089
Abandoned mine reclamation fund		120	190
Total trust fund excise taxes	7,900	8,493	8,697
Total excise taxes	**17,548**	**20,150**	**25,475**
Estate and gift taxes	**7,327**	**5,618**	**6,067**
Customs duties	**5,150**	**5,792**	**6,390**
Miscellaneous receipts: [3]			
Miscellaneous taxes	253	279	296
Deposit of earnings, Federal Reserve System	5,908	6,200	6,500
Proposed legislation			−200
Fees for permits and regulatory and judicial services:			
Immigration, passport, and consular fees	59	65	68
Patent and copyright fees	31	28	28
Registration and filing fees	73	73	75
Import fees on crude oil and petroleum products	−13	39	160
Miscellaneous fees for permits, licenses, etc	30	36	37
Miscellaneous fees for regulatory and judicial services	53	61	45
Proposed legislation			11
Fees for legal and judicial services	*	*	*
Total fees for permits and regulatory and judicial services	234	303	426

See footnotes at end of table.

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Table 10. **BUDGET RECEIPTS BY SOURCE** (in millions of dollars)—**Continued**

Source	1977 actual	1978 estimate	1979 estimate
Fines, penalties, and forfeitures	103	110	145
War reparations and recoveries under military occupation	2	3	3
Gifts and contributions	31	33	32
Refunds	−1		
Total miscellaneous receipts	**6,531**	**6,928**	**7,203**
Total budget receipts	**356,861**	**400,387**	**439,588**
MEMORANDUM			
Federal funds	240,412	267,889	289,095
Trust funds	152,763	168,490	187,991
Interfund transactions	−36,313	−35,992	−37,497

*$500 thousand or less.

[1] Deposits by States are State payroll taxes that cover the benefit part of the program. Federal unemployment tax receipts cover administrative costs at both the Federal and State level. Railroad unemployment tax receipts cover both the benefits and administrative costs of the program for the railroads.

[2] Represents employer and employee contributions to the civil service retirement and disability fund for covered employees of Government-sponsored, privately owned enterprises and the District of Columbia municipal government.

[3] Includes both Federal and trust funds. Trust fund amounts in miscellaneous receipts are: 1977, $42 million; 1978, $48 million; and 1979, $48 million.

Note.—Estimates for 1978 and 1979 include effects of proposed legislation.

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Table 11. OFFSETTING RECEIPTS BY TYPE (in millions of dollars)

Type	1977 actual	1978 estimate	1979 estimate
INTRAGOVERNMENTAL TRANSACTIONS			
Intrabudgetary transactions:			
Federal intrafund transactions:			
Interest on Government capital in enterprises	1,500	1,662	1,843
Other	30	135	273
Total Federal intrafunds	1,530	1,797	2,116
Trust intrafund transactions: [1]			
Railroad retirement/social security	1,208	1,681	1,377
Other	23	6	4
Total trust intrafunds	1,231	1,687	1,381
Total intrafund transactions	2,760	3,484	3,498
Interfund transactions:			
Distributed by agency and function:			
Federal fund payments to trust funds:			
Contributions to insurance programs:			
Old-age and survivors insurance	236	228	230
Military service credits, various programs	622	656	667
Supplementary medical insurance	5,053	6,383	6,853
Hospital insurance	803	717	770
Railroad dual benefits	250	250	313
Supplementary retirement contributions	7,444	7,537	8,510
Unemployment insurance	3,442	600	----
Other	15	31	37
Miscellaneous contributions:			
State and local government fiscal assistance	6,655	6,855	6,855
Other	119	188	143
Subtotal	24,639	23,445	24,378
Trust fund payments to Federal funds:			
Charges for services to trust funds	178	165	141
Other	2	----	----
Subtotal	180	165	141
Total interfunds distributed by agency and function	24,820	23,610	24,518
Undistributed by agency and function:			
Employer share, employee retirement:			
Civil service retirement and disability insurance	2,192	2,495	2,508
Old-age, survivors, disability, and hospital insurance (contribution as employer) [2]	1,152	1,272	1,386
Other Federal employees retirement	18	20	21
Total employer share, employee retirement	3,362	3,786	3,915
Interest received by trust funds	8,131	8,595	9,064
Total interfunds undistributed by agency and function	11,493	12,381	12,979
Total interfund transactions	36,313	35,992	37,497
Total intrabudgetary transactions	39,073	39,476	40,995

See footnotes at end of table.

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Table 11. OFFSETTING RECEIPTS BY TYPE (in millions of dollars)—Continued

Type	1977 actual	1978 estimate	1979 estimate
INTRAGOVERNMENTAL TRANSACTIONS—Con.			
Receipts from off-budget Federal entities:			
Distributed by agency and function:			
Interest on loans to Government-owned enterprises	2,098	2,716	4,098
Surplus income, Federal Financing Bank	143	----	----
Total distributed by agency and function	2,241	2,716	4,098
Undistributed by agency and function:			
Employer share, employee retirement	1,186	1,238	1,242
Total receipts from off-budget Federal entities	3,427	3,954	5,340
Total intragovernmental transactions	**42,501**	**43,430**	**46,335**
PROPRIETARY RECEIPTS FROM THE PUBLIC			
Distributed by agency and function:			
Interest:			
Interest on loans, Foreign Assistance Act	229	273	303
Interest on foreign military credit sales	83	85	85
Interest on loans to United Kingdom	11	56	57
Other interest on foreign loans and deferred foreign collections	98	131	128
Other interest (domestic-civil)[3]	189	252	316
Other interest (domestic-national defense)	8	9	9
Total interest	618	806	898
Dividends and other earnings	13	2	2
Rents:			
Rent and bonuses from land leases, etc	7	16	27
Rent of land and other real property[3]	79	80	95
Rent of equipment and other personal property	15	17	17
Total rents	101	113	139
Royalties[3]	401	410	498
Sale of products:			
Sale of timber and other natural land products[3]	953	1,106	1,156
Sale of minerals and mineral products	----	498	558
Sale of power and other utilities	652	326	422
Sale of other products	31	16	15
Recovery of mint manufacturing expense	43	44	47
Total sale of products	1,680	1,990	2,199
Fees and other charges for services and special benefits:			
Veterans life insurance (trust funds)	484	505	467
Other[3]	513	503	586
Total fees and other charges	997	1,008	1,053

See footnotes at end of table.

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Table 11. **OFFSETTING RECEIPTS BY TYPE** (in millions of dollars)—Continued

Type	1977 actual	1978 estimate	1979 estimate
PROPRIETARY RECEIPTS FROM THE PUBLIC—Con.			
Distributed by agency and function—Continued			
Sale of Government property:			
Sale of land and other real property [3]	37	36	40
Sale of equipment and other personal property:			
Sale from the stockpile of strategic and critical materials	148	131	242
Military assistance program sales (trust fund)	9,369	8,700	9,200
Other	14	37	12
Profit on the sale of gold	*		
Sale of scrap and salvage material [3]	2	—25	89
Total sale of property	9,570	8,879	9,583
Realization upon loans and investments:			
Dollar repayments of loans, Agency for International Development	281	319	339
Foreign military credit sales	201	199	198
Dollar conversion of foreign currency	87	79	74
Repayment of loans to United Kingdom		74	76
Other	205	165	141
Total realization upon loans and investments	774	837	828
Recoveries and refunds [3]	160	331	244
Deposits in clearing accounts	7		
Total proprietary receipts from the public distributed by agency and function	14,319	14,377	15,444
Undistributed by agency and function:			
Rents and royalties on the Outer Continental Shelf:			
Rents and bonuses	1,569	1,060	939
Royalties	805	940	861
Total proprietary receipts from the public undistributed by agency and function	2,374	2,000	1,800
Total proprietary receipts from the public [4]	16,693	16,377	17,244
Total offsetting receipts	59,194	59,807	63,579

*$500 thousand or less.

[1] Interchange receipts between the social security and railroad retirement funds place the social security funds in the same position they would have been if there were no separate railroad retirement system. Interchange receipts between Federal retirement funds occur when an employee transfers from coverage by one system to coverage by another system.

[2] Includes provision for covered Federal civilian employees and military personnel.

[3] Includes both Federal funds and trust funds.

[4] Consists of:

	1977 actual	*1978 estimate*	*1979 estimate*
Federal funds	6,308	6,611	6,944
Trust funds	10,386	9,766	10,300

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Table 12. BUDGET AUTHORITY BY FUNCTION AND AGENCY

(In millions of dollars)

Function and department or other unit	1977 actual	1978 estimate	1979 estimate
050 NATIONAL DEFENSE			
051 Department of Defense—Military:			
Military personnel	26,118	27,282	27,211
Retired military personnel	8,238	9,240	10,149
Operation and maintenance	32,108	34,869	37,376
Procurement	27,922	29,545	31,928
Research, development, test, and evaluation	10,439	11,338	12,468
Military construction	2,204	1,633	2,677
Other [1]	1,579	1,630	1,797
Allowances			2,305
Deductions for offsetting receipts	−183	−271	−345
Total 051	108,425	115,264	125,567
053 Atomic energy defense activities:			
Department of Energy	2,089	2,512	2,829
054 Defense-related activities:			
General Services Administration	17	112	218
Other independent agencies:			
Central Intelligence Agency	28	35	44
Intelligence Community Staff	9	9	10
Renegotiation Board	6	6	7
Selective Service System	8	7	10
Deductions for offsetting receipts	−149	−131	−242
Total 054	−81	38	45
Deductions for offsetting receipts [2]	−*	−2	−2
Total national defense	110,432	117,813	128,439
150 INTERNATIONAL AFFAIRS			
151 Foreign economic and financial assistance:			
Funds appropriated to the President [1]	4,332	5,703	7,344
Department of Agriculture	1,169	923	806
Department of State	47	69	71
Department of Transportation [1]	4	36	35
Other independent agencies: Action [1]	80	88	95
Deductions for offsetting receipts	−6	−18	−17
Total 151	5,626	6,801	8,335
152 Military assistance:			
Funds appropriated to the President	988	891	838
Deductions for offsetting receipts	−312	−302	−297
Total 152	676	589	541

See footnotes at end of table.

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Table 12. BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

Function and department or other unit	1977 actual	1978 estimate	1979 estimate
150 INTERNATIONAL AFFAIRS—Continued			
153 Conduct of foreign affairs:			
Funds appropriated to the President	21	24	25
Department of State [1]	1,123	1,309	1,341
Other independent agencies:			
Arms Control and Disarmament Agency	12	17	16
Foreign Claims Settlement Commission	1	1	1
International Trade Commission	12	12	13
Deductions for offsetting receipts	−115	−141	−156
Total 153	1,054	1,222	1,240
154 Foreign information and exchange activities:			
Department of State	10	------	------
Other independent agencies:			
Board for International Broadcasting	57	76	83
International Communication Agency [1]	333	374	414
Japan-United States Friendship Commission [1]	------	1	2
Deductions for offsetting receipts	−*	−*	−*
Total 154	400	451	500
155 International financial programs:			
Funds appropriated to the President [1]	8,625	11,300	12,300
Other independent agencies: Export-Import Bank of the United States	------	------	660
Deductions for offsetting receipts	−9,369	−8,720	−9,220
Total 155	−744	2,580	3,740
Deductions for offsetting receipts [2]	−425	−540	−555
Total international affairs	6,587	11,102	13,801
250 GENERAL SCIENCE, SPACE, AND TECHNOLOGY			
251 General science and basic research:			
Department of Energy	351	397	426
Other independent agencies:			
National Science Foundation [1]	783	868	939
Smithsonian Institution [1]	2	2	2
Total 251	1,136	1,267	1,368
253 Space flight:			
National Aeronautics and Space Administration	2,138	2,198	2,247
254 Space science, applications, and technology:			
National Aeronautics and Space Administration	964	1,056	1,210
255 Supporting space activities:			
National Aeronautics and Space Administration [1]	341	369	393
Deductions for offsetting receipts	−2	−*	------
Total 255	340	369	393
Deductions for offsetting receipts [2]	−2	−2	−2
Total general science, space, and technology	4,576	4,889	5,216

See footnotes at end of table.

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Table 12. BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

Function and department or other unit	1977 actual	1978 estimate	1979 estimate
270 ENERGY			
271 Energy supply:			
Funds appropriated to the President	431	----	----
Department of Agriculture	22	24	25
Department of Defense—Civil	----	5	----
Department of Energy [1]	3,653	3,704	3,400
Department of the Interior	----	210	186
Environmental Protection Agency	95	131	115
Deductions for offsetting receipts	−599	−754	−856
Total 271	3,603	3,320	2,869
272 Energy conservation:			
Department of Energy	242	692	1,010
Department of the Treasury	----	150	500
Total 272	242	842	1,510
274 Emergency energy preparedness:			
Funds appropriated to the President	367	----	----
Department of Energy	78	3,595	4,255
Deductions for offsetting receipts	----	−*	−*
Total 274	445	3,595	4,255
276 Energy information, policy, and regulation:			
Department of Energy	462	516	675
Other independent agencies:			
Nuclear Regulatory Commission	249	292	331
Total 276	711	808	1,006
Deductions for offsetting receipts [2]	−23	−26	−95
Total energy	4,978	8,539	9,544
300 NATURAL RESOURCES AND ENVIRONMENT			
301 Water resources:			
Department of Agriculture [1]	188	219	176
Department of Defense—Civil [1]	2,512	2,757	2,482
Department of the Interior [1]	1,004	712	643
Department of State	12	26	13
Other independent agencies:			
Delaware River Basin Commission	*	*	*
Susquehanna River Basin Commission	*	*	*
Water Resources Council [1]	19	22	17
Deductions for offsetting receipts	−72	−61	−48
Total 301	3,664	3,675	3,284

See footnotes at end of table.

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Table 12. **BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1977 actual	1978 estimate	1979 estimate
300 NATURAL RESOURCES AND ENVIRONMENT—Con.			
302 Conservation and land management:			
Department of Agriculture [1]	1,875	2,186	1,958
Department of Commerce	38	51	57
Department of the Interior [1]	386	528	565
Department of State	6	6	7
Other independent agencies:			
Marine Mammal Commission	1	1	1
Deductions for offsetting receipts	−740	−645	−832
Total 302	1,566	2,127	1,755
303 Recreational resources:			
Department of Agriculture	3	4	3
Department of Defense—Civil	3	7	4
Department of the Interior [1]	1,232	1,615	1,762
Other independent agencies:			
Advisory Council on Historic Preservation	1	1	2
Deductions for offsetting receipts	−2	−2	−3
Total 303	1,236	1,624	1,769
304 Pollution control and abatement:			
Department of the Interior	*	-------	-------
Department of Transportation	22	7	187
Environmental Protection Agency [1]	2,669	5,372	5,513
Other independent agencies:			
Interstate Commission on the Potomac River Basin	*	*	*
Other temporary commissions	-------	2	4
Deductions for offsetting receipts	−*	−*	−*
Total 304	2,691	5,381	5,704
306 Other natural resources:			
Department of Commerce [1]	596	654	716
Department of the Interior [1]	502	570	626
Deductions for offsetting receipts	−11	−12	−12
Total 306	1,087	1,211	1,331
Deductions for offsetting receipts [2]	−786	−1,084	−1,178
Total natural resources and environment	9,457	12,935	12,664
350 AGRICULTURE			
351 Farm income stabilization:			
Department of Agriculture [1]	1,351	2,541	5,920
352 Agricultural research and services:			
Funds appropriated to the President	-------	-------	40
Department of Agriculture [1]	1,135	1,278	1,309
Deductions for offsetting receipts	−51	−55	−67
Total 352	1,084	1,223	1,282
Deductions for offsetting receipts [2]	−11	−3	−6
Total agriculture	2,424	3,761	7,197

See footnotes at end of table.

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Table 12. **BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1977 actual	1978 estimate	1979 estimate
370 COMMERCE AND HOUSING CREDIT			
371 Mortgage credit and thrift insurance:			
Department of Agriculture	522	747	448
Department of Housing and Urban Development	1,522	1,313	2,758
Other independent agencies: Federal Home Loan Bank Board	----	−10	----
Total 371	2,044	2,049	3,206
372 Postal Service:			
Other independent agencies:			
Postal Service	2,266	1,787	1,830
374 Federal Financing Bank:			
Deductions for offsetting receipts	−143	----	----
Total 374	−143	----	----
376 Other advancement and regulation of commerce:			
Legislative branch	10	10	9
Department of Commerce [1]	450	525	724
Department of Housing and Urban Development	8	7	8
General Services Administration	1	5	1
Other independent agencies:			
Commodity Futures Trading Commission	13	15	16
Federal Communications Commission	57	64	67
Federal Trade Commission	55	63	66
National Center for Productivity and Quality of Working Life	3	3	3
National Institute of Building Sciences	----	1	----
Securities and Exchange Commission	56	63	65
Small Business Administration	692	824	637
Other temporary commissions	2	*	----
Deductions for offsetting receipts	−29	−31	−32
Total 376	1,318	1,548	1,564
Deductions for offsetting receipts [2]	−4	−4	−3
Total commerce and housing credit	5,481	5,381	6,597
400 TRANSPORTATION			
401 Ground transportation:			
Department of Agriculture (trust fund)	----	2	----
Department of Transportation [1]	5,394	9,326	12,551
Other independent agencies:			
Washington Metropolitan Area Transit Authority	128	67	19
Interstate Commerce Commission	58	65	69
U.S. Railway Association	12	448	163
Total 401	5,593	9,907	12,803
402 Air transportation:			
Department of Transportation [1]	2,564	2,787	3,091
National Aeronautics and Space Administration	378	441	522
Other independent agencies: Civil Aeronautics Board	105	100	96
Total 402	3,047	3,328	3,709

See footnotes at end of table.

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Table 12. BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

Function and department or other unit	1977 actual	1978 estimate	1979 estimate
400 TRANSPORTATION—Continued			
403 Water transportation:			
Department of Commerce [1]	388	519	538
Department of Transportation [2]	1,286	1,386	1,494
Other independent agencies:			
Federal Maritime Commission	9	10	11
Deductions for offsetting receipts	—*	—1	—*
Total 403	1,683	1,914	2,042
407 Other transportation:			
Department of Transportation	66	70	70
Other independent agencies:			
National Transportation Safety Board	14	15	16
Other temporary commissions	3	2	.....
Total 407	83	87	86
Deductions for offsetting receipts [2]	—42	—86	—66
Total transportation	10,363	15,150	18,573
450 COMMUNITY AND REGIONAL DEVELOPMENT			
451 Community development:			
Department of Agriculture	285	265	275
Department of Commerce	15	14	18
Department of Housing and Urban Development	3,637	4,403	4,630
Other independent agencies:			
Commission of Fine Arts	*	*	*
National Capital Planning Commission	2	2	2
Pennsylvania Avenue Development Corporation	30	21	27
Total 451	3,969	4,706	4,952
452 Area and regional development:			
Funds appropriated to the President	118	313	344
Department of Agriculture	640	495	531
Department of Commerce [1]	6,814	753	777
Department of the Interior [1]	734	802	858
Other independent agencies:			
Appalachian Regional Commission [1]	6	6	6
Joint Federal-State Land Use Planning Commission for Alaska [1]	1	1	1
Tennessee Valley Authority	126	139	135
Deductions for offsetting receipts	—287	—403	—393
Total 452	8,153	2,106	2,259
453 Disaster relief and insurance:			
Funds appropriated to the President	300	300	200
Department of Agriculture	10	10	10
Department of Housing and Urban Development	82	99	123
Other independent agencies: Small Business Administration	291	1,515	190
Total 453	684	1,924	523

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Table 12. **BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1977 actual	1978 estimate	1979 estimate
450 COMMUNITY AND REGIONAL DEVELOPMENT—Continued			
Deductions for offsetting receipts [2]	−16	−17	−18
Total community and regional development	12,790	8,719	7,716
500 EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES			
501 Elementary, secondary, and vocational education:			
Department of Health, Education, and Welfare	6,028	6,426	8,172
Department of the Interior	237	260	271
Total 501	6,265	6,686	8,443
502 Higher education:			
Department of Health, Education, and Welfare	3,732	4,290	4,588
Department of Housing and Urban Development	13	11	----
Harry S. Truman Scholarship Foundation [1]	20	----	----
Total 502	3,765	4,301	4,588
503 Research and general education aids:			
Legislative branch [1]	117	131	164
Department of Health, Education, and Welfare [1]	542	608	618
Other independent agencies:			
Corporation for Public Broadcasting	103	119	120
National Commission on Libraries and Information Science [1]	4	1	1
National Foundation on the Arts and the Humanities [1]	210	124	150
National Foundation on the Arts and the Humanities [1]	----	137	162
Smithsonian Institution	112	121	128
Deductions for offsetting receipts	−10	−3	−3
Total 503	1,078	1,238	1,339
504 Training and employment:			
Department of Health, Education, and Welfrae	370	365	365
Department of Labor [1]	13,599	4,459	11,922
Total 504	13,969	4,824	12,287
505 Other labor services:			
Department of Labor [1]	277	331	363
Other independent agencies:			
Committee for Purchase from the Blind and other Severely Handicapped	*	*	*
Federal Mediation and Conciliation Service	21	22	23
National Labor Relations Board	81	93	100
National Mediation Board	4	4	4
Total 505	383	451	490

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Table 12. BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

Function and department or other unit	1977 actual	1978 estimate	1979 estimate
500 EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES—Continued			
506 Social services:			
Department of Health, Education, and Welfare	4,181	4,069	5,781
Department of Housing and Urban Development	3	5	8
Department of the Treasury	----	543	----
Other independent agencies:			
ACTION	109	120	131
Cabinet Committee on Opportunities for Spanish-Speaking people	----	----	----
Community Services Administration [1]	631	598	538
Consumer Protection Activities	----	----	−12
Office of Consumer Representation	----	----	15
Total 506	4,924	5,335	6,461
Deductions for offsetting receipts [2]	−7	−5	−5
Total education, training, employment, and social services	30,377	22,829	33,604
550 HEALTH			
551 Health care services:			
Department of Health, Education, and Welfare [1]	41,652	48,524	55,145
Other independent agencies: Civil Service Commission [1]	452	506	606
Deductions for offsetting receipts	−5,997	−7,243	−7,764
Total 551	36,107	41,788	47,987
552 Health research:			
Department of Health, Education, and Welfare	2,654	2,959	3,043
553 Education and training of health care work force:			
Department of Health, Education, and Welfare	847	868	669
554 Consumer and occupational health and safety:			
Department of Agriculture	244	267	271
Department of Health, Education, and Welfare	253	295	306
Department of the Interior [1]	99	51	----
Department of Labor	130	204	286
Other independent agencies:			
Consumer Product Safety Commission	40	41	41
Federal Mine Safety and Health Review Commission	----	2	5
Occupational Safety and Health Review Commission	7	7	8
Deductions for offsetting receipts	−4	−1	−1
Total 554	770	866	917
Deductions for offsetting receipts [2]	−10	−12	−12
Total health	40,368	46,469	52,604

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Table 12. **BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1977 actual	1978 estimate	1979 estimate
600 INCOME SECURITY			
601 General retirement and disability insurance:			
Department of Health, Education, and Welfare [1]	82,848	91,431	103,307
Department of Labor [1]	33	31	37
Other independent agencies:			
Railroad Retirement Board [1]	3,847	4,223	4,215
Other temporary commissions	-------	*	1
Deductions offsetting receipts	−2,174	−2,672	−2,451
Total 601	84,553	93,013	105,109
602 Federal employee retirement and disability:			
Legislative branch (trust fund)	*	*	*
The Judiciary [1]	67	6	7
Department of Labor	307	292	228
Department of State (trust fund)	176	191	208
Other independent agencies: Civil Service Commission (trust fund)	16,480	17,676	19,242
Deductions for offsetting receipts	−58	−30	−31
Total 602	16,972	18,136	19,654
603 Unemployment compensation:			
Department of Labor [1]	20,299	15,960	17,027
Deductions for offsetting receipts	−3,442	−600	-------
Total 603	16,857	15,360	17,027
604 Public assistance and other income supplements:			
Department of Agriculture	8,880	9,027	9,267
Department of Health, Education, and Welfare [1]	12,451	12,137	12,901
Department of Housing and Urban Development	28,624	32,291	25,569
Department of the Treasury	-------	167	1,333
Other independent agencies:			
Community Services Administration	163	200	-------
Railroad Retirement Board	65	50	25
Total 604	50,184	53,872	49,096
Deductions for offsetting receipts [2]	*	−1	−1
Total income security	168,566	180,381	190,885
700 VETERANS BENEFITS AND SERVICES			
701 Income security for veterans:			
Veterans Administration [1]	9,940	10,619	11,004
Deductions for offsetting receipts	−486	−507	−469
Total 701	9,454	10,112	10,535
702 Veterans education, training, and rehabilitation:			
Veterans Administration [1]	3,987	2,696	2,148
Deductions for offsetting receipts	−3	−31	−55
Total 702	3,984	2,665	2,093

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Table 12. **BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1977 actual	1978 estimate	1979 estimate
700 VETERANS BENEFITS AND SERVICES—Continued			
703 Hospital and medical care for veterans:			
Veterans Administration	5,074	5,657	5,795
705 Other veterans benefits and services:			
Department of Defense—Civil [1]	22	22	22
Department of the Treasury (trust fund)	*	*	*
Veterans Administration [1]	531	611	627
Other independent agencies: American Battle Monuments Commission [1]	6	6	6
Deductions for offsetting receipts	−1	−2	−2
Total 705	558	637	653
Deductions for offsetting receipts [2]	−1	−3	−3
Total veterans benefits and services	19,069	19,068	19,074
750 ADMINISTRATION OF JUSTICE			
751 Federal law enforcement activities:			
Department of Health, Education, and Welfare	30	55	72
Department of Housing and Urban Development	12	16	18
Department of Justice	951	1,050	1,077
Department of the Treasury	609	687	726
Other independent agencies:			
Administrative Conference of the United States	1	1	1
Commission on Civil Rights	10	11	11
Equal Employment Opportunity Commission	71	91	110
Other Temporary Commissions	*	-------	-------
Total 751	1,685	1,911	2,015
752 Federal litigative and judicial activities:			
Legislative branch	7	8	9
The Judiciary [1]	398	464	486
Department of Justice	333	358	384
Other independent agencies:			
Indian Claims Commission	2	2	-------
Legal Services Corporation	125	205	255
Deductions for offsetting receipts	−2	-------	-------
Total 752	863	1,037	1,133
753 Federal correctional activities:			
Department of Justice [1]	297	308	353
754 Criminal justice assistance:			
Department of Justice	758	656	651
Deductions for offsetting receipts [2]	−2	−8	−8
Total administration of justice	3,601	3,904	4,144

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Table 12. **BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1977 actual	1978 estimate	1979 estimate
800 GENERAL GOVERNMENT			
801 Legislative functions:			
Legislative Branch [1]	878	914	947
Deductions for offsetting receipts	−7	−6	−6
Total 801	871	908	941
802 Executive direction and management:			
Executive Office of the President	78	76	79
Funds appropriated to the President	1	1	1
General Services Administration	3	1	1
Total 802	83	77	81
803 Central fiscal operations:			
Department of the Treasury [1]	2,142	2,372	2,520
Deductions for offsetting receipts	−179	−166	−142
Total 803	1,963	2,207	2,378
804 General property and records management:			
General Services Administration [1]	469	279	365
Other independent agencies: Other temporary commissions	5	-------	-------
Deductions for offsetting receipts	−*	-------	-------
Total 804	475	279	365
805 Central personnel management:			
Other independent agencies:			
Advisory Committee on Federal Pay	*	*	*
Civil Service Commission	7,407	7,516	8,478
Other temporary commissions	*	-------	-------
Deductions for offsetting receipts	−7,298	−7,397	−8,355
Total 805	109	119	124
806 Other general government:			
Legislative branch	48	22	41
Department of Defense—Civil	69	73	77
Department of the Interior [1]	221	291	304
Department of the Treasury [1]	190	245	187
General Services Administration	3	3	3
Other independent agencies:			
Civil Service Commission	15	20	20
Federal Election Commission	6	8	8
American Revolution Bicentennial Administration [1]	*	-------	-------
Other historical and memorial agencies [1]	*	*	*
Advisory Commission on Intergovernmental Relations [1]	1	2	2
Other temporary commissions	1	2	13
National Commission on the Observance of International Women's Year 1975 [1]	*	*	-------
Deductions for offsetting receipts	−18	−22	−24
Total 806	538	644	632
Deductions for offsetting receipts [2]	−186	−180	−159
Total general government	3,851	4,055	4,361

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Table 12. BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

Function and department or other unit	1977 actual	1978 estimate	1979 estimate
850 GENERAL PURPOSE FISCAL ASSISTANCE			
851 General revenue sharing:			
Department of the Treasury [1]	13,316	13,717	13,717
Deductions for offsetting receipts	−6,657	−6,855	−6,855
Total 851	6,658	6,863	6,862
852 Other general purpose fiscal assistance:			
Department of Agriculture	50	226	242
Department of Defense—Civil	5	6	5
Department of Energy	*	*	*
Department of the Interior	268	413	494
Department of the Treasury	1,973	1,836	8,593
Other independent agencies: District of Columbia	401	392	458
Deductions for offsetting receipts	−84	−44	−22
Total 852	2,614	2,829	9,770
Total general purpose fiscal assistance	9,272	9,691	16,632
900 INTEREST			
901 Interest on the public debt:			
Department of the Treasury	41,900	48,600	55,400
902 Other interest:			
Department of the Treasury	325	331	336
General Services Administration	1	1	.....
Deductions for offsetting receipts	−4,134	−5,091	−6,746
Total 902	−3,807	−4,759	−6,410
Total interest	38,092	43,841	48,990
Allowances for:			
Civilian agency pay raises	.....	.....	1,150
Contingencies for other requirements	.....	.....	3,000
Undistributed offsetting receipts:			
Employer share, employee retirement:			
Interfund transactions	−3,362	−3,786	−3,915
Receipts from off-budget Federal agencies	−1,186	−1,238	−1,242
Total, employer share, employee retirement	−4,548	−5,024	−5,157
Interest received by trust funds	−8,131	−8,595	−9,064
Rents and royalties on the Outer Continental Shelf	−2,374	−2,000	−1,800
Total budget authority	465,231	502,907	568,172
MEMORANDUM			
Federal funds	353,749	369,108	414,768
Trust funds	147,795	169,790	190,902
Interfund transactions	−36,313	−35,992	−37,497

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Table 12. **BUDGET AUTHORITY BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1977 actual	1978 estimate	1979 estimate
ADDENDUM			
Budget authority of off-budget Federal entities:			
270 ENERGY			
271 Energy supply:			
Department of Agriculture	149	44	-------
370 COMMERCE AND HOUSING CREDIT			
374 Federal Financing Bank:			
Department of the Treasury	9,534	13,843	15,865
400 TRANSPORTATION			
401 Ground transportation:			
United States Railway Association	126	18	23
450 COMMUNITY AND REGIONAL DEVELOPMENT			
452 Area and regional development:			
Department of Agriculture	142	159	199
Budget authority, off-budget Federal entities	9,951	14,064	16,087
Budget authority including off-budget Federal entities	475,182	516,971	584,259

*$500 thousand or less.
[1] Includes both Federal and trust funds.
[2] Excludes offsetting receipts which have been distributed by subfunction above.

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Table 13. OUTLAYS BY FUNCTION AND AGENCY

(In millions of dollars)

Function and department or other unit	1977 actual	1978 estimate	1979 estimate
050 NATIONAL DEFENSE			
051 Department of Defense—Military:			
Military personnel	25,715	26,832	26,866
Retired military personnel	8,216	9,211	10,122
Operation and maintenance	30,587	33,494	36,454
Procurement	18,178	21,552	24,208
Research, development, test, and evaluation	9,795	10,714	11,861
Military construction	1,914	1,919	1,976
Other [1]	1,427	1,849	1,770
Allowances	-------	-------	2,288
Deductions for offsetting receipts	−183	−271	−345
Total 051	95,650	105,300	115,200
053 Atomic energy defense activities:			
Department of Energy	1,936	2,308	2,536
054 Defense-related activities:			
Department of Health, Education, and Welfare	*	-------	-------
General Services Administration	17	90	219
Other independent agencies:			
Central Intelligence Agency	28	35	44
Intelligence Community Staff	4	12	10
Renegotiation Board	6	7	7
Selective Service System	10	8	8
Other temporary commissions	*	-------	-------
Deductions for offsetting receipts	−149	−131	−242
Total 054	−84	20	45
Deductions for offsetting receipts [2]	−*	−2	−2
Total national defense	97,501	107,626	117,779
150 INTERNATIONAL AFFAIRS			
151 Foreign economic and financial assistance:			
Funds appropriated to the President [1]	3,222	4,057	4,166
Department of Agriculture	856	1,070	1,069
Department of State	52	71	66
Department of Transportation [1]	14	30	29
Other independent agencies: Action [1]	77	87	93
Deductions for offsetting receipts	−6	−18	−17
Total 151	4,214	5,296	5,407
152 Military assistance:			
Funds appropriated to the President	806	759	762
Deductions for offsetting receipts	−312	−302	−297
Total 152	494	457	465

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Table 13. OUTLAYS BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

Function and department or other unit	1977 actual	1978 estimate	1979 estimate
150 INTERNATIONAL AFFAIRS—Continued			
153 Conduct of foreign affairs:			
Funds appropriated to the President	21	24	25
Department of State [1]	1,052	1,203	1,312
Other independent agencies:			
Arms Control and Disarmament Agency	12	15	16
Foreign Claims Settlement Commission	1	1	1
International Trade Commission	11	12	13
Other temporary commissions	-------	*	-------
Deductions for offsetting receipts	−115	−141	−156
Total 153	981	1,115	1,211
154 Foreign information and exchange activities:			
Department of State	-------	3	7
Other independent agencies:			
Board for International Broadcasting	58	73	79
International Communication Agency [1]	328	366	393
Japan-United States Friendship Commission [1]	*	1	2
Deductions for offsetting receipts	−*	−*	−*
Total 154	386	443	480
155 International financial programs:			
Funds appropriated to the President [1]	8,210	8,500	9,500
Other independent agencies: Export-Import Bank of the United States	340	196	404
Deductions for offsetting receipts	−9,369	−8,720	−9,220
Total 155	−819	−24	684
Deductions for offsetting receipts [2]	−425	−540	−555
Total international affairs	4,831	6,747	7,691
250 GENERAL SCIENCE, SPACE, AND TECHNOLOGY			
251 General science and basic research:			
Department of Energy	324	363	415
Other independent agencies:			
National Science Foundation [1]	753	825	857
Smithsonian Institution [1]	2	2	2
Total 251	1,078	1,190	1,274
253 Space flight:			
National Aeronautics and Space Administration	2,252	2,192	2,264
254 Space science, applications, and technology:			
National Aeronautics and Space Administration	1,006	1,018	1,150
255 Supporting space activities:			
National Aeronautics and Space Administration [1]	345	358	390
Deductions for offsetting receipts	−2	−*	-------
Total 255	343	358	390

See footnotes at end of table.

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Table 13. OUTLAYS BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

Function and department or other unit	1977 actual	1978 estimate	1979 estimate
250 GENERAL SCIENCE, SPACE, AND TECHNOLOGY—Continued			
Deductions for offsetting receipts [2]	−2	−2	−2
Total general science, space, and technology	4,677	4,757	5,077
270 ENERGY			
271 Energy supply:			
Funds appropriated to the President	107	214	113
Department of Agriculture	22	24	25
Department of Energy [1]	2,637	3,263	3,280
Department of the Interior	-------	192	187
Environmental Protection Agency	95	126	126
Other independent agencies: Tennessee Valley Authority	1,003	1,125	1,239
Deductions for offsetting receipts	−599	−754	−856
Total 271	3,266	4,190	4,113
272 Energy conservation:			
Department of Energy	143	451	902
Department of the Treasury	-------	150	500
Total 272	143	601	1,402
274 Emergency energy preparedness:			
Funds appropriated to the President	122	245	-------
Department of Energy	1	2,029	3,285
Deductions for offsetting receipts	-------	−*	−*
Total 274	123	2,273	3,284
276 Energy information, policy, and regulation:			
Department of Energy	433	524	623
Other independent agencies: Nuclear Regulatory Commission	231	275	307
Total 276	664	799	930
Deductions for offsetting receipts [2]	−23	−26	−95
Total energy	4,172	7,837	9,634
300 NATURAL RESOURCES AND ENVIRONMENT			
301 Water resources:			
Department of Agriculture [1]	206	328	200
Department of Defense—Civil [1]	2,308	2,551	2,568
Department of the Interior [1]	770	818	630
Department of State	11	24	21
Other independent agencies:			
Delaware River Basin Commission	*	*	*
Susquehanna River Basin Commission	*	*	*
Water Resources Council [1]	18	26	20
Deductions for offsetting receipts	−72	−61	−48
Total 301	3,241	3,686	3,392

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Table 13. OUTLAYS BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

Function and department or other unit	1977 actual	1978 estimate	1979 estimate
300 NATURAL RESOURCES AND ENVIRONMENT—Con.			
302 Conservation and land management:			
Department of Agriculture [1]	1,577	2,201	1,839
Department of Commerce	22	31	43
Department of the Interior [1]	413	484	522
Department of State	5	6	7
Other independent agencies: Marine Mammal Commission	1	1	1
Deductions for offsetting receipts	−740	−645	−832
Total 302	1,279	2,079	1,579
303 Recreational resources:			
Department of Agriculture	3	4	4
Department of Defense—Civil	2	6	4
Department of the Interior [1]	1,010	1,314	1,538
Other independent agencies:			
Advisory Council on Historic Preservation	*	1	1
Smithsonian Institution	-------	*	-------
Other temporary commissions	*	-------	-------
Deductions for offsetting receipts	−2	−2	−3
Total 303	1,014	1,323	1,545
304 Pollution control and abatement:			
Department of the Interior	*	-------	-------
Department of Transportation	9	8	57
Environmental Protection Agency [1]	4,270	4,937	5,554
Other independent agencies:			
Interstate Commission on the Potomac River Basin	*	*	*
Other temporary commissions	*	2	4
Deductions for offsetting receipts	−*	−*	−*
Total 304	4,279	4,947	5,615
306 Other natural resources:			
Department of Commerce [1]	520	629	696
Department of the Interior [1]	464	558	585
Deductions for offsetting receipts	−11	−12	−12
Total 306	973	1,175	1,268
Deductions for offsetting receipts [2]	−786	−1,084	−1,178
Total natural resources and environment	10,000	12,125	12,222
350 AGRICULTURE			
351 Farm income stabilization:			
Department of Agriculture [1]	4,486	7,865	4,180
Other independent agencies: Farm Credit Administration	−1	*	-------
Total 351	4,485	7,865	4,180

See footnotes at end of table.

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Table 13. OUTLAYS BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

Function and department or other unit	1977 actual	1978 estimate	1979 estimate
350 AGRICULTURE—Continued			
352 Agricultural research and services:			
Funds appropriated to the President	-------	-------	40
Department of Agriculture [1]	1,103	1,300	1,285
Deductions for offsetting receipts	−51	−55	−67
Total 352	1,052	1,244	1,259
Deductions for offsetting receipts [2]	−11	−3	−6
Total agriculture	5,526	9,106	5,433
370 COMMERCE AND HOUSING CREDIT			
371 Mortgage credit and thrift insurance:			
Department of Agriculture	100	455	−93
Department of Housing and Urban Development	−585	781	1,267
Other independent agencies:			
Federal Deposit Insurance Corporation (trust fund)	−852	−379	−945
Federal Home Loan Bank Board	−1,913	−360	−467
National Credit Union Administration	−19	−30	−36
Total 371	−3,270	467	−274
372 Postal Service:			
Other independent agencies: Postal Service	2,267	1,787	1,830
374 Federal Financing Bank:			
Deductions for offsetting receipts	−143	-------	-------
Total 374	−143	-------	-------
376 Other advancement and regulation of commerce:			
Legislative branch	9	11	9
Department of Commerce [1]	443	518	669
Department of Housing and Urban Development	10	10	14
Department of the Treasury [1]	−4	−1	−4
General Services Administration	1	5	1
Other independent agencies:			
Commodity Futures Trading Commission	13	15	16
Emergency Loan Guarantee Board	−5	2	-------
Federal Communications Commission	56	66	66
Federal Trade Commission	52	62	64
National Center for Productivity and Quality of Working Life	2	3	3
National Institute of Building Sciences	-------	1	-------
Securities and Exchange Commission	54	66	65
Small Business Administration	516	547	543
Other temporary commissions	2	*	-------
Deductions for offsetting receipts	−29	−31	−32
Total 376	1,118	1,272	1,415
Deductions for offsetting receipts [2]	−4	−4	−3
Total commerce and housing credit	−31	3,523	2,969

See footnotes at end of table.

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Table 13. OUTLAYS BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

Function and department or other unit	1977 actual	1978 estimate	1979 estimate
400 TRANSPORTATION			
401 Ground transportation:			
Department of Agriculture (trust fund)	1	8	3
Department of Housing and Urban Development	1	*	
Department of Transportation [1]	8,950	10,243	11,434
Other independent agencies:			
Washington Metropolitan Area Transit Authority	290	205	61
Interstate Commerce Commission	59	64	69
United States Railway Association	736	620	424
Total 401	10,037	11,140	11,990
402 Air transportation:			
Department of Transportation [1]	2,369	2,753	2,874
National Aeronautics and Space Administration	344	415	466
Other independent agencies: Civil Aeronautics Board	103	101	96
Total 402	2,816	3,269	3,436
403 Water transportation:			
Department of Commerce [1]	594	547	532
Department of Defense—Civil	−1	1	2
Department of Transportation [1]	1,148	1,349	1,402
Other independent agencies: Federal Maritime Commission	8	10	10
Deductions for offsetting receipts	−*	−1	−*
Total 403	1,749	1,906	1,946
407 Other transportation:			
Department of Transportation	63	64	76
Other independent agencies:			
National Transportation Safety Board	13	15	15
Other temporary commissions	1	3	2
Total 407	76	82	93
Deductions for offsetting receipts [2]	−42	−86	−66
Total transportation	14,636	16,310	17,399
450 COMMUNITY AND REGIONAL DEVELOPMENT			
451 Community development:			
Department of Agriculture	122	297	260
Department of Commerce	15	18	18
Department of Health, Education, and Welfare	5		
Department of Housing and Urban Development	3,380	3,707	3,677
Other independent agencies:			
Commission of Fine Arts	*	*	*
National Capital Planning Commission	2	2	2
Pennsylvania Avenue Development Corporation	1	25	34
Total 451	3,526	4,049	3,991

See footnotes at end of table.

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Table 13. **OUTLAYS BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1977 actual	1978 estimate	1979 estimate
450 COMMUNITY AND REGIONAL DEVELOPMENT—Continued			
452 Area and regional development:			
Funds appropriated to the President	249	308	317
Department of Agriculture	343	318	344
Department of Commerce [1]	1,012	2,913	2,535
Department of the Interior [1]	719	686	743
Other independent agencies:			
Appalachian Regional Commission [1]	5	6	7
Joint Federal-State Land Use Planning Commission for Alaska [1]	1	1	1
Tennessee Valley Authority	96	145	135
Deductions for offsetting receipts	−287	−403	−393
Total 452	2,139	3,976	3,689
453 Disaster relief and insurance:			
Funds appropriated to the President	294	375	284
Department of Agriculture	16	15	15
Department of Housing and Urban Development	140	101	159
Other independent agencies: Small Business Administration	184	1,195	550
Total 453	634	1,686	1,007
Deductions for offsetting receipts [2]	−16	−17	−18
Total community and regional development	6,283	9,694	8,669
500 EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES			
501 Elementary, secondary, and voactional education:			
Department of Health, Education, and Welfare	4,840	5,420	6,214
Department of the Interior	238	253	270
Total 501	5,078	5,673	6,484
502 Higher education:			
Department of Health, Education, and Welfare	3,168	3,761	4,280
Department of Housing and Urban Development	−63	30	10
Department of the Treasury	1	--------	--------
Other independent agencies: Harry S Truman Scholarship Foundation [1]	−1	−2	−2
Total 502	3,104	3,789	4,289
503 Research and general education aids:			
Legislative branch [1]	104	139	169
Department of Health, Education, and Welfare [1]	419	516	578
Department of the Treasury	4	3	--------
Other independent agencies:			
Corporation for Public Broadcasting	103	119	120
National Commission on Libraries and Information Science [1]	1	2	2
National Foundation on the Arts and the Humanities [1]	193	113	133
National Foundation on the Arts and the Humanities [1]	--------	158	121
Smithsonian Institution	113	131	127
Deductions for offsetting receipts	−10	−3	−3
Total 503	927	1,177	1,247

See footnotes at end of table.

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Table 13. OUTLAYS BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

Function and department or other unit	1977 actual	1978 estimate	1979 estimate
500 EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES—Continued			
504 Training and employment:			
Department of Commerce	98	13	----
Department of Health, Education, and Welfare	361	365	365
Department of Labor [1]	6,418	10,552	12,422
Other independent agencies: Community Services Administration	1	----	----
Total 504	6,877	10,930	12,787
505 Other labor services:			
Department of Labor [1]	270	322	351
Other independent agencies:			
Committee for Purchase from the Blind and other Severely Handicapped	*	*	*
Federal Mediation and Conciliation Service	20	21	22
National Labor Relations Board	81	93	100
National Mediation Board	3	4	4
Total 505	374	440	477
506 Social services:			
Department of Health, Education, and Welfare	3,994	4,191	4,445
Department of Housing and Urban Development	*	3	8
Department of the Treasury	----	543	----
Other independent agencies:			
ACTION	109	117	128
Cabinet Committee on Opportunities for Spanish-Speaking People	*	----	----
Community Services Administration [1]	529	613	558
Consumer Protection Activities	----	----	−12
Office of Consumer Representation	----	----	14
Total 506	4,632	5,468	5,142
Deductions offsetting receipts [2]	−7	−5	−5
Total education, training, employment, and social services	20,985	27,471	30,421
550 HEALTH			
551 Health care services:			
Department of Health Education, and Welfare [1]	40,155	46,706	52,298
Other independent agencies: Civil Service Commission [1]	370	397	563
Deductions for offsetting receipts	−5,997	−7,243	−7,764
Total 551	34,527	39,860	45,097
552 Health research:			
Department of Health, Education, and Welfare	2,543	2,739	2,936
Department of Housing and Urban Development	−*	−*	−1
Total 552	2,543	2,738	2,935
553 Education and training of health care work force:			
Department of Health, Education, and Welfare	981	836	770

See footnotes at end of table.

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Table 13. OUTLAYS BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

Function and department or other unit	1977 actual	1978 estimate	1979 estimate
550 HEALTH—Continued			
554 Consumer and occupational health and safety:			
Executive Office of the President	*		
Department of Agriculture	229	266	268
Department of Health, Education, and Welfare	245	283	298
Department of the Interior [1]	98	53	
Department of Labor	127	186	270
Other independent agencies:			
Consumer Product Safety Commission	40	42	40
Federal Mine Safety and Health Review Commission		2	5
Occupational Safety and Health Review Commission	7	7	7
Deductions for offsetting receipts	−4	−1	−1
Total 554	743	839	887
Deductions for offsetting receipts [2]	−10	−12	−12
Total health	38,785	44,261	49,677
600 INCOME SECURITY			
601 General retirement and disability insurance:			
Department of Health, Education, and Welfare [1]	86,741	96,450	106,216
Department of Labor [1]	26	31	37
Department of the Treasury	−*		
Other independent agencies:			
Railroad Retirement Board [1]	4,050	4,344	4,593
Other temporary commissions		*	1
Deductions for offsetting receipts:	−2,174	−2,672	−2,451
Total 601	88,642	98,153	108,396
602 Federal employee retirement and disability:			
Legislative Branch (trust fund)	*	*	*
The Judiciary [1]	36	2	2
Department of Labor	275	292	228
Department of State (trust fund)	84	101	117
Other independent agencies: Civil Service Commission (trust fund)	9,166	10,445	11,679
Deductions for offsetting receipts	−58	−30	−31
Total 602	9,503	10,811	11,995
603 Unemployment compensation:			
Department of Labor [1]	18,700	12,960	11,827
Deductions for offsetting receipts	−3,442	−600	
Total 603	15,258	12,360	11,827

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Table 13. **OUTLAYS BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1977 actual	1978 estimate	1979 estimate
600 INCOME SECURITY—Continued			
604 Public assistance and other income supplements:			
Department of Agriculture	8,532	9,252	9,300
Department of Health, Education, and Welfare [1]	11,940	13,023	12,756
Department of Housing and Urban Development	2,952	3,774	4,387
Department of State	7	—4	----
Department of the Treasury	----	167	1,333
Other independent agencies:			
Community Services Administration	110	53	----
Railroad Retirement Board	60	50	30
Total 604	23,601	26,316	27,807
Deductions for offsetting receipts [2]	*	—1	—1
Total income security	137,004	147,640	160,024
700 VETERANS BENEFITS AND SERVICES			
701 Income security for veterans:			
Veterans Administration [1]	9,701	10,252	10,744
Deductions for offsetting receipts	—486	—507	—469
Total 701	9,216	9,745	10,275
702 Veterans education, training, and rehabilitation:			
Veterans Administration [1]	3,713	3,173	2,686
Deductions for offsetting receipts	—3	—31	—55
Total 702	3,710	3,142	2,630
703 Hospital and medical care for veterans:			
Veterans Administration	4,708	5,436	5,757
704 Veterans housing:			
Department of Housing and Urban Development	—7	—10	—9
Veterans Administration	—138	—21	—46
Total 704	—145	—31	—55
705 Other veterans benefits and services:			
Department of Defense—Civil [1]	21	23	23
Department of the Treasury (trust fund)	*	*	*
Veterans Administration [1]	524	598	624
Other independent agencies: American Battle Monuments Commission [1]	6	6	6
Deductions for offsetting receipts	—1	—2	—2
Total 705	549	625	652
Deductions for offsetting receipts [2]	—1	—3	—3
Total veterans benefits and services	18,038	18,916	19,257

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Table 13. **OUTLAYS BY FUNCTION AND AGENCY—Continued**

(In millions of dollars)

Function and department or other unit	1977 actual	1978 estimate	1979 estimate
750 ADMINISTRATION OF JUSTICE			
751 Federal law enforcement activities:			
Department of Health, Education, and Welfare	24	55	71
Department of Housing and Urban Development	11	15	17
Department of Justice	951	1,044	1,072
Department of the Treasury	605	702	731
Other independent agencies:			
Administrative Conference of the United States	1	1	1
Commission on Civil Rights	9	11	11
Equal Employment Opportunity Commission	72	88	108
Other temporary commissions	*	*	----
Total 751	1,673	1,915	2,011
752 Federal litigative and judicial activities:			
Legislative Branch	8	9	9
The Judiciary [1]	390	457	488
Department of Justice	317	354	378
General Services Administration	2	*	----
Other independent agencies:			
Indian Claims Commission	2	2	*
Legal Services Corporation	125	154	243
Deductions for offsetting receipts	−2	----	----
Total 752	842	976	1,118
753 Federal correctional activities:			
Department of Justice [1]	240	319	373
754 Criminal justice assistance:			
Department of Justice	847	817	717
Deductions for offsetting receipts [2]	−2	−8	−8
Total administration of justice	3,600	4,019	4,211
800 GENERAL GOVERNMENT			
801 Legislative functions:			
Legislative branch [1]	849	906	946
Deductions for offsetting receipts	−7	−6	−6
Total 801	841	900	941
802 Executive direction and management:			
Executive Office of the President	73	78	78
Funds appropriated to the President	−*	1	1
General Services Administration	2	1	1
Total 802	76	80	80
803 Central fiscal operations:			
Department of the Treasury [1]	2,109	2,367	2,509
Deductions for offsetting receipts	−179	−166	−142
Total 803	1,930	2,201	2,367

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Table 13. OUTLAYS BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

Function and department or other unit	1977 actual	1978 estimate	1979 estimate
800 GENERAL GOVERNMENT—Continued			
804 General property and records management:			
General Services Administration [1]	134	365	369
Other independent agencies:			
Other temporary commissions	6	1	----
Deductions for offsetting receipts	—*	----	----
Total 804	141	366	369
805 Central personnel management:			
Other independent agencies:			
Advisory Committee on Federal Pay	*	*	*
Civil Service Commission	7,398	7,517	8,475
Other temporary commissions	*	*	----
Deductions for offsetting receipts	—7,298	—7,397	—8,355
Total 805	100	120	121
806 Other general government:			
Legislative Branch	24	2	50
The Judiciary	*	*	*
Department of Defense—Civil	65	75	77
Department of the Interior [1]	191	325	290
Department of the Treasury [1]	162	207	148
General Services Administration	3	3	3
Other independent agencies:			
Civil Service Commission	13	18	18
Federal Election Commission	7	8	8
American Revolution Bicentennial Administration [1]	2	1	----
Other Historical and Memorial Agencies [1]	*	*	*
Advisory Commission on Intergovernmental Relations [1]	2	2	2
Other Temporary Commissions	2	11	13
National Commission on the Observance of International Women's Year, 1975 [1]	3	2	----
Deductions for offsetting receipts	—18	—22	—24
Total 806	455	632	586
Deductions for offsetting receipts [2]	—186	—180	—159
Total general Government	3,357	4,119	4,304
850 GENERAL PURPOSE FISCAL ASSISTANCE			
851 General revenue sharing:			
Department of the Treasury [1]	13,419	13,690	13,715
Deductions for offsetting receipts	—6,657	—6,855	—6,855
Total 851	6,762	6,835	6,860

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Table 13. OUTLAYS BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

Function and department or other unit	1977 actual	1978 estimate	1979 estimate
850 GENERAL PURPOSE FISCAL ASSISTANCE—Con.			
852 Other general purpose fiscal assistance:			
Department of Agriculture	50	226	242
Department of Defense—Civil	----	6	5
Department of Energy	----	*	*
Department of the Interior	266	415	494
Department of the Treasury	2,105	2,009	1,609
Other independent agencies: District of Columbia	400	414	449
Deductions for offsetting receipts	−84	−44	−22
Total 852	2,737	3,026	2,776
Total general purpose fiscal assistance	9,499	9,860	9,636
900 INTEREST			
901 Interest on the public debt:			
Department of the Treasury	41,900	48,600	55,400
902 Other interest:			
Department of the Treasury	326	331	336
General Services Administration	*	1	*
Deductions for offsetting receipts	−4,134	−5,091	−6,746
Total 902	−3,808	−4,759	−6,409
Total interest	38,092	43,841	48,991
Allowances for:			
Civilian agency pay raises	----	----	1,100
Contingencies for other requirements	----	----	1,700
Undistributed offsetting receipts:			
Employer share, employee retirement:			
Interfund transactions	−3,362	−3,786	−3,915
Receipts from off-budget Federal agencies	−1,186	−1,238	−1,242
Total, employer share, employee retirement	−4,548	−5,024	−5,157
Interest received by trust funds	−8,131	−8,595	−9,064
Rents and royalties on the Outer Continental Shelf	−2,374	−2,000	−1,800
Total outlays	**401,902**	**462,234**	**500,174**
MEMORANDUM			
Federal funds	294,948	340,036	363,580
Trust funds	143,267	158,190	174,092
Interfund transactions	−36,313	−35,992	−37,497

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Table 13. OUTLAYS BY FUNCTION AND AGENCY—Continued

(In millions of dollars)

Function and department or other unit	1977 actual	1978 estimate	1979 estimate
ADDENDUM			
Outlays of off-budget Federal entities:			
150 INTERNATIONAL AFFAIRS			
155 International financial programs:			
Department of the Treasury	9	−78	−70
270 ENERGY			
271 Energy supply:			
Department of Agriculture	394	62	.....
370 COMMERCE AND HOUSING CREDIT			
372 Postal Service	−173	815	−1
374 Federal Financing Bank:			
Department of the Treasury	8,201	10,567	12,510
Total commerce and housing credit	8,028	11,382	12,509
400 TRANSPORTATION			
401 Ground transportation:			
United States Railway Association	219	97	23
450 COMMUNITY AND REGIONAL DEVELOPMENT			
452 Area and regional development:			
Department of Agriculture	59	79	105
600 INCOME SECURITY			
601 General retirement and disability insurance:			
Department of Labor	−16	−28	−30
Outlays, off-budget Federal entities	8,693	11,514	12,538
Outlays including off-budget Federal entities	410,594	473,748	512,712

*$500 thousand or less.

[1] Includes both Federal and trust funds.
[2] Excludes offsetting receipts which have been distributed by subfunction above.

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Table 14. **CONTROLLABILITY OF BUDGET OUTLAYS, 1969–79 (dollars in billions)**

	Actual										Estimate	
	1969	1970	1971	1972	1973	1974	1975	1976	TQ	1977	1978	1979
Relatively uncontrollable under present law:												
Open-ended programs and fixed costs:												
Payments for individuals:												
Social security and railroad retirement	28.3	31.3	37.2	41.5	50.7	57.6	68.4	76.2	20.7	87.7	97.2	108.0
Federal employees' retirement and insurance	4.8	5.6	6.6	7.7	9.0	10.8	13.3	15.6	4.3	17.8	20.1	22.3
(Military retired pay)	(2.4)	(2.8)	(3.4)	(3.9)	(4.4)	(5.1)	(6.2)	(7.3)	(1.9)	(8.2)	(9.2)	(10.1)
(Other)	(2.4)	(2.7)	(3.2)	(3.8)	(4.6)	(5.7)	(7.1)	(8.3)	(2.4)	(9.6)	(10.9)	(12.2)
Unemployment assistance	2.9	3.7	6.6	7.5	5.7	6.5	14.0	19.8	4.2	15.8	13.0	12.6
Veterans benefits: Pensions, compensation, education and insurance	5.7	6.6	7.6	8.3	9.3	10.0	12.4	13.9	2.9	12.9	12.9	12.6
Medicare and medicaid	8.9	9.9	11.2	13.4	14.1	17.2	21.6	26.3	7.0	31.4	36.5	42.1
Housing payments	.3	.5	.7	1.1	1.6	1.8	2.1	2.5	.6	2.9	3.7	4.3
Public assistance and related programs	3.9	4.7	7.4	8.9	9.1	11.5	17.1	19.4	4.9	20.9	22.2	22.0
Subtotal, payments for individuals	54.9	62.3	77.3	88.5	99.6	115.4	148.9	173.7	44.6	189.5	205.5	223.9
Net interest [1]	12.7	14.4	14.8	15.5	17.4	21.5	23.3	26.8	7.0	30.0	35.2	39.9
General revenue sharing	----	----	----	----	6.6	6.1	6.1	6.2	1.6	6.8	6.8	6.9
Farm price supports (CCC)	4.1	3.8	2.8	4.0	3.6	1.0	.6	.6	.7	3.5	7.4	4.5
Other open-ended programs and fixed costs	2.8	3.8	5.2	6.4	6.3	6.8	8.0	8.8	2.6	8.6	10.3	10.1
Total, open-ended programs and fixed costs	74.5	84.3	100.2	114.3	133.5	150.8	186.9	216.2	56.5	238.3	265.3	285.3
(National defense)	(2.5)	(2.9)	(3.4)	(4.0)	(4.4)	(5.2)	(6.3)	(7.4)	(2.0)	(8.2)	(9.3)	(10.2)
(Civilian programs)	(72.0)	(81.4)	(96.8)	(110.4)	(129.1)	(145.6)	(180.6)	(208.8)	(54.5)	(230.1)	(256.0)	(275.1)
Outlays from prior-year contracts and obligations: [2]												
National defense	24.6	24.1	21.1	19.4	17.7	20.4	22.3	17.9	7.7	18.5	29.9	33.8
Civilian programs	17.3	17.4	19.1	19.9	21.9	23.4	28.4	33.0	12.3	36.8	49.4	55.7
Total, outlays from prior-year contracts and obligations	41.9	41.5	40.2	39.2	39.6	43.8	50.7	50.9	20.0	55.3	79.3	89.5
Total, relatively uncontrollable outlays	**116.4**	**125.8**	**140.4**	**153.5**	**173.1**	**194.6**	**237.6**	**267.1**	**76.5**	**293.6**	**344.7**	**374.8**

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Relatively controllable outlays:												
National defense	52.3	51.6	51.3	53.2	52.5	52.2	57.0	64.2	12.7	70.8	68.4	73.8
Civilian programs	17.8	21.7	22.4	28.0	24.5	26.2	35.5	38.7	6.5	42.1	54.2	56.7
(Under current law) [3]	(70.1)	(73.3)	(73.7)	(81.3)	(76.9)	(78.4)	(92.5)	(102.8)	(19.2)	(112.9)	(121.9)	(129.9)
Under proposed legislation in:												
(Open-ended programs and fixed costs) [3]	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	(0.5)	(−1.0)
(Relatively controllable and new programs) [3]	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	(0.2)	(1.5)
Total, relatively controllable outlays	70.1	73.3	73.7	81.3	76.9	78.4	92.5	102.8	19.2	112.9	122.6	130.5
Undistributed employer share, employee retirement	−2.0	−2.4	−2.6	−2.8	−2.9	−3.3	−4.0	−4.2	−1.0	−4.5	−5.0	−5.2
Total budget outlays	184.5	196.6	211.4	232.0	247.1	269.6	326.1	365.6	94.7	401.9	462.2	500.2
MEMORANDUM												
Percent of total outlays:												
Relatively uncontrollable under present law:												
Open-ended programs and fixed costs:												
Payments for individuals	29.8%	31.7%	36.6%	38.1%	40.3%	42.8%	45.7%	47.5%	47.1%	47.2%	44.5%	44.8%
Other	10.6	11.2	10.8	11.1	13.7	13.1	11.7	11.6	12.6	12.1	12.9	12.3
Total open-ended programs and fixed costs	40.4	42.9	47.4	49.3	54.0	55.9	57.3	59.1	59.6	59.3	57.4	57.0
Outlays from prior-year contracts and obligations	22.7	21.1	19.0	16.9	16.0	16.2	15.5	13.9	21.1	13.7	17.2	17.9
Total relatively uncontrollable outlays	63.1	64.0	66.4	66.2	70.0	72.2	72.9	73.0	80.8	73.0	74.6	74.9
Relatively controllable outlays	38.0	37.3	34.8	35.0	31.1	29.1	28.4	28.1	20.3	28.1	26.5	26.1
Undistributed employer share, employee retirement	−1.1	−1.2	−1.2	−1.2	−1.2	−1.2	−1.2	−1.2	−1.0	−1.1	−1.1	−1.0
Total budget outlays	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

[1] Proposed legislation in open-ended programs and fixed costs includes less than −$50 million in 1979 for net interest.
[2] Excluding prior year contracts and obligations for activities shown as "open-ended programs and fixed costs."
[3] National defense portion includes $68.5 billion in 1978 and $74.0 billion in 1979 under current law, less than $50 million in 1979 under proposed legislation in open-ended programs, and −$0.1 billion in 1978 and −$0.3 billion in 1979 under proposed legislation in relatively controllable programs.

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Table 15. **LEGISLATIVE PROPOSALS FOR MAJOR NEW AND EXPANDED PROGRAMS IN THE 1979 BUDGET, PROJECTION OF COSTS** [1] **(in millions of dollars)**

Agency		Estimate			Projection			Explanation
		1978	1979	1980	1981	1982	1983	
Agriculture:								
Rural housing insurance fund	BA	-------	6	20	34	48	63	A special home ownership assistance program is proposed for very low income families. Under this program, housing costs, including utility and maintenance costs, in excess of 25% of a family's income, would be paid by the Federal Government.
	O	-------						
Special supplemental food program (WIC)	BA	-------	560	560	560	560	560	Legislation is proposed to expand this program, which provides supplemental foods for pregnant and nursing women, infants, and young children at nutritional risk during their critical stages of development.
	O	-------	530	530	560	560	560	
Defense:								
Family separation allowance for E–4's and below with dependents	BA	-------	29	29	29	29	29	Authorize military personnel with the rank of E–4 and below who have dependents to receive a family separation allowance similar to what is provided to other military personnel.
	O	-------						
Energy:								
Decontamination and decommissioning	BA	-------	5	29	36	40	17	Legislation is proposed to allow remedial action for radioactively contaminated uranium mill tailing sites and former Federal atomic energy sites.
	O	-------	3	22	30	37	29	
Uranium enrichment charges	BA	-------	−163	−169	−268	−270	−338	Legislation is proposed to change the pricing criteria for uranium enrichment services to permit a charge based on fair market value, rather than direct Government costs.
	O	-------						
Health, Education and Welfare:								
Elementary and secondary education:	BA	-------	400	400	400	400	400	Legislation is proposed to add new authorities to Title I of the Elementary and Secondary Education Act to improve educational opportunities for disadvantaged children.
New authorities under Title I	O	-------	28	285	364	389	396	

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Child welfare services	BA	-------	85	116	147	178	210	Expanded assistance is proposed to enhance the status of children in foster care and assist the permanent placement of such children.
	O	-------	64	116	147	178	210	
Adolescent health, services, and pregnancy prevention	BA	-------	60	60	60	60	60	A new program is proposed to establish networks of community-based health, education, and social services to help prevent unwanted pregnancies among adolescents.
	O	-------	20	60	60	60	60	
Medicaid:								
Expanded coverage for expectant mothers	BA	-------	118	131	146	162	180	Expanded eligibility is proposed for low-income mothers and expectant mothers.
	O	-------	118	118	118	118	118	
Expanded coverage for children	BA, O	-------	263	314	384	461	530	Coverage is proposed for an additional 1.7 million children and youths under 21.
Increased matching	BA	-------	32	36	41	48	54	An increased Federal matching rate and higher limits are proposed for Puerto Rico, Guam, and the Virgin Islands.
	O	-------	32	32	32	32	32	
Expanded quality control	BA	-------	179	180	181	182	183	Expanded quality control of medicaid payments is proposed to reduce overpayments and fraud.
	O	-------	−399	−790	−1,172	−1,397	−1,584	
Housing and Urban Development:								
Operating subsidy for financially troubled FHA projects	BA	-------	74	96	114	132	147	This proposed operating subsidy for financially troubled subsidized projects with HUD-insured or HUD-held mortgages is intended to prevent losses to the FHA fund from project defaults and to preserve these projects as viable housing for low-income families. Subsidies will be provided annually for the difference between HUD-approved operating expenses and projected rents.
	O	-------	52	96	114	132	147	
Interior:								
Mineral impact loan assistance	BA, O	-------	40	40	40	40	40	Loans would be made under this proposal to States for the construction of public facilities made necessary by mineral development on Federal lands. Repayment would be from the State's share of future Federal mineral leasing receipts. Amendments to existing legislation are proposed, including a change in the interest rate from 3% to the current Treasury borrowing rate.

See footnotes at end of table.

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Table 15. **LEGISLATIVE PROPOSALS FOR MAJOR NEW AND EXPANDED PROGRAMS IN THE 1979 BUDGET, PROJECTION OF COSTS[1] (in millions of dollars)—Continued**

Agency		Estimate			Projection			Explanation
		1978	1979	1980	1981	1982	1983	
Transportation:								
Oil pollution liability and compensation fund	BA	-------	180	80	50	50	50	This proposal would assure adequate and timely compensation for damages and cleanup costs resulting from oil spills in the marine environment. The legislation would set up a fund, of up to $200 million, to pay for such costs.
	O	-------	50	50	50	50	50	
Highway grant program (trust fund)	BA	-------	4,146	563	973	983	983	The highway and transit legislation proposes narrowing the differences between the operation of highway and transit programs, allowing States and localities to evaluate the relative merits of these alternative forms of transportation. It also proposes adoption of uniform Federal matching shares for highway and transit assistance: 90% for all projects substituted for withdrawn Interstate highway segments, and 80% for other highway and transit projects.
	O	-------	-------	266	358	562	671	
Urban mass transit program	BA	-------	2,665	145	300	405	500	
	O	-------	-------	125	175	275	350	
Treasury:								
Taxable municipal bond option	BA	-------	7,094	6,929	11,984	11,928	10,157	States and localities would be given the option under this proposal to issue taxable bonds instead of tax exempt securities. An interest subsidy of 35% to 40% would be paid to equalize benefits.
	O	-------	99	495	977	1,599	2,221	
Settlement of retroactive social services claims	BA, O	543	-------	-------	-------	-------	-------	Payments to be authorized by Congress, will settle claims under the Social Security Act of several States totaling $2.6 billion.

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Fuel efficiency incentive and crude oil tax programs	BA	317	1,833	2,414	2,808	2,953	3,186	The proposed National Energy Plan provides for payment of rebates on fuel efficient automobiles and for payments of per capita rebates from the Crude Oil Equalization Tax to those individuals who do not pay income taxes.
	O							
General Services Administration:								
Critical and strategic stockpile	BA	-------	−91	−177	−213	−200	−200	This legislation reflects the President's plan to acquire certain strategic and critical materials and dispose of other materials in the national stockpile.
	O							
Veterans Administration:								
Compensation and pensions	BA	-------	421	461	458	453	449	Legislation is proposed which will provide cost of living increases in veterans compensation benefits consistent with changes in the Consumer Price Index, and cost of living increases or other improvements in pension benefits.
	O	-------	395	461	458	453	449	
Multi-agency:								
Welfare reform:								
(Better jobs and income proposals):								
Total gross costs (excluding earned income tax credit)[2]	BA	-------	200	2,400	14,360	35,850	37,930	Legislation has been proposed to reform the present welfare system. Several existing programs would be consolidated as part of this simplification. The proposed program provides basic Federal cash benefits to the needy as well as up to 1.4 million public service jobs.
	O							
Memorandum:								
Cost of existing programs and other offsets[2]	BA	-------	-------	1,000	9,630	27,083	25,038	
	O							
Net cost of program	BA	-------	200	1,400	4,730	8,767	12,892	
	O							
Allowances:								
Relatively small and unforeseen items	BA	-------	2,000	2,000	2,000	2,000	2,000	
	O	-------	1,000	2,500	2,250	2,250	2,000	

[1] This table is supplied pursuant to the requirements of sec. 221(a) of the Legislative Reorganization Act of 1970 (Public Law 91–510). Estimates are shown for individual programs that involve at least $25 million in outlays a year over a period of years. The estimates do not reflect possible changes in the scope or quality of the proposals that might result from experience gained in actual practice; nor do they reflect in all cases possible reductions in the costs of other programs that may come about as a result of adoption of the proposals. Further, the resources that might appropriately be applied in later years will require a reexamination of the relative priorities of these and other Government programs in the light of economic and other circumstances then prevailing. Thus, the estimates do not represent a commitment as to amounts to be included in future budgets.

[2] The proposal also includes earned income tax credits, which are classified as tax refunds. The present refund level of $1,025 million in 1982 and $984 million in 1983 would be increased under the proposal to $2,950 million in 1982 and $5,793 million in 1983.

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Table 16. BUDGET RECEIPTS BY SOURCE, 1969–1979 (in millions of dollars)

Source	Actual										Estimate	
	1969	1970	1971	1972	1973	1974	1975	1976	TQ	1977	1978	1979
Individual income taxes	87,249	90,412	86,230	94,737	103,246	118,952	122,386	131,794	38,715	156,725	178,828	190,077
Corporation income taxes	36,678	32,829	26,785	32,166	36,153	38,620	40,621	41,409	8,460	54,892	58,949	62,487
Social insurance taxes and contributions (trust funds):												
Employment taxes and contributions:												
Old-age and survivors insurance	25,484	29,396	31,354	35,132	40,703	47,778	55,207	58,703	15,886	68,032	73,336	83,062
Disability insurance	3,469	4,063	4,490	4,775	5,381	6,147	7,250	7,686	2,130	8,786	12,204	14,568
Hospital insurance	4,398	4,755	4,874	5,205	7,603	10,556	11,258	11,995	3,459	13,484	16,588	19,926
Railroad retirement	885	919	980	1,008	1,189	1,411	1,489	1,525	328	1,908	1,858	2,053
Total employment taxes and contributions	34,236	39,133	41,699	46,120	54,876	65,892	75,204	79,909	21,803	92,210	103,986	119,609
Unemployment insurance	3,328	3,464	3,674	4,357	6,051	6,837	6,771	8,054	2,698	11,312	14,420	16,322
Contributions for other insurance and retirement:												
Supplementary medical insurance	903	936	1,253	1,340	1,427	1,704	1,901	1,937	539	2,193	2,408	2,631
Employees' retirement—employee contributions	1,426	1,735	1,916	2,058	2,146	2,302	2,513	2,760	707	2,915	3,246	3,265
Other retirement contributions	24	29	37	39	41	45	52	54	13	59	62	62
Total contributions for other insurance and retirement	2,353	2,701	3,205	3,437	3,614	4,051	4,466	4,752	1,259	5,167	5,716	5,958
Total social insurance taxes and contributions	39,918	45,298	48,578	53,914	64,542	76,780	86,441	92,714	25,760	108,688	124,122	141,889

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Excise taxes:												
Federal funds:												
Alcohol	4,482	4,610	4,696	5,004	5,040	5,248	5,238	5,318	1,279	5,295	5,390	5,488
Tobacco	2,136	2,093	2,205	2,205	2,274	2,435	2,312	2,484	622	2,393	2,447	2,503
Other	3,967	3,649	3,609	2,297	2,522	2,060	1,850	2,810	620	1,960	3,820	8,787
Total Federal excise taxes	10,585	10,352	10,510	9,506	9,836	9,743	9,400	10,612	2,520	9,648	11,657	16,778
Trust funds:												
Highway	4,637	5,354	5,542	5,322	5,665	6,260	6,188	5,413	1,676	6,709	7,086	7,418
Airport and airway	-------	-------	563	649	758	840	962	938	277	1,191	1,287	1,089
Total trust excise taxes	4,637	5,354	6,104	5,971	6,424	7,100	7,151	6,351	1,953	7,900	8,493	8,697
Total excise taxes	15,222	15,705	16,614	15,477	16,260	16,844	16,551	16,963	4,473	17,548	20,150	25,475
Estate and gift taxes	3,491	3,644	3,735	5,436	4,917	5,035	4,611	5,216	1,455	7,327	5,618	6,067
Custom duties	2,319	2,430	2,591	3,287	3,188	3,334	3,676	4,074	1,212	5,150	5,792	6,390
Miscellaneous receipts:												
Deposit of earnings by Federal Reserve System	2,662	3,266	3,533	3,252	3,495	4,845	5,777	5,451	1,500	5,908	6,200	6,300
Other miscellaneous receipts	247	158	325	381	426	524	934	2,575	112	622	728	902
Total miscellaneous receipts [1]	2,908	3,424	3,858	3,633	3,921	5,369	6,711	8,026	1,612	6,531	6,928	7,203
Total budget receipts	**187,784**	**193,743**	**188,392**	**208,649**	**232,225**	**264,932**	**280,997**	**299,197**	**81,687**	**356,861**	**400,387**	**439,588**
MEMORANDUM												
Federal funds	143,321	143,158	133,785	148,846	161,357	181,219	187,505	200,291	53,999	240,412	267,889	289,095
Trust funds	52,009	59,362	66,193	72,959	92,193	104,846	118,590	133,695	32,071	152,763	168,490	187,991
Interfund transactions	−7,547	−8,778	−11,586	−13,156	−21,325	−21,133	−25,098	−34,789	−4,383	−36,313	−35,992	−37,497

[1] Includes both Federal and trust funds.

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Table 17. BUDGET OUTLAYS BY FUNCTION, 1969–1979 (in millions of dollars)

Function	Actual										Estimate	
	1969	1970	1971	1972	1973	1974	1975	1976	TQ	1977	1978	1979
050 National defense:												
051 Department of Defense—Military:												
Military personnel	21,374	23,031	22,633	23,036	23,246	23,728	24,968	25,064	6,358	25,715	26,832	26,866
Retired military personnel	2,444	2,849	3,386	3,885	4,390	5,128	6,242	7,296	1,947	8,216	9,211	10,122
Operation and maintenance	22,227	21,609	20,941	21,675	21,069	22,478	26,295	27,837	7,232	30,587	33,494	36,454
Procurement	23,988	21,584	18,858	17,131	15,654	15,241	16,042	15,964	3,766	18,178	21,522	24,208
Research and development	7,457	7,166	7,303	7,881	8,157	8,582	8,866	8,923	2,206	9,795	10,714	11,861
Military construction and other [1]	525	1,059	1,552	1,655	895	2,627	2,754	3,043	383	3,341	3,768	6,034
Deductions for offsetting receipts	−143	−148	−126	−113	−113	−159	−182	−155	5	−183	−271	−345
Subtotal, 051	77,872	77,150	74,546	75,151	73,297	77,625	84,984	87,971	21,898	95,650	105,300	115,200
053 Atomic energy defense activities	1,389	1,415	1,385	1,373	1,409	1,486	1,506	1,565	435	1,936	2,308	2,536
054 Defense-related activities	162	−8	−120	29	−162	−1,349	−936	−103	−27	−84	20	45
Deductions for offsetting receipts	−5	−3	−3	−2	−4	−13	−4	−3	1	−*	−2	−2
Total national defense	**79,418**	**78,553**	**75,808**	**76,550**	**74,541**	**77,750**	**85,550**	**89,430**	**22,307**	**97,501**	**107,626**	**117,779**
150 International affairs:												
151 Foreign economic and financial assistance	3,142	2,935	2,902	3,235	2,870	2,884	3,665	3,568	1,526	4,214	5,296	5,407
152 Military assistance	685	593	995	719	865	1,312	1,877	1,101	910	492	457	465
153 Conduct of foreign affairs	370	398	405	451	475	606	658	726	262	981	1,115	1,211
154 Foreign information and exchange activities	237	235	241	274	295	320	348	382	115	386	443	480
155 International financial programs	350	357	−180	271	165	686	575	235	−473	−819	−24	684
Deductions for offsetting receipts	−211	−223	−271	−277	−634	−167	−263	−446	−160	−425	−540	−555
Total international affairs	**4,573**	**4,295**	**4,092**	**4,674**	**4,036**	**5,640**	**6,861**	**5,567**	**2,180**	**4,831**	**6,747**	**7,691**
250 General science, space, and technology:												
251 General science and basic research	938	947	1,009	978	961	1,018	1,038	1,035	292	1,078	1,190	1,274
253 Space flight	2,900	2,340	1,988	1,906	1,726	1,694	1,661	2,000	525	2,252	2,192	2,264

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254 Space science, applications, and technology	794	853	830	952	1,041	947	958	980	251	1,006	1,018	1,150
255 Supporting space activities	387	370	355	338	304	322	334	358	94	343	358	390
Deductions for offsetting receipts	−4	−3	−2	−2	−1	−3	−2	−3	−1	−2	−2	−2
Total general science, space, and technology	**5,016**	**4,508**	**4,180**	**4,174**	**4,030**	**3,977**	**3,989**	**4,370**	**1,161**	**4,677**	**4,757**	**5,077**
270 Energy:												
271 Energy supply	878	848	876	1,063	949	509	1,742	2,519	607	3,266	4,190	4,113
272 Energy conservation	-------	-------	-------	-------	-------	3	48	51	38	143	601	1,402
274 Emergency energy preparedness	-------	-------	-------	-------	-------	-------	-------	-------	2	123	2,273	3,284
276 Energy information, policy, and regulation	122	142	155	207	231	331	389	557	147	664	799	930
Deductions for offsetting receipts	-------	-------	-------	-------	-------	-------	-------	-------	-------	−23	−26	−95
Total energy	**1,001**	**990**	**1,031**	**1,270**	**1,180**	**843**	**2,179**	**3,127**	**794**	**4,172**	**7,837**	**9,634**
300 Natural resources and environment:												
301 Water resources	1,627	1,564	1,798	2,018	2,275	2,255	2,676	2,827	838	3,241	3,686	3,392
302 Conservation and land management	567	717	855	784	725	740	1,300	1,245	477	1,279	2,079	1,579
303 Recreational resources	380	372	476	521	566	665	825	895	256	1,014	1,323	1,545
304 Pollution control and abatement	303	384	702	764	1,122	2,035	2,522	3,067	1,091	4,279	4,947	5,614
306 Other natural resources	370	432	498	571	570	673	762	897	229	973	1,175	1,268
Deductions for offsetting receipts	−400	−467	−475	−463	−544	−705	−756	−806	−359	−786	−1,084	−1,178
Total natural resources and environment	**2,848**	**3,003**	**3,855**	**4,195**	**4,714**	**5,664**	**7,329**	**8,124**	**2,532**	**10,000**	**12,125**	**12,222**
350 Agriculture:												
351 Farm income stabilization	5,304	4,589	3,651	4,553	4,099	1,458	785	1,574	343	4,485	7,865	4,180
352 Agricultural research and services	520	579	639	728	758	775	877	921	240	1,052	1,244	1,259
Deductions for offsetting receipts	−46	−5	−2	−2	−3	−3	−2	7	1	−11	−3	−6
Total agriculture	**5,779**	**5,164**	**4,288**	**5,279**	**4,855**	**2,230**	**1,660**	**2,502**	**584**	**5,526**	**9,106**	**5,433**
370 Commerce and housing credit:												
371 Mortgage credit and thrift insurance	−624	104	−251	−42	−1,192	1,519	2,798	1,215	273	−3,270	467	−274
372 Postal Service	920	1,510	2,183	1,772	1,567	1,698	1,877	1,720	938	2,267	1,787	1,830

See footnotes at end of table.

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Table 17. BUDGET OUTLAYS BY FUNCTION, 1969-1979 (in millions of dollars)—Continued

Function	Actual										Estimate	
	1969	1970	1971	1972	1973	1974	1975	1976	TQ	1977	1978	1979
376 Other advancement and regulation of commerce	247	477	474	488	552	714	939	867	182	1,118	1,265	1,406
Deductions for offsetting receipts	−10	−14	−67	−13	−67	−11	−9	−7	−2	−4	−4	−3
Total commerce and housing credit	**533**	**2,077**	**2,339**	**2,206**	**860**	**3,920**	**5,604**	**3,795**	**1,391**	**−31**	**3,515**	**2,960**
400 Transportation:												
401 Ground transportation	4,443	4,678	5,180	5,353	5,640	5,583	6,501	9,305	2,284	10,037	11,140	11,990
402 Air transportation	1,220	1,422	1,824	1,925	2,177	2,236	2,408	2,557	587	2,816	3,269	3,436
403 Water transportation	874	913	1,053	1,111	1,231	1,354	1,459	1,558	417	1,749	1,913	1,955
407 Other transportation	21	26	37	36	56	57	74	65	28	76	82	93
Deductions for offsetting receipts	−27	−26	−36	−30	−34	−53	−51	−46	−10	−42	−86	−66
Total transportation	**6,531**	**7,013**	**8,057**	**8,395**	**9,070**	**9,176**	**10,392**	**13,438**	**3,306**	**14,636**	**16,318**	**17,408**
450 Community and regional development:												
451 Community development	895	1,503	1,767	2,137	2,093	2,146	2,334	2,841	911	3,526	4,049	3,991
452 Area and regional development	619	644	735	890	933	1,175	976	1,362	326	2,139	3,976	3,689
453 Disaster relief and insurance	40	257	353	396	1,580	782	398	522	111	634	1,686	1,007
Deductions for offsetting receipts	−9	−9	−10	−11	−12	−19	−16	−15	−6	−16	−17	−18
Total community and regional development	**1,545**	**2,395**	**2,846**	**3,413**	**4,593**	**4,084**	**3,692**	**4,709**	**1,340**	**6,283**	**9,694**	**8,669**
500 Education, training, employment, and social services:												
501 Elementary, secondary, and vocational education	2,728	3,107	3,544	3,962	3,745	3,771	4,634	4,690	1,207	5,078	5,673	6,484
502 Higher education	1,232	1,385	1,433	1,447	1,532	1,349	2,050	2,663	739	3,104	3,789	4,289
503 Research and general education aids	330	521	520	523	668	867	947	774	186	927	1,177	1,247
504 Training and employment	1,560	1,602	1,952	2,894	3,283	2,910	4,063	6,288	1,912	6,877	10,530	12,787
505 Other labor services	122	135	157	184	202	219	259	301	83	374	440	477

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506 Social services	1,575	1,884	2,243	3,519	3,315	3,241	3,923	4,026	1,036	4,632	5,468	5,142
Deductions for offsetting receipts	−10	−10	−10	−11	−10	−13	−5	−5	−1	−7	−5	−5
Total education, training, employment, and social services	**7,538**	**8,624**	**9,839**	**12,519**	**12,735**	**12,344**	**15,870**	**18,737**	**5,162**	**20,985**	**27,471**	**30,421**
550 Health:												
551 Health care services	9,958	11,142	12,641	15,025	16,006	19,054	24,241	29,447	7,742	34,527	39,860	45,097
552 Health research	1,049	1,054	1,119	1,338	1,566	1,652	1,923	2,341	536	2,543	2,738	2,935
553 Education and training of health care work force	550	633	681	747	858	844	856	982	275	981	836	770
554 Consumer and occupational health and safety	203	226	277	364	406	529	632	686	168	743	839	887
Deductions for offsetting receipts	−2	−6	−2	−3	−3	−6	−5	−8	−1	−10	−12	−12
Total health	**11,758**	**13,051**	**14,716**	**17,471**	**18,832**	**22,074**	**27,647**	**33,448**	**8,720**	**38,785**	**44,261**	**49,677**
600 Income security:												
601 General retirement and disability insurance:												
Social security	26,791	29,685	35,247	39,409	48,288	54,936	63,648	72,664	19,763	86,741	96,450	106,216
Other	1,498	1,618	2,238	2,557	3,396	3,677	5,734	4,509	1,167	1,901	1,703	2,180
Subtotal, 601	28,288	31,303	37,485	41,966	51,684	58,613	69,383	77,173	20,930	88,642	98,153	108,396
602 Federal employee retirement and disability	1,732	2,688	3,191	3,789	4,500	5,645	6,980	8,174	2,319	9,503	10,811	11,995
603 Unemployment compensation	2,583	3,364	6,169	7,076	5,356	6,065	13,459	19,452	3,994	15,258	12,360	11,827
604 Public assistance and other income supplements	4,679	5,712	8,580	11,081	11,419	14,108	18,783	21,800	5,467	23,601	26,316	27,807
Deductions for offsetting receipts	−1	−2	−2	−2	−2	−*	−1	−1	−*	*	−1	−1
Total income security	**37,281**	**43,066**	**55,423**	**63,911**	**72,958**	**84,431**	**108,605**	**126,598**	**32,710**	**137,004**	**147,640**	**160,024**
700 Veterans benefits and services:												
701 Income security for veterans	5,036	5,546	5,966	6,344	6,533	6,789	7,860	8,350	2,082	9,216	9,745	10,275
702 Veterans education, training, and rehabilitation	701	1,015	1,659	1,960	2,801	3,249	4,593	5,531	784	3,710	3,142	2,630
703 Hospital and medical care for veterans	1,564	1,800	2,036	2,425	2,711	3,006	3,665	4,046	1,039	4,708	5,436	5,757

See footnotes at end of table.

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Table 17. BUDGET OUTLAYS BY FUNCTION, 1969–1979 (in millions of dollars)—Continued

Function	Actual										Estimate	
	1969	1970	1971	1972	1973	1974	1975	1976	TQ	1977	1978	1979
704 Veterans housing	102	54	−179	−317	−381	−15	24	−72	−50	−145	−31	−55
705 Other veterans benefits and services	239	263	296	320	350	359	458	578	110	549	625	652
Deductions for offsetting receipts	−2	−2	−2	−2	−2	−2	−2	−2	−1	−1	−3	−3
Total veterans benefits and services	**7,640**	**8,677**	**9,776**	**10,730**	**12,013**	**13,386**	**16,597**	**18,432**	**3,962**	**18,038**	**18,916**	**19,257**
750 Administration of justice:												
751 Federal law enforcement activities	468	569	691	808	983	1,089	1,337	1,496	407	1,673	1,915	2,011
752 Federal litigative and judicial activities	196	236	277	335	373	406	535	669	206	842	976	1,118
753 Federal correctional activities	71	88	104	128	158	202	226	238	64	240	319	373
754 Criminal justice assistance	29	65	233	380	624	770	853	921	213	847	817	717
Deductions for offsetting receipts	−3	−6	−6	−2	−7	−5	−9	−4	−31	−2	−8	−8
Total administration of justice	**761**	**952**	**1,299**	**1,650**	**2,131**	**2,462**	**2,942**	**3,320**	**859**	**3,600**	**4,019**	**4,211**
800 General government:												
801 Legislative functions	254	303	342	404	438	521	588	677	182	841	900	941
802 Executive direction and management	25	30	38	59	72	117	63	68	16	76	80	80
803 Central fiscal operations	808	934	1,013	1,183	1,209	1,329	1,752	1,798	429	1,930	2,201	2,367
804 General property and records management	587	616	637	719	910	1,030	418	95	67	141	366	369
805 Central personnel management	38	44	51	58	67	74	88	107	25	100	120	121
806 Other general government	88	158	218	189	221	419	472	454	228	455	632	586
Deductions for offsetting receipts	−151	−145	−141	−146	−235	−164	−292	−272	−69	−186	−180	−159
Total general government	**1,649**	**1,940**	**2,159**	**2,466**	**2,682**	**3,327**	**3,089**	**2,927**	**878**	**3,357**	**4,119**	**4,304**
850 General purpose fiscal assistance:												
851 General revenue sharing	------	-------	-------	-------	6,636	6,106	6,130	6,240	1,588	6,762	6,835	6,860
852 Other general purpose fiscal assistance	430	536	535	673	715	784	1,057	994	504	2,737	3,026	2,776
Total general purpose fiscal assistance	**430**	**536**	**535**	**673**	**7,351**	**6,890**	**7,187**	**7,235**	**2,092**	**9,499**	**9,860**	**9,636**

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900 Interest:												
901 Interest on the public debt	16,588	19,304	20,959	21,849	24,167	29,319	32,665	37,063	8,102	41,900	48,600	55,400
902 Other interest	−796	−992	−1,350	−1,267	−1,355	−1,247	−1,691	−2,474	−856	−3,808	−4,759	−6,409
Total interest	**15,793**	**18,312**	**19,609**	**20,582**	**22,813**	**28,072**	**30,974**	**34,589**	**7,246**	**38,092**	**43,841**	**48,991**
Allowances:												
Civilian agency pay raises	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	1,100
Contingencies for:												
[1]Relatively uncontrollable programs	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	1,700
Other requirements	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------
Total allowances	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	2,800
950 Undistributed offsetting receipts:												
951 Employer share, employee retirement	−2,018	−2,444	−2,611	−2,768	−2,927	−3,319	−3,980	−4,242	−985	−4,548	−5,024	−5,157
952 Interest received by trust funds	−3,099	−3,936	−4,765	−5,089	−5,436	−6,583	−7,667	−7,800	−270	−8,131	−8,595	−9,064
953 Rents and royalties on the Outer Continental Shelf	−428	−187	−1,051	−289	−3,956	−6,748	−2,428	−2,662	−1,311	−2,374	−2,000	−1,800
Total undistributed offsetting receipts	**−5,545**	**−6,567**	**−8,427**	**−8,137**	**−12,318**	**−16,651**	**−14,075**	**−14,704**	**−2,567**	**−15,053**	**15,619**	**16,021**
Total budget outlays	**184,548**	**196,588**	**211,425**	**232,021**	**247,074**	**269,620**	**326,092**	**365,643**	**94,657**	**401,902**	**462,234**	**500,174**
MEMORANDUM												
Federal funds	148,811	156,301	163,651	178,104	186,951	199,920	240,018	269,146	65,017	294,948	340,036	363,580
Trust funds	43,284	49,065	59,361	67,073	81,447	90,833	111,171	131,286	34,023	143,267	158,190	174,092
Interfund transactions	−7,547	−8,778	−11,586	−13,156	−21,325	−21,133	−25,098	−34,789	−4,383	−36,313	−35,992	−37,497
OUTLAYS OF OFF-BUDGET FEDERAL ENTITIES[2]												
150 International affairs:												
155 International financial programs	-------	-------	-------	-------	-------	-------	-------	*−74*	*−15*	*9*	*−78*	*−70*
Total international affairs	-------	-------	-------	-------	-------	-------	-------	*−74*	*−15*	*9*	*−78*	*−70*

See footnotes at end of table.

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Table 17. BUDGET OUTLAYS BY FUNCTION, 1969–1979 (in millions of dollars)—Continued

Function	Actual										Estimate	
	1969	1970	1971	1972	1973	1974	1975	1976	TQ	1977	1978	1979
270 Energy:												
271 Energy supply	-------	-------	-------	-------	51	484	477	213	−80	394	62	-------
Total energy	-------	-------	-------	-------	51	484	477	213	−80	394	62	-------
370 Commerce and housing credit:												
372 Postal Service	-------	-------	-------	-------	-------	773	1,112	1,085	−726	−173	815	−1
374 Federal Financing Bank	-------	-------	-------	-------	-------	102	6,355	5,863	2,564	8,201	10,567	12,510
Total commerce and housing credit	-------	-------	-------	-------	-------	875	7,468	6,949	1,838	8,028	11,382	12,509
400 Transportation:												
401 Ground transportation	-------	-------	-------	-------	-------	-------	34	52	11	219	97	23
Total transportation	-------	-------	-------	-------	-------	-------	34	52	11	219	97	23
450 Community and regional development:												
452 Area and regional development	-------	-------	-------	-------	9	88	110	93	17	59	79	105
Total community and regional development	-------	-------	-------	-------	9	88	110	93	17	59	79	105
600 Income security:												
601 General retirement and disability insurance	-------	-------	-------	-------	-------	-------	−34	−22	−*	−16	−28	−30
Total income security	-------	-------	-------	-------	-------	-------	−34	−22	−*	−16	−28	−30
Total outlays of off-budget Federal entities	-------	-------	-------	-------	60	1,447	8,054	7,211	1,770	8,693	11,514	12,538
Total outlays including off-budget Federal entities	184,548	196,588	211,425	232,021	247,134	271,067	334,145	372,854	96,427	410,594	473,748	512,712

*$500 thousand or less.
[1] Includes allowances for civilian and military pay raises for Department of Defense.
[2] Off-budget entities begin in 1973.

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Table 18. **FEDERAL TRANSACTIONS IN THE NATIONAL INCOME ACCOUNTS, 1968–79** (in billions of dollars)

Description	Actual										Estimate	
	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
RECEIPTS, NATIONAL INCOME BASIS												
Personal taxes and nontax receipts	71.4	90.0	93.6	87.5	100.3	107.3	122.6	127.3	137.2	165.5	185.5	195.6
Corporate profits tax accruals	33.2	37.0	33.0	32.0	34.2	41.0	43.7	42.1	52.2	57.4	63.1	69.7
Indirect business tax and nontax accruals	17.1	18.6	19.2	20.0	19.9	20.7	21.4	22.1	24.2	24.6	28.5	34.8
Contributions for social insurance	38.4	44.5	49.2	52.9	59.1	71.5	84.2	92.1	100.5	116.5	133.7	151.3
Total receipts, national income basis	**160.0**	**190.1**	**194.9**	**192.5**	**213.5**	**240.5**	**271.8**	**283.6**	**314.1**	**364.0**	**410.8**	**451.4**
EXPENDITURES, NATIONAL INCOME BASIS												
Purchases of goods and services	95.0	98.0	97.0	94.8	100.9	101.7	104.6	117.9	126.5	140.7	158.4	171.6
Defense	(74.9)	(76.1)	(75.3)	(72.1)	(72.5)	(73.3)	(74.1)	(80.3)	(85.8)	(92.0)	(99.8)	(108.1)
Nondefense	(20.1)	(21.9)	(21.7)	(22.7)	(28.4)	(28.4)	(30.5)	(37.6)	(40.7)	(48.7)	(58.6)	(63.5)
Transfer payments	44.8	50.9	57.0	70.1	78.9	89.7	104.7	134.2	156.8	169.7	184.2	201.8
Domestic ("to persons")	(42.7)	(48.7)	(55.0)	(67.7)	(76.1)	(87.1)	(101.7)	(131.1)	(153.9)	(166.5)	(180.7)	(198.0)
Foreign	(2.1)	(2.2)	(2.0)	(2.3)	(2.8)	(2.7)	(3.0)	(3.1)	(3.0)	(3.2)	(3.5)	(3.8)
Grants-in-aid to State and local governments	17.8	19.2	22.6	26.8	32.6	40.4	41.6	48.4	57.5	66.0	77.0	81.6
Net interest paid	10.5	12.1	13.6	14.2	14.1	15.9	19.8	21.9	25.4	29.3	34.5	39.8
Subsidies less current surplus of Government enterprises	4.1	4.6	5.4	6.8	6.4	9.1	8.0	5.7	6.1	6.1	9.5	9.2
Wage disbursements less accruals	-------	-------	−.1	.1	-------	−.5	.2	.4	-------	-------	-------	-------
Total expenditures, national income basis	**172.2**	**184.7**	**195.6**	**212.7**	**232.9**	**256.2**	**278.8**	**328.7**	**372.3**	**411.8**	**463.6**	**504.0**
Excess of receipts (+) or expenditures (−), national income basis	**−12.2**	**+5.4**	**−.6**	**−20.2**	**−19.5**	**−15.7**	**−7.0**	**−45.0**	**−58.2**	**−47.8**	**−52.8**	**−52.6**

Note.—Excludes the transition quarter.

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Table 19. FEDERAL FINANCES AND THE GROSS NATIONAL PRODUCT, 1958–1979 (dollar amounts in billions)

Fiscal year	Gross national product	Budget receipts[1]		Outlays[1,2]						Federal debt, end of year			
				Unified budget		Off-budget Federal entities		Total		Total		Held by the public	
		Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP
1958	442.1	79.6	18.0	82.6	18.7	-------	-------	82.6	18.7	279.7	63.3	226.4	51.2
1959	473.3	79.2	16.7	92.1	19.5	-------	-------	92.1	19.5	287.8	60.8	235.0	49.7
1960	497.3	92.5	18.6	92.2	18.5	-------	-------	92.2	18.5	290.9	58.5	237.2	47.7
1961	508.3	94.4	18.6	97.8	19.2	-------	-------	97.8	19.2	292.9	57.6	238.6	46.9
1962	546.9	99.7	18.2	106.8	19.5	-------	-------	106.8	19.5	303.3	55.5	248.4	45.4
1963	576.3	106.6	18.5	111.3	19.3	-------	-------	111.3	19.3	310.8	53.9	254.5	44.2
1964	616.2	112.7	18.3	118.6	19.2	-------	-------	118.6	19.2	316.8	51.4	257.6	41.8
1965	657.1	116.8	17.8	118.4	18.0	-------	-------	118.4	18.0	323.2	49.2	261.6	39.8
1966	721.1	130.9	18.1	134.7	18.7	-------	-------	134.7	18.7	329.5	45.7	264.7	36.7
1967	774.4	149.6	19.3	158.3	20.4	-------	-------	158.3	20.4	341.3	44.1	267.5	34.5
1968	829.9	153.7	18.5	178.8	21.5	-------	-------	178.8	21.5	369.8	44.6	290.6	35.0
1969	903.7	187.8	20.8	184.5	20.4	-------	-------	184.5	20.4	367.1	40.6	279.5	30.9
1970	959.0	193.7	20.2	196.6	20.5	-------	-------	196.6	20.5	382.6	39.9	284.9	29.7
1971	1,019.3	188.4	18.5	211.4	20.7	-------	-------	211.4	20.7	409.5	40.2	304.3	29.9
1972	1,110.5	208.6	18.8	232.0	20.9	-------	-------	232.0	20.9	437.3	39.4	323.8	29.2
1973	1,237.5	232.2	18.8	247.1	20.0	.1	*	247.1	20.0	468.4	37.9	343.0	27.7
1974	1,359.2	264.9	19.5	269.6	19.8	1.4	.1	271.1	19.9	486.2	35.8	346.1	25.5
1975	1,454.6	281.0	19.3	326.1	22.4	8.0	.6	334.1	23.0	544.1	37.4	396.9	27.3
1976	1,625.4	299.2	18.4	365.6	22.5	7.2	.4	372.9	22.9	631.9	38.9	480.3	29.5
1977	1,838.0	356.9	19.4	401.9	21.9	8.7	.5	410.6	22.3	709.1	38.6	551.8	30.0
1978 estimate	2,043.2	400.4	19.6	462.2	22.6	11.5	.6	473.7	23.2	785.6	38.4	617.8	30.2
1979 estimate	2,274.6	439.6	19.3	500.2	22.0	12.5	.6	512.7	22.5	873.7	38.4	690.8	30.4

*0.05% or less.

[1] The amounts of earned income credit in excess of tax liabilities are shown as negative budget receipts rather than as budget outlays. Accordingly, the budget totals have been adjusted retroactively.

[2] The 1975–1977 data have been revised retroactively to include the housing for the elderly or handicapped fund in the unified budget instead of with the off-budget Federal entities.

Note.—Exchange stabilization fund included from 1976.

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Table 20. COMPOSITION OF BUDGET OUTLAYS IN CURRENT AND CONSTANT (FISCAL YEAR 1972) PRICES: 1956–1979

(In billions of dollars)

Fiscal year	Current prices						Constant (fiscal year 1972) prices					
			Nondefense						Nondefense			
	Total outlays	National defense	Total non-defense	Payments for individuals	Net interest	All other	Total outlays	National defense	Total non-defense	Payments for individuals	Net interest	All other
1956	70.5	39.7	30.7	13.8	5.1	11.8	133.0	72.9	60.1	21.2	16.9	22.0
1957	76.7	42.4	34.3	15.6	5.4	13.4	137.2	74.2	63.0	23.2	16.1	23.6
1958	82.6	43.7	38.9	19.4	5.6	13.8	141.9	74.0	67.9	28.0	16.2	23.7
1959	92.1	46.0	46.1	21.2	5.8	19.2	153.9	75.3	78.6	30.1	16.5	32.1
1960	92.2	45.2	47.1	22.9	6.9	17.2	150.8	73.8	77.0	32.1	16.3	28.6
1961	97.8	46.6	51.2	25.9	6.7	18.6	157.1	74.8	82.2	35.8	16.2	30.2
1962	106.8	49.0	57.8	27.1	6.9	23.8	168.7	77.2	91.5	37.1	16.7	37.8
1963	111.3	50.1	61.2	28.7	7.7	24.8	170.7	76.8	93.9	38.8	16.8	38.3
1964	118.6	51.5	67.1	29.8	8.2	29.1	177.4	77.0	100.4	39.7	16.8	43.9
1965	118.4	47.5	71.0	30.5	8.6	31.9	173.3	69.3	104.0	40.1	16.7	47.2
1966	134.7	54.9	79.8	34.3	9.4	36.1	187.9	76.3	111.6	44.2	16.5	50.9
1967	158.3	68.2	90.0	40.1	10.3	39.7	212.1	92.0	120.1	50.1	16.1	53.9
1968	178.8	78.8	100.1	46.0	11.1	43.0	229.5	101.4	128.1	55.6	16.9	55.6
1969	184.5	79.4	105.1	52.8	12.7	39.6	223.1	97.9	125.3	60.9	15.5	48.8
1970	196.6	78.6	118.0	59.8	14.4	43.9	220.8	90.3	130.5	65.1	15.0	50.4
1971	211.4	75.8	135.6	74.6	14.8	46.2	223.0	81.2	141.8	77.2	15.2	49.3
1972	232.0	76.6	155.5	85.3	15.5	54.7	232.0	76.5	155.5	85.3	15.5	54.7
1973	247.1	74.5	172.5	95.9	17.4	59.2	233.2	70.0	163.2	92.2	15.4	55.6
1974	269.6	77.8	191.9	111.1	21.5	59.3	231.9	67.9	164.0	98.0	14.4	51.5
1975	326.1	85.6	240.5	142.7	23.3	74.6	253.4	67.1	186.2	113.3	14.6	58.3
1976	365.6	89.4	276.2	166.6	26.8	82.9	265.8	65.5	200.3	123.6	16.4	60.4
TQ	94.7	22.3	72.4	42.7	7.0	22.7	66.7	15.9	50.8	30.6	4.1	16.1
1977	401.9	97.5	304.4	181.7	30.0	92.7	277.0	66.5	205.5	125.4	17.4	62.7
1978 estimate	462.2	107.6	354.6	196.9	35.2	122.4	293.0	68.9	224.1	128.2	18.2	77.7
1979 estimate	500.2	117.8	382.4	214.5	39.9	128.0	296.6	70.3	226.3	131.6	18.9	75.8

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Table 21. **BUDGET RECEIPTS AND OUTLAYS, 1789–1979 (in millions of dollars)**

Fiscal year	Budget receipts	Budget outlays	Budget surplus or deficit (−)
1789–1849	1,160	1,090	+70
1850–1900	14,462	15,453	−991
1901–1905	2,797	2,678	+119
1906–1910	3,143	3,196	−52
1911–1915	3,517	3,568	−49
1916–1920	17,286	40,195	−22,909
1921	5,571	5,062	+509
1922	4,026	3,289	+736
1923	3,853	3,140	+713
1924	3,871	2,908	+963
1925	3,641	2,924	+717
1926	3,795	2,930	+865
1927	4,013	2,857	+1,155
1928	3,900	2,961	+939
1929	3,862	3,127	+734
1930	4,058	3,320	+738
1931	3,116	3,577	−462
1932	1,924	4,659	−2,735
1933	1,997	4,598	−2,602
1934	3,015	6,645	−3,630
1935	3,706	6,497	−2,791
1936	3,997	8,422	−4,425
1937	4,956	7,733	−2,777
1938	5,588	6,765	−1,177
1939	4,979	8,841	−3,862
1940	6,361	9,456	−3,095
1941	8,621	13,634	−5,013
1942	14,350	35,114	−20,764
1943	23,649	78,533	−54,884
1944	44,276	91,280	−47,004
1945	45,216	92,690	−47,474
1946	39,327	55,183	−15,856
1947	38,394	34,532	+3,862
1948	41,774	29,773	+12,001
1949	39,437	38,834	+603
1950	39,485	42,597	−3,112
1951	51,646	45,546	+6,100
1952	66,204	67,721	−1,517
1953	69,574	76,107	−6,533
1954	69,719	70,890	−1,170
1955	65,469	68,509	−3,041
1956	74,547	70,460	+4,087
1957	79,990	76,741	+3,249
1958	79,636	82,575	−2,939
1959	79,249	92,104	−12,855
1960	92,492	92,223	+269
1961	94,389	97,795	−3,406
1962	99,676	106,813	−7,137
1963	106,560	111,311	−4,751
1964	112,662	118,584	−5,922
1965	116,833	118,430	−1,596
1966	130,856	134,652	−3,796
1967	149,552	158,254	−8,702
1968	153,671	178,833	−25,161
1969	187,784	184,548	+3,236
1970	193,743	196,588	−2,845
1971	188,392	211,425	−23,033
1972	208,649	232,021	−23,373
1973	232,225	247,074	−14,849
1974	264,932	269,620	−4,688
1975	280,997	326,092	−45,095
1976	299,197	365,643	−66,446
TQ	81,687	94,657	−12,970
1977	356,861	401,902	−45,040
1978 est	400,387	462,234	−61,847
1979 est	439,588	500,174	−60,586

Totals, including outlays of off-budget Federal entities

Fiscal year	Outlays of off-budget Federal entities	Total outlays	Total deficit
1973	60	247,134	−14,909
1974	1,447	271,067	−6,135
1975	8,054	334,145	−53,149
1976	7,211	372,854	−73,657
TQ	1,770	96,427	−14,740
1977	8,693	410,594	−53,733
1978 est	11,514	473,748	−73,361
1979 est	12,538	512,712	−73,124

*$500 thousand or less.

Notes.—Certain interfund transactions are excluded from receipts and outlays starting in 1932. For years prior to 1932 the amounts of such transactions are not significant.

Refunds of receipts are excluded from receipts and outlays starting in 1913; comparable data are not available for prior years.

Data for 1789–1939 are for the administrative budget: 1940–1979 are for the unified budget.

In calendar year 1976, the Federal fiscal year was converted from a July 1–June 30 basis to an Oct. 1–Sept. 30 basis. The TQ refers to the transition quarter from July 1 to Sept. 30, 1976.

Off-budget Federal entity outlays begin in 1973.

The amounts of earned income credit in excess of tax liabilities are shown as negative budget receipts rather than as budget outlays. Accordingly, the budget totals have been adjusted retroactively.

The 1975–77 data have been revised retroactively to include the housing for the elderly or handicapped fund in the unified budget instead of with the off-budget Federal entities.

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