



FEBRUARY 1951

# BUSINESS CONDITIONS

A REVIEW BY THE FEDERAL RESERVE BANK OF CHICAGO



# Budget Summary

## *Appraisal on a Cash and Consolidated Basis*

Under the impact of a greatly accelerated defense program, estimated Federal receipts and expenditures will increase more in the fiscal year 1952 than in any previous peacetime period. Total Federal receipts from the public are estimated in the 1952 *Budget Document* at 61.3 billion dollars and total Federal payments to the public at 74.1 billion, with a cash deficit of 12.8 billion dollars. Because of the slower pace of the new rearmament program in its initial stages, a small cash surplus is expected in the current fiscal year, 1951. These estimates on a cash and consolidated basis include cash receipts and expenditures in the trust accounts as well as in the budget accounts and exclude major intra-governmental and non-cash transactions.

### RECEIPTS FROM THE PUBLIC

The official cash receipts estimates for 1951 and 1952 are based upon anticipated higher levels of business activity and the large tax increases enacted during the last session of Congress. Increases of 8.4 billion dollars in fiscal 1951 and 12.0 billion more in 1952 will push the Federal Government's total receipts considerably above the all-time peak level reached at the height of World War II. Increased collections of individual income taxes and corporation income and profits taxes account for the largest part of the rise in receipts. The only proposed tax increase included in the Budget estimates is one of 275 million dollars in pay roll contributions to set up the recommended health insurance program. However, the President promised early submission of requests for tax increases even greater than those already enacted in order to pay the heavy financial costs of defense and to combat inflationary pressures.

### PAYMENTS TO THE PUBLIC

The rapid expansion of programs directly connected with the defense effort accounts for the estimated 30.9 billion dollar increase in total cash expenditures from 1950 to 1952. Little detailed information is available on outlays for military services and for foreign military and economic assistance programs. However, the *Budget Document* estimates that cash expenditures for the major national security functions will increase from 17.1 billion dollars in 1950 to 26.0 billion in 1951 and jump to 49.0 billion in fiscal 1952. Estimated expenditures for such new defense-related programs as expansion of productive capacity, administration of economic controls, defense housing, civil defense, and dispersal of Government facilities will bring the total for the defense effort to more than 52 billion dollars in the coming fiscal year. A number of proposed programs not directly related to the major national security functions, but which the Administration expects will strengthen the nation over a long period of tense international relations, are included in the new Budget. The largest of these is the recommended program of Federal aid to elementary and secondary education. On the other hand, the announced policy of limiting outlays for programs not closely related to the defense effort promises to produce a significant reduction in total cash expenditures for such programs in fiscal 1951 and 1952.

# Federal Budget for Fiscal Year 1952

## *Record Peacetime Receipts, Expenditures, and Deficit Anticipated*

In transmitting his recommendations for the Budget of the United States for the fiscal year ending June 30, 1952, the President stated that "this is a Budget for our national security in a period of grave danger" and that the very large increase in expenditures "is one measure of the vast new responsibilities thrust upon the American people by the communist assaults upon freedom in Asia and the threats to freedom in other parts of the world. The new emphasis on military preparedness reflects the necessities of the world situation today." He presented a five-point summary of the Federal Government's financial program incorporated in the Budget:

First, it incorporates our expenditures for military purposes—to build swiftly an active force of highly trained men, equipped with the most modern weapons and supported by ready reserves of men, supplies, and equipment.

Second, it includes our expenditures to help other threatened nations rebuild their strength and to participate with them in a program of mutual aid and common defense.

Third, it embodies our Government programs for the expansion of productive capacity and the concentration of needed capacity on defense requirements—at the expense where necessary of normal civilian purposes.

Fourth, it contains expenditures for programs which will maintain and develop our national strength over the long run, keeping in mind that the present emergency may be of long duration and we must therefore be prepared for crises in the more distant as well as in the immediate future.

Fifth, it reflects reductions in other expenditures, in order to divert a maximum of resources to the overriding requirements of national security.

The major part of the presentation in the *Budget Document* is in terms of receipts in and expenditures from "budget accounts." Table 1 shows Federal receipts and expenditures and a summary of financial operations in the traditional form for the fiscal years 1950, 1951, and 1952. The substantial increases over the two-year period, 18.1 billion dollars in Budget receipts and 31.4 billion in Budget expenditures, reflect the impact of the expanded defense effort on Federal finances. The resulting Budget deficit of 16.5 billion dollars in 1952, offset to a small extent by trust account operations, will entail a large increase in the public debt, which will rise to an estimated level of 276.3 billion on June 30, 1952. This figure is only about three billion dollars less than the all-time high reached immediately after the ending of World War II. The size of the deficit and of the resulting increase in the public debt depends on the magnitude of the tax rate increases to be enacted by Congress; the receipts estimates in Table 1 and elsewhere in this article are based on existing legislation.

Some of the receipts and expenditures now formally presented as "Budget receipts" and "Budget expenditures" are intra-governmental in character and involve non-cash transactions. Two examples are the interest paid on United States Government obligations held by

the trust funds and the Government's contributions to Federal employees' retirement funds. On the other hand, receipts and expenditures in "trust accounts" are now excluded from the Budget totals although they involve substantial cash receipts and payments. Benefit payments made under the social insurance programs and employment taxes collected to finance these programs are among the more important items in this category. Data have been developed which show Federal receipts from and payments to the public on a "cash and consolidated" basis, including cash receipts and expenditures in "trust accounts" as well as in "budget accounts" and excluding major intra-governmental and non-cash transactions. These data present a picture of the flow of money between the Federal Government as a whole and the public, and are, therefore, more useful than data on a "budget" basis in judging the effect of Federal finances on other sectors of the economy. In addition, the Government's spending intentions, as well as actual cash expenditures, have an important impact on the economy in a period of rapidly rising expenditures. For fiscal 1952, recommended new obligational authority exceeds estimated expenditures by more than 20 billion dollars. For 1951, the comparable figure is nearly twice as great.

Summary data on receipts and expenditures on a "cash and consolidated" basis are presented for fiscal 1950, 1951, and 1952 in Table 2. The table also contains a summary of cash operations, in which the cash surplus or deficit, receipts from exercise of monetary authority, the increase or decrease in the Treasury cash balance, and net cash borrowing or cash repayment of borrowing from the public are mutually related and can be formally reconciled. In fiscal 1950 the cash deficit of 2.2 billion dollars, reduced by a small volume of receipts from exercise of monetary authority, plus the 2.0 billion increase in the Treasury cash balance, required cash borrowing of about 4.2 billion dollars. In 1951 and 1952 the amount of borrowing or repayment of borrowing is expected to roughly equal the cash surplus or deficit anticipated. Also included in Table 2 is a summary of increases in the public debt outstanding not due to cash borrowing; these increases represent cash claims on the Treasury for the future to be financed from tax receipts or cash borrowing at that time.

A 52-page booklet entitled *The Federal Budget in Brief* is being issued again this year by the Bureau of the Budget. It presents the high lights of the 1000-page 1952 *Budget Document*. This useful publication provides a concise, non-technical summary of the Budget.

*The Federal Budget in Brief* may be obtained from the Superintendent of Documents, United States Government Printing Office, Washington 25, D. C., at a nominal charge.



# CASH RECEIPTS FROM THE PUBLIC

Table 3

Substantial increases in Federal cash receipts from the public during fiscal 1951 and 1952 are anticipated in the 1952 *Budget Document*. The estimated rise from 1950 to 1951 is set at 8.4 billion dollars and that for fiscal 1952 at an additional 12.0 billion. The increases will result in total receipts of 61.3 billion dollars in 1952, under existing tax legislation. This total is about 12 billion greater than the previous all-time record, set in the peak year of World War II, fiscal 1945. Both the expected increases in levels of income and employment, which have occurred already to some extent, and the tax increases enacted during the 1950 session of Congress are responsible for the expected 50 per cent increase in receipts over the two-year period.

Receipts from direct taxes on individuals, largely income tax collections, and from corporation income and excess profits taxes account for the bulk of the estimated increases. The higher tax rates imposed by the Revenue

Act of 1950, which apply to one-fourth of calendar 1950 income and all of calendar 1951 income, are a major cause of the large increase in the individual income tax yield, as are anticipated higher levels of personal income during fiscal 1951 and 1952. The increases in collections of direct taxes on corporations similarly are based on higher corporate profits and heavier tax burdens under recently enacted legislation. The 1950 corporation income tax collections reflected the lower profit levels prevailing during calendar 1949, while collections in the present and ensuing fiscal years will reflect the much higher levels of calendar 1950; profits during 1951 are expected to continue at high levels. The legislative changes, which are responsible for increases in collections during 1951, include the four percentage point addition to the corporate income tax rate applicable to all 1950 income, the provision of the Revenue Act of 1950 requiring an acceleration in instalment payments of cor-

TABLE 1  
FEDERAL RECEIPTS AND EXPENDITURES AND  
SUMMARY OF FINANCIAL OPERATIONS  
TRADITIONAL STATEMENT  
FISCAL YEARS 1950-52  
(In millions of dollars)

Item	Amount			Change		
	1950 Actual	1951 Estimate	1952 Estimate	1950 to 1951	1951 to 1952	1950 to 1952
<b>Receipts and expenditures:</b>						
Budget accounts:						
Total Budget receipts.....	37,045	44,512	55,138	+7,467	+10,626	+18,093
Total Budget expenditures.....	40,156	47,210	71,594	+7,054	+24,384	+31,438
Budget surplus (+) or deficit (-).....	-3,111	-2,698	-16,456			
Trust accounts:						
Total receipts.....	6,669	7,311	8,620	+642	+1,309	+1,951
Total expenditures and investments in U. S. securities (includes issue or redemption of Government corporation debt to the public and investments in U. S. securities by Government corporations).....	6,581	7,595	8,156	+1,014	+561	+1,575
Excess of receipts (+) or expenditures and investments in U. S. securities (-).....	+88	-284	+464			
Clearing account for outstanding checks, etc.:						
Excess of receipts (+) or expenditures (-).....	+483	+22	-8	-461	-30	-491
<b>Summary of financial operations:</b>						
Total excess of receipts (+) or expenditures (-) in Budget accounts, trust accounts, and clearing accounts.....	-2,540	-2,960	-16,000			
Increase (+) or decrease (-) in Treasury cash balance.....	+2,047	-17	—			
Increase (+) or decrease (-) in public debt.....	+4,587	+2,943	+16,000			
<b>At end of period:</b>						
Treasury cash balance.....	5,517	5,500	5,500			
Public debt.....	257,357	260,300	276,300			



**TABLE 2**  
**FEDERAL RECEIPTS FROM AND PAYMENTS TO THE PUBLIC AND**  
**SUMMARY OF CASH OPERATIONS AND NON-CASH INCREASE IN PUBLIC DEBT**  
**CASH AND CONSOLIDATED STATEMENT**

**FISCAL YEARS 1950-52**

(In millions of dollars)

Item	Amount			Change		
	1950 Actual	1951 Estimate	1952 Estimate	1950 to 1951	1951 to 1952	1950 to 1952
<b>Receipts from and payments to the public:</b>						
Cash receipts from the public:						
In budget accounts.....	36,899	44,240	54,991	+7,341	+10,751	+18,092
In trust accounts.....	4,047	5,061	6,301	+1,014	+1,240	+2,254
Total, cash receipts from the public.....	40,946	49,301	61,291	+8,355	+11,990	+20,345
Cash payments to the public:						
In budget accounts.....	36,794	44,471	68,898	+7,677	+24,427	+32,104
In trust accounts.....	6,848	4,669	5,144	-2,179	+475	-1,704
Clearing account for outstanding checks, etc., excess of receipts (-) or expenditures (+).....	-483	-22	+8	+461	+30	+491
Total, cash payments to the public.....	43,160	49,118	74,050	+5,958	+24,932	+30,890
<b>Summary of cash operations:</b>						
Cash surplus (+) or deficit (-).....	-2,213	+183	-12,759			
Receipts from exercise of monetary authority (+).....	+25	+29	+29			
Increase (+) or decrease (-) in Treasury cash balance.....	+2,047	-17	—			
Net cash borrowing or cash repayment of borrowing (-) from the public.....	+4,235	-228	+12,730			
<b>Increase in public debt outstanding not due to cash borrowing:</b>						
Increase (+) or decrease (-) in holdings of Government securities by the public due to debt operations not included in cash borrow- ing or repayment of borrowing:						
Excess of accrued discount on savings bonds over interest paid on savings bonds redeemed.....	+568	+615	+325			
Excess of redemption over issuance of securities which did not represent cash borrowing:						
Armed forces leave bonds.....	-95	-240	-65			
Non-interest-bearing notes issued to the International Mone- etary Fund and International Bank for Reconstruction and Development.....	+166	—	—			
Adjusted-service bonds.....	-2	-1	-1			
Excess profits tax refund bonds.....	-1	-1	*			
Total, increase (+) or decrease (-) in holdings of Government securities by the public due to debt operations not included in cash borrowing or repayment of borrowing.....	+636	+373	+259			
Increase (+) or decrease (-) in holdings of Government securities by trust funds and Government corporations:						
Trust funds.....	-386	+3,065	+3,093			
Mixed-ownership Government corporations.....	+69	+61	+67			
Wholly-owned Government corporations.....	+11	+34	+14			
Total, increase (+) or decrease (-) in holdings of Government securities by trust funds and Government corporations.....	-306	+3,160	+3,174			
Total, increase in public debt outstanding not due to cash borrowing.	+330	+3,533	+3,433			

\*Less than one-half million.



poration income taxes, and the Excess Profits Tax Act of 1950, which applies the excess profits tax to about one-half of 1950 income. During fiscal 1952 collections will be increased further because of the additional three-point increase in the total corporate tax rate, the continued acceleration in instalment payments of corporate taxes, and the full impact of the excess profits tax, which applies to all calendar 1951 income.

A significant increase in excise tax collections during fiscal 1951 is expected, due largely to the major increases in sales and, in some cases, prices of many of the taxed commodities, particularly in the period immediately following the outbreak of the Korean war. A small decline in collections is expected to occur in fiscal 1952, due primarily to the anticipated shortages of many durable items.

The final source of estimated large increases in receipts is employment taxes, levied for social security purposes. In addition to anticipated higher levels of economic activity, legislative changes are important in this area. The 1951 increases reflect the first full year under the higher tax rates which were effective January 1, 1950. Furthermore, the provisions of the Social Security Act Amendments of 1950, which took effect at the beginning of calendar 1951, will produce significant in-

creases in collections. This law increased the limitation on taxable wages from \$3,000 to \$3,600 and extended coverage of the tax to about ten million more persons. The full-year effect of these changes is reflected in the further increase in employment tax collections estimated for fiscal 1952. The President, in his Budget Message, renewed his proposal for a national medical care insurance program and suggested the imposition of a one-fourth of one per cent pay roll tax on employers and employees to cover expenses of setting up such a program.

In the Budget Message, the President renewed the emphasis he had placed on the need for further large tax increases in his earlier State of the Union Message and Economic Report. He promised to "shortly recommend an increase in tax revenue in the conviction that we must attain a balanced budget to provide a sound financial basis for what may be an extended period of very high defense expenditures . . . . High taxes are indispensable to our successful mobilization. They are required to preserve confidence in the integrity of the Government's finances, to distribute the heavy financial costs of defense fairly among all our people, to reduce excessive demand for raw materials and industrial products required for national defense, and to choke off inflationary pressures."

TABLE 3  
FEDERAL CASH RECEIPTS FROM THE PUBLIC  
FISCAL YEARS 1950-52

(In millions of dollars)

Source	Amount			Change		
	1950 Actual	1951 Estimate	1952 Estimate	1950 to 1951	1951 to 1952	1950 to 1952
Direct taxes on individuals:						
Income tax:						
Withheld.....	10,073	13,202	16,358	+3,129	+3,156	+6,285
Not withheld.....	7,336	8,397	9,667	+1,061	+1,270	+2,331
Total, individual income tax.....	17,409	21,599	26,025	+4,190	+4,426	+8,616
Estate tax.....	657	660	700	+3	+40	+43
Gift tax.....	49	50	55	+1	+5	+6
Total, direct taxes on individuals.....	18,115	22,309	26,780	+4,194	+4,471	+8,665
Direct taxes on corporations:						
Income and excess profits taxes.....	10,854	13,560	20,000	+2,706	+6,440	+9,146
Excise taxes and customs:						
Excise taxes.....	7,597	8,240	8,222	+643	-18	+625
Customs.....	422	600	620	+177	+20	+197
Total, excise taxes and customs.....	8,019	8,840	8,842	+821	+2	+823
Employment taxes:						
Present programs.....	2,889	3,774	4,709	+885	+935	+1,820
Proposed legislation.....			275		+275	+275
Total, employment taxes.....	2,889	3,774	4,984	+885	+1,210	+2,095
Deposits by States, unemployment insurance.....	1,098	1,201	1,279	+103	+78	+181
Veterans' life insurance premiums.....	440	490	514	+50	+24	+74
Other budget and trust account receipts.....	1,692	1,463	1,595	-229	+132	-97
Refunds of receipts.....	-2,161	-2,336	-2,703	-175	-367	-542
Total receipts from the public.....	40,946	49,301	61,291	+8,355	+11,990	+20,345



## CASH PAYMENTS TO THE PUBLIC

Table 4

The sweeping changes in the character and magnitude of Federal expenditures proposed for the coming fiscal year are shown in detail in Table 4. In the table, cash payments to the public are classified by major functions, which correspond to the broad purposes for which the Federal Government spends money. Within each function, expenditures are allocated among the chief programs in which the Government is engaged. Under this type of classification, expenditures for similar activities are grouped; the organizational ties of an agency engaging in a particular activity do not determine its classification.

**Military Services**—The estimated 41.5 billion dollars of expenditures requested by President Truman for military operations during the fiscal year 1952 is the largest amount ever proposed for national defense preparations in time of peace. It represents about 56 per cent of total Federal cash payments and is almost double the direct military expenditures expected during the current fiscal year. Total obligational authority requested, including appropriations, contract authorizations, and placing of military orders, extends the proposed military budget to 61 billion dollars. Because of the "extensive planning involved," the Budget Message does not include detailed estimates of 1952 Defense Department expenditures.

The new Budget anticipates armed forces of close to three and one-half million, twice the size of the pre-Korea forces and approximately a million more than at the present time. The Air Force will be increased from 48 air wings to 84 and the Navy expanded to a position half again as strong as it was a year ago. Correspondingly larger expenditures are anticipated for overhead items in support of military personnel as well as heavy expenditures for an expanded public works program to house and train the additional forces. Increased procurement of many types of equipment, such as planes, tanks, electronic equipment, and recoilless weapons, will involve a major share of total defense expenditures.

**International Security and Foreign Relations**—Anticipated cash expenditures of 7.5 billion dollars for international affairs during fiscal 1952 represent an increase of about 57 per cent over the estimated total for the current fiscal year and the actual spending in 1950.

Ninety-five per cent of the increase will be directed toward providing continued military and economic aid in building up mutual defense forces. Although detailed estimates are not now available, the President indicated that "more than one-half of total expenditures will be for procurement of military equipment to be shipped from this country to our allies."

The *Budget Document* includes a recommendation that the lending authority of the Export-Import Bank be increased by one billion dollars. The expansion of the overseas information and education program begun during the fiscal year 1951 will be continued. Funds for additional overseas radio broadcast facilities to extend the Voice of America broadcasts will be included in the 100 million dollar supplemental appropriation soon to be

requested for the current fiscal year.

**Finance, Commerce, and Industry**—In 1952 estimated expenditures for finance, commerce, and industry will be more than five times as great as those in 1951. Most of this increase will occur in programs authorized by the Defense Production Act, particularly the program for expansion of productive capacity. Since the major provisions of this Act expire in June, the President requested extension of the legislation. Moreover, he urged broadening of the Act to include authority to construct Government-owned plants and facilities.

Administration of economic controls is a second important new program included in this function. Net expenditures for another large program, Reconstruction Finance Corporation business loans and guarantees, will decline because of the revision of Federal credit policy to restrict nondefense lending activities.

**Labor**—Cash payments to aid labor will decrease by more than 50 per cent in the two-year period reflecting decreases in the major component of this function, unemployment insurance benefit payments, and declines in expenditures for related placement and unemployment insurance activities. Expenditures for these activities in recent years have varied directly with the amount of unemployment, and the expected declines are based upon estimates of low levels of unemployment in the period immediately ahead.

**Transportation and Communication**—The estimated decline in cash expenditures for programs included in this function is predicated upon an increase in postal rates producing an additional 361 million dollars. The President repeated his earlier request for this legislation to reduce the postal deficit. Unless the rate increases are enacted, total expenditures for transportation and communication activities of the Federal Government will exceed the 1950 and 1951 figures in fiscal 1952.

A number of defense-related programs under this function are scheduled for expansion in 1952. A sharp rise in merchant marine expenditures will be caused by the reactivation of 150 vessels in the Maritime Administration's reserve fleet and by the construction of faster cargo vessels. The recommended approval of the St. Lawrence seaway and power project and other Corps of Engineers power development projects will involve some increase in outlays. River and harbor projects not involving power generation, however, have been cut back substantially. Also involving increased expenditures is the new Coast Guard anti-sabotage program for port protection.

**Natural Resources**—The large increases in outlays for natural resources included in the Budget estimates for 1951 and 1952 reflect expansion of defense-related programs which are classified under this function. The most important of these is the atomic energy program. Although total outlays for river basin projects under the Corps of Engineers and Bureau of Reclamation will decline somewhat over the two-year period, seven new



TABLE 4  
**FEDERAL CASH PAYMENTS TO THE PUBLIC**  
**FISCAL YEARS 1950-52**  
(In millions of dollars)

Function and Program	Amount			Change		
	1950 Actual	1951 Estimate	1952 Estimate	1950 to 1951	1951 to 1952	1950 to 1952
<b>Military services:</b>						
Department of Defense—military functions.....	11,889	20,000	40,000	+8,111	+20,000	+28,111
Stockpiling of strategic and critical materials.....	438	900	1,300	+462	+400	+862
Selective Service System.....	9	37	45	+28	+8	+36
Cash redemption of armed forces leave bonds.....	95	240	65	+145	-175	-30
Other.....	-24	61	81	+85	+20	+105
Total, military services.....	12,407	21,238	41,491	+8,831	+20,253	+29,084
<b>International security and foreign relations:</b>						
Military and economic assistance (present programs and proposed legislation).....	4,572	4,466	7,112	-106	+2,646	+2,540
Conduct of foreign affairs:						
Overseas information and education.....	34	57	166	+23	+109	+132
Participation in international organizations.....	55	53	35	-2	-18	-20
Other State Department activities.....	142	150	148	+8	-2	+6
Other.....	-95	50	21	+145	-29	+116
Total, international security and foreign relations.....	4,708	4,776	7,482	+68	+2,706	+2,774
<b>Finance, commerce, and industry:</b>						
Defense production and economic stabilization:						
Expansion of production (net).....	—	260	1,100	+260	+840	+1,100
Allocations, price and wage controls.....	—	36	276	+36	+240	+276
Rent control.....	22	13	24	-9	+11	+2
Export control.....	4	3	4	-1	+1	—
Business loans and guarantees—Reconstruction Finance Corporation (net expenditures).....	166	26	90	-140	+64	-76
Federal Deposit Insurance Corporation.....	-116	-114	-38	+2	+76	+78
Other.....	35	30	30	-5	—	-5
Total, finance, commerce, and industry.....	111	254	1,486	+143	+1,232	+1,375
<b>Labor:</b>						
Benefit payments—unemployment trust fund:						
Railroad unemployment insurance account.....	131	62	65	-69	+3	-66
Withdrawals by States—State accounts.....	1,879	900	650	-979	-250	-1,229
Placement and unemployment insurance activities.....	222	172	172	-50	—	-50
Other programs.....	36	40	40	+4	—	+4
Total, labor.....	2,268	1,174	927	-1,094	-247	-1,341
<b>Transportation and communication:</b>						
Merchant marine.....	100	190	354	+90	+164	+254
Provision of navigation aids and facilities:						
Corps of Engineers.....	192	198	219	+6	+21	+27
Coast Guard and other.....	157	207	208	+50	+1	+51
Promotion of aviation.....	159	182	199	+23	+17	+40
Provision of highways—Bureau of Public Roads and other.....	497	496	496	-1	—	-1
Postal service deficit:						
Present programs.....	593	632	521	+39	-111	-72
Proposed legislation—postal rate increase.....	—	—	-361	—	-361	-361
Other programs.....	56	70	51	+14	-19	-5
Total, transportation and communication.....	1,754	1,975	1,687	+221	-288	-67
<b>Natural resources:</b>						
Atomic energy.....	550	818	1,277	+268	+459	+727
Land and water resources:						
Corps of Engineers—flood control.....	438	469	412	+31	-57	-26
Bureau of Reclamation.....	293	345	261	+52	-84	-32
Tennessee Valley Authority (net).....	18	170	235	+152	+65	+217
Other.....	76	111	113	+35	+2	+37
Other programs.....	189	215	232	+26	+17	+43
Total, natural resources.....	1,564	2,128	2,530	+564	+402	+966

(Continued Below)



<b>Agriculture and agricultural resources:</b>						
Stabilization of farm prices and farm income:						
Commodity Credit Corporation—price support, supply and purchase programs (net) . . . . .	1,575	-338	195	-1,913	+533	-1,380
Removal of surplus agricultural commodities . . . . .	96	92	75	-4	-17	-21
International Wheat Agreement (Commodity Credit Corporation) . . . . .	76	117	115	+41	-2	+39
Other . . . . .	67	69	76	+2	+7	+9
Financing farm ownership and operation . . . . .	146	157	141	+11	-16	-5
Financing rural electrification and rural telephone . . . . .	294	312	269	+18	-43	-25
Agricultural land and water resources . . . . .	336	374	367	+38	-7	+31
Research and other agricultural services . . . . .	258	172	233	-86	+61	-25
<b>Total, agriculture and agricultural resources . . . . .</b>	<b>2,848</b>	<b>955</b>	<b>1,471</b>	<b>-1,893</b>	<b>+516</b>	<b>-1,377</b>
<b>Housing and community development:</b>						
Defense housing, community facilities and services (proposed legislation) . . . . .	—	—	100	—	+100	+100
Civil defense . . . . .	—	15	330	+15	+315	+330
Mortgage purchases, net—Federal National Mortgage Association . . . . .	579	189	-530	-390	-719	-1,109
Public housing programs . . . . .	-38	158	-138	+196	-296	-100
Other programs . . . . .	-329	310	194	+639	-116	+523
<b>Total, housing and community development . . . . .</b>	<b>212</b>	<b>672</b>	<b>-44</b>	<b>+460</b>	<b>-716</b>	<b>-256</b>
<b>Education and general research:</b>						
Federal aid to education—proposed legislation . . . . .	—	—	290	—	+290	+290
Other programs . . . . .	115	144	194	+29	+50	+79
<b>Total, education and general research . . . . .</b>	<b>115</b>	<b>144</b>	<b>484</b>	<b>+29</b>	<b>+340</b>	<b>+369</b>
<b>Social security, welfare, and health:</b>						
Public assistance . . . . .	1,125	1,282	1,302	+157	+20	+177
Promotion of public health . . . . .	242	349	880	+107	+31	+138
Benefit payments—Federal old-age and survivors insurance trust fund . . . . .	726	1,600	2,100	+874	+500	+1,374
Benefit payments—railroad retirement account . . . . .	300	324	345	+24	+21	+45
Annuities and refunds—Federal employees' retirement funds . . . . .	268	287	312	+19	+25	+44
All other . . . . .	308	352	395	+44	+43	+87
<b>Total, social security, welfare, and health . . . . .</b>	<b>2,969</b>	<b>4,194</b>	<b>4,834</b>	<b>+1,225</b>	<b>+640</b>	<b>+1,865</b>
<b>Veterans' services and benefits:</b>						
Education and training . . . . .	2,596	2,159	1,414	-437	-745	-1,182
Compensation and pensions . . . . .	2,223	2,198	2,223	-25	+25	—
Hospitals and medical care:						
Current expenses . . . . .	605	601	650	-4	+49	+45
Hospital construction . . . . .	159	212	155	+53	-57	-4
Payments from veterans' life insurance funds:						
Dividends to policy holders . . . . .	2,687	334	546	-2,353	+212	-2,141
Benefits and other payments . . . . .	414	478	505	+64	+27	+91
Other . . . . .	576	492	413	-84	-79	-163
<b>Total, veterans' services and benefits . . . . .</b>	<b>9,260</b>	<b>6,474</b>	<b>5,906</b>	<b>-2,786</b>	<b>-568</b>	<b>-3,354</b>
<b>General government:</b>						
Dispersal of Government facilities (proposed legislation) . . . . .	—	6	164	+6	+158	+164
Federal financial management and other central services:						
Bureau of Internal Revenue . . . . .	227	248	254	+21	+6	+27
Central property and records management . . . . .	118	139	164	+21	+25	+46
Other . . . . .	197	209	206	+12	-3	+9
Legislative functions . . . . .	40	43	48	+3	+5	+8
Judicial functions . . . . .	35	85	82	+50	-3	+47
Other programs . . . . .	312	396	309	+84	-87	-3
<b>Total, general government . . . . .</b>	<b>929</b>	<b>1,126</b>	<b>1,227</b>	<b>+197</b>	<b>+101</b>	<b>+298</b>
<b>Interest:</b>						
Interest paid on savings bonds redeemed . . . . .	477	535	875	+58	+340	+398
Interest paid on other publicly-held issues of United States securities . . . . .	3,752	3,513	3,601	-239	+88	-151
Interest paid on refunds and uninvested trust funds . . . . .	97	97	97	—	—	—
<b>Total, interest . . . . .</b>	<b>4,326</b>	<b>4,145</b>	<b>4,573</b>	<b>-181</b>	<b>+428</b>	<b>+247</b>
<b>Other items . . . . .</b>	<b>-311</b>	<b>-137</b>	<b>-4</b>	<b>+174</b>	<b>+133</b>	<b>+307</b>
<b>Total payments to the public . . . . .</b>	<b>43,160</b>	<b>49,118</b>	<b>74,050</b>	<b>+5,958</b>	<b>+24,932</b>	<b>+30,890</b>



power projects related to defense needs are included in the Budget estimates. Expenditures of the Tennessee Valley Authority will increase because of the greater power demands of Atomic Energy Commission facilities in that region.

**Agriculture and Agricultural Resources**—The wide fluctuations in total cash expenditures for agriculture and agricultural resources shown in Table 4 result primarily from the characteristically large year-to-year changes in the outlays of the Commodity Credit Corporation for price support programs. These activities involved cash payments of 1,575 million dollars in 1950. In 1951 the Corporation will realize net receipts of 338 million dollars, resulting primarily from the sale of 3.5 million bales of cotton acquired by the Corporation from the 1948 crop. In 1952, however, there will be some net payments largely due to losses on the disposal of perishable commodities.

The marked expansion of the rural electrification and telephone program planned before the Korean war will not materialize in 1952. The materials and equipment used in this program are important components of some defense products, and therefore, expenditures for the program will be reduced somewhat in 1952.

**Housing and Community Development**—Despite the inauguration of extensive new programs related to defense, the *Budget Document* estimates that the Federal Government will realize a net return of 44 million dollars from its activities in the housing field in 1952. The operations specifically responsible for this unusual experience include heavy sales of previously acquired mortgages by the Federal National Mortgage Association, final liquidation of the Home Owners' Loan Corporation, and private refinancing of Federal loans to local public housing authorities.

The low-rent public housing program will be restricted to 75,000 new units—well below the 135,000 units previously authorized—with priorities for defense areas and defense workers. The slum clearance programs similarly will be restricted.

The new defense housing and civil defense programs will entail large expenditures in 1952. The proposed defense housing program will require an estimated 100 million dollars in direct expenditures and increased mortgage insurance authority for the Federal Housing Administration. The projected 330 million dollar outlay for the proposed civil defense program will consist of matching grants to the States and Reconstruction Finance Corporation loans to public authorities for the construction of dual-purpose shelters.

**Education and General Research**—The President restated his request for legislation to provide a program of Federal grants to the States to support elementary and secondary education. He based the inclusion of this new program in a defense-oriented Budget upon the desirability of providing better training for the population in order to enhance national military and productive resources. This 290 million dollar program accounts for the bulk of the fourfold increase in total expenditures for education and general research from 1950 to 1952.

**Social Security, Welfare, and Health**—The substantial expansion in estimated expenditures on a cash and consolidated basis for social security and related programs in both 1951 and 1952 amount to an increase for the two-year period which is larger than that for any other nondefense function. The increased benefit payments under the Federal old-age and survivors insurance program, resulting from the liberalized coverage, benefit, and eligibility provisions which took effect January 1, 1951, account for the bulk of the increase in the totals for the function.

Included in the 1952 figures for public health expenditures are estimates for two new programs proposed by the President—aid to medical education and grants to the States for local health services. Outlays for the hospital construction grant-in-aid program are expected to decline slightly. The previously proposed national medical care insurance program is included in the Budget again this year. No benefit payments would be made under the program, if enacted, during 1951 or 1952, but a pay roll tax of one-fourth of one per cent to finance the initial administrative costs of the program is recommended.

**Veterans' Services and Benefits**—The estimated total decrease of 3.4 billion dollars in outlays for veterans' services and benefits from 1950 to 1952 is a considerably greater decline than that estimated for any other function. The decline in expenditures is a result of changes in two specific activities, the education and training program and the operations of the National Service Life Insurance fund. Since the final date for enrollment in the educational program is July 25, 1951, the number of veterans in the program is expected to decline by more than one-third to an average of about one million in fiscal 1952. During 1950 payments from the veterans' life insurance funds reached an unusually high level because of the magnitude of the first NSLI dividend payment. During 1951 and 1952, therefore, these payments will be considerably smaller.

**General Government**—The proposed new program for the dispersal of Government facilities from the central area of the District of Columbia, which will involve estimated outlays of 164 million dollars in 1952, accounts for the bulk of the increase in expenditures for general government purposes. A second request for new legislation under this function will shortly be transmitted to Congress; this proposal will embrace a general plan for payments to State and local governments in lieu of property taxes on Federally-owned real estate. If enacted, there would be no payments under this program until some time after 1952.

**Interest**—Total cash interest payments in 1952 are expected to be somewhat higher than the 1950 level. Contributing heavily toward the rising cash interest cost will be the growing amount of interest paid on savings bonds redeemed, which in turn reflects the approaching maturity of a large amount of these issues. Payments on other types of publicly-held debt are expected to decline in fiscal 1951, primarily as a result of refunding operations, but will rise again in the following year as the anticipated increase in public debt outstanding occurs.



# LONGER-TERM CHANGES IN RECEIPTS AND EXPENDITURES

Table 5

The impact of war and tense international relations upon the Federal Government's finances is reflected in Table 5, which covers selected years in the fourteen-year period from fiscal 1939 to fiscal 1952. Expenditures and receipts increased vastly from the prewar year of 1939 to the peak war year of 1945. Virtually all of the increase in expenditures, about 99 per cent, was for the major national security functions, which include both the military services themselves and international programs. Despite the very large increase in receipts to a new all-time record, a large cash deficit resulted.

With the ending of the war, direct military expenditures were of course cut back sharply. Despite large increases in international programs, including such activities as the European Recovery Program and the loan to Britain, and in nondefense outlays, total cash expenditures fell to a postwar low in fiscal 1948. Large international security activities were continued during the

following two years, but did not involve large increases in expenditures over the period. It was the further increases in nondefense programs, including many new ones, which sent total expenditures up in fiscal 1949 and 1950 to new record peacetime levels. Receipts were reduced somewhat in these years by some tax rate reductions and the mild recession of 1949. The large cash surplus which was produced in 1948 consequently was not repeated in 1949 and 1950.

The Korean war has changed both the receipts and expenditures picture; the sections immediately preceding this one discuss these changes. One point of special interest not revealed by Table 5 is that, although expenditures for purposes other than the major national security functions will decline only moderately, many new and expanded defense-related programs are included in the totals for these functions. These programs will probably require more than three billion dollars in fiscal 1952.

## IMPACT AND CHARACTER OF EXPENDITURES

Tables 6 and 7

The special treatment of expenditures provided in Tables 6 and 7 supplements the data already presented on a function-program basis. Table 6, originally published in *The Economic Report of the President*, breaks down Federal cash payments by type of recipient and transaction for the last three calendar years, 1948, 1949, and 1950. The analysis aids in appraising the economic impact of the Federal Government's expenditures and is of particular value in a period when the nature and magnitude of those outlays are expected to change radically. As the table indicates, the categories for which expenditures have been very large and increasing during the last three years include loans and transfer payments to individuals

and the similar payments to business and agriculture. Such payments do not involve direct Government competition for goods and services, but do add to the demand of urban consumers and farmers. The expanded defense program, however, will produce much larger increases in the Government's purchases of goods and services, and in foreign government purchases of goods and services, than in transfer payments. Thus the Government's demand will be directly competing with private demand to a much greater extent than previously.

The expected increase in Federal purchases of goods and services will amount to a considerably larger share of total output than in recent years. During most of the

TABLE 5  
FEDERAL CASH RECEIPTS FROM AND PAYMENTS TO THE PUBLIC  
SELECTED FISCAL YEARS, 1939 TO 1952  
(In millions of dollars)

Item	1939	1945	1948	1949	1950	1951 Estimate	1952 Estimate
<b>Federal cash receipts from the public.....</b>	6,564	49,284	45,372	41,582	40,946	49,301	61,291
<b>Federal cash payments to the public:</b>							
Military services.....	1,079	84,581	12,150	12,082	12,407	21,238	41,491
International security and foreign relations.....	23	682	5,768	6,640	4,708	4,776	7,482
Total, major national security functions.....	1,102	85,263	17,918	18,722	17,115	26,014	48,973
All other functions (includes some national security programs).....	8,321	9,044	18,606	21,853	26,045	23,104	25,077
Total, Federal cash payments to the public.....	9,423	94,307	36,524	40,575	43,160	49,118	74,050
<b>Excess of cash receipts from (+) or payments to (-) the public.....</b>	-2,859	-45,023	+8,848	+1,007	-2,213	+183	-12,759



**TABLE 6**  
**FEDERAL CASH PAYMENTS TO THE PUBLIC BY TYPE OF RECIPIENT AND TRANSACTION**  
**CALENDAR YEARS 1948, 1949, AND 1950**  
(In billions of dollars)

Item	Calendar 1948 Actual	Calendar 1949 Actual	Calendar 1950 Estimate
<b>Direct cash payments for goods and services, excluding military services:</b>			
Payments to individuals for services rendered:			
Civilian wages and salaries (excluding Post Office):			
Federal.....	2.1	2.5	2.6
Grants- and loans-in-aid for performance of specified services, net.....	.4	.8	.6
Total, payments to individuals for services rendered.....	2.5	3.3	3.2
Payments to business for goods and services:			
Public works:			
Federal.....	.8	1.5	1.7
Grants-in-aid and loans for public works.....	.8	.4	.6
Other goods and services.....	1.7	1.0	1.0
Payments to foreign countries and international institutions.....	.9	.1	.1
Total, payments to business for goods and services.....	4.2	3.0	3.4
<b>Loans and transfer payments to individuals:</b>			
Social insurance and public assistance:			
Federal employees' retirement benefit payments.....	.2	.2	.3
Old-age and disability benefit payments.....	.8	1.0	1.3
Unemployment insurance benefit payments.....	.9	1.9	1.6
Grants-in-aid for public assistance.....	.8	1.1	1.2
Readjustment benefits, pensions, and other payments to veterans.....	5.7	5.5	7.9
Loans to home owners, net.....	-.1	-.2	-.2
Interest.....	1.1	1.3	1.2
Other.....	.4	.5	.2
Total, loans and transfer payments to individuals.....	9.8	11.3	13.5
<b>Loans, investments, subsidies, and other transfers to business and agriculture:</b>			
Farmers:			
Price support, net (including supply program).....	.4	1.9	—
International Wheat Agreement.....	—	*	.1
Other loans and direct subsidies to farmers.....	.7	.6	.7
Business:			
Home mortgage purchases from financial institutions.....	.2	.6	.4
Loans, net.....	*	.2	.2
Subsidy arising from the postal deficit.....	.4	.6	.6
Interest.....	2.9	3.0	2.9
Total, loans, investments, subsidies, and other transfers to business and agriculture.....	4.6	6.9	4.8
<b>Loans and transfer payments to foreign countries and international institutions:</b>			
European Recovery Program loans and grants.....	1.8	4.1	2.8
Other grants and loans, net (including Mutual Defense Assistance Program).....	3.3	1.5	1.3
Subscriptions to the International Bank and Monetary Fund (net cash withdrawals)...	.4	.2	-.3
Total, loans and transfer payments to foreign countries and international institutions.....	5.5	5.8	3.9
<b>Military services—cash payments for goods and services.....</b>	<b>10.4</b>	<b>12.5</b>	<b>13.1</b>
Clearing account for outstanding checks and telegraphic reports.....	-.2	-.2	-.1
<b>Total Federal cash payments to the public.....</b>	<b>36.9</b>	<b>42.6</b>	<b>41.9</b>

\*Less than 50 million.

SOURCE: *The Economic Report of the President, 1950 and 1951.*

**TABLE 7**  
**INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES**  
**FISCAL YEARS 1950-52**

(In millions of dollars)

Item	1950 Actual	1951 Estimate	1952 Estimate
<b>CIVIL:</b>			
<b>Additions to Federal assets:</b>			
Loans:			
Rural electrification and telephones, Department of Agriculture.....	287	303	260
Mortgage purchases and loans, Federal National Mortgage Association.....	591	204	-512
Export-Import Bank.....	98	147	155
Economic Cooperation Administration.....	127	139	*
Defense production loans.....	—	104	440
All other loans.....	32	366	328
Total loans.....	1,135	1,263	671
Physical assets:			
Public works—sites and direct construction.....	1,560	2,130	2,593
Price support loans and inventories, Department of Agriculture.....	1,263	-852	-98
Defense production materials inventories.....	—	104	440
Defense production equipment.....	—	52	220
Merchant ships, Department of Commerce.....	11	17	211
Acquisition and improvement of physical assets, Atomic Energy Commission....	162	224	310
Other physical assets.....	20	69	75
Total, physical assets.....	3,016	1,744	3,751
Total, additions to Federal assets.....	4,151	3,007	4,422
<b>Expenditures for other developmental purposes:</b>			
Physical assets (non-Federal).....	880	1,059	1,169
Education, training, and health:			
Tuition, supplies, and equipment, Veterans Administration.....	896	760	498
Other Federal programs and grants-in-aid.....	218	237	566
Total, education, training, and health.....	1,114	997	1,064
Research and development.....	311	375	391
Engineering and natural resource surveys.....	43	50	49
Total, expenditures for other developmental purposes.....	2,348	2,481	2,673
<b>Current expenses for aids and special services:</b>			
Agriculture.....	601	890	673
Business.....	789	876	412
Public assistance.....	1,123	1,281	1,300
Veterans.....	5,583	4,765	4,263
International.....	4,392	4,218	7,008
All other.....	258	281	281
Total, current expenses for aids and special services.....	12,746	12,311	13,937
<b>Other current operating expenses:</b>			
Repair, maintenance, and operation of physical assets (excluding special services)..	276	311	335
Regulation and control.....	342	408	672
General operation and administration.....	1,278	1,357	1,440
Interest.....	5,817	5,722	5,897
Total, other current operating expenses.....	7,713	7,798	8,343
Non-cost payments.....	563	572	623
Total, civil expenditures.....	27,523	26,171	29,998
<b>MILITARY SERVICES.....</b>	<b>12,303</b>	<b>20,994</b>	<b>41,421</b>
Reserve for contingencies.....	—	45	175
Adjustment to daily Treasury statement basis.....	+330	—	—
<b>TOTAL, BUDGET EXPENDITURES.....</b>	<b>40,156</b>	<b>47,210</b>	<b>71,594</b>

\*Less than one-half million.



later postwar period, these purchases amounted to between eight and ten per cent of gross national product. Even under present plans, as these are indicated in the 1952 *Budget Document*, the comparable figure will probably be less than 20 per cent of an expanded gross national product. This compares with more than 40 per cent in the peak year of World War II, calendar 1944.

Table 7 repeats a classification which appeared for the first time in last year's *Budget Document*, and presents yet another view of Federal expenditures. The purpose of this analysis is to distinguish "expenditures

for assets and other developmental purposes, which yield benefits for more than one year, from expenditures which in the main yield current benefits." The analysis is not a substitute for either the functional classification reflected in Table 4 or a careful appraisal of the economic effects of total cash outlays, all of which have a current economic impact. This treatment is limited in that it includes only Budget expenditures and thus does not cover the important transfer payments resulting from trust fund operations. As in the other special analyses, no detail on military expenditures is presented.

## ANALYSIS OF FEDERAL CREDIT PROGRAMS

Table 8

The 1952 *Budget Document* includes, for the first time, a valuable special analysis of the major Federal credit programs, which summarizes the new commitments, net expenditures, and status of credit authority of these programs. This path-breaking new study is of particular importance because the economic effects of Federal financial activities are extended by the loan guarantee and loan insurance programs far beyond the impact of taxes and expenditures. The study also provides supporting detail for the analysis of investment, operating, and other Budget expenditures (Table 7). These programs have been of major importance in recent years, particularly in the areas of international affairs, housing, and agriculture and the area included in the function of finance, commerce, and industry. Table 8 summarizes the portion of the analysis applying to new commitments and net expenditures during the fiscal years 1950, 1951, and 1952. As in the other special analyses included in this *Budget Document*, programs classified under the military services are not presented in detail.

The best indicator of trends in the credit program is provided by the volume of new commitments, defined as approvals by the Federal agencies of direct loans or of insurance or guarantees of private loans. Total new commitments for direct loans are expected to remain at about 3.5 billion dollars per year during the 1950-52 period, but within the total sharp differences are expected. Expansion in loans by the Export-Import Bank, in loans for expansion of capacity under the Defense Production Act, and in other defense-related programs will occur, while substantial declines will be shown by the Federal National Mortgage Association, the Rural Electrification Administration, in the business lending program of the Reconstruction Finance Corporation, and in other nondefense lending programs. The expected 1.4 billion dollar increase in total new commitments for guarantees and insurance of private loans similarly conceals divergent movements in defense-related and non-defense programs.

The data on expenditures under the credit programs are shown in Table 8 on net basis, that is, as the excesses of gross loan disbursements over repayments. Thus, the total net expenditures estimated for fiscal 1952 at 451 million dollars reflect estimated disbursements of 2,077 million and repayments of 1,627 million. In the inter-

national security and foreign relations field, the major disbursements in 1952 will be loans by the Export-Import Bank, and the major repayments will include the first instalment on the 1946-47 credit to the United Kingdom, due next December, and final repayment of the World War II 390 million credit to Britain extended by the RFC. Major disbursements for housing programs will be more than offset by mortgage sales by the Federal National Mortgage Association. REA loans exceeding repayments will account for most of the net expenditures of agricultural credit activities, and direct loans under section 302 of the Defense Production Act will be responsible for most of the disbursements within the finance, commerce, and industry function.

Another part of the picture included in the analysis in the *Budget Document* but not reflected in Table 8, is the discussion of the status of the credit authority of the various programs. Commitment authority for most programs is not provided for a single year but remains available until utilized or until the program expires. In the case of most of the major programs, specific dollar limitations have been established, usually on a revolving fund basis; that is, collections on loans and expirations of commitments permit the re-use of the original authority. The Veterans Administration loan guarantee and insurance program and the defense production loan guarantee program are the major activities unlimited by specific ceilings. By the end of fiscal 1952 credit authority under existing legislation will amount to 56.9 billion dollars. A proposed increase of 4.4 billion is to provide additional authority for the Export-Import Bank (1 billion), the defense production loan program (400 million), and a new defense rental housing mortgage insurance program under the Federal Housing Administration (3 billion). Charges against this authority are expected to total 48.6 billion, with the major portion consisting of loans to foreign governments (nearly 7 billion) and housing guarantees and insurance (over 28 billion). The major components of the 12.6 billion dollars of uncommitted authority estimated to exist at the end of the period include stand-by borrowing authority of the FDIC, the Federal home loan banks, and the Federal Savings and Loan Insurance Corporation; FHA authority under existing and proposed legislation; and mortgage purchase authority of the Federal National Mortgage Association.

TABLE 8

**COMMITMENTS AND EXPENDITURES FOR FEDERAL CREDIT PROGRAMS**

**FISCAL YEARS 1950-52**

(In millions of dollars)

Item	New Commitments			Net Expenditures		
	1950 Actual	1951 Estimate	1952 Estimate	1950 Actual	1951 Estimate	1952 Estimate
<b>International security and foreign relations:</b>						
Economic Cooperation Administration.....	164	28	—	127	139	*
Export-Import Bank of Washington:						
Under existing legislation.....	395	451	415	98	147	125
Under proposed legislation.....	—	—	400	—	—	30
Reconstruction Finance Corporation.....	—	—	—	-46	-40	-53
Treasury Department: Credit to United Kingdom..	—	—	—	—	—	-44
Other.....	—	1	1	27	23	5
Total, international security and foreign relations..	559	480	816	206	269	63
<b>Housing and community development:</b>						
Veterans Administration: Guarantees, insurance, and direct loans.....	2,518	4,133	3,955	—	73	-4
Reconstruction Finance Corporation.....	10	56	106	-31	-20	69
Slum clearance and urban redevelopment.....	*	146	261	—	10	65
Federal National Mortgage Association.....	1,785	1,260	748	591	204	-512
Home Loan Bank Board.....	—	—	—	-266	-145	-15
Federal Housing Administration:						
Under existing legislation.....	5,684	4,594	2,198	5	8	12
Under proposed legislation.....	—	800	2,000	—	—	—
Public Housing Administration.....	186	582	437	23	183	-26
Other.....	54	86	60	27	64	54
Total, housing and community development.....	10,237	11,657	9,765	349	375	-357
<b>Agriculture and agricultural resources:</b>						
Rural Electrification Administration.....	379	330	234	260	274	228
Farmers' Home Administration:						
Direct loans and mortgage insurance.....	124	163	178	20	32	20
Other.....	50	49	43	6	-5	-14
Total, agriculture and agricultural resources.....	553	542	455	286	301	234
<b>Finance, commerce, and industry:</b>						
Expansion of defense production:						
Loan guarantees.....	—	300	1,500	—	—	—
Expansion of defense production—Loans:						
Under existing legislation.....	—	280	50	—	104	160
Under proposed legislation.....	—	—	400	—	—	280
Reconstruction Finance Corporation.....	575	311	311	153	15	82
Other.....	33	34	34	—	—	—
Total, finance, commerce, and industry.....	608	925	2,295	153	119	522
<b>All other functions.....</b>	9	9	7	-13	-4	-7
<b>TOTAL, ALL FUNCTIONS.....</b>	11,967	13,613	13,340	965	1,061	451
Adjustment for repayments going directly into miscellaneous receipts.....	—	—	—	170	202	220
<b>Total, Budget expenditures for loans.....</b>	—	—	—	1,135	1,263	671

\*Less than one-half million.



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