

This document transmits to the Congress in summary form the administration's revisions to the 1978 budget that was presented to the Congress January 17, 1977. It also provides the information required by Section 601(g) of the Congressional Budget Act of 1974 (Public Law 93-344) on budget amendments and revisions to the 1978 budget. This information is being submitted well in advance of the April 10 deadline set in the Act so that it will be of maximum use to the Congress and the congressional budget committees as they begin preparing their reports on the first concurrent resolution on the 1978 budget. Further supporting detail is being made available to the Congress.

FISCAL YEAR
1978
Budget
Revisions

February 1977

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TABLE OF CONTENTS

Part 1. MESSAGE OF THE PRESIDENT ON REVISIONS TO THE 1978 BUDGET	<i>Page</i> 3
Part 2. BUDGET SUMMARY	7
Economic assumptions.....	9
Revised budget totals.....	10
Budget revisions.....	11
Grants-in-aid to State and local governments.....	13
Budget authority.....	14
Off-budget Federal entities.....	15
Debt.....	17
Part 3. BUDGET RECEIPTS	19
Part 4. THE FEDERAL PROGRAM BY FUNCTION	25
Introduction.....	27
National defense.....	29
International affairs.....	33
General science, space, and technology.....	36
Natural resources, environment, and energy.....	37
Agriculture.....	42
Commerce and transportation.....	44
Community and regional development.....	48
Education, training, employment, and social services.....	51
Health.....	55
Income security.....	59
Veterans benefits and services.....	64
Law enforcement and justice.....	67
General government.....	69
Revenue sharing and general purpose fiscal assistance.....	71
Interest.....	73
Allowances.....	74
Undistributed offsetting receipts.....	74

Part 5. SUMMARY TABLES.....	75
Table 1. Budget summary.....	77
Table 2. Budget receipts, outlays, and budget authority.....	78
Table 3. Budget authority by agency.....	79
Table 4. Outlays by agency.....	80
Table 5. Budget authority available through current action by Congress.....	81
Table 6. Outlays from budget authority available through current action by Congress.....	82
Table 7. Budget financing and outstanding debt....	83
Table 8. Budget receipts by source.....	84
Table 9. Offsetting receipts by type.....	87
Table 10. Controllability of budget outlays, 1968-1978.....	90
Table 11. Budget receipts by source, 1969-1978....	92
Table 12. Budget outlays by function, 1969-1978....	94
Table 13. Federal finances and the gross national product, 1954-1978.....	99
Table 14. Composition of budget outlays in current and constant (fiscal year 1972) prices, 1955-1978..	100
Table 15. Budget receipts and outlays, 1789-1978....	101

GENERAL NOTES

1. All years referred to are fiscal years, unless otherwise noted. Through fiscal year 1976, the Federal Government's fiscal years began on July 1 and ended on June 30. Starting with fiscal year 1977, fiscal years begin on October 1 and end on September 30. The 3-month period between fiscal year 1976 and 1977—July 1, 1976 to September 30, 1976—is designated the transition quarter (TQ).

2. Detail in the tables and text of this volume may not add to the totals because of rounding.

PART 1

**MESSAGE OF THE PRESIDENT ON
REVISIONS TO THE 1978 BUDGET**

MESSAGE OF THE PRESIDENT ON REVISIONS TO THE 1978 BUDGET

To the Congress of the United States:

I am presenting today proposed changes in the 1978 budget.

Although I have not been able to analyze this budget in depth, these proposals do differ significantly from those of the previous administration.

Proposals have been rejected that would have needlessly added to the burden on the elderly and those who depend upon medicare, medicaid, and food programs.

I have withdrawn proposals that would have placed further financial strain on State and local governments.

Changes are included that will help us move more quickly to meet our commitments in such vital areas as the environment, education, and housing; and I am introducing measures that will help us control unacceptable inflation in medical costs.

The planned increase in defense spending, has been reduced while our real military strength is enhanced.

Revisions have been made that reflect new priorities for water resources development and also for energy, placing greater emphasis on conservation, development of non-nuclear power sources, and expanding our petroleum storage program. Later in the spring, work with the Congress will be completed on a comprehensive, long-range national energy policy.

This budget includes the economic stimulus package, which will reduce unemployment and promote steady, balanced economic growth. The package, which has been slightly changed since it was first presented to the Congress last month, provides for \$15.7 billion in tax reductions and increased outlays in 1977 and \$15.9 billion in 1978. It includes

a \$50 per capita rebate on personal income taxes; an increase in the standard deduction; reduction in business taxes to stimulate employment and provide incentives for investment; expansion in training and employment programs; increases in public works funding; and additional money for countercyclical revenue sharing grants to State and local governments.

I am also asking the Congress to extend the supplemental payments program, which is now expiring, so that unemployed workers will be able to qualify through the end of this year for up to 52 weeks of unemployment benefits.

There are several important goals which these revisions do not reflect, because my administration has not yet had time to review all current tax and spending programs or fully prepare our own proposals. The 1978 budget is essentially still President Ford's budget, with only such limited revisions as my administration has had time to make. But these revisions do reflect our careful choices among many possible options; they are important first steps toward a Federal Government that is more effective and responsive to our people's needs.

Last year, spending estimates were too high, and economic policymaking was adversely affected. Because time did not permit detailed review of the current estimates, I have instructed the Office of Management and Budget to make a thorough review of these estimates. The Congress will be informed of any resulting revisions.

The revised budget outlined in this document continues to reflect the current overlapping and unwieldy structure of the Federal Government—a structure I intend, with the help of the Congress, to simplify and improve.

Although it has not been possible in these revisions to the 1978 budget, future budgets will reflect detailed, zero-based reviews of Federal spending programs, comprehensive reform of the tax system, and fundamental reorganization of the Government.

JIMMY CARTER

FEBRUARY 22, 1977.

PART 2
BUDGET SUMMARY

BUDGET SUMMARY

Economic assumptions

The following table presents the underlying economic assumptions that have been used for making the budget estimates. In keeping with conventional usage these economic assumptions are presented for calendar years, whereas the budget estimates are presented on a fiscal year basis.

The overall assessment of the economic outlook does not differ greatly from what was shown in the January budget.

Real economic growth and the decline in unemployment are somewhat greater than forecast in the January budget because the President's fiscal stimulus proposals are expected to increase the rate of economic expansion. The inflation forecast is virtually identical to that in the January budget.

The forecast does not reflect the effects of the severe cold weather recently experienced in part of our country, or of continued drought in the West. When the effects of the weather can be more accurately estimated, the economic outlook will be reassessed. It now appears, however, that the overall adverse effects of the severe cold weather will be relatively moderate and temporary, and that real economic activity by the end of the fourth quarter of this calendar year will have recovered nearly all the ground lost due to the cold weather. From the fourth quarter of calendar year 1976 to the final quarter of 1977, real output of goods and services is expected to increase by about 6%.

ECONOMIC FORECAST
(Calendar years; dollar amounts in billions)

Item	Actual 1975	Prel. 1976	Forecast	
			1977	1978
Gross national product:				
Current dollars:				
Amount.....	1,516	1,692	1,884	2,105
Percent change.....	7.3	11.6	11.3	11.7
Constant (1972) dollars:				
Amount.....	1,192	1,265	1,334	1,406
Percent change.....	-1.8	6.2	5.4	5.4
Incomes (current dollars):				
Personal income.....	1,250	1,375	1,528	1,698
Wages and salaries.....	807	890	992	1,108
Corporate profits.....	115	149	173	197
Price level (percent change):				
GNP deflator:				
Year over year.....	9.3	5.1	5.6	6.0
Fourth quarter over fourth quarter.....	7.1	4.7	5.9	5.8
Consumer price index:				
Year over year.....	9.1	5.7	5.1	5.4
December over December.....	7.0	4.8	5.3	5.2
Unemployment rates (percent):				
Total.....	8.5	7.7	7.1	6.3
Insured ¹	7.2	6.4	5.4	4.4
Average Federal pay raise, October (percent).....	5.00	4.83	6.50	6.25
Interest rate, 91-day Treasury bills (percent) ²	5.8	5.0	4.6	4.6

¹ Insured unemployment as a percentage of covered employment.
² Average rate on new issues within period; the rate shown for 1977 and 1978 was the current market rate at the time the estimates were made.

Revised budget totals

The revisions proposed in this document result in total budget outlays of \$417.4 billion in 1977 and \$459.4 billion in 1978. The revisions include both proposed policy changes and reestimates, and involve increases for some programs and decreases for others. The net increase in outlays, compared to the budget recommendations of the previous administration, is \$6.2 billion for 1977 and \$19.4 billion for 1978.

Changes in receipts estimates include the effects of the tax proposals in this administration's economic stimulus package, the withdrawal of most of the previous administration's tax proposals, and reestimates due to revised economic assumptions and other factors. These changes are shown in detail in Part 3 of this document. The revised estimates of total budget receipts are \$349.4 billion for 1977 and \$401.6 billion for 1978. The resulting budget deficits are \$68.0 billion for 1977 and \$57.7 billion for 1978.

THE BUDGET TOTALS

(In billions of dollars)

Item	1976 actual	1977 estimate	1978 estimate
Receipts.....	300.0	349.4	401.6
Outlays.....	366.5	417.4	459.4
Deficit (—).....	-66.5	-68.0	-57.7

Budget revisions

Review of the budget by the President and members of the administration led to the identification of a number of desirable changes from the budget requests of the previous administration. The net effects of these changes in modifying the original 1978 budget estimates are summarized in the following table.

COMPARISON OF JANUARY AND REVISED BUDGET TOTALS

(In billions of dollars)

Item	1976 actual	1977 estimate	1978 estimate
Outlays:			
January budget.....	366.5	411.2	440.0
Revisions.....	-----	6.2	19.4
Revised budget.....	366.5	417.4	459.4
Receipts:			
January budget.....	300.0	354.0	393.0
Revisions.....	-----	-4.7	8.6
Revised budget.....	300.0	349.4	401.6
Deficit (—):			
January budget.....	-66.5	-57.2	-47.0
Revisions.....	-----	-10.8	-10.8
Revised budget.....	-66.5	-68.0	-57.7

Individual budget revisions are being transmitted to the Congress as rapidly as possible. The revisions assume a number of forms: most involve amended or supplemental appropriation requests, but some require new legislative proposals. Some involve rescissions and deferrals. Some simply represent reestimates based on later information and revised economic assumptions. In other cases, legislative proposals put forward in the January budget but not specifically transmitted to the Congress are being withdrawn and no further action is needed.

Almost all of the revisions, apart from the economic stimulus package, involve the restoration of proposed cut-backs that this administration judged to be unwarranted. Therefore, except for the economic stimulus package, the proposed budget figures are on the whole closer to those needed to maintain current programs at their present levels than were the January budget recommendations. Because of the short time available to make these revisions they do not reflect the zero-base review of programs that this administration will undertake as it formulates its budgets in the future.

FISCAL STIMULUS PROPOSALS

(In billions of dollars)

Item	Estimate	
	1977	1978
\$50 rebates and payments.....	11.4	*
Changes in the standard deduction.....	1.5	5.7
Business tax incentives.....	.9	2.4
Public service employment.....	.7	3.4
Expanded training and youth programs.....	.3	1.6
Accelerated public works.....	.2	2.0
Increased countercyclical revenue sharing.....	.7	.7
Total, receipts and outlays.....	15.7	15.9

*Less than \$50 million.

The estimates contained in this document are necessarily based on those in the January budget. This administration has not had sufficient time to review in detail the earlier estimates for technical accuracy. For 1977, budget outlays to date suggest the possibility that outlay estimates may be high in some instances. Recent experience also suggests that there tends to be some general upward bias in making outlay estimates. The administration is concerned about these problems and will make a thorough review of the 1977 estimates. As soon as the results of a more detailed review are known, the estimates will be further revised. A special effort is planned to improve the quality of budget outlay estimates in the future.

The following table summarizes the effects of major individual revisions on budget outlays. Effects on receipts are shown in Part 3.

OUTLAY EFFECTS OF BUDGET REVISIONS

(In billions of dollars)

Item	1977 estimate	1978 estimate
Increases in employment and training programs	1.0	6.3
Increased funding for local public works program	.2	2.0
Extension of and increase in countercyclical revenue sharing	.9	1.6
Proposed \$50 payments, in excess of tax liabilities	1.4	-----
Social security—\$50 bonus	1.8	-----
Earned income credit (extension)	-----	.9
Extension of Federal supplemental unemployment benefits	.5	.4
Unemployment insurance (reestimate)	-1.0	-1.2
Restoration of proposed food stamp and child nutrition reductions	.7	2.1
Restoration of funding levels for health care programs	.3	1.3
Restoration of education program funding levels	*	.5
Increases in veterans benefits	-----	.9
Water resources development	*	- .3
Net increase in energy programs	*	.8
Net decrease in defense	-----	- .3
Changes in foreign economic assistance	- .2	.6
Mortgage credit programs—reestimate	- .4	*
Transportation program increases (highways and railroads)	-----	.4
Increases in funding for social services	-----	.3
Interest (reestimate)	.3	2.0
Offshore oil-land leasing receipts (change in timing)	.3	- .3
All other revisions (net)	.4	1.4
Total revisions	6.2	19.4

*\$50 million or less.

Grants-in-aid to State and local governments

The largest proposed 1978 outlay increases over the January budget levels are in the area of temporary grants-in-aid to State and local governments. The following table illustrates this fact:

PROPOSED OUTLAYS BY CATEGORY

(In billions of dollars)

	1976 actual	1977 estimate		1978 estimate	
		January budget	Revised budget	January budget	Revised budget
National defense	90.0	100.1	100.1	112.3	111.9
Grants-in-aid	(59.0)	(70.4)	(72.4)	¹ (71.1)	(81.7)
Countercyclical programs ²	1.9	4.4	6.2	1.8	9.9
Other grants	57.2	66.0	66.2	69.3	71.8
Payments for individuals	(19.5)	(23.5)	(23.6)	¹ (25.0)	(25.8)
All other grants	(37.6)	(42.5)	(42.6)	(44.3)	(46.0)
Other outlays	217.4	240.7	244.9	256.6	265.7
Total	366.5	411.2	417.4	440.0	459.4

¹ Excludes \$500 million for low income housing assistance erroneously classified as grants-in-aid in the January budget.

² Includes local public works, some Comprehensive Employment and Training Act programs, and antirecession fiscal assistance; approximately \$1.6 billion in 1977 and \$6.2 billion in 1978 are part of the administration's economic stimulus package.

As the table shows, \$10.6 billion—55% of the \$19.4 billion 1978 outlay revision—is for grant-in-aid programs. The increase in grants includes \$8.1 billion for temporary programs to stimulate the economy and \$2.5 billion in other grant programs. A \$1.8 billion increase in grant-in-aid outlays for economic stimulus is proposed for 1977. Spending from 1977 and 1978 budget authority for these programs will continue in 1979 and beyond.

Total grant-in-aid outlays are estimated to be \$81.7 billion in 1978, a 38% increase over the 1976 total of \$59.0 billion. This large increase results primarily from temporary stimulus programs. As the economy improves, outlays for grants-in-aid are expected to return to more normal levels.

Budget authority

Total budget authority under the revised budget is \$464.0 billion for 1977 and \$507.3 billion for 1978. Of the 1978 total, \$338.7 billion, or 67%, will require appropriations and other new action by the Congress. The rest will be available under existing laws.

The revisions proposed in this document add \$28.1 billion to the amount proposed for 1977 in the January budget and \$26.8 billion for 1978. (These overall increases are the net effect of decreases as well as increases.) The largest single component of the 1977 and 1978 increases is \$24.5 billion for the subsidized housing programs, which will be spent over a 15- to 40-year period (only \$70 million of this amount will be spent in 1978).

The following table summarizes the changes in budget authority requests.

CHANGES IN BUDGET AUTHORITY BY AGENCY

(In billions of dollars)

Agency	1977 estimate			1978 estimate		
	January budget	Revised budget	Change	January budget	Revised budget	Change
Legislative branch.....	1.0	1.0	-----	1.1	1.1	-----
The Judiciary.....	.4	.4	-----	.4	.4	-----
Executive Office of the President.....	.1	.1	*	.1	.1	*
Funds appropriated to the President.....	3.4	3.2	-0.2	4.1	5.3	1.3
Department of Agriculture.....	13.2	13.9	.8	12.4	14.6	2.2
Department of Commerce.....	4.0	6.0	2.0	1.9	4.2	2.3
Department of Defense—Military.....	108.3	108.3	-----	121.7	118.9	-2.8
Department of Defense—Civil.....	2.5	2.5	-----	2.6	2.6	—*
Department of Health, Education, and Welfare.....	146.5	146.7	.2	161.1	162.2	1.1
Department of Housing and Urban De- velopment.....	20.5	35.9	15.4	29.7	39.2	9.5
Department of the Interior.....	4.2	3.4	-.8	3.6	3.6	-0.1
Department of Justice.....	2.3	2.3	*	2.3	2.3	*
Department of Labor.....	24.4	26.2	1.8	20.7	26.6	6.0
Department of State.....	1.3	1.3	*	1.4	1.4	*
Department of Transportation.....	9.1	9.1	-----	13.0	13.3	.3
Department of the Treasury.....	49.6	54.0	4.4	51.0	55.7	4.7
Energy Research and Development Ad- ministration.....	6.4	6.4	-----	7.8	7.8	-0.1
Environmental Protection Agency.....	1.9	6.0	4.2	5.3	5.3	*
General Services Administration.....	.2	.2	-----	.2	.3	*
National Aeronautics and Space Ad- ministration.....	3.7	3.7	-----	4.0	4.0	*
Veterans Administration.....	19.0	19.0	-----	18.2	19.0	.9
Other independent agencies.....	29.3	29.4	.1	31.2	32.9	1.8
Allowances:						
Civilian agency pay raises.....				1.2	1.2	-----
Contingencies for other require- ments.....				1.8	1.8	-----
Undistributed offsetting receipts:						
Employer share, employee retire- ment.....	-4.6	-4.6	*	-4.7	-4.7	*
Interest received by trust funds.....	-8.2	-8.2	*	-8.7	-8.6	.1
Rents and royalties on the Outer Continental Shelf.....	-2.6	-2.3	.3	-3.1	-3.4	-.3
Total budget authority.....	435.9	464.0	28.1	480.4	507.3	26.8

*\$50 million or less.

Off-budget Federal entities

The off-budget Federal entities are federally owned and controlled, but their transactions have been excluded from the budget totals under provisions of law. Therefore, their spending is not reflected in the 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. Off-budget outlays are added to the

budget deficit to comprise the total Government deficit, which has to be financed by borrowing from the public or by other means.

The exclusion of these Federal entities from the budget developed over the last few years. This has eroded the comprehensive budget coverage that was established as a result of the recommendations of the President's Commission on Budget Concepts in 1967. Comprehensive coverage is necessary in order to inform the President, the Congress, and the public accurately about the size, scope, and composition of the Federal Government's operations, and thereby would provide the proper context within which to establish priorities among alternative governmental programs and between public and private activities. Therefore, this administration is now intensively reviewing the treatment of each of the off-budget Federal entities and will provide recommendations to the Congress at an early date.

Off-budget outlays are estimated to be \$8.5 billion in 1978. The total is \$650 million less than in the January budget, because this administration does not support the recommendation in the January budget to create the Energy Independence Authority. The estimates for all other off-budget Federal entities are unchanged in both 1977 and 1978.

OUTLAYS OF OFF-BUDGET FEDERAL ENTITIES

(In millions of dollars)

Off-budget Federal entity	1976 actual	1977 estimate	1978 estimate
Federal Financing Bank.....	5,863	8,741	5,936
Rural electrification and telephone revolving fund.....	213	456	-----
Rural Telephone Bank.....	93	95	92
Housing for the elderly or handicapped fund.....	-15	262	738
Pension Benefit Guaranty Corporation.....	-22	-14	-16
Exchange stabilization fund.....	-74	-58	-58
Postal Service fund.....	1,085	1,006	1,815
U.S. Railway Association.....	52	298	-----
Energy Independence Authority (proposed legislation, January budget).....	-----	-----	650
Total, January budget.....	7,196	10,785	9,156
Effect of withdrawing proposed legislation.....	-----	-----	-650
Total, revised estimates.....	7,196	10,785	8,506

Debt

The budget deficits now estimated for 1977 and 1978, together with the deficits of the off-budget Federal entities and the other factors involved in budget financing, require that the Federal Government borrow \$73.0 billion from the public in 1977 and \$65.8 billion in 1978. It is anticipated that the supply of funds in the economy will permit this borrowing to be financed without seriously adverse effects on the availability of funds for the private sector or on interest rates.

The following table shows the relationship between deficits, the change in debt held by the public, and the change in gross Federal debt.

BUDGET FINANCING AND DEBT

(In billions of dollars)

Description	1976 actual	1977 estimate	1978 estimate
Budget surplus or deficit (—).....	-66.5	-68.0	-57.7
Deficit (—), off-budget Federal entities.....	-7.2	-10.8	-8.5
Means of financing other than borrowing from the public.....	¹ -9.7	5.8	.5
Change in debt held by the public.....	83.4	73.0	65.8
Change in Federal agency investments in Federal debt.....	4.3	7.7	9.5
Change in gross Federal debt.....	87.7	80.7	75.3
Outstanding debt, end of year:			
Gross Federal debt.....	631.9	727.0	802.4
Held by:			
Government agencies.....	151.6	155.7	165.2
The public.....	480.3	571.3	637.1
Debt subject to limit.....	621.6	717.9	794.7

¹ Includes reclassification of securities.

PART 3
BUDGET RECEIPTS

BUDGET RECEIPTS

Total budget receipts in 1978 are estimated at \$401.6 billion, an increase of \$52.2 billion from the \$349.4 billion estimated for 1977. These estimates are based on the economic assumptions presented in Part 2 and the legislative proposals described below.

BUDGET RECEIPTS BY SOURCE

(In billions of dollars)

Source	1976 actual	1977 estimate		1978 estimate	
		January budget	Revised budget	January budget	Revised budget
Individual income taxes.....	131.6	153.1	148.9	171.2	179.2
Corporation income taxes.....	41.4	56.6	57.2	58.9	61.6
Social insurance taxes and contributions....	92.7	108.9	108.0	126.1	123.8
Excise taxes.....	17.0	17.9	17.9	18.5	18.6
Estate and gift taxes.....	5.2	5.9	5.9	5.8	5.8
Customs duties.....	4.1	4.7	4.7	5.3	5.3
Miscellaneous receipts.....	8.0	6.9	6.7	7.2	7.2
Total budget receipts.....	300.0	354.0	349.4	393.0	401.6

Receipts are now estimated to be \$4.7 billion lower than in the January budget for 1977 and \$8.6 billion higher for 1978. Substitution of the administration's tax proposals for those presented in the January budget reduces receipts by \$3.8 billion in 1977 and increases receipts by \$6.7 billion in 1978. The remaining differences—a decrease of \$0.9 billion in 1977 and an increase of \$1.9 billion in 1978—are due to revised economic assumptions and other factors.

The principal purpose of the President's tax proposals is to provide immediate economic stimulus while leaving open the way for permanent improvements in the tax structure. To achieve this goal, the largest part of the economic stimulus package is a tax rebate that will raise peoples' after-tax incomes this spring. This tax reduction, together with the smaller and permanent tax reductions proposed, will help to strengthen the rate of economic expansion quickly without

committing large amounts of future tax resources. These resources will thus remain available for the permanent tax proposals that will be submitted to the Congress this fall after the administration has made a careful and comprehensive review of the tax structure. The proposals forthcoming will reflect the President's commitment to the American people to develop a fairer, more efficient, and less complicated tax structure than we have now. To allow the Congress adequate time to consider these proposals, legislation is now proposed to extend for 1 year the temporary provisions of the Tax Reform Act of 1976 that are currently scheduled to expire on December 31, 1977.

**COMPARISON BETWEEN JANUARY BUDGET ESTIMATES OF RECEIPTS
AND REVISED ESTIMATES**

(In billions of dollars)

Description	Estimate	
	1977	1978
January budget estimates.....	354.0	393.0
Removal of Ford administration proposals.....	6.9	22.5
Revised economic assumptions and other factors.....	- .9	1.9
Estimated receipts under current tax law.....	360.0	417.4
Fiscal stimulus proposals ¹	-10.6	-7.9
Extension of temporary tax reductions.....	-	-7.8
Other proposals.....	-*	-*
Revised budget estimates.....	349.4	401.6

*\$50 million or less.

¹ Excludes payments in excess of tax liabilities. These payments are treated as budget outlays.

The tax part of the economic stimulus package contains three proposals. They are:

- A \$50 rebate per person to taxpayers and their dependents. This rebate will reduce 1977 receipts by \$8.2 billion. A \$50 payment is also to be made to recipients of social security, supplemental security income, and railroad retirement, and to recipients of the earned income credit and certain other persons with earned income but limited tax liability. These payments are treated as outlays in the budget.
- A permanent simplification of the standard deduction. A flat deduction of \$2,200 for single persons and \$3,000 for joint returns is proposed as a substitute for the present complex set of standard deductions. Simplifica-

tion also includes extension of the \$35 credit to exemptions for age and blindness to facilitate use of simplified tax tables. At current income levels, the changes decrease receipts by about \$4 billion on an annual basis. It is assumed that the decrease in withholding due to these changes will occur at the beginning of May. Since the lower withholding will not be in effect for the first 4 months of calendar year 1977, affected taxpayers will either make smaller tax payments or receive larger refunds in the spring of 1978. Consequently, the reduction in receipts attributable to these proposals is less than for a full year in fiscal year 1977 (\$1.5 billion) and more than for a full year in fiscal year 1978 (\$5.6 billion).

- A permanent business tax reduction. Businesses will be given a choice between either a 2 percentage point increase in the present 10% investment credit, or a refundable credit against income taxes equal to 4% of social security payroll taxes (FICA) and 2% of railroad retirement and self-employment taxes. Businesses will not be permitted to change their choice once made. It is estimated that this proposal will reduce receipts by \$0.9 billion in 1977 and \$2.3 billion in 1978. Payments to businesses in excess of their tax liability are treated as outlays.

In total, these tax proposals for economic stimulus reduce receipts by \$10.6 billion in 1977 and \$7.9 billion in 1978.

The temporary provisions of the Tax Reform Act of 1976 that are proposed to be extended for 1 year are:

- a \$35 tax credit per exemption or a credit equal to 2% of the taxpayer's taxable income up to \$9,000, whichever is larger;
- extension of the earned income credit for families with dependent children, equal to 10% of earned income subject to a maximum of \$400; and
- corporate rate reductions from 22% to 20% on the first \$25,000 of income and from 48% to 22% on the second \$25,000.

The revised estimates also include five proposals that were contained in the January budget: legislation to require em-

employers to pay social security taxes on employee income derived from tips; a taxable municipal bond option to improve the efficiency of the municipal market; authorization for the Nuclear Regulatory Commission to collect fees to cover the costs of its licensing services, including its reactor safety research program; authorization to require navigators of Federal waterways, canals, locks, and channels to pay user fees to help defray the costs of such waterways; and an increase in the migratory bird hunting stamp from \$5 to \$10. All other legislative proposals in the January budget with regard to receipts have been dropped.

The revised estimates also include proposed legislation to hold the monthly supplemental medical insurance (medicare) premium at its current level of \$7.20 through September 1978. Under existing law, this premium is scheduled to rise to \$7.70 in July 1977 and to an estimated \$8.10 in July 1978.

PROPOSED LEGISLATION INCLUDED IN THE REVISED ESTIMATES OF RECEIPTS

(In billions of dollars)

Description	Estimate	
	1977	1978
Fiscal stimulus proposals:		
Individual income tax.....	-9.9	-6.1
\$50 rebate.....	(-8.2)	(.....)
Simplification proposals.....	(-1.5)	(-5.6)
Business tax credits.....	(-.1)	(-.5)
Corporation income tax.....	-7.7	-1.8
Subtotal.....	-10.6	-7.9
Extension of temporary tax provisions:		
Individual income tax.....		-6.8
Corporation income tax.....		-1.0
Subtotal.....		-7.8
Other proposals.....	*-	*-
Total proposed legislation.....	-10.7	-15.8

*\$50 million or less.

The revised estimates, like the estimates in the January budget, include the effect of tax changes that are scheduled to occur under current law, such as increases in the social security tax rate and base, increases in the unemployment insurance tax base, and a continued phaseout of the telephone excise tax.

PART 4
THE FEDERAL PROGRAM
BY FUNCTION

Introduction

This section discusses the revised budget authority and outlay estimates in terms of the major functions or purposes being served. The functional budget classification presents budget authority and outlays for each major purpose, regardless of which agency carries out the activity and without double counting. The functional classification is also the major basis used for budget control under the Congressional Budget Act of 1974. The concurrent resolutions called for under the Act specify totals for each function, although the budget authority and outlay ceilings apply only to the totals.

BUDGET AUTHORITY BY FUNCTION

(In billions of dollars)

Function	1977 estimate			1978 estimate		
	January budget	Revised budget	Change	January budget	Revised budget	Change
National defense.....	108.5	108.5	-----	122.9	120.1	-2.7
International affairs.....	8.2	8.0	-.3	9.0	10.3	1.3
General science, space, and technology.....	4.5	4.5	-----	4.9	4.9	*
Natural resources, environment, and energy.....	14.3	17.7	3.4	19.1	20.5	1.4
Agriculture.....	1.7	1.7	*	2.7	2.7	-----
Commerce and transportation.....	15.0	15.0	.1	18.7	19.5	.8
Community and regional development.....	8.7	10.6	1.9	6.4	9.3	2.9
Education, training, employment, and social services.....	21.8	24.6	2.9	18.0	26.7	8.7
Health.....	40.4	40.3	-*	47.4	47.8	.4
Income security.....	155.4	174.1	18.6	170.2	179.8	9.7
Veterans benefits and services.....	19.1	19.1	-----	18.2	19.1	.9
Law enforcement and justice.....	3.6	3.6	*	3.7	3.8	.1
General government.....	3.7	3.7	*	3.9	3.9	*
Revenue sharing and general purpose fiscal assistance.....	8.5	9.4	.9	9.1	10.7	1.6
Interest.....	38.0	38.2	.3	39.7	41.8	2.0
Allowances:						
Civilian agency pay raises.....				1.2	1.2	-----
Contingencies.....				1.8	1.8	-----
Undistributed offsetting receipts:						
Employer share, employee retirement.....	-4.6	-4.6	*	-4.7	-4.7	*
Interest received by trust funds.....	-8.2	-8.2	*	-8.7	-8.6	.1
Rents and royalties on the Outer Continental Shelf.....	-2.6	-2.3	.3	-3.1	-3.4	-.3
Total budget authority.....	435.9	464.0	28.1	480.4	507.3	26.8

*\$50 million or less.

OUTLAYS BY FUNCTION

(In billions of dollars)

Function	1977 estimate			1978 estimate		
	January budget	Revised budget	Change	January budget	Revised budget	Change
National defense.....	100.1	100.1	-----	112.3	111.9	-.3
International affairs.....	7.1	6.9	-.2	7.3	7.8	.6
General science, space, and technology.	4.4	4.5	*	4.7	4.7	*
Natural resources, environment, and energy.....	17.1	17.1	.1	19.7	20.5	.8
Agriculture.....	2.9	2.9	-----	2.3	2.3	-----
Commerce and transportation.....	16.1	15.8	-.3	19.3	20.1	.8
Community and regional development.	7.7	8.0	.3	7.9	10.0	2.1
Education, training, employment, and social services.....	21.1	22.2	1.1	19.4	26.5	7.1
Health.....	39.3	39.5	.3	43.2	44.5	1.3
Income security.....	138.1	141.6	3.5	143.9	146.5	2.7
Veterans benefits and services.....	18.4	18.4	-----	18.3	19.1	.9
Law enforcement and justice.....	3.7	3.7	-*	3.8	3.9	.1
General government.....	3.7	3.8	*	3.9	3.9	*
Revenue sharing and general purpose fiscal assistance.....	8.9	9.9	.9	8.1	9.7	1.6
Interest.....	38.0	38.2	.3	39.7	41.8	2.0
Allowances:						
Civilian agency pay raises.....	-----	-----	-----	1.2	1.2	-----
Contingencies.....	-----	-----	-----	1.5	1.5	-----
Undistributed offsetting receipts:						
Employer share, employee retire- ment.....	-4.6	-4.6	*	-4.7	-4.7	*
Interest received by trust funds.....	-8.2	-8.2	*	-8.7	-8.6	.1
Rents and royalties on the Outer Continental Shelf.....	-2.6	-2.3	.3	-3.1	-3.4	-.3
Total outlays.....	411.2	417.4	6.2	440.0	459.4	19.4

*\$50 million or less.

050: National Defense

(In millions of dollars)

Subfunction and major program	1976 actual	1977 estimate		1978 estimate	
		January budget	Revised budget	January budget	Revised budget
BUDGET AUTHORITY:					
Department of Defense—Military:					
Military personnel.....	25,430	26,210	26,210	26,193	26,140
Retired military personnel	7,326	8,238	8,238	9,036	9,036
Operation and maintenance.....	28,848	32,175	32,175	34,168	34,358
Procurement.....	20,991	27,672	27,672	35,143	32,209
Research, development, test, and evaluation.....	9,451	10,478	10,478	11,980	11,717
Military construction.....	2,360	2,147	2,147	1,376	1,677
Family housing.....	1,229	1,197	1,197	1,329	1,339
Revolving funds and other.....	77	141	141	95	95
Allowances:					
Civilian and military pay raises:					
Existing law.....				2,493	2,493
Proposed legislation.....				-167	-167
Other legislation:					
Retired military personnel.....				32	7
Military personnel and O. & M.....				26	26
Subtotal.....	95,712	108,260	108,260	121,704	118,929
Military assistance:					
Foreign military sales trust fund.....	5,427	-2,291	-2,291	-1,884	-1,884
Other military assistance.....	1,094	674	674	666	663
Subtotal.....	6,521	-1,617	-1,617	-1,218	-1,220
Atomic energy defense activities.....	1,682	1,935	1,935	2,380	2,380
Defense-related activities:					
Existing law.....	-101	-55	-55	236	49
Proposed legislation.....				-229	
Subtotal.....	-101	-55	-55	7	49
Deductions for offsetting receipts.....	-3	-3	-3	-3	-3
Total budget authority.....	103,811	108,520	108,520	122,871	120,136
OUTLAYS:					
Department of Defense—Military:					
Military personnel.....	25,064	26,212	26,212	26,005	25,959
Retired military personnel	7,296	8,234	8,234	9,035	9,035
Operation and maintenance.....	27,902	31,146	31,146	33,539	33,686
Procurement.....	15,964	18,710	18,710	23,786	23,510
Research, development, test, and evaluation.....	8,923	9,993	9,993	11,350	11,181
Military construction.....	2,019	2,087	2,087	2,046	2,058
Family housing.....	1,192	1,442	1,442	1,518	1,518
Revolving funds and other.....	-332	226	226	-71	-71
Allowances:					
Civilian and military pay raises:					
Existing law.....				2,417	2,417
Proposed legislation.....				-160	-160
Other legislation:					
Retired military personnel.....				32	7
Military personnel and O. & M.....				26	26
Subtotal.....	88,036	98,050	98,050	109,523	109,166

050: NATIONAL DEFENSE (in millions of dollars)—Continued

Subfunction and major program	1976 actual	1977 estimate		1978 estimate	
		January budget	Revised budget	January budget	Revised budget
Military assistance:					
Foreign military sales trust fund.....	-600	-465	-465	-----	-----
Other military assistance.....	1,101	715	715	577	576
Subtotal.....	501	250	250	577	576
Atomic energy defense activities.....	1,565	1,829	1,829	2,162	2,162
Defense-related activities:					
Existing law.....	-103	-52	-52	232	45
Proposed legislation.....	-----	-----	-----	-229	-----
Subtotal.....	-103	-52	-52	3	45
Deductions for offsetting receipts.....	-3	-3	-3	-3	-3
Total outlays.....	89,996	100,075	100,075	112,262	111,947

The administration proposes budget revisions that reduce spending for the national defense function.

Because the budget revisions had to be prepared in a short-time, radical changes in defense programs and strategy are not now proposed. A major review of U.S. defense policy and military programs has been initiated, however, and the results of this review will be reflected in the 1979 budget.

The preliminary assessment is that the currently planned force structure is generally consistent with our defense needs, but that the efficiency of our military programs can be improved. The revisions proposed for 1978 are designed to begin this improvement.

The revised request for national defense in 1978 is \$120.1 billion in budget authority and \$111.9 billion in outlays. These levels represent reductions from the level requested in the January budget of \$2.7 billion in budget authority and \$0.3 billion in outlays.

Most of the revisions for Department of Defense military functions are reductions resulting from slowing down the rate, or postponing the initiation, of various procurement and operations and maintenance programs, although there are some production cancellations. Several high priority increases in readiness and combat capability that were not sought in January are now being proposed. In addition, a number of

reductions and reforms proposed in January are included in the revised request because they will result in greater efficiency.

The underlying rationale behind the proposed revisions is to:

- Defer or slow down programs that would restrict the administration's flexibility to carry out the findings of its review of national defense strategy and programs. Development of the Army's advanced attack helicopter and the Air Force's new M-X strategic missile are being slowed down and no additional funds are provided for the Navy's patrol hydrofoil program.
- Slow down the acquisition of expensive new weapon systems, the justification for which should be subject to a thorough review. Production of B-1 aircraft will be reduced from 8 to 5 and the F-15 will be reduced from 108 to 78 aircraft.
- End procurement of weapons for which no continuing military requirement is clear. Procurement of the Army's nonnuclear Lance missile and the Navy's A-7E attack aircraft will be terminated.
- Increase combat capability where obvious improvements can be obtained at modest cost. Additional funds are provided for tactical aircraft shelters and Army storage facilities in Europe, and for overhaul and repair of equipment.
- Increase program efficiency so as to reduce costs without impairing effectiveness. Naval reserve paid drill strength will be reduced by 40,000.
- Endorse reductions and reforms identified in the January budget, wherever justified. The decision not to provide funds for either the new Nimitz class aircraft carrier or conversion of the nuclear powered cruiser (*Long Beach*) is reaffirmed.

Selected reductions in budget authority totaling \$0.4 billion are recommended for strategic forces in 1978. Despite these reductions, the revised request permits real growth in the resources devoted to strategic programs, although at a slower pace than proposed in January. The resulting program will maintain the ability of U.S. strategic forces to deter aggression and preserve a stable world balance of nuclear forces.

Adjustments are also recommended to decrease the rate of modernization of the general purpose forces. At the same time, additional funds are provided to increase the readiness and combat capability of forces oriented primarily toward the defense of the North Atlantic Treaty Organization nations. The resulting program will provide substantial real growth in modernization and readiness while lowering 1978 budget authority by \$2.3 billion. Planned general purpose forces are sufficient to maintain, for the time being, the conventional force balance in Central Europe, keep open the sea lanes of communication to Europe and Northeast Asia, help South Korea maintain stability in Northeast Asia and provide effective power to deal with contingencies that might arise.

The administration endorses the rescission of \$721 million (less unrecoverable funds) in 1977 proposed in the January budget for a fourth Nimitz class aircraft carrier and for conversion of the cruiser *Long Beach*. This action will also avoid the need to appropriate \$2.0 billion in 1978 to complete these programs.

Two of the compensation-related initiatives recommended in January are strongly endorsed by the administration. A Presidential commission is to be established to review the findings of the Third Quadrennial Review of Military Compensation and to provide independent recommendations to the President. This commission will also be asked to review the military retirement system. Accordingly, the budget does not anticipate enactment of a retirement modernization act. In addition, the reforms of the Federal wage system recommended by the President's Panel on Federal Compensation are embodied in a draft bill that has already been submitted to the Congress. This legislation would correct those provisions of current law that cause significant departures from the local prevailing rate principle, and result in an unfair competitive advantage for the Federal Government and unjustifiable payroll costs. Early enactment of these reforms is strongly recommended by the administration.

A moratorium on defense-related stockpile acquisitions and disposals is in effect pending a review of stockpile policy.

150: International Affairs

(In millions of dollars)

Subfunction and major program	1976 actual	1977 estimate		1978 estimate	
		January budget	Revised budget	January budget	Revised budget
BUDGET AUTHORITY:					
Foreign economic and financial assistance:					
Security supporting assistance.....	1,690	1,735	1,735	1,459	1,887
Middle East special requirements fund.....	50	23	23	25	25
International financial institutions.....	696	1,285	1,285	1,985	2,616
International organizations.....	202	244	244	226	256
International fund for agricultural development.....	200	-----	-----	-----	-----
Agency for International Development.....	999	1,116	1,116	1,280	1,279
Overseas Private Investment Corporation.....	-----	-----	-----	150	150
Sahel development program (proposed legislation).....	-----	-----	-----	50	50
Food for Peace.....	1,090	1,169	1,169	923	923
Migration and refugee assistance.....	46	40	47	40	45
Peace Corps.....	81	81	81	68	75
Other assistance.....	43	68	68	44	44
Subtotal.....	5,097	5,761	5,768	6,250	7,350
Conduct of foreign affairs:					
Administration of foreign affairs.....	484	624	651	714	716
International organizations and conferences.....	272	400	401	400	401
Other conduct of foreign affairs.....	26	29	29	32	32
Subtotal.....	782	1,053	1,081	1,146	1,148
Foreign information and exchange activities:					
Foreign information activities.....	356	317	317	336	336
Educational exchange activities.....	67	75	75	83	83
Subtotal.....	423	392	392	420	420
International financial programs:					
Export-Import Bank.....	728	1,274	1,274	1,622	1,622
Balance of payments loan for Portugal (proposed legislation).....	-----	300	-----	130	300
Offsetting receipts.....	-20	-20	-20	-20	-20
Subtotal.....	708	1,554	1,254	1,732	1,902
Deductions for offsetting receipts.....	-446	-512	-512	-527	-527
Total budget authority.....	6,564	8,247	7,982	9,021	10,293

The 1978 budget revisions for international affairs include:
 —increases for security supporting assistance to Middle East countries;
 —increases for international financial institutions; and
 —a shift in the start of proposed balance of payments assistance to Portugal from 1977 to 1978.

150: INTERNATIONAL AFFAIRS (in millions of dollars)—Continued

Subfunction and major program	1976 actual	1977 estimate		1978 estimate	
		January budget	Revised budget	January budget	Revised budget
OUTLAYS:					
Foreign economic and financial assistance:					
Security supporting assistance.....	601	1,457	1,524	1,431	1,786
Middle East special requirements fund.....	35	36	36	38	38
Indochina assistance.....	65	11	11	-----	-----
International financial institutions.....	902	868	868	1,059	1,059
International organizations.....	143	217	217	223	248
International fund for agricultural development.....	-----	2	2	12	12
Agency for International Development.....	1,001	1,187	1,187	1,206	1,206
Overseas Private Investment Corporation.....	-48	-35	-35	-8	-8
Inter-American Foundation.....	7	8	8	8	8
Sahel development program (proposed legislation).....	-----	-----	-----	5	5
Food for Peace.....	693	1,091	1,091	1,094	1,094
Migration and refugee assistance.....	42	51	58	39	44
Peace Corps.....	69	87	82	71	77
Other assistance.....	58	80	80	42	42
Subtotal.....	3,568	5,059	5,129	5,221	5,611
Conduct of foreign affairs:					
Administration of foreign affairs.....	411	614	621	685	690
International organizations and conferences.....	291	386	387	375	376
Other conduct of foreign affairs.....	24	30	30	31	31
Subtotal.....	726	1,030	1,038	1,091	1,096
Foreign information and exchange activities:					
Foreign information activities.....	317	326	326	342	342
Educational exchange activities.....	65	68	68	80	80
Subtotal.....	382	394	394	422	422
International financial programs:					
Export-Import Bank.....	856	899	899	964	964
Balance of payments loan for Portugal (proposed legislation).....	-----	300	-----	130	300
Offsetting receipts.....	-20	-20	-20	-20	-20
Subtotal.....	836	1,179	879	1,074	1,244
Deductions for offsetting receipts.....	-446	-512	-512	-527	-527
Total outlays.....	5,067	7,150	6,926	7,281	7,847

The revised request for 1978 budget authority is \$1.3 billion higher than that proposed in January, and outlays are estimated to be \$0.6 billion higher.

Foreign economic and financial assistance.—The revised budget authority request for 1978 security supporting assistance programs to Middle East countries is \$458 million higher than the January budget. This is partially offset by net decreases of \$30 million in other security supporting assistance programs. Outlays for security supporting assistance are estimated to increase over the January budget estimate by \$66 million in 1977 and by \$355 million in 1978 due to the requested program increases and reestimates of spendout levels of current programs.

For international financial institutions, a budget authority increase of \$631 million in 1978 is proposed for United States callable capital subscriptions to the World Bank and the Inter-American Development Bank. The January budget assumed that these subscriptions would not require appropriations, but it is now believed desirable to seek such appropriations. Because these funds would represent only guarantees for borrowing by these institutions, no outlays are estimated to occur.

The revised request also includes \$30 million in budget authority for increased voluntary contributions to the United Nations development program and to the United Nations university endowment fund. The proposed increase for migration and refugee assistance is to continue programs for Indochinese refugees in Southeast Asia. Proposed increases for the Peace Corps would support a level of volunteers commensurate with 1977 training capacity.

International financial programs.—The budget provides for United States participation in a multilateral, 3-year balance-of-payments loan program for Portugal. In the January budget the U.S. share was proposed to be \$300 million in 1977, \$130 million in 1978, and \$120 million in 1979. To allow time for negotiations among the participants, it is now proposed to initiate the program in 1978 with a \$300 million U.S. contribution. The second and third installments are also being deferred one year.

250: General Science, Space, and Technology

(In millions of dollars)

Subfunction and major program	1976 actual	1977 estimate		1978 estimate	
		January budget	Revised budget	January budget	Revised budget
BUDGET AUTHORITY:					
General science and basic research:					
National Science Foundation.....	717	779	779	889	889
Energy Research and Development Administration.....	320	372	372	429	429
Smithsonian Institution.....	2	2	2	2	2
Subtotal.....	1,039	1,153	1,153	1,320	1,320
Space flight.....	1,957	2,039	2,039	2,182	2,182
Space science, applications, and tech- nology.....	944	949	949	1,024	1,039
Supporting space activities.....	326	357	357	391	391
Deductions for offsetting receipts.....	-3	-2	-2	-2	-2
Total budget authority.....	4,262	4,496	4,496	4,915	4,930
OUTLAYS:					
General science and basic research:					
National Science Foundation.....	733	737	737	825	825
Energy Research and Development Administration.....	299	339	339	388	388
Smithsonian Institution.....	2	2	2	2	2
Subtotal.....	1,035	1,077	1,077	1,216	1,216
Space flight.....	2,000	2,044	2,071	2,156	2,156
Space science, applications, and tech- nology.....	980	960	960	974	986
Supporting space activities.....	358	354	354	381	381
Deductions for offsetting receipts.....	-3	-2	-2	-2	-2
Total outlays.....	4,370	4,434	4,461	4,725	4,737

The revised budget for general science, space, and technology reflects a \$27 million increase in 1977 for a rephrasing of outlay requirements for the space shuttle, and a \$12 million increase in 1978 outlays for space science and applications programs.

Budget authority proposed for 1978 increases by \$15 million. This increase includes \$5 million to initiate procurement of a complete backup satellite for Landsat-D, a second-generation Earth resources survey satellite. Estimated total cost of the backup satellite is \$60 million over 6 years. Also included is \$10 million for additional technical assessments of alternative Mars follow-on missions. The additional \$10 million will bring the total for these studies to \$15 million in 1978.

300: Natural Resources, Environment, and Energy

(In millions of dollars)

Subfunction and major program	1976 actual	1977 estimate		1978 estimate	
		January budget	Revised budget	January budget	Revised budget
BUDGET AUTHORITY:					
Water resources and power:					
Water resources development.....	3,104	3,665	3,672	3,691	3,437
Proposed legislation.....				8	
Power.....	9,862	-138	-138	-140	-134
Subtotal.....	12,966	3,528	3,534	3,558	3,302
Conservation and land management:					
Forest Service.....	800	1,052	1,052	1,110	1,124
Bureau of Land Management.....	253	293	297	324	325
Agriculture conservation programs.....	474	491	491	258	464
Proposed legislation.....				90	
Other, including offsetting receipts.....	-325	-439	-439	-394	-394
Subtotal.....	1,202	1,396	1,400	1,388	1,519
Recreational resources:					
Land and water conservation fund.....	347	588	588	630	630
Operation of recreation resources.....	528	1,491	658	756	900
Proposed legislation.....				10	10
Subtotal.....	875	2,079	1,245	1,396	1,540
Pollution control and abatement:					
Sewage plant construction grants.....		1,080	5,180		
Proposed legislation.....				4,500	4,500
Other pollution control.....	684	702	776	715	756
Subtotal.....	684	1,782	5,956	5,215	5,256
Energy:					
Energy Independence Authority (proposed legislation).....				42	
Storage, conservation, and resource development.....	1,062	1,831	1,855	2,984	4,397
Proposed legislation.....				-159	-159
Regulation.....	196	222	223	236	238
Research and development.....	2,183	3,188	3,188	3,994	3,902
Proposed legislation.....				295	300
Subtotal.....	3,441	5,240	5,265	7,392	8,678
Other natural resources.....	921	1,055	1,055	1,146	1,163
Deductions for offsetting receipts.....	-807	-800	-800	-997	-997
Total budget authority.....	19,283	14,279	17,655	19,098	20,462
OUTLAYS:					
Water resources and power:					
Water resources development.....	2,857	3,850	3,857	3,687	3,433
Proposed legislation.....				8	
Power.....	743	939	939	1,200	1,206
Subtotal.....	3,600	4,790	4,796	4,895	4,638

300: NATURAL RESOURCES, ENVIRONMENT, AND ENERGY

(In millions of dollars)—Continued

Subfunction and major program	1976 actual	1977 estimate		1978 estimate	
		January budget	Revised budget	January budget	Revised budget
OUTLAYS—Continued					
Conservation and land management:					
Forest Service.....	916	1,138	1,138	993	1,005
Bureau of Land Management.....	231	296	300	315	315
Agriculture conservation programs.....	432	481	481	441	497
Proposed legislation.....	-----	-----	-----	22	-----
Other, including offsetting receipts.....	-333	-452	-452	-402	-402
Subtotal.....	1,245	1,464	1,468	1,370	1,416
Recreational resources:					
Land and water conservation fund.....	276	458	502	523	504
Operation of recreation resources.....	619	779	782	848	928
Proposed legislation.....	-----	-----	-----	10	10
Subtotal.....	895	1,237	1,284	1,381	1,442
Pollution control and abatement:					
Sewage plant construction grants.....	2,429	4,430	4,430	4,970	5,140
Proposed legislation.....	-----	-----	-----	190	20
Other pollution control.....	638	766	780	753	820
Subtotal.....	3,067	5,196	5,210	5,913	5,980
Energy:					
Energy Independence Authority (proposed legislation).....	-----	-----	-----	42	-----
Storage, conservation, and resource development.....	520	1,256	1,272	2,558	3,469
Proposed legislation.....	-----	-39	-39	-120	-120
Regulation.....	175	222	223	229	232
Research and development.....	1,690	2,677	2,677	3,383	3,343
Proposed legislation.....	-----	-----	-----	3	3
Subtotal.....	2,385	4,115	4,133	6,094	6,926
Other natural resources.....	897	1,048	1,048	1,092	1,099
Deductions for offsetting receipts.....	-837	-800	-800	-997	-997
Total outlays.....	11,282	17,050	17,139	19,747	20,504

Proposed budget revisions in this function provide increased funding for environmental programs, and funds for upgrading national parks and wildlife refuges. Additional emphasis is placed on energy conservation programs, and development of petroleum storage reserves will be accelerated. Energy research and development will be reoriented to place more emphasis on technologies with nearer term impact.

Revised budget authority requests for this function are \$17.7 billion in 1977 and \$20.5 billion in 1978. These amounts represent increases of \$3.4 billion for 1977 and \$1.4 billion for 1978 over the January budget requests. Outlays are estimated to total \$17.1 billion in 1977 and \$20.5 billion in 1978—\$0.1 billion and \$0.8 billion higher, respectively, than the January figures.

Energy.—Budget revisions for energy emphasize energy conservation, petroleum storage, and decreased emphasis on long-term energy research and development, e.g., breeder reactors. The 1978 revised request increases budget authority \$1.3 billion and outlays \$0.8 billion over the January budget.

Proposed budget authority for energy conservation programs has been increased substantially over the January budget levels. These programs include initial funding for \$2 billion in loan guarantees to encourage energy conservation measures; accelerated implementation of weatherization assistance to provide insulation for low-income persons; grants so States can inform interested homeowners about ways to save energy; and development of an experimental energy extension service. Also included are grants to States to establish offices to represent consumers before utility regulatory commissions, and additional funds for developing a program requiring major appliances to have energy cost and efficiency information on their labels. Budget authority for energy conservation is proposed to increase by \$22 million in 1977 and \$244 million in 1978 over the January budget request. In 1978, \$160 million of the increase is for research and development, which includes funds to implement the Electric Vehicle Act.

The proposed acceleration in the petroleum storage program will provide earlier protection from possible future disruptions in world petroleum supplies. The revised budget requests an increase in 1978 of \$1.3 billion in budget authority and \$858 million in outlays. This will allow the Federal Energy Administration to attempt to store 250 million barrels of petroleum by December 1978, 100 million more than

required by law and proposed in the January budget. It will also allow the Federal Energy Administration to store about 500 million barrels by December 1980, 2 years earlier than previously planned.

Proposed reductions in nuclear research and development efforts total \$304 million in 1978. This includes a \$199 million decrease in budget authority for the liquid metal fast breeder reactor, which will reduce the program below the 1977 level of \$686 million, pending a reevaluation of the current program. It also includes an \$80 million reduction in fusion energy research and development. Smaller reductions in uranium enrichment result primarily from engineering and construction delays. Budget authority for fossil energy research and development is proposed to increase \$42 million in 1978 to demonstrate enhanced oil and gas recovery techniques and currently available coal conversion technologies.

Other revisions affecting energy programs include increases to maintain staffing levels for petroleum product pricing and allocation programs. Authorization is also being proposed to permit the Nuclear Regulatory Commission to fund qualified public intervenors in the pending rulemaking proceedings regarding the use of plutonium to fuel nuclear reactors.

No changes are proposed at this time in the overall level of funding for programs associated with the nuclear fuel cycle and nuclear nonproliferation pending the completion of the nonproliferation policy review now underway.

Natural resources and environment.—Budget authority of \$5.2 billion for 1977 is proposed for sewage plant construction grants of the Environmental Protection Agency. Budget authority for 1978 will be requested after congressional action on pending program reform legislation has been completed. Proposed budget authority for grants to States for environmental control and for comprehensive areawide planning is increased by more than \$80 million. Regulatory functions of the Environmental Protection Agency are proposed to be strengthened by the addition of 600 employees over the 1976 level.

Budget authority for water resources development projects is reduced by \$268 million below the January budget request for 1978. The administration is reviewing projects that may be environmentally or economically unsound or potentially hazardous. Pending completion of review, 1978 appropriation requests for 18 projects are deleted from this budget. Proposals on water policy reform and recommendations as to the future course of affected projects, along with appropriate budget amendments, will be made on completion of this review.

Increased budget authority is recommended for the Youth Conservation Corps to restore the 1977 current services level of \$30 million. This will permit the Federal Government to provide short-term employment opportunities on public lands for approximately 20,000 youths between the ages of 15 and 18. Increased budget authority is also recommended to restore the agricultural conservation program and the great plains conservation program to the 1977 current services level of \$212 million. These programs will be reviewed during the coming year with the objective of improving their contribution to the conservation of our Nation's land and water resources.

The January budget request for an immediate lump-sum appropriation for a 10-year program to upgrade parks and wildlife refuges is being replaced with a program to provide a similar annual level of resources over a 5-year period. Thus, outlays for recreation, parks and wildlife programs are estimated to be \$47 million above the January budget estimate for 1977 and \$61 million higher for 1978.

350: Agriculture

(In millions of dollars)

Subfunction and major program	1976 actual	1977 estimate		1978 estimate	
		January budget	Revised budget	January budget	Revised budget
BUDGET AUTHORITY:					
Farm income stabilization:					
Price-support and related programs	2,750	189	189	1,234	1,234
Long-term land retirement programs	42				
National Wool Act	27	47	47	12	12
Federal Crop Insurance Corporation	12	52	102	12	12
Agricultural credit insurance fund	169	141	141	165	165
Administrative expenses and other	158	161	161	164	164
Subtotal	3,158	591	641	1,588	1,588
Agricultural research and services:					
Research programs	406	420	420	465	465
Extension programs	229	241	241	242	242
Consumer protection, marketing and regulation	253	300	300	311	311
Economic intelligence	94	107	107	113	113
Other	57	60	60	61	61
Offsetting receipts	-48	-49	-49	-49	-49
Subtotal	991	1,079	1,079	1,144	1,144
Deductions for offsetting receipts	7	-2	-2	-3	-3
Total budget authority	4,157	1,668	1,718	2,729	2,729
OUTLAYS:					
Farm income stabilization:					
Price-support and related programs	1,014	1,820	1,820	864	864
Long-term land retirement programs	37	21	21		
National Wool Act	45	12	12	3	3
Sugar Act	10	*	*		
Federal Crop Insurance Corporation	15	74	74	19	19
Agricultural credit insurance fund	296	-314	-314	142	142
Administrative expenses and other	155	159	159	161	161
Subtotal	1,574	1,773	1,773	1,188	1,188
Agricultural research and services:					
Research programs	352	458	458	463	463
Extension programs	218	241	241	243	243
Consumer protection, marketing and regulation	256	310	310	316	316
Economic intelligence	91	108	108	114	114
Other	53	60	60	60	60
Offsetting receipts	-48	-49	-49	-49	-49
Subtotal	921	1,128	1,128	1,147	1,147
Deductions for offsetting receipts	7	-2	-2	-3	-3
Total outlays	2,502	2,899	2,899	2,333	2,333

The only change now proposed for agriculture programs is a \$50 million increase in 1977 budget authority. Legislation will be proposed to raise the capital stock of the Federal Crop Insurance Corporation by \$50 million. This will assure sufficient funds to cover possible crop losses that might occur due to continued poor weather.

Major elements of farm program legislation will expire this year, and the administration is preparing proposals for agriculture programs for transmittal to the Congress in March. No estimates of the cost of these proposals are available.

400: Commerce and Transportation

(In millions of dollars)

Subfunction and major program	1976 actual	1977 estimate		1978 estimate	
		January budget	Revised budget	January budget	Revised budget
BUDGET AUTHORITY:					
Mortgage credit and thrift insurance:					
HUD—mortgage insurance and related programs.....	6,275	1,027	1,027	1,125	1,125
Agriculture—rural housing programs..	138	192	192	328	335
Subtotal.....	6,413	1,219	1,219	1,453	1,460
Postal Service.....	1,708	2,272	2,272	1,472	1,696
Other advancement and regulation of commerce:					
Technology utilization.....	162	175	175	184	178
Economic and demographic statistics..	93	113	113	136	136
Payroll tax credit (proposed legisla- tion).....					166
Small business assistance.....	318	632	692	603	603
Other.....	306	342	342	347	351
Subtotal.....	879	1,262	1,322	1,270	1,434
Ground transportation:					
Highway improvement and construc- tion.....	5,050	3,667	3,667	6,993	7,052
Traffic and highway safety.....	124	91	91	236	236
Mass transit.....	1,046	571	571	492	492
Railroads.....	1,610	1,093	1,093	1,828	2,216
Proposed legislation.....		-70	-70	-100	-275
Regulation.....	67	62	62	62	62
Subtotal.....	7,898	5,414	5,414	9,511	9,783
Air transportation:					
Airways and airports.....	1,948	2,588	2,588	2,736	2,736
Proposed legislation.....				-3	-3
Air carrier subsidies.....	64	77	77	70	70
Aeronautical research and technology..	325	379	379	423	423
Subtotal.....	2,337	3,043	3,043	3,226	3,226
Water transportation:					
Coast Guard.....	1,093	1,286	1,286	1,336	1,337
Proposed legislation.....				-1	-1
Shipping.....	539	438	438	404	556
Subtotal.....	1,631	1,724	1,724	1,740	1,892
Other transportation.....	74	81	81	90	90
Deductions for offsetting receipts.....	-52	-43	-43	-67	-67
Total budget authority.....	20,890	14,974	15,034	18,694	19,514

400: COMMERCE AND TRANSPORTATION (in millions of dollars)—Con.

Subfunction and major program	1976 actual budget	1977 estimate		1978 estimate	
		January budget	Revised budget	January budget	Revised budget
OUTLAYS:					
Mortgage credit and thrift insurance:					
HUD—mortgage insurance and related programs.....	1,799	647	647	635	635
Agriculture—rural housing programs.....	7	—429	—429	415	416
Federal Deposit Insurance Corporation.....	—478	—861	—861	—379	—379
Federal Home Loan Bank Board and other.....	—99	—1,447	—1,826	—455	—431
Subtotal.....	1,229	—2,090	—2,469	217	241
Postal Service.....	1,720	2,272	2,272	1,472	1,696
Other advancement and regulation of commerce:					
Technology utilization.....	166	181	181	183	178
Economic and demographic statistics.....	86	113	113	130	130
Payroll tax credit (proposed legislation).....					166
Small business assistance.....	307	393	435	430	448
Other.....	308	349	349	350	354
Subtotal.....	867	1,036	1,078	1,094	1,276
Ground transportation:					
Highway improvement and construction.....	6,477	6,069	6,069	7,162	7,324
Traffic and highway safety.....	151	182	182	224	224
Mass transit.....	1,492	2,146	2,146	2,404	2,414
Proposed legislation.....				—100	—60
Railroads.....	1,132	1,661	1,661	1,545	1,718
Regulation.....	52	61	61	63	63
Subtotal.....	9,305	10,119	10,119	11,298	11,683
Air transportation:					
Airways and airports.....	2,153	2,417	2,417	2,732	2,747
Proposed legislation.....				—3	—3
Air carrier subsidies.....	71	77	77	69	69
Aeronautical research and technology.....	333	349	349	392	392
Subtotal.....	2,557	2,843	2,843	3,190	3,205
Water transportation:					
Coast Guard.....	1,007	1,203	1,203	1,331	1,332
Proposed legislation.....				—1	—1
Shipping.....	551	682	682	634	645
Subtotal.....	1,558	1,885	1,885	1,964	1,976
Other transportation.....	65	83	83	85	85
Deductions for offsetting receipts.....	—52	—43	—43	—67	—67
Total outlays.....	17,248	16,106	15,769	19,252	20,093

Outlays for commerce and transportation programs are now estimated to be \$15.8 billion in 1977 and \$20.1 billion in 1978. These amounts are \$0.3 billion lower and \$0.8 bil-

lion higher than the January budget estimates for 1977 and 1978, respectively.

Transportation.—Major increases to the January budget are proposed for transportation programs. Outlays for highway improvement and construction are estimated to be \$162 million above the January budget estimates for 1978. The revised 1978 highway obligation level includes \$7.5 billion for Federal-aid highways and off-system railway-highway crossings. This new obligation level is \$1.0 billion above the January budget request for 1978 and essentially reflects the levels enacted for 1976 and 1977. The 1978 funding level for the off-system railway-highway crossing program is increased by \$50 million.

The revised budget requests an additional \$50 million in outlays for mass transit programs in 1978. The revised budget does not request the mandatory ceiling on formula grant operating subsidies that was included in the January budget. This increases the amounts available for transit operating subsidies. In addition, an increase of \$100 million in the obligation ceiling is provided to expand grants for bus purchases and rail transit improvements by local jurisdictions in 1978.

Outlays for Federal assistance to the railroads are estimated to increase by \$173 million over the January budget estimate for 1978. Of this increase, \$135 million is for the purchase of redeemable preference shares, a form of nonvoting preferred stock that the Government can buy from the railroads. In addition to this increase, the policy of placing highest priority on mergers and consolidations for use of funds from these shares is also being modified. The Department of Transportation is in the process of developing a new policy for use of the redeemable preference shares. Outlays for aid to Amtrak are increased by \$38 million from the January budget for 1978. This increase lowers the possibility of sharp reductions of service and provides a higher level of capital investment than assumed in the January budget estimates.

Outlays for air transportation are estimated to be \$15 million above the January budget estimate for 1978 as a

result of a \$75 million increase in discretionary contract authority for grants-in-aid to airports.

Outlays for water transportation have been increased to enhance the Cost Guard's capability to help prevent tanker accidents and related oilspills; and to provide an additional \$11 million in outlays and \$152 million in budget authority for U.S.-flag ship operating and construction subsidies. In addition, a task force has been established to review measures to reduce the potential for oilspills.

Housing and mortgage credit.—The 1978 estimates for agricultural housing programs reflect the restoration of farm labor housing grants to the 1977 enacted level.

Budget outlays for the Federal Home Loan Bank Board are estimated to be \$379 million below the January estimates for 1977. This reflects the repayment of the loan made to the Federal Home Loan Mortgage Corporation in 1975 to finance the forward commitment program. Prepayment of the loan, which is due in 2005, was not anticipated in the January budget. As a result, 1978 outlays are estimated to be \$23 million higher, reflecting lower offsetting receipts.

Aids to business.—As part of the economic stimulus package, the budget reflects legislation to allow businesses to take a credit against income taxes equal to 4% of payroll taxes paid for social security (FICA) and 2% of railroad retirement and self-employment taxes. Payments in excess of tax liability are treated as outlays. Such payments in 1978 are estimated at \$166 million.

The proposed rescission in the January budget to reduce the Small Business Administration's 7(a) regular business direct loan program by \$60 million is being withdrawn. The outlay estimates for 1977 and 1978 reflect the full commitment of these loan funds in 1977.

Postal Service.—Proposed payments to the Postal Service fund for 1978 amount to \$1.7 billion, an increase of \$223 million over the January budget request. This increase reflects a decision to provide funds to cover the cost of the extended phasing in of full cost recovery of mail rates for certain second, third, and fourth class mail users.

450: Community and Regional Development

(In millions of dollars)

Subfunction and major program	1976 actual	1977 estimate		1978 estimate	
		January budget	Revised budget	January budget	Revised budget
BUDGET AUTHORITY:					
Community development:					
Dept. of Housing and Urban Development:					
Community development block grants.....	1,838	3,448	3,248	3,500	4,000
Expiring categorical programs.....	2	3	3	13	13
Research and planning.....	128	118	118	85	122
Other community development.....	778	291	291	214	218
Dept. of Agric.: Water and sewer grants.....	250	200	200	50	200
District of Columbia.....	211	102	102	161	161
ACTION.....	103	109	109	95	117
Community Services Administration.....	520	512	512	398	442
Pennsylvania Avenue Development.....	1	30	30	21	21
Other.....	11	20	20	16	16
Subtotal.....	3,842	4,833	4,633	4,554	5,311
Area and regional development:					
Department of Agriculture.....	318	365	365	352	352
Department of Commerce:					
Local public works.....		2,000	4,000	3	2,000
Coastal energy impact.....		110	110	143	143
Other.....	514	490	490	317	440
Indian programs.....	637	736	736	778	778
Appalachian programs.....	316	124	124	304	304
Other programs.....	1	1	1	1	1
Offsetting receipts.....	-239	-277	-277	-277	-277
Subtotal.....	1,546	3,548	5,548	1,622	3,742
Disaster relief and insurance:					
Dept. of Housing and Urban Development: Flood insurance and other.....	75	82	82	118	118
Disaster relief.....	150	200	300	150	150
Small Business Administration disaster loans.....	100	90	90	20	20
Department of Agriculture.....	10	10	10	10	10
Subtotal.....	335	383	483	298	298
Deductions for offsetting receipts.....	-15	-33	-33	-39	-39
Total budget authority.....	5,708	8,731	10,631	6,434	9,312

450: COMMUNITY AND REGIONAL DEVELOPMENT

(in millions of dollars)—Continued

Subfunction and major program	1976 actual	1977 estimate		1978 estimate	
		January budget	Revised budget	January budget	Revised budget
OUTLAYS:					
Community development:					
Dept. of Housing and Urban Development:					
Community development block grants.....	983	2,262	2,250	3,112	3,052
Expiring categorical programs.....	1,451	1,169	1,169	691	703
Research and planning.....	148	159	159	123	130
Other community development.....	159	279	285	218	265
Dept. of Agric.: Water and sewer grants.....	75	163	163	199	214
District of Columbia.....	116	176	176	176	176
ACTION.....	108	110	110	97	115
Community Services Administration.....	462	528	528	448	493
Pennsylvania Avenue Development.....	1	24	24	26	26
Other.....	24	22	22	22	22
Subtotal.....	3,527	4,892	4,887	5,112	5,195
Area and regional development:					
Department of Agriculture.....	238	247	247	301	301
Department of Commerce:					
Local public works.....		800	1,000	803	2,800
Coastal energy impact.....		51	51	80	80
Other.....	378	396	396	386	414
Indian programs.....	564	687	687	712	712
Appalachian programs.....	325	334	334	332	332
Other programs.....	1	1	1	1	1
Offsetting receipts.....	-239	-277	-277	-277	-277
Subtotal.....	1,266	2,240	2,440	2,339	4,364
Disaster relief and insurance:					
Dept. of Housing and Urban Development: Flood insurance and other.....	90	173	173	211	211
Disaster relief.....	291	300	400	150	150
Small Business Administration disaster loans.....	129	108	108	81	81
Department of Agriculture.....	11	15	15	15	15
Subtotal.....	522	596	696	457	457
Deductions for offsetting receipts.....	-15	-33	-33	-39	-39
Total outlays.....	5,300	7,695	7,989	7,868	9,976

The budget revisions for community and regional development programs reflect the administration's economic stimulus efforts, the restoration of budget cuts, aid to hard-pressed State and local governments, and increases for high-priority items not proposed in the January budget. These revisions increase budget authority by \$1.9 billion to \$10.6 billion in 1977 and by \$2.9 billion to \$9.3 billion in 1978 over levels sought in the January budget. Most of these increases are for grants to States and localities. Outlay estimates reflect the rate at which recipient governments are expected to draw down funds, and increase by \$0.3 billion in 1977 and \$2.1 billion in 1978.

The administration's economic stimulus program calls for a major increase in funding to States and local governments for the local public works program administered by the Economic Development Administration. Additional budget authority of \$4.0 billion—\$2.0 billion for both 1977 and 1978—supplements the \$2.0 billion previously appropriated for 1977. Outlays resulting from this additional budget authority are estimated to be \$200 million in 1977 and \$2.0 billion in 1978.

The restoration of budget cuts for the Economic Development Administration increases budget authority by \$101 million in 1978 and outlays by \$5 million.

The administration's proposed increase of \$500 million in budget authority for 1978 in the community development block grant program represents a major new initiative. Of this increase, \$400 million is to fund a new urban development action grant that targets funds to distressed localities for specific community development programs aimed at neighborhood preservation and economic revitalization.

The restoration of budget cuts increases budget authority for other community development programs by \$257 million in 1978. This includes \$150 million for water and sewer programs in the Department of Agriculture, \$21 million for ACTION, and \$44 million for the Community Services Administration. The increase for the Community Services Administration primarily restores funding for the senior opportunities and services program, community food and nutrition program, and State economic opportunity offices.

500: Education, Training, Employment, and Social Services

(In millions of dollars)

Subfunction and major program	1976 actual	1977 estimate		1978 estimate	
		January budget	Revised budget	January budget	Revised budget
BUDGET AUTHORITY:					
Elementary, secondary, and vocational education:					
Financial Assistance Act (proposed legislation) ¹				3,776	
Aid to education agencies.....	4,587	5,686	5,686	4,763	5,271
Proposed legislation ¹				-3,621	
Child development.....	502	524	524	525	537
Subtotal.....	5,089	6,209	6,209	5,443	5,808
Higher education:					
Student aid and institutional support ..	3,561	2,842	3,267	2,657	3,589
Special institutions.....	119	143	143	160	160
Subtotal.....	3,680	2,985	3,409	2,816	3,749
Research and general education aids:					
Educational research.....	91	113	113	135	138
Cultural activities.....	359	468	468	522	524
Other.....	316	544	553	571	598
Proposed legislation ¹				-154	
Subtotal.....	765	1,125	1,134	1,074	1,260
Training and employment:					
Public service employment.....	3,225	2,784	3,703	400	5,871
General training and employment program activities.....	2,671	3,074	4,581	2,838	4,256
Work incentive program.....	400	370	370	365	365
Proposed legislation.....				-21	
Job opportunities program.....	374				
Federal-State employment service.....	594	636	636	693	693
Subtotal.....	7,264	6,864	9,290	4,275	11,186
Other labor services	329	383	386	420	426
Social services:					
Grants to States for social services....	2,833	2,730	2,730	2,542	2,542
Proposed legislation.....					200
Allied Services (proposed legislation) ..		20	20	20	20
Other social services.....	1,262	1,450	1,450	1,456	1,495
Proposed legislation ²				-73	
Subtotal.....	4,095	4,200	4,200	3,945	4,257
Deductions for offsetting receipts	-5	-5	-5	-6	-6
Total budget authority	21,217	21,762	24,624	17,967	26,679

See footnotes at end of table.

500: EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES
(in millions of dollars)—Continued

Subfunction and major program	1976 actual	1977 estimate		1978 estimate	
		January budget	Revised budget	January budget	Revised budget
OUTLAYS:					
Elementary, secondary, and vocational education:					
Financial Assistance Act (proposed legislation) ¹				336	
Aid to education agencies.....	4,190	4,712	4,712	4,955	4,994
Proposed legislation ¹				-322	
Child development.....	500	513	513	525	532
Subtotal.....	4,690	5,225	5,225	5,494	5,526
Higher education:					
Student aid and institutional support.....	2,537	3,283	3,322	2,768	3,209
Special institutions.....	126	152	152	166	166
Subtotal.....	2,663	3,434	3,474	2,934	3,375
Research and general education aids:					
Educational research.....	80	111	111	118	119
Cultural activities.....	332	529	529	577	578
Other.....	362	460	460	512	526
Proposed legislation ¹				-14	
Subtotal.....	774	1,100	1,100	1,193	1,223
Training and employment:					
Public service employment.....	2,431	2,758	3,473	1,400	5,888
General training and employment program activities.....	2,732	2,955	3,283	2,912	4,747
Work incentive program.....	307	365	365	365	365
Proposed legislation.....				-21	
Job opportunities program.....	269	129	129		
Federal-State employment service.....	547	636	636	693	693
Subtotal.....	6,288	6,842	7,886	5,349	11,693
Other labor services	301	380	382	415	421
Social services:					
Grants to States for social services.....	2,258	2,730	2,730	2,542	2,542
Proposed legislation.....					200
Allied services (proposed legislation).....		5	5	20	20
Other social services.....	1,197	1,402	1,402	1,464	1,479
Proposed legislation ²				-48	
Subtotal.....	3,456	4,138	4,138	3,977	4,241
Deductions for offsetting receipts	-5	-5	-5	-6	-6
Total outlays	18,167	21,114	22,199	19,358	26,473

¹ Financial Assistance for Elementary and Secondary Education Act.

² Financial Assistance for Health Care Act.

The revised budget calls for substantial increases in these programs to assist individuals to become self-supporting members of society and to promote the general extension of skills and knowledge. Outlays for this function are now expected to be \$22.2 billion in 1977 and \$26.5 billion in 1978. Outlays are \$1.1 billion higher in 1977 and \$7.1 billion higher in 1978 than the January budget requests.

Employment and training.—The largest outlay increases in this function over the January budget level are \$1.0 billion in 1977 and \$6.3 billion in 1978 for employment and training, for which total outlays are now estimated to reach \$7.9 billion in 1977 and \$11.7 billion in 1978.

As part of the economic stimulus package, these programs will be temporarily expanded to help unemployed workers who will find it difficult to find a job even as the private economy expands. The number of federally funded public service jobs is proposed to increase from the current level of 310,000 to 600,000 by the end of 1977 and 725,000 during 1978. These changes increase the January outlay estimates for public service jobs by \$715 million for 1977 and \$4.5 billion for 1978. Outlays for other training and employment programs will be expanded by \$328 million in 1977 and \$1.6 billion in 1978 to provide skills and work opportunities for those of the unemployed who most need help, including youth and Vietnam-era veterans. Other 1978 outlay increases of \$0.2 billion will restore programs to the 1977 level.

Education.—The budget also requests substantial additions for education programs of \$1.5 billion in budget authority for 1978, bringing the total request to \$10.8 billion. Outlays for education are now estimated to total \$10.1 billion in 1978, \$503 million above the January estimate. The revised budget does not propose consolidation of education programs into a block grant.

Budget authority for elementary, secondary, and vocational education, for 1978 is increased by \$365 million. The revised request for elementary and secondary education emphasizes increased assistance to the disadvantaged and

the handicapped, including an additional \$350 million in 1978 budget authority for Title I of the Elementary and Secondary Education Act, which provides services for the education of the disadvantaged. The budget revisions also increase the requests for bilingual education, emergency school aid, and education of the handicapped.

The revised budget supports reform of the impact aid program as previously recommended. This would limit Federal aid to those districts where Federal activities impose a real economic burden on school systems.

For higher education, budget authority increases of \$424 million in 1977 and \$933 million in 1978 are requested. The resulting outlay increases are \$39 million and \$441 million for the 2 years respectively. The revised request includes additional budget authority of \$472 million in 1978 for the basic opportunity grant program in order to increase the maximum award from \$1,400 to \$1,600. This would help an additional 500,000 undergraduates attend college. An additional \$140 million for budget authority for work-study is also provided in order to increase the number of student jobs by more than 30,000.

Social services.—Budget authority and outlays for grants to States for social services are increased by \$200 million over the January estimates for 1978 to provide for child day care services under Title XX of the Social Security Act. Added resources are also proposed for aging programs to improve the provision of rehabilitation services to the disabled, to study problems in youth development, and to hold a White House Conference on the Family.

550: Health

(In millions of dollars)

Subfunction and major program	1976 actual	1977 estimate		1978 estimate	
		January budget	Revised budget	January budget	Revised budget
BUDGET AUTHORITY:					
Health care services:					
Medicare.....	18,524	22,993	22,960	28,659	28,674
Cost control (proposed legislation).....		5		-76	-10
Other (proposed legislation).....			-39		36
Medicaid.....	8,510	10,229	10,229	11,816	11,816
Cost control (proposed legislation).....					-134
Child health (proposed legislation).....					180
Other (proposed legislation) ¹				-11,816	
Other health care services.....	2,179	2,485	2,491	2,312	2,639
Proposed legislation ¹				-1,162	
Subtotal.....	29,214	35,712	35,641	29,733	43,201
Health research and education.....	2,981	3,188	3,209	2,439	3,148
Prevention and control of health problems:					
Existing law.....	1,087	1,069	1,070	951	1,117
Proposed legislation ¹				-79	
Subtotal.....	1,087	1,069	1,070	871	1,117
Health planning and construction:					
Existing law.....	376	393	395	1,365	388
Proposed legislation ¹				-157	
Subtotal.....	376	393	395	1,208	388
General health financing assistance:					
Proposed legislation ¹				13,172	
Deductions for offsetting receipts.....	-8	-8	-8	-8	-8
Total budget authority.....	33,649	40,354	40,307	47,416	47,847
OUTLAYS:					
Health care services:					
Medicare.....	17,779	21,991	21,991	26,081	26,081
Cost control (proposed legislation).....		-218		-1,784	-695
Other (proposed legislation).....			5		25
Medicaid.....	8,568	10,229	10,229	11,816	11,816
Cost control (proposed legislation).....					-134
Child health (proposed legislation).....					180
Other (proposed legislation) ¹				-11,816	
Other health care services.....	2,308	2,451	2,457	2,187	2,448
Proposed legislation ¹				-463	
Subtotal.....	28,655	34,454	34,682	26,020	39,721
Health research and education.....	3,086	2,762	2,784	2,623	3,150
Prevention and control of health problems:					
Existing law.....	963	1,096	1,098	971	1,117
Proposed legislation ¹				-26	
Subtotal.....	963	1,096	1,098	945	1,117

See footnote at end of table.

550: HEALTH (in millions of dollars)—Continued

Subfunction and major program	1976 actual	1977 estimate		1978 estimate	
		January budget	Revised budget	January budget	Revised budget
OUTLAYS—Continued					
Health planning and construction:					
Existing law	752	947	949	1,386	505
Proposed legislation ¹				-64	
Subtotal	752	947	949	1,322	505
General health financing assistance:					
Proposed legislation ¹				12,302	
Deductions for offsetting receipts	-8	-8	-8	-8	-8
Total outlays	33,448	39,251	39,505	43,205	44,485

¹ Financial Assistance for Health Care Act.

Major new health initiatives proposed in the revised 1978 budget include a nationwide program to hold down the rate of inflation in hospital costs and an \$180 million program of improvements in comprehensive health care for children in low-income families under medicaid. In addition, a new program of \$6 million in budget authority is being proposed to provide immunizations, particularly for disadvantaged children in rural areas. Other proposed increases in 1978 budget authority include \$147 million for training health personnel, \$49 million for health services, and \$13 million for health research. The revised 1978 budget does not propose consolidation of medicaid and other categorical health programs into a health block grant. Consolidated funding for biomedical research and for health agencies' salaries and expenses accounts is also not proposed in the revised 1978 budget. Thus, the bulk of the budget authority increases of \$328 million in other health care services, \$709 million in health research and education, \$166 million in disease prevention, as well as the decrease of \$977 million in health planning, reflects the reallocation of agencies salaries and expenses back into the individual health agency accounts.

Outlays for health are now estimated to total \$39.5 billion in 1977 and \$44.5 billion in 1978. These amounts are \$254 million and \$1.3 billion above the respective estimates in the January budget. Revisions in medicare proposals account for \$1.1 billion of the change in 1978 outlays.

Medicare and medicaid. --National health spending per person has more than tripled during the last decade, from \$212 in 1966 to \$638 in 1976. Total national health expenditures grew from \$42.1 billion to \$139.3 billion during the same period. The availability and use of new medical services account in part for rising spending. Nevertheless, much of the increase has resulted from health cost inflation. Without cost restraints, Federal spending for medicare and medicaid alone would climb 75% between 1978 and 1982, from \$38 billion to \$66 billion.

To curb further health inflation, the revised 1978 budget reflects proposed legislation to allow the Federal Government to limit increases in reimbursements to hospitals paid by medicare, medicaid, State and local governments, insurance companies, and private individuals. Assuming a 9% limit on such increases and up to 1% for exceptions, the proposal would result in outlays savings of \$695 million for medicare, \$134 million for medicaid, and \$1.6 billion for other payors in 1978. The Secretary of Health, Education, and Welfare would establish the precise limits after consultation with the States, health and insurance industries, purchasers, and consumers of health services.

Another major initiative would improve medicaid by establishing a new program to screen all children from low-income families for medical problems and, when necessary to provide followup treatment. The number of eligible children would be increased from about 12 million to about 14 million. A 75% Federal match is designed to give those States currently receiving Federal matching payments below 75% a greater incentive to undertake the new program.

The revised 1978 budget also proposes medicare program improvements to benefit 26 million medicare beneficiaries. The monthly premium for supplementary medical insurance for physician and other outpatient services would remain at \$7.20 through September 1978 rather than being increased to

\$7.70 on July 1, 1977 and to an estimated \$8.10 on July 1, 1978. In the future, premiums for supplementary medical insurance would be adjusted effective October 1. This would reduce previous estimates of payments by the elderly for medicare premiums by \$37 million in 1977 and \$182 million in 1978. Federal payments of the same amounts in 1977 and 1978 from general revenues will make up for reduced premium payments by the elderly. Proposed medicare legislation, with estimated outlays of \$25 million in 1978, would promote the availability of primary and rural health care by extending cost reimbursement to nurse practitioners and physician assistants practicing in rural health clinics.

Health research and education.—An additional \$101 million in 1978 budget authority is requested for health professions education training programs. The revised budget request would provide a total of \$307 million in budget authority primarily for the Health Professions Education Assistance Act of 1976. This will allow Federal capitation grants of \$1,350 for each medical, osteopathic, and dental student, an increase of \$5 million for a total of \$40 million in budget authority for service commitment scholarships, and \$106 million in budget authority for special project grants and contracts. These programs are designed to improve geographic and specialty distribution of physicians and dentists.

An increase of \$46 million in budget authority for mental health, alcohol, and drug abuse training activities is requested to support training programs in institutions, as well as research, demonstration, and technical assistance to the States.

Other health initiatives.—An increase of \$35 million in budget authority is requested in 1978 to provide further alternatives to abortion through expanded Federal support for family planning, community health centers, sex education, population research, and foster child care research and demonstrations.

600: Income Security

(In millions of dollars)

Subfunction and major program	1976 actual	1977 estimate		1978 estimate	
		January budget	Revised budget	January budget	Revised budget
BUDGET AUTHORITY:					
General retirement and disability insurance:					
Social security (OASDI).....	69,444	79,686	79,509	87,221	87,327
Proposed legislation.....				1,374	65
Railroad retirement.....	3,235	3,664	3,664	3,907	3,907
Proposed legislation.....				12	
Special benefits for disabled coal miners.....	1,022	992	992	995	995
\$50 payments to certain social insurance recipients (proposed legislation).....			1,810		
Other.....	4	4	4	4	4
Subtotal.....	73,705	84,345	85,978	93,513	92,298
Federal employee retirement and disability.....	13,470	16,916	16,916	16,888	16,888
Unemployment insurance.....	13,233	17,162	16,513	15,961	15,060
Public assistance and other income supplements:					
Supplemental security income.....	5,529	5,895	5,895	5,750	5,750
AFDC and other.....	5,898	6,306	6,306	6,606	6,606
Proposed legislation.....				-63	-50
Housing assistance.....	19,405	15,517	31,067	24,598	33,536
Food stamps.....	5,196	4,786	5,506	5,627	5,627
Proposed legislation.....				-882	
School lunch and other nutrition programs.....	2,540	3,369	3,369	2,742	2,973
Proposed legislation.....				-787	
Earned income credit payments.....	808	856	856	835	835
Proposed legislation.....				-835	70
\$50 payments to certain individuals (proposed legislation).....			1,363		
Refugee assistance.....	85	132	132	58	68
Other.....	151	156	183	176	183
Subtotal.....	39,613	37,017	54,678	43,825	55,597
Deductions for offsetting receipts.....	-1	-*	-*	-*	-*
Total budget authority.....	140,019	155,440	174,085	170,186	179,843
OUTLAYS:					
General retirement and disability insurance:					
Social security (OASDI).....	72,664	83,393	83,393	91,795	91,795
Proposed legislation.....		-43	-35	-998	-777
Railroad retirement.....	3,475	3,727	3,727	3,896	3,896
Special benefits for disabled coal miners.....	1,012	982	982	993	993
\$50 payments to certain social insurance recipients (proposed legislation).....			1,810		
Other.....	21	3	3	4	4
Subtotal.....	77,173	88,062	89,880	95,689	95,910
Federal employee retirement and disability.....	8,174	9,662	9,662	11,094	11,094

600: INCOME SECURITY (in millions of dollars)—Continued

Subfunction and major program	1976 actual	1977 estimate		1978 estimate	
		January budget	Revised budget	January budget	Revised budget
OUTLAYS—Continued					
Unemployment insurance:					
Existing law.....	19,452	16,380	15,370	13,861	12,710
Proposed extension of Federal supplemental benefits.....	-----	-----	500	-----	400
Subtotal.....	19,452	16,380	15,870	13,861	13,110
Public assistance and other income supplements:					
Supplemental security income.....	5,060	5,369	5,369	5,714	5,714
AFDC and other.....	5,849	6,306	6,306	6,606	6,606
Proposed legislation.....	-----	-----	-----	-63	-50
Housing assistance.....	2,493	2,952	2,989	3,711	3,841
Food stamps.....	5,632	4,754	5,474	5,594	5,594
Proposed legislation.....	-----	-----	-----	-882	-----
School lunch and other nutrition programs.....	2,327	3,385	3,385	3,328	3,559
Proposed legislation.....	-----	-----	-----	-1,012	-----
Earned income credit payments.....	808	856	856	835	835
Proposed legislation.....	-----	-----	-----	-835	70
\$50 payments to certain individuals (proposed legislation).....	-----	-----	1,363	-----	-----
Refugee assistance.....	343	225	225	78	87
Other.....	96	166	193	174	180
Subtotal.....	22,609	24,014	26,161	23,249	26,435
Deductions for offsetting receipts.....	-1	—*	—*	—*	—*
Total outlays.....	127,406	138,118	141,573	143,892	146,549

*\$50,000 or less.

The revised budget proposals for income security programs reflect:

- the administration's proposed cash payments that are part of the economic stimulus package;
- revisions in the social security reforms proposed in the January budget and withdrawal of the proposed increase in social security tax rates beyond that provided for in existing law;
- extension of Federal supplemental unemployment benefits in modified form;
- withdrawal of the child nutrition block grant and food stamp proposals in the January budget that would have reduced outlays;

- significantly increased funding for housing assistance;
- withdrawal of the proposal to repeal the earned income credit in 1978; and
- phaseout of the Cuban refugee program.

The changes proposed for income security programs increase outlays by \$4.5 billion in 1977 and \$3.8 billion in 1978. These increases are partly offset by downward re-estimates in unemployment benefits under existing law, which are now expected to be \$1.0 billion below the January estimates for 1977 and \$1.2 billion lower in 1978.

Stimulus proposals.—Outlays in 1977 are increased \$3.2 billion by the President's economic stimulus proposal to make \$50 payments to:

- social security, supplemental security income, and railroad retirement recipients (\$1.8 billion); and
- recipients of the earned income credit and certain other persons with earned income but limited tax liability (\$1.4 billion).

Social security.—The January budget included a variety of social security proposals. The proposed change to correct certain technical deficiencies in the adjustment of social security benefits is being deferred pending further study. The January budget proposal to phase out student benefits will be modified so that student beneficiaries will receive the same amount that the maximum basic education opportunity grant provides. Most students would be qualified for such a grant if they were to be denied benefits under social security. Other social security benefit proposals in the January budget are retained. Increases in outlays stemming from these changes to the budget are \$221 million in 1978. The social security tax rate increase requested in the January budget has been withdrawn. This decreases budget authority by \$1.3 billion in 1978 below the January levels. Proposals to solve the social security financing problem are being carefully reviewed by this administration, and recommendations to the Congress will be submitted shortly.

Unemployment benefits.—The Federal supplemental unemployment benefits program, which currently pays up to 26 additional weeks of benefits to unemployment insurance claimants in high unemployment States, expires on March 31, 1977. The budget proposes to extend the program in modified form through March 31, 1978, including a 3-month phaseout. During the extension, Federal supplemental benefits of up to 13 weeks will be paid in States with high unemployment, resulting in a maximum of 52 weeks of benefits to the unemployed. This proposal increases outlays by \$500 million in 1977 and \$400 million in 1978.

Food programs.—A large portion of the increase in income security outlays reflects the restoration of funds for the food stamp and child nutrition programs due to the withdrawal of proposals contained in the January budget. Resulting outlay increases for food stamps are estimated at \$0.7 billion in 1977 and \$0.9 billion in 1978. An outlay increase of \$1.2 billion is estimated for child nutrition programs in 1978. The administration will be reviewing alternative proposals for the food stamp program, as well as child nutrition and school lunch programs.

Housing assistance.—The revised budget also proposes a number of significant changes for housing assistance. The number of additional subsidized housing units to be assisted in 1977 will be increased from 235,800 to 400,000, requiring an increase of \$9.6 billion in budget authority for 1977. As a result outlays will increase \$70 million in 1978. In addition, legislation will be proposed to allow an increase from 20 years to 30 years in the subsidy contract terms for newly constructed subsidized housing that is not federally insured or financed. This should encourage greater involvement by private sector lenders in the financing of subsidized housing and will require additional budget authority of \$4.9 billion in 1977, and \$5.7 billion in 1978. Additional budget authority of \$940 million in 1977 and 1978 is also proposed for subsidized units developed by State housing agencies. In 1978, 50,000 of the

400,000 units planned for approval will be set aside for traditional low-income public housing, requiring an additional \$1.6 billion of budget authority.

Outlays for public housing operating subsidies will be increased \$10 million in 1977 and \$17 million in 1978 to reflect higher utility costs stemming from the severe winter weather of 1977. In addition, 1978 outlays will be increased another \$14 million to avoid increasing rents for public housing tenants and to provide adequate funding to offset anticipated operating cost increases.

The budget restores very low-income housing repair grants administered by the Department of Agriculture to the 1977 enacted level.

Other changes—The proposal in the January budget to abolish the earned income credit program is withdrawn, thus increasing 1978 outlays by \$835 million from the January budget estimate. In addition, earned income credit outlays are increased by \$70 million in 1978 due to the proposed economic stimulus proposal to increase the standard deduction for low- and middle-income taxpayers.

The January budget included a legislative proposal to gradually reduce the matching rate for State administrative costs under the child support enforcement program. This proposal is withdrawn, increasing 1978 budget authority and outlays for the program of aid to families with dependent children (AFDC) by \$13 million. Budget authority will be increased over the January budget level for the Cuban refugee program by \$10 million in 1978 to assist a gradual phaseout of that program, to be completed by 1981.

700: Veterans Benefits and Services

(In millions of dollars)

Subfunction and major program	1976 actual	1977 estimate		1978 estimate	
		January budget	Revised budget	January budget	Revised budget
BUDGET AUTHORITY:					
Income security for veterans:					
Veterans compensation and pension	8,083	8,806	8,806	8,928	8,928
Proposed legislation					408
Other veterans income security	166	176	176	189	189
Proposed legislation				-80	-80
National service life insurance trust fund	852	927	927	993	993
U.S. Government life insurance trust fund	38	37	37	38	38
All other insurance programs	7	7	7	2	2
Insurance program receipts	-460	-500	-500	-523	-523
Subtotal	8,685	9,454	9,454	9,548	9,956
Veterans education, training, and rehabilitation:					
Existing law	6,015	3,984	3,984	3,245	3,245
Proposed legislation				-525	-69
Subtotal	6,015	3,984	3,984	2,720	3,176
Hospital and medical care for veterans:					
Medical care and hospital services	3,854	4,406	4,406	4,736	4,736
Proposed legislation		-19	-19	-158	-158
Construction	414	508	508	536	536
Proposed legislation				5	5
Medical administration, research and other	168	182	182	200	200
Subtotal	4,436	5,077	5,077	5,319	5,319
Other veterans benefits and services:					
VA administrative expenses and other	517	534	534	583	583
Proposed legislation				4	4
Non-VA support program	27	27	27	27	27
Subtotal	544	561	561	614	614
Deductions for offsetting receipts	-2	-2	-2	-2	-2
Total budget authority	19,678	19,073	19,073	18,199	19,062

700: VETERANS BENEFITS AND SERVICES (in millions of dollars)—Continued

Subfunction and major program	1976 actual	1977 estimate		1978 estimate	
		January budget	Revised budget	January budget	Revised budget
OUTLAYS:					
Income security for veterans:					
Veterans compensation and pension.....	8,014	8,805	8,805	8,922	8,922
Proposed legislation.....	-----	-----	-----	408	408
Other veterans income security.....	165	178	178	187	187
Proposed legislation.....	-----	-----	-----	-80	-80
National service life insurance trust fund.....	633	630	630	690	690
U.S. Government life insurance trust fund.....	71	66	66	70	70
All other insurance programs.....	-72	-72	-72	-71	-71
Insurance program receipts.....	-460	-500	-500	-523	-523
Subtotal.....	8,350	9,107	9,107	9,195	9,603
Veterans education, training, and re- habilitation:					
Existing law.....	5,531	4,138	4,138	3,812	3,812
Proposed legislation.....	-----	-----	-----	-484	-28
Subtotal.....	5,531	4,138	4,138	3,328	3,783
Hospital and medical care for veterans:					
Medical care and hospital services.....	3,695	4,383	4,383	4,724	4,724
Proposed legislation.....	-----	-19	-19	-158	-158
Construction.....	197	303	303	361	361
Proposed legislation.....	-----	-----	-----	2	2
Medical administration, research and other.....	154	184	184	205	205
Subtotal.....	4,046	4,851	4,851	5,135	5,135
Veterans housing:					
Loan guaranty revolving fund.....	-22	-32	-32	85	85
Direct loan revolving fund.....	-43	-231	-231	-57	-57
HUD PC sales trust fund.....	-7	-8	-8	-7	-7
Subtotal.....	-72	-271	-271	21	21
Other veterans benefits and services:					
VA administrative expenses and other.....	554	540	540	573	573
Proposed legislation.....	-----	-----	-----	3	3
Non-VA support programs.....	24	26	26	27	27
Subtotal.....	578	565	565	603	603
Deductions for offsetting receipts.....	-2	-2	-2	-2	-2
Total outlays.....	18,432	18,388	18,388	18,279	19,143

The revised budget request for veterans benefits and services reflects two changes from the January budget: (1) the addition of proposed cost-of-living increases in 1978 compensation and pension benefits, and (2) withdrawal of the proposal to limit the period of eligibility for GI bill education benefits. As a result, budget authority and outlays in 1978 are now estimated to be \$19.1 billion, \$0.9 billion above the January estimate. The 1977 estimates are not affected by these revisions.

The administration will propose legislation to increase 1978 benefits based upon the anticipated percentage increase in the CPI, effective October 1, 1977 for compensation benefits, and January 1, 1978 for pensions. The proposed increases raise the January budget estimate of 1978 outlays for compensation and pension benefits by \$408 million.

The January budget recommended legislation to return the period of eligibility for GI bill education benefits to 8 years following discharge from military service. The eligibility period had been extended to 10 years in 1974. The revised budget withdraws support for the proposed legislation, resulting in an increase in outlays for readjustment benefits of \$456 million in 1978.

750: Law Enforcement and Justice

(In millions of dollars)

Subfunction and major program	1976 actual	1977 estimate		1978 estimate	
		January budget	Revised budget	January budget	Revised budget
BUDGET AUTHORITY:					
Federal law enforcement and prosecution:					
Litigation:					
Justice Department.....	252	294	294	309	310
Legal Services Corporation and other ¹	111	146	146	115	200
Enforcement:					
Federal Bureau of Investigation....	486	513	513	529	529
Drug Enforcement Administration..	155	168	168	181	182
Bureau of Alcohol, Tobacco and Firearms.....	110	119	119	137	125
Customs Service.....	329	359	359	383	383
Immigration and Naturalization Service.....	215	245	245	254	256
Secret Service.....	118	122	122	130	130
Other enforcement.....	145	159	161	171	178
Subtotal.....	1,920	2,125	2,127	2,209	2,292
Federal judicial activities.....	331	377	377	423	423
Federal correctional and rehabilitative activities.....	240	329	329	336	337
Law enforcement assistance.....	810	759	759	714	714
Deductions for offsetting receipts.....	-4	-6	-6	-6	-6
Total budget authority.....	3,297	3,584	3,586	3,677	3,760
OUTLAYS:					
Federal law enforcement and prosecution:					
Litigation:					
Justice Department.....	249	289	289	304	305
Legal Services Corporation and other.....	105	147	147	115	200
Enforcement:					
Federal Bureau of Investigation....	469	515	515	529	529
Drug Enforcement Administration..	146	176	176	184	184
Bureau of Alcohol, Tobacco and Firearms.....	103	122	122	135	124
Customs Service.....	334	358	358	383	383
Immigration and Naturalization Service.....	201	242	242	253	254
Secret Service.....	105	121	121	128	128
Other enforcement.....	140	165	166	187	193
Subtotal.....	1,852	2,134	2,135	2,219	2,301
Federal judicial activities.....	313	387	387	423	423
Federal correctional and rehabilitative activities.....	238	290	290	327	327
Law enforcement assistance.....	921	907	899	827	817
Deductions for offsetting receipts.....	-4	-6	-6	-6	-6
Total outlays.....	3,320	3,712	3,705	3,789	3,862

¹ In accordance with the Legal Services Corporation Act of 1974, the Corporation will directly request to the Congress \$217 million in 1978.

The revised budget requests for law enforcement and justice programs reflect increases for legal aid, juvenile delinquency programs and civil rights, partly offset by decreases in lower priority programs. For 1978, outlays are now estimated at \$3.9 billion, \$73 million above the January budget.

A reallocation of resources for the Law Enforcement Assistance Administration is requested to provide additional funds for juvenile justice and delinquency prevention programs that have a high potential for reducing crime and delinquency. The January budget proposed \$30 million in new budget authority for these programs in 1978; the revised budget restores the 1977 level of \$75 million. This increase is offset by reductions in other activities of lower priority.

The revised request for 1978 includes \$175 million in outlays for the Legal Services Corporation to assure that legal aid will be available to persons with low income who become involved in noncriminal cases. This is an increase of \$85 million over the January budget, and represents significant growth above the 1977 level.

Additional funds are requested in both 1977 and 1978 for the Civil Rights Division of the Department of Justice; additional personnel are proposed for a task force seeking ways to remove sex discrimination and for improving Division capabilities in meeting other responsibilities. The January request for \$12 million of additional budget authority and outlays in 1978 to provide for the expansion of the Bureau of Alcohol, Tobacco and Firearms program to curtail illegal commerce in firearms is withdrawn.

800: General Government

(In millions of dollars)

Subfunction and major program	1976 actual	1977 estimate		1978 estimate	
		January budget	Revised budget	January budget	Revised budget
BUDGET AUTHORITY:					
Legislative functions.....	779	805	805	837	837
Executive direction and management.....	71	79	83	74	83
Central fiscal operations:					
Collection of taxes.....	1,692	1,813	1,814	1,881	1,874
Other fiscal operations.....	121	177	195	250	250
Subtotal.....	1,813	1,990	2,009	2,130	2,123
General property and records management.....					
.....	352	355	356	339	339
Central personnel management.....	99	109	109	113	113
Other general government:					
Territories.....	128	138	138	111	111
Proposed legislation.....	-----	-----	-----	9	9
Treasury claims.....	137	219	219	228	228
Other.....	266	192	192	214	229
Subtotal.....	532	549	549	563	578
Deductions for offsetting receipts.....	-272	-184	-184	-152	-152
Total budget authority.....	3,372	3,705	3,728	3,904	3,922
OUTLAYS:					
Legislative functions.....	677	868	868	914	914
Executive direction and management.....	68	80	84	74	83
Central fiscal operations:					
Collection of taxes.....	1,682	1,801	1,802	1,884	1,877
Other fiscal operations.....	116	182	200	240	240
Subtotal.....	1,798	1,983	2,002	2,124	2,117
General property and records management.....					
.....	95	328	329	358	359
Central personnel management.....	107	110	110	111	111
Other general government:					
Territories.....	117	151	151	112	112
Proposed legislation.....	-----	-----	-----	4	4
Treasury claims.....	142	219	219	228	228
Other.....	195	175	175	156	164
Subtotal.....	454	545	545	500	509
Deductions for offsetting receipts.....	-272	-184	-184	-152	-152
Total outlays.....	2,927	3,731	3,754	3,930	3,941

Outlays for general government programs are now estimated to be \$3.8 billion in 1977 and \$3.9 billion in 1978. These amounts are \$23 million and \$11 million above the January budget estimates for 1977 and 1978, respectively.

Additional resources are requested to permit the Treasury Department to process the economic stimulus payments and tax rebates. The revised budget does not provide for the expansion of IRS enforcement activities targeted at high-level drug traffickers beyond the 1976 program level, as proposed in the January budget. Before increasing this activity, it is necessary to develop a comprehensive drug strategy, reexamine tax administration policies, and evaluate the effectiveness of tax enforcement in combating drug trafficking.

The budget revisions proposed for intergovernmental personnel assistance result in increases in budget authority of \$15 million and outlays of \$8 million in 1978 over the levels recommended in the January budget. These increases reflect the administration's recommendation to continue funding new grants to State and local governments for personnel management improvement at the 1977 levels.

The administration is proposing increased funding for the Commission on Federal Paperwork to enable the Commission to complete its ongoing studies and make its final report in October 1977.

850: Revenue Sharing and General Purpose Fiscal Assistance

(In millions of dollars)

Subfunction and major program	1976 actual	1977 estimate		1978 estimate	
		January budget	Revised budget	January budget	Revised budget
BUDGET AUTHORITY:					
General revenue sharing:					
General revenue sharing payments.....	6,350	6,655	6,655	6,855	6,855
Administration.....	3	6	7	5	8
Subtotal.....	6,353	6,661	6,662	6,860	6,863
Other general purpose fiscal assistance:					
Antirecession fiscal assistance.....		938	938		
Proposed legislation.....			925		1,550
Payments to States and counties from Federal forest and land activities... ..	270	297	297	563	563
Payments to Puerto Rico and the Virgin Islands from duties, taxes, and fees... ..	359	349	349	357	357
Payments to the District of Columbia... ..	255	245	246	298	308
Taxable municipal bond option (pro- posed legislation).....				990	990
New York City seasonal financing fund	2,301	1	1	1	1
Mineral impact loan assistance (pro- posed legislation).....					40
Special payments to territories (pro- posed legislation).....					15
Other.....	4	5	5	5	5
Subtotal.....	3,189	1,835	2,761	2,214	3,829
Total budget authority.....	9,542	8,496	9,423	9,074	10,692
OUTLAYS:					
General revenue sharing:					
General revenue sharing payments.....	6,238	6,776	6,776	6,814	6,814
Administration.....	2	6	7	5	8
Subtotal.....	6,240	6,782	6,783	6,819	6,822
Other general purpose fiscal assistance:					
Antirecession fiscal assistance.....		1,250	1,250		
Proposed legislation.....			925		1,550
Payments to States and counties from Federal forest and land activities... ..	269	299	299	565	565
Payments to Puerto Rico and the Virgin Islands from duties, taxes, and fees... ..	373	349	349	356	356
Payments to the District of Columbia... ..	232	245	246	298	308
Taxable municipal bond option (pro- posed legislation).....				44	44
New York City seasonal financing fund	*	1	1	2	2
Mineral impact loan assistance (pro- posed legislation).....					40
Special payments to territories (pro- posed legislation).....					15
Other.....	4	*	*	5	5
Subtotal.....	879	2,144	3,070	1,270	2,885
Total outlays.....	7,119	8,926	9,853	8,089	9,707

* \$500 thousand or less.

The major change in this function is the proposed extension and expansion of the antirecession fiscal assistance program, which provides funds to States and localities that are experiencing high rates of unemployment. While the program is now authorized until the end of 1977, current rates of unemployment will cause all available funds to be spent before that time. The January budget requested no additional funds for this program. The revised budget request includes the funds necessary to carry out the program for the rest of 1977. In addition, as part of the economic stimulus package, the budget requests that the program be enlarged and extended through 1982. Under this proposal, the amounts disbursed to areas of high unemployment will be increased. The new formula will provide for quarterly payments equal to \$125 million plus \$30 million for each one-tenth of a percentage point that the national unemployment rate two quarters earlier exceeds 6%. The proposed effective date for this new formula is April 1977. The outlay effect of these proposals is estimated at \$0.9 billion in 1977 and \$1.6 billion in 1978.

Other changes in this function include a \$10 million increase in the 1978 Federal payment to the District of Columbia. The Interior Department requests \$40 million in budget authority and outlays for loans for community facilities. Under this new proposal, States would receive loans for construction of community facilities necessitated by mineral development on public lands. The submission of this proposal is contingent upon enactment of legislation to correct deficiencies in Public Law 94-579 that result in high, open-ended costs for mineral loan programs. Legislation is also proposed to provide a one-time payment to the Governments of American Samoa, Guam, and the Virgin Islands in 1978 as reimbursement for the revenue losses incurred by refunding the \$50 rebate to taxpayers residing in those territories. The estimated amounts for payments are subject to future certification. The amounts shown for the proposed taxable municipal bond option have not been changed. However, this administration is reexamining the legislative proposal and will make changes at a later date.

900: Interest

(In millions of dollars)

Subfunction	1976 actual	1977 estimate		1978 estimate	
		January budget	Revised budget	January budget	Revised budget
BUDGET AUTHORITY:					
Interest on the public debt.....	37,063	42,000	42,300	44,600	46,800
Other interest:					
Existing law.....	-2,472	-4,013	-4,013	-4,866	-4,866
Proposed legislation.....			-39		-150
Subtotal.....	-2,472	-4,013	-4,052	-4,866	-5,016
Total budget authority.....	34,591	37,987	38,248	39,734	41,784
OUTLAYS:					
Interest on the public debt.....	37,063	42,000	42,300	44,600	46,800
Other interest:					
Existing law.....	-2,474	-4,013	-4,013	-4,865	-4,865
Proposed legislation.....			-39		-150
Subtotal.....	-2,474	-4,013	-4,052	-4,865	-5,015
Total outlays.....	34,589	37,987	38,248	39,735	41,785

Interest outlays under the revised budget request are estimated to be \$38.2 billion in 1977 and \$41.8 billion in 1978. The revised estimates are higher than the January budget estimates by \$0.3 billion in 1977 and \$2.0 billion in 1978. These changes result from financing higher deficits at higher interest rates than assumed in the January budget.

The revised estimates are based on budget deficits of \$68 billion in 1977 and \$58 billion in 1978. These compare to deficits of \$57 billion and \$47 billion, respectively, in the January budget. Interest rates are assumed to remain constant at the rates in effect at the time the estimates were made. The short-term interest rate for 91-day Treasury bills at that time was 4.6%, 0.2 percentage points higher than assumed in the January budget.

Legislation is proposed to authorize the investment of Government balances held by private financial institutions in the form of demand deposits. Currently, the Federal Government does not receive earnings on these balances. Upon enactment of this legislation, Treasury will begin to pay banks the full cost of services now provided by the banks at no charge or at less than full cost.

920: Allowances

(In millions of dollars)

Program	1976 actual	1977 estimate		1978 estimate	
		January budget	Revised budget	January budget	Revised budget
BUDGET AUTHORITY:					
Civilian agency pay raises	-----	-----	-----	1,199	1,199
Contingencies for other requirements.....	-----	-----	-----	1,750	1,750
Total budget authority	=====	=====	=====	2,949	2,949
OUTLAYS:					
Civilian agency pay raises	-----	-----	-----	1,151	1,151
Contingencies for other requirements.....	-----	-----	-----	1,500	1,500
Total outlays	=====	=====	=====	2,651	2,651

Allowances for the Federal civilian agency pay raise and contingencies are the same as in the January budget.

950: Undistributed Offsetting Receipts

(In millions of dollars)

Subfunction	1976 actual	1977 estimate		1978 estimate	
		January budget	Revised budget	January budget	Revised budget
BUDGET AUTHORITY AND OUTLAYS					
Employer share, employee retirement....	-4,242	-4,592	-4,591	-4,670	-4,653
Interest received by trust funds	-7,800	-8,201	-8,176	-8,659	-8,607
Rents and royalties on the Outer Conti- nental Shelf	-2,662	-2,600	-2,300	-3,100	-3,400
Total undistributed offsetting re- ceipts	-14,704	-15,393	-15,067	-16,429	-16,660

The revised budget estimates for receipts from rents and royalties on the Outer Continental Shelf reflect the rescheduling of certain Outer Continental Shelf sales. As a result, the level of these receipts is now estimated to be \$300 million less in 1977 than in the January budget, with a corresponding increase in 1978.

Estimates for employer share, employee retirement, and interest received by trust funds have been revised slightly due to changes in the underlying economic assumptions and withdrawal of legislative proposals affecting social security taxes.

PART 5
SUMMARY TABLES

EXPLANATORY NOTE RELATING TO THE SUMMARY TABLES

Types of tables.—This part consists of revised tables similar to those found in the annual budget. (See Part 9 of *the Budget of the United States Government, 1978.*)

- Tables 1 through 7 are short summary tables of the revised budget, often only one page each.
- Tables 8 and 9 provide greater detail in support of financial data in the first four tables.
- Tables 10 through 15 are historical in nature, giving data, for earlier years, comparable to those data in the preceding tables, and also giving information on budget outlays in current and constant (fiscal year 1972) prices, and the gross national product.

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 revised current and historical tables are those discussed in Part 7 of *The Budget of the United States Government, 1978.*

Table 1. BUDGET SUMMARY (in millions of dollars)

Description	1976 actual	TQ actual	1977 estimate	1978 estimate
Budget authority (largely appropriations):				
Available through current action by Congress.....	266,933	55,276	316,139	338,725
Available without current action by Congress.....	201,724	46,677	206,825	229,397
Deductions for offsetting receipts ¹	-53,321	-10,543	-58,920	-60,868
Total budget authority	415,336	91,409	464,044	507,254
Receipts, outlays, and surplus or deficit:				
Budget receipts:				
Federal funds.....	201,099	54,085	233,614	269,787
Trust funds.....	133,695	32,071	152,404	167,816
Interfund transactions.....	-34,789	-4,383	-36,641	-35,980
Total budget receipts	300,005	81,773	349,377	401,624
Budget outlays:				
Federal funds.....	269,969	65,106	309,501	337,757
Trust funds.....	131,286	34,023	144,557	157,596
Interfund transactions.....	-34,789	-4,383	-36,641	-35,980
Total budget outlays	366,456	94,746	417,417	459,373
Budget surplus or deficit (-):				
Federal funds.....	-68,870	-11,021	-75,887	-67,969
Trust funds.....	2,410	-1,952	7,847	10,220
Total budget deficit (-)	-66,461	-12,973	-68,040	-57,749
Outstanding debt, end of period:				
Gross Federal debt.....	631,866	646,379	727,040	802,350
Held by:				
Government agencies.....	151,566	148,052	155,713	165,223
The public.....	480,300	498,327	571,327	637,127

¹ These consist of intragovernmental transactions and proprietary receipts from the public.

Note.—The transactions of the Export-Import Bank were excluded from the budget by law as of Aug. 17, 1971. This provision was repealed effective Oct. 1, 1976. Accordingly, all budget totals for past years have been adjusted retroactively to include the transactions of the Export-Import Bank. This adjustment increases budget outlays and the budget deficits by:

	<i>In millions</i>
1972.....	\$145
1973.....	548
1974.....	1,228
1975.....	1,504
1976.....	856
TQ.....	273
1977.....	899
1978.....	964

Table 2. BUDGET RECEIPTS, OUTLAYS, AND BUDGET AUTHORITY

(In millions of dollars)

Description	1976 actual	TQ actual	1977 estimate	1978 estimate
Receipts by source:				
Individual income taxes.....	131,603	38,801	148,917	179,222
Corporation income taxes.....	41,409	8,460	57,182	61,645
Social insurance taxes and contributions.....	92,714	25,760	108,006	123,814
Excise taxes.....	16,963	4,473	17,939	18,581
Estate and gift taxes.....	5,216	1,455	5,909	5,835
Custom duties.....	4,074	1,212	4,720	5,286
Miscellaneous receipts.....	8,026	1,612	6,704	7,241
Total budget receipts.....	300,005	81,773	349,377	401,624
Outlays by function:				
National defense ¹	89,996	22,518	100,075	111,947
International affairs.....	5,067	1,997	6,926	7,847
General science, space, and technology.....	4,370	1,161	4,461	4,737
Natural resources, environment, and energy.....	11,282	3,324	17,139	20,504
Agriculture.....	2,502	584	2,899	2,333
Commerce and transportation.....	17,248	4,700	15,769	20,093
Community and regional development.....	5,300	1,530	7,989	9,976
Education, training, employment, and social services.....	18,167	5,013	22,199	26,473
Health.....	33,448	8,720	39,505	44,485
Income security.....	127,406	32,796	141,573	146,549
Veterans benefits and services.....	18,432	3,962	18,388	19,143
Law enforcement and justice.....	3,320	859	3,705	3,862
General government.....	2,927	878	3,754	3,941
Revenue sharing and general purpose fiscal assistance.....	7,119	2,024	9,853	9,707
Interest.....	34,589	7,246	38,248	41,785
Allowances ²				2,651
Undistributed offsetting receipts.....	-14,704	-2,567	-15,067	-16,660
Total budget outlays.....	336,466	94,746	417,417	459,373
Budget deficit (-).....	-66,461	-12,973	-68,040	-57,749
Budget authority by function:				
National defense ¹	103,811	22,149	108,520	120,136
International affairs.....	6,564	1,382	7,982	10,293
General science, space, and technology.....	4,262	1,095	4,496	4,930
Natural resources, environment, and energy.....	19,283	2,607	17,655	20,462
Agriculture.....	4,157	309	1,718	2,729
Commerce and transportation.....	20,890	7,496	15,034	19,514
Community and regional development.....	5,708	653	10,631	9,312
Education, training, employment, and social services.....	21,217	5,321	24,624	26,679
Health.....	33,649	8,505	40,307	47,847
Income security.....	140,019	28,562	174,085	179,843
Veterans benefits and services.....	19,678	4,529	19,073	19,062
Law enforcement and justice.....	3,297	829	3,586	3,760
General government.....	3,372	892	3,728	3,922
Revenue sharing and general purpose fiscal assistance.....	9,542	2,402	9,423	10,692
Interest.....	34,591	7,244	38,248	41,784
Allowances ²				2,949
Undistributed offsetting receipts.....	-14,704	-2,567	-15,067	-16,660
Total budget authority.....	415,336	91,409	464,044	507,254

¹ Includes allowances for civilian and military pay raises for Department of Defense.² Includes allowances for civilian agency pay raises and contingencies.

Table 3. **BUDGET AUTHORITY BY AGENCY** (in millions of dollars)

Department or other unit	1976 actual	TQ actual	1977 estimate	1978 estimate
Legislative branch	923	224	971	1,051
The Judiciary	345	87	422	441
Executive Office of the President	69	18	78	82
Funds appropriated to the President	10,566	-921	3,211	5,339
Agriculture	15,002	2,956	13,943	14,635
Commerce	2,252	466	6,033	4,196
Defense—Military (including pay raises)	95,712	23,089	108,260	118,929
Defense—Civil	2,196	659	2,495	2,608
Health, Education, and Welfare	128,244	34,248	146,706	162,181
Housing and Urban Development	28,498	403	35,867	39,151
Interior	2,541	1,012	3,406	3,593
Justice	2,175	534	2,329	2,348
Labor	20,379	3,654	26,183	26,650
State	931	372	1,308	1,385
Transportation	10,276	4,969	9,126	13,318
Treasury	46,772	10,135	53,981	55,660
Energy Research and Development Administration	4,515	1,264	6,389	7,753
Environmental Protection Agency	771	189	6,034	5,344
General Services Administration	161	-12	203	290
National Aeronautics and Space Administration	3,550	932	3,723	4,033
Veterans Administration	19,651	4,523	19,047	19,036
Other independent agencies	34,510	5,177	29,397	32,940
Allowances ¹				2,949
Undistributed offsetting receipts:				
Employer share, employee retirement	-4,242	-985	-4,591	-4,653
Interest received by trust funds	-7,800	-270	-8,176	-8,607
Rents and royalties on the Outer Continental Shelf	-2,662	-1,311	-2,300	-3,400
Total budget authority	415,336	91,409	464,044	507,254
MEMORANDUM				
Portion available through current action by Congress ² ..	266,933	55,276	316,139	338,725
Portion available without current action by Congress ..	201,724	46,677	206,825	229,397
Deductions for offsetting receipts:				
Intragovernmental transactions	-39,424	-5,272	-43,039	-43,398
Proprietary receipts from the public	-13,898	-5,271	-15,881	-17,470
Total budget authority	415,336	91,409	464,044	507,254

¹ Includes allowances for civilian agency pay raises and contingencies.

² Budget authority excludes appropriations to liquidate contract authority.

Table 4. OUTLAYS BY AGENCY (in millions of dollars)

Department or other unit	1976 actual	TQ actual	1977 estimate	1978 estimate
Legislative branch.....	775	224	1,016	1,102
The Judiciary.....	325	85	398	440
Executive Office of the President.....	79	16	85	82
Funds appropriated to the President.....	3,525	1,221	4,333	5,697
Agriculture.....	12,796	3,850	14,411	14,951
Commerce.....	2,020	534	3,241	4,974
Defense—Military (including pay raises).....	88,036	21,926	98,050	109,166
Defense—Civil.....	2,124	583	2,469	2,591
Health, Education, and Welfare.....	128,785	34,341	148,230	161,702
Housing and Urban Development.....	7,079	1,397	7,704	8,852
Interior.....	2,293	788	3,548	3,361
Justice.....	2,242	551	2,428	2,438
Labor.....	25,727	5,905	24,004	25,197
State.....	1,062	316	1,213	1,266
Transportation.....	11,936	3,003	12,774	14,991
Treasury.....	44,335	9,699	54,400	54,655
Energy Research and Development Administration.....	3,759	1,051	5,375	6,419
Environmental Protection Agency.....	3,118	1,108	5,309	6,073
General Services Administration.....	-92	3	176	305
National Aeronautics and Space Administration.....	3,670	953	3,733	3,913
Veterans Administration.....	18,415	3,957	18,370	19,123
Other independent agencies.....	19,160	5,801	21,217	26,084
Allowances ¹				2,651
Undistributed offsetting receipts:				
Employer share, employee retirement.....	-4,242	-985	-4,591	-4,653
Interest received by trust funds.....	-7,800	-270	-8,176	-8,607
Rents and royalties on the Outer Continental Shelf.....	-2,662	-1,311	-2,300	-3,400
Total budget outlays.....	366,466	94,746	417,417	459,373
MEMORANDUM				
Portion available through current action by Congress..	158,321	30,077	196,489	206,891
Portion available without current action by Congress..	117,871	16,542	136,495	154,572
Outlays from obligated balances ²	71,952	34,952	84,284	106,254
Outlays from unobligated balances ²	71,644	23,719	59,068	52,524
Deductions for offsetting receipts:				
Intragovernmental transactions.....	-39,424	-5,272	-43,039	-43,398
Proprietary receipts from the public.....	-13,898	-5,271	-15,881	-17,470
Total budget outlays.....	366,466	94,746	417,417	459,373

¹ Includes allowances for civilian agency pay raises and contingencies.² Outlays from appropriations to liquidate contract authority are included as outlays from balances.

Table 5. **BUDGET AUTHORITY AVAILABLE THROUGH CURRENT ACTION BY CONGRESS** (in millions of dollars)

Department or other unit	1976 actual	TQ actual	1977 estimate	1978 estimate
Legislative branch.....	934	226	983	1,063
The Judiciary.....	343	86	451	438
Executive Office of the President.....	69	18	78	82
Funds appropriated to the President.....	5,524	781	6,711	8,447
Agriculture.....	14,049	2,623	13,108	13,572
Commerce.....	1,986	391	5,682	3,862
Defense—Military ¹	95,858	23,080	108,425	119,098
Defense—Civil.....	2,261	681	2,572	2,692
Health, Education, and Welfare.....	42,024	11,870	50,980	54,363
Housing and Urban Development.....	26,370	154	34,850	37,932
Interior.....	3,074	1,108	4,018	4,131
Justice.....	2,179	566	2,335	2,355
Labor.....	12,040	900	14,980	12,146
State.....	878	376	1,233	1,287
Transportation.....	6,768	1,478	5,093	5,791
Treasury Department.....	4,976	969	17,982	19,645
Energy Research and Development Administration.....	4,515	1,264	6,389	7,753
Environmental Protection Agency.....	772	189	6,034	5,344
General Services Administration.....	367	83	375	395
National Aeronautics and Space Administration.....	3,552	932	3,724	4,035
Veterans Administration.....	19,219	4,515	18,580	18,525
Other independent agencies.....	19,175	2,988	11,554	12,824
Allowances ²				2,949
Total budget authority available through current action by Congress.....	266,933	55,276	316,139	338,725

MEMORANDUM

Appropriations to liquidate contract authority:³

Funds appropriated to the President.....	437	38	185	205
Agriculture.....	303	85	313	269
Commerce.....	316	71	388	372
Housing and Urban Development.....	4,576	729	7,138	8,310
Interior.....	142	41	84	55
Transportation.....	8,630	1,805	8,863	8,581
Environmental Protection Agency.....	865	819	3,849	5,000
Veterans Administration.....	81			
Other independent agencies.....	2	4	6	3
Total appropriations to liquidate contract authority.....	15,353	3,590	20,827	22,795

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 above.

Table 6. OUTLAYS FROM BUDGET AUTHORITY AVAILABLE THROUGH CURRENT ACTION BY CONGRESS (in millions of dollars)

Department or other unit	1976 actual	TQ actual	1977 estimate	1978 estimate
Legislative branch.....	748	167	915	989
The Judiciary.....	298	60	386	401
Executive Office of the President.....	61	12	73	76
Funds appropriated to the President.....	890	203	2,991	3,618
Agriculture.....	10,206	2,530	13,082	11,864
Commerce.....	1,010	207	2,013	1,970
Defense—Military ¹	69,035	13,526	72,525	78,777
Defense—Civil.....	1,657	89	1,902	1,997
Health, Education, and Welfare.....	28,183	5,902	34,817	36,695
Housing and Urban Development.....	553	33	831	889
Interior.....	2,112	296	2,984	2,783
Justice.....	1,357	284	1,547	1,621
Labor.....	6,482	433	9,583	8,759
State.....	719	243	960	997
Transportation.....	3,193	490	3,565	3,980
Treasury Department.....	2,440	427	16,052	16,713
Energy Research and Development Administration.....	1,836	401	2,572	2,804
Environmental Protection Agency.....	340	47	753	491
General Services Administration.....	336	48	325	353
National Aeronautics and Space Administration.....	2,676	430	2,831	2,844
Veterans Administration.....	17,148	2,689	16,044	15,970
Other independent agencies.....	7,040	1,561	9,737	9,648
Allowances ²				2,651
Total outlays from budget authority available through current action by Congress.....	158,321	30,077	196,489	206,891

MEMORANDUM

From appropriations to liquidate contract authority:³				
Funds appropriated to the President.....	275			
Agriculture.....	209	85	313	229
Commerce.....	316	71	388	372
Housing and Urban Development.....	2,416	649	3,331	4,362
Interior.....	122	17	84	55
Transportation.....	7,917	1,467	7,557	8,360
Environmental Protection Agency.....	810	798	3,618	4,380
Veterans Administration.....	63			
Other independent agencies.....	-5			
Total outlays from appropriations to liquidate contract authority.....	12,122	3,087	15,290	17,758

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 outlays above.

Table 7. BUDGET FINANCING AND OUTSTANDING DEBT

(In millions of dollars)

BUDGET FINANCING

Description	1976 actual	TQ actual	1977 estimate	1978 estimate
Budget surplus or deficit (—)	—66,461	—12,973	—68,040	—57,749
Deficit (—), off-budget Federal entities ¹	—7,196	—1,767	—10,785	—8,506
Total deficit (—)	—73,657	—14,740	—78,824	—66,255
Means of financing other than borrowing from the public:				
Decrease or increase (—) in cash and monetary assets	—7,964	—2,860	5,714	-----
Increase or decrease (—) in liabilities for:				
Checks outstanding, etc. ²	—951	—546	—185	—34
Deposit fund balances	—1,099	20	—153	—42
Seigniorage on coins	747	99	448	531
Total, means of financing other than borrowing from the public	—9,265	—3,287	5,824	455
Total requirements for borrowing from the public	—82,922	—18,027	—73,000	—65,800
Reclassification of securities ³	—471	-----	-----	-----
Change in debt held by the public	83,393	18,027	73,000	65,800
Nonbank investors	50,875	14,632		
Commercial banks	22,821	1,414		
Federal Reserve System	9,697	1,981		

OUTSTANDING DEBT, END OF YEAR

	1975 actual				
Gross Federal debt:					
Debt issued by Treasury	533,188	620,432	634,701	716,750	793,455
Debt issued by other agencies	10,943	11,433	11,678	10,290	8,895
Total gross Federal debt	544,131	631,866	646,379	727,040	802,350
Held by:					
Government agencies	147,225	151,566	148,052	155,713	165,223
The public	396,906	480,300	498,327	571,327	637,127
Federal Reserve System	84,993	94,714	96,702		
Others	311,913	385,586	401,625		

DEBT SUBJECT TO STATUTORY LIMITATION, END OF YEAR

Debt issued by Treasury	533,188	620,432	634,701	716,750	793,455
Treasury debt not subject to limitation	—624	—613	—613	—613	—613
Agency debt subject to limitation	1,622	1,716	1,713	1,745	1,793
Notes not part of Federal debt but included in debt limit ⁴	20	20	20	20	20
Total debt subject to statutory limitation ⁵	534,207	621,555	635,822	717,902	794,655

¹ Includes Exchange stabilization fund.² Includes military payment certificates, accrued interest (less unamortized discount) on Treasury debt, and as offset certain collections in transit.³ As of July 1, 1975, Federal debt held by the public increased by \$471 million due to a retroactive reclassification of Export-Import Bank certificates of beneficial interest from asset sales to debt.⁴ District of Columbia stadium bonds.⁵ The statutory debt limit is permanently established at \$400 billion, Public Law 94-334 temporarily increased the statutory debt limit to \$682 billion through Mar. 31, 1977 and to \$700 billion through Sept. 30, 1977. Legislation is required to change the limitation.

Table 8. BUDGET RECEIPTS BY SOURCE (in millions of dollars)

Source	1976 actual	TQ actual	1977 estimate	1978 estimate
Individual income taxes:				
Withheld.....	123,441	32,950	152,915	186,161
Other.....	35,528	6,809	41,281	47,508
Proposed legislation.....			-1,690	-11,533
Gross individual income taxes.....	158,969	39,759	192,506	222,116
Refunds.....	-27,367	-958	-35,368	-41,559
Proposed legislation.....			-8,221	-1,335
Net individual income taxes.....	131,603	38,801	148,917	179,222
Corporation income taxes.....				
Proposed legislation.....	46,783	9,809	63,573	70,496
Refunds.....	-5,374	-1,348	-5,677	-6,000
Net corporation income taxes.....	41,409	8,460	57,182	61,645
Social insurance taxes and contributions (trust funds):				
Employment taxes and contributions:				
Old-age and survivors insurance.....	58,703	15,886	67,528	74,556
Proposed legislation.....				36
Disability insurance.....	7,686	2,130	8,875	10,150
Proposed legislation.....				7
Hospital insurance.....	11,995	3,459	13,717	17,849
Proposed legislation.....				9
Railroad retirement.....	1,525	328	1,860	1,855
Total employment taxes and contributions.....	79,909	21,803	91,980	104,462
Unemployment insurance:				
State taxes deposited in Treasury ¹	6,404	2,289	8,800	11,229
Federal unemployment tax receipts ¹	1,531	371	1,900	2,700
Railroad unemployment tax receipts ¹	118	37	183	217
Total unemployment insurance.....	8,054	2,698	10,883	14,146
Contributions for other insurance and retirement:				
Supplementary medical insurance.....	1,937	539	2,180	2,374
Proposed legislation.....			-37	-182
Federal employees' retirement—employee contributions.....	2,760	707	2,944	2,958
Other retirement contributions ²	54	13	56	56
Total contributions for other insurance and retirement.....	4,752	1,259	5,143	5,206
Total social insurance taxes and contributions.....	92,714	25,760	108,006	123,814
Excise taxes:				
Federal funds:				
Alcohol taxes:				
Distilled spirits.....	3,882	848	4,051	4,199
Beer.....	1,330	391	1,431	1,502
Rectification tax.....	29	22	32	34
Wines.....	172	35	172	171
Special taxes in connection with liquor occupations.....	15	10	20	21
Refunds.....	-110	-27	-115	-117
Total alcohol taxes.....	5,318	1,279	5,591	5,810

See footnotes at end of table.

Table 8. BUDGET RECEIPTS BY SOURCE (in millions of dollars)—Continued

Source	1976 actual	TQ actual	1977 estimate	1978 estimate
Excise taxes—Continued				
Federal funds—Continued				
Tobacco taxes:				
Cigarettes.....	2,435	610	2,527	2,648
Cigars.....	50	12	49	48
Cigarette papers and tubes.....	1	*	2	2
Other.....	2	1	2	2
Refunds.....	-4	-1	-5	-5
Total tobacco taxes.....	2,484	622	2,575	2,695
Manufacturers' excise taxes:				
Gasoline.....	31	8	33	34
Firearms, shells, and cartridges.....	54	15	66	74
Fishing rods, creels, etc.....	20	7	25	28
Pistols and revolvers.....	12	4	14	16
Bows and arrows.....	5	1	6	6
Other.....	1			
Refunds.....	-7	-7	-10	-10
Total manufacturers' excise taxes.....	115	29	134	148
Miscellaneous excise taxes:				
General and toll telephone and teletype service..	1,837	543	1,805	1,672
Wagering taxes, including occupational taxes..	6	2	7	7
Sugar tax.....	29	*		
Coin-operated gaming devices.....	6	5	8	8
Interest equalization tax.....	1	1		
Tax on foundations.....	62	2	56	55
Foreign insurance policies.....	25	8	29	34
Other.....	1	*	1	1
Refunds.....	-20	-10	-16	-17
Total miscellaneous excise taxes.....	1,948	551	1,890	1,760
Undistributed Federal tax deposits and unapplied collections.....	747	40	-97	40
Total Federal fund excise taxes.....	10,612	2,520	10,093	10,453
Trust funds:				
Highway:				
Gasoline.....	3,997	1,110	4,395	4,549
Trucks, buses, and trailers.....	219	50	587	547
Tires, innertubes, and tread rubber.....	594	225	831	866
Diesel fuel used on highways.....	347	116	457	489
Use-tax on certain vehicles.....	209	110	254	265
Truck parts and accessories.....	116	39	151	166
Lubricating oils.....	83	26	119	123
Refunds.....	-152	-1	-139	-148
Total highway trust fund.....	5,413	1,676	6,655	6,857

See footnotes at end of table.

Table 8. BUDGET RECEIPTS BY SOURCE (in millions of dollars)—Continued

Source	1976 actual	TQ actual	1977 estimate	1978 estimate
Excise taxes—Continued				
Trust funds—Continued				
Airport and airway:				
Transportation of persons.....	777	225	974	1,040
Waybill tax.....	42	14	64	66
Tax on fuels.....	52	14	74	79
International departure tax.....	47	16	54	59
Aircraft registration fees.....	21	8	26	28
Tires and innertubes.....	1	*	1	1
Refunds.....	-2	-1	-2	-2
Total airport and airway trust fund.....	938	277	1,191	1,271
Total trust fund excise taxes.....	6,351	1,953	7,846	8,128
Total excise taxes.....	16,963	4,473	17,939	18,581
Estate and gift taxes.....	5,216	1,455	5,909	5,835
Customs duties.....	4,074	1,212	4,720	5,286
Miscellaneous receipts:³				
Miscellaneous taxes.....	209	61	222	227
Proposed legislation.....				80
Deposit of earnings, Federal Reserve System.....	5,451	1,500	6,000	6,490
Fees for permits and regulatory and judicial services:				
Immigration, passport, and consular fees.....	51	13	54	56
Patent and copyright fees.....	28	10	31	33
Registration and filing fees.....	144	22	83	73
Import fees on crude oil and petroleum products.....	1,890	-50	65	100
Miscellaneous fees for permits, licenses, etc.....	28	7	36	38
Miscellaneous fees for regulatory and judicial services.....	45	9	55	46
Proposed legislation.....				19
Fees for legal and judicial services.....	*	*	*	*
Total fees for permits and regulatory and judicial services.....	2,186	11	323	365
Fine, penalties, and forfeitures.....	94	32	99	101
War reparations and recoveries under military occupation.....	65	1	4	4
Gifts and contributions.....	22	5	58	64
Refunds.....	-2	-*		
Total miscellaneous receipts.....	8,026	1,612	6,704	7,241
Total budget receipts.....	300,005	81,773	349,377	401,624
MEMORANDUM				
Federal funds.....	201,099	54,085	233,614	269,787
Trust funds.....	133,695	32,071	152,404	167,816
Interfund transactions.....	-34,789	-4,383	-36,641	-35,980

*\$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: 1976, \$33 million; TQ, \$8 million; 1977, \$72 million; and 1978, \$79 million.

Note.—Estimates for 1977 and 1978 include effects of proposed legislation.

Table 9. OFFSETTING RECEIPTS BY TYPE (in millions of dollars)

Type	1976 actual	TQ actual	1977 estimate	1978 estimate
INTRAGOVERNMENTAL TRANSACTIONS				
Intrabudgetary transactions:				
Federal intrafund transactions:				
Interest on Government capital in enterprises.....	1,431	411	1,787	1,912
Other.....	43	27	41	42
Total Federal intrafunds.....	1,473	438	1,828	1,955
Trust intrafund transactions: ¹				
Railroad retirement/social security.....	1,239		1,319	1,577
Other.....	5	2	11	1
Total trust intrafunds.....	1,244	2	1,330	1,578
Total intrafund transactions.....	2,717	440	3,159	3,533
Interfund transactions:				
Distributed by agency and function:				
Federal fund payments to trust funds:				
Contributions to insurance programs:				
Old-age and survivors insurance.....	268		236	228
Military service credits, various programs.....	295		622	656
Supplementary medical insurance.....	2,939	878	5,053	6,603
Hospital insurance.....	610		803	656
Railroad dual benefits.....	250		250	250
Supplementary retirement contributions.....	4,805	2	7,423	7,036
Unemployment insurance.....	7,878	625	3,600	1,100
Other.....	2	1	48	51
Miscellaneous contributions:				
State and local government fiscal assistance.....	6,355	1,664	6,655	6,855
Other.....	161	20	205	213
Subtotal.....	23,564	3,190	24,893	23,648
Trust fund payments to Federal funds:				
Charges for services to trust funds.....	187	33	165	185
Other.....	5			
Subtotal.....	192	33	165	185
Total interfunds distributed by agency and function.....	23,756	3,223	25,058	23,833
Undistributed by agency and function:				
Employer share, employee retirement:				
Civil service retirement and disability insurance.....	2,080	592	2,219	2,228
Old-age, survivors, disability, and hospital insurance (contribution as employer) ²	1,138	294	1,169	1,293
Other Federal employees retirement.....	15	4	18	19
Total employer share, employee retirement.....	3,233	890	3,406	3,540
Interest received by trust funds.....	7,800	270	8,176	8,607
Total interfunds undistributed by agency and function.....	11,033	1,160	11,582	12,147
Total interfund transactions.....	34,789	4,383	36,641	35,980
Total intrabudgetary transactions.....	37,506	4,823	39,800	39,513

See footnotes at end of table.

Table 9. OFFSETTING RECEIPTS BY TYPE (in millions of dollars)—Continued

Type	1976 actual	TQ actual	1977 estimate	1978 estimate
INTRAGOVERNMENTAL TRANSACTIONS—Con.				
Receipts from off-budget Federal entities:				
Distributed by agency and function:				
Interest on loans to Government-owned enterprises	909	354	2,054	2,772
Undistributed by agency and function:				
Employer share, employee retirement	1,009	95	1,185	1,113
Total receipts from off-budget Federal entities ..	1,918	449	3,239	3,885
Total intragovernmental transactions	39,424	5,272	43,039	43,398
PROPRIETARY RECEIPTS FROM THE PUBLIC				
Distributed by agency and function:				
Interest:				
Interest on loans, Foreign Assistance Act	187	87	245	265
Interest on foreign military credit sales	78	29	100	95
Interest on loans to United Kingdom	59		58	56
Other interest on foreign loans and deferred foreign collections	26	3	13	13
Interest on rural electrification loans	2	2	3	3
Other interest (domestic—civil) ^{3 4}	163	102	180	302
Other interest (domestic—national defense)	10	1	10	10
Total interest	525	225	610	744
Dividends and other earnings	*	12	2	2
Rents:				
Rent and bonuses from land leases for resource exploration and extraction	13	9	15	16
Rent of land and other real property ³	71	7	79	67
Rent of equipment and other personal property ..	21	*	21	21
Total rents	105	16	114	104
Royalties ³	380	69	375	513
Sale of products:				
Sale of timber and other natural land products ³ ..	633	289	755	859
Sale of power and other utilities	292	88	717	889
Sale of other products	59	15	36	29
Recovery of mint manufacturing expense	41	10	43	46
Total sale of products	1,025	403	1,552	1,823
Fees and other charges for services and special benefits:				
Veterans life insurance (trust funds)	458	148	498	521
Other ³	390	127	439	502
Total fees and other charges	848	275	936	1,024
Sale of Government property:				
Sale of land and other real property ³	31	16	47	45
Sale of equipment and other personal property:				
Sale from the stockpile of strategic and critical materials	160	63	124	61
Military assistance program sales (trust fund) ..	7,257	2,539	8,800	8,800
Other	20	3	33	7
Profit on the sale of gold	62	1		
Sale of scrap and salvage material ³	13	*	1	1
Total sale of property	7,542	2,623	9,005	8,913

See footnotes at end of table.

Table 9. OFFSETTING RECEIPTS BY TYPE (in millions of dollars)—Continued

Type	1976 actual	TQ actual	1977 estimate	1978 estimate
PROPRIETARY RECEIPTS FROM THE PUBLIC—Continued				
Distributed by agency and function—Continued				
Realization upon loans and investments:				
Dollar repayments of loans, Agency for International Development.....	201	100	283	300
Foreign military credit sales.....	128	71	206	208
Dollar conversion of foreign currency.....	95	15	85	85
Repayment of loans to United Kingdom.....	71	-----	73	74
Other.....	193	61	227	166
Total realization upon loans and investments.....	688	247	874	834
Recoveries and refunds ³.....	113	96	112	112
Deposits in clearing accounts.....	9	-7	*	*
Total proprietary receipts from the public distributed by agency and function.....	11,235	3,960	13,581	14,070
Undistributed by agency and function:				
Rents and royalties on the Outer Continental Shelf:				
Rents and bonuses.....	1,662	1,132	1,600	2,600
Royalties.....	1,001	179	700	800
Total proprietary receipts from the public undistributed by agency and function.....	2,662	1,311	2,300	3,400
Total proprietary receipts from the public ⁵.....	13,898	5,271	15,881	17,470
Total offsetting receipts.....	53,321	10,543	58,920	60,868

*\$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 Includes \$62 million in 1976 and \$3 million in the transition quarter arising from interest on public debt securities by funds held in escrow.

⁵ Consists of:

	1976 actual	TQ actual	1977 est.	1978 est.
Federal funds.....	5,767	2,414	6,166	7,625
Trust funds.....	8,131	2,857	9,715	9,845

Table 10. CONTROLLABILITY OF BUDGET OUTLAYS, 1968-78 (dollars in billions)

	Actual										Estimate	
	1968	1969	1970	1971	1972	1973	1974	1975	1976	TQ	1977	1978
Relatively uncontrollable under present law:												
Open-ended programs and fixed costs:												
Payments for individuals:												
Social security and railroad retirement...	24.8	28.3	31.3	37.2	41.5	50.7	57.6	68.4	76.2	20.7	87.1	95.7
Federal employees' retirement and insurance.....	4.3	4.8	5.6	6.6	7.7	9.0	10.8	13.3	15.6	4.3	18.0	20.3
(Military retired pay).....	(2.1)	(2.4)	(2.8)	(3.4)	(3.9)	(4.4)	(5.1)	(6.2)	(7.3)	(1.9)	(8.2)	(9.0)
(Other).....	(2.2)	(2.4)	(2.7)	(3.2)	(3.8)	(4.6)	(5.7)	(7.1)	(8.3)	(2.3)	(9.8)	(11.2)
Unemployment assistance ¹	2.9	2.9	3.7	6.6	7.5	5.7	6.5	14.0	19.8	4.2	16.4	13.8
Veterans benefits: Pensions, compensation, education and insurance.....	5.0	5.7	6.6	7.6	8.3	9.3	10.0	12.4	13.9	2.9	13.2	13.1
Medicare and medicaid.....	7.2	8.9	9.9	11.2	13.4	14.1	17.2	21.6	26.3	7.0	32.2	37.9
Housing payments.....	.3	.3	.5	.7	1.1	1.6	1.8	2.1	2.5	.6	2.9	3.8
Public assistance and related programs..	3.4	3.9	4.7	7.4	8.9	9.1	11.5	16.9	20.2	4.9	21.9	22.9
Subtotal, payments for individuals...	47.7	54.9	62.2	77.3	88.4	99.6	115.4	148.7	174.4	44.6	191.9	207.4
Net interest ²	11.1	12.7	14.4	14.8	15.5	17.4	21.5	23.3	26.8	7.0	30.1	33.2
General revenue sharing.....						6.6	6.1	6.1	6.2	1.6	6.8	6.8
Farm price supports (CCC).....	3.2	4.1	3.8	2.8	4.0	3.6	1.0	.6	.6	.7	1.7	1.0
Other open-ended programs and fixed costs..	3.0	2.8	3.8	5.2	6.4	6.3	6.8	8.0	8.8	2.6	10.2	10.7
Total, open-ended programs and fixed costs.....	64.9	74.5	84.2	100.1	114.3	133.4	150.8	186.8	216.9	56.5	240.7	259.1
(National defense).....	(2.2)	(2.6)	(3.0)	(3.4)	(4.0)	(4.1)	(4.7)	(5.4)	(6.8)	(1.2)	(7.8)	(9.1)
(Civilian programs).....	(62.8)	(71.9)	(81.2)	(96.7)	(110.3)	(129.3)	(146.1)	(181.4)	(210.1)	(55.2)	(232.8)	(249.9)
Outlays from prior-year contracts and obligations: ³												
National defense.....	24.6	25.0	24.5	21.6	19.9	18.3	20.9	23.6	19.1	8.6	23.6	31.4
Civilian programs.....	17.8	16.9	17.0	18.6	19.4	21.3	22.9	27.1	31.8	11.4	37.5	44.9
Total, outlays from prior-year contracts and obligations.....	42.3	41.9	41.5	40.2	39.2	39.6	43.8	50.7	50.9	20.0	61.1	76.3
Total, relatively uncontrollable outlays	107.3	116.4	125.7	140.4	153.5	173.0	194.5	237.5	267.7	76.5	301.7	335.4

Relatively controllable outlays:												
National defense.....	52.7	52.6	51.8	51.8	53.5	52.6	53.0	57.6	64.1	12.6	68.6	71.4
Civilian programs.....	20.7	17.6	21.4	21.9	27.7	23.8	24.2	33.5	38.8	6.6	51.7	57.2
Under current law ⁴	(73.4)	(70.1)	(73.3)	(73.7)	(81.1)	(76.4)	(77.2)	(91.1)	(103.0)	(19.2)	(116.3)	(127.9)
Under proposed legislation in:												
Open-ended programs and fixed costs ⁴	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	(*)	(- 9)
Relatively controllable and new programs ⁴	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	(4.0)	(1.8)
Total, relatively controllable outlays	73.4	70.1	73.3	73.7	81.1	76.4	77.2	91.1	103.0	19.2	120.3	128.6
Undistributed employer share, employee re- tirement	-1.8	-2.0	-2.4	-2.6	-2.8	-2.9	-3.3	-4.0	-4.2	-1.0	-4.6	-4.7
Total budget outlays	178.8	184.5	196.6	211.4	231.9	246.5	268.4	324.6	366.5	94.7	417.4	459.4

MEMORANDUM

Percent of total outlays:

Relatively uncontrollable under present law:

Open-ended programs and fixed costs:												
Payments for individuals.....	26.7%	29.7%	31.7%	36.6%	38.1%	40.4%	43.0%	45.8%	47.6%	47.1%	46.0%	45.1%
Other.....	9.6	10.6	11.3	10.8	11.1	13.7	13.2	11.7	11.6	12.5	11.7	11.3
Total open-ended programs and fixed costs.....	36.3	40.4	42.9	47.4	49.3	54.1	56.2	57.6	59.2	59.6	57.7	56.4
Outlays from prior-year contracts and obligations.....	23.7	22.7	21.1	19.0	16.9	16.1	16.3	15.6	13.9	21.1	14.6	16.6
Total relatively uncontrollable outlays	60.0	63.1	64.0	66.4	66.2	70.2	72.5	73.2	73.1	80.7	72.3	73.0
Relatively controllable outlays	41.0	38.0	37.2	34.8	35.0	31.0	28.8	28.1	28.1	20.3	28.8	28.0
Undistributed employer share, employee re- tirement	-1.0	-1.1	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2	-1.2	-1.0	-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

*Less than \$500 thousand.

¹ Includes \$0.5 billion in 1977 and \$0.4 billion in 1978 for extension of Federal supplemental benefits.

² Proposed legislation in open-ended programs and fixed costs includes less than -\$50 million in 1978 for net interest.

³ Excluding prior year contracts and obligations for activities shown as "open-ended programs and fixed costs."

⁴ National defense portion includes \$68.6 billion in 1977 and \$71.5 billion in 1978 under current law; -\$0.1 billion in 1978 under proposed legislation in relatively controllable programs and less than \$50 million in 1978 under proposed legislation in open-ended programs.

Table 11. BUDGET RECEIPTS BY SOURCE, 1969-78 (in millions of dollars)

Source	Actual									Estimate	
	1969	1970	1971	1972	1973	1974	1975	1976	TQ	1977	1978
Individual income taxes.....	87,249	90,412	86,230	94,737	103,246	118,952	122,386	131,603	38,801	148,917	179,222
Corporation income taxes.....	36,678	32,829	26,785	32,166	36,153	38,620	40,621	41,409	8,460	57,182	61,645
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	67,528	74,592
Disability insurance.....	3,469	4,063	4,490	4,775	5,381	6,147	7,250	7,686	2,130	8,875	10,157
Hospital insurance.....	4,398	4,755	4,874	5,205	7,603	10,556	11,258	11,995	3,459	13,717	17,858
Railroad retirement.....	885	919	980	1,008	1,189	1,411	1,489	1,525	328	1,860	1,855
Total employment taxes and contributions.....	34,236	39,133	41,699	46,120	54,876	65,892	75,204	79,909	21,803	91,980	104,462
Unemployment insurance.....	3,328	3,464	3,674	4,357	6,051	6,837	6,771	8,054	2,698	10,883	14,146
Contributions for other insurance and retirement:											
Supplementary medical insurance.....	903	936	1,253	1,340	1,427	1,704	1,901	1,937	539	2,143	2,192
Employees' retirement—employee contributions.....	1,426	1,735	1,916	2,058	2,146	2,302	2,513	2,760	707	2,944	2,958
Other retirement contributions.....	24	29	37	39	41	45	52	54	13	56	56
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	5,143	5,206
Total social insurance taxes and contributions.....	39,918	45,298	48,578	53,914	64,542	76,780	86,441	92,714	25,760	108,006	123,814

Excise taxes:											
Federal funds:											
Alcohol.....	4,482	4,610	4,696	5,004	5,040	5,248	5,238	5,318	1,279	5,591	5,810
Tobacco.....	2,136	2,093	2,205	2,205	2,274	2,435	2,312	2,484	622	2,575	2,695
Other.....	3,967	3,649	3,609	2,297	2,522	2,060	1,850	2,810	620	1,927	1,948
Total Federal excise taxes.....	10,585	10,352	10,510	9,506	9,836	9,743	9,400	10,612	2,520	10,093	10,453
Trust funds:											
Highway.....	4,637	5,354	5,542	5,322	5,665	6,260	6,188	5,413	1,676	6,655	6,857
Airport and airway.....			563	649	758	840	962	938	277	1,191	1,271
Total trust excise taxes.....	4,637	5,354	6,104	5,971	6,424	7,100	7,151	6,351	1,953	7,846	8,128
Total excise taxes.....	15,222	15,705	16,614	15,477	16,260	16,844	16,551	16,963	4,473	17,939	18,581
Estate and gift taxes.....	3,491	3,644	3,735	5,436	4,917	5,035	4,611	5,216	1,455	5,909	5,835
Customs duties.....	2,319	2,430	2,591	3,287	3,188	3,334	3,676	4,074	1,212	4,720	5,286
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	6,000	6,400
Other miscellaneous receipts.....	247	158	325	381	426	524	934	2,575	112	704	841
Total miscellaneous receipts¹.....	2,908	3,424	3,858	3,633	3,921	5,369	6,711	8,026	1,612	6,704	7,241
Total budget receipts.....	187,784	193,743	188,392	208,649	232,225	264,932	280,997	300,005	81,773	349,377	401,624

MEMORANDUM											
Federal funds.....	143,321	143,158	133,785	148,846	161,357	181,219	187,505	201,099	54,085	233,614	269,787
Trust funds.....	52,009	59,362	66,193	72,959	92,193	104,846	118,590	133,695	32,071	152,404	167,816
Interfund transactions.....	-7,547	-8,778	-11,586	-13,156	-21,325	-21,133	-25,098	-34,789	-4,383	-36,641	-35,980

¹ Includes both Federal and trust funds.

Table 12. BUDGET OUTLAYS BY FUNCTION, 1969-78 (in millions of dollars)

Function	Actual									Estimate	
	1969	1970	1971	1972	1973	1974	1975	1976	TQ	1977	1978
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	26,212	25,959
Retired military personnel.....	2,444	2,849	3,386	3,885	4,390	5,128	6,242	7,296	1,947	8,234	9,035
Operation and maintenance.....	22,227	21,609	20,941	21,675	21,069	22,478	26,330	27,902	7,261	31,146	33,686
Procurement.....	23,988	21,584	18,858	17,131	15,654	15,241	16,042	15,964	3,766	18,710	23,510
Research, development, test and evaluation....	7,457	7,166	7,303	7,881	8,157	8,582	8,866	8,923	2,206	9,993	11,181
Military construction and other ¹	525	1,059	1,552	1,655	895	2,627	2,754	3,043	383	3,931	5,971
Deductions for offsetting receipts.....	-143	-148	-126	-113	-113	-159	-182	-155	5	-176	-176
Subtotal, 051.....	<u>77,872</u>	<u>77,150</u>	<u>74,546</u>	<u>75,151</u>	<u>73,297</u>	<u>77,625</u>	<u>85,020</u>	<u>88,036</u>	<u>21,926</u>	<u>98,050</u>	<u>109,166</u>
052 Military assistance.....	789	731	999	806	531	819	999	501	183	250	576
053 Atomic energy defense activities.....	1,389	1,415	1,385	1,373	1,409	1,486	1,506	1,565	435	1,829	2,162
054 Defense-related activities.....	162	-8	-120	29	-162	-1,349	-936	-103	-27	-52	45
Deductions for offsetting receipts.....	-5	-3	-3	-2	-4	-13	-4	-3	1	-3	-3
Total national defense.....	<u>80,207</u>	<u>79,284</u>	<u>76,807</u>	<u>77,356</u>	<u>75,072</u>	<u>78,569</u>	<u>86,585</u>	<u>89,996</u>	<u>22,518</u>	<u>100,075</u>	<u>111,947</u>
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	5,129	5,611
152 Conduct of foreign affairs.....	370	398	405	451	475	606	658	726	262	1,038	1,096
153 Foreign information and exchange activities.....	237	235	241	274	295	320	348	382	115	394	422
155 International financial programs.....	246	219	-184	184	498	1,178	1,454	836	253	879	1,244
Deductions for offsetting receipts.....	-211	-223	-271	-277	-634	-167	-263	-446	-160	-512	-527
Total international affairs.....	<u>3,784</u>	<u>3,564</u>	<u>3,093</u>	<u>3,868</u>	<u>3,504</u>	<u>4,821</u>	<u>5,862</u>	<u>5,067</u>	<u>1,997</u>	<u>6,926</u>	<u>7,847</u>
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	1,077	1,216
253 Space flight.....	2,900	2,340	1,988	1,906	1,726	1,694	1,661	2,000	525	2,071	2,156
254 Space science, applications, and technology....	794	853	830	952	1,041	947	958	980	251	960	986
255 Supporting space activities.....	387	370	355	338	304	322	334	358	94	354	381
Deductions for offsetting receipts.....	-4	-3	-2	-2	-1	-3	-2	-3	-1	-2	-2
Total general science, space, and technology....	<u>5,016</u>	<u>4,508</u>	<u>4,180</u>	<u>4,174</u>	<u>4,030</u>	<u>3,977</u>	<u>3,989</u>	<u>4,370</u>	<u>1,161</u>	<u>4,461</u>	<u>4,737</u>

300 Natural resources, environment, and energy:												
301 Water resources and power.....	1,728	1,674	2,053	2,315	2,493	2,540	3,274	3,600	981	4,796	4,638	
302 Conservation and land management.....	567	717	855	784	725	740	1,300	1,245	477	1,468	1,416	
303 Recreational resources.....	380	372	476	521	566	665	825	895	256	1,284	1,442	
304 Pollution control and abatement.....	303	384	702	764	1,122	2,035	2,522	3,067	1,091	5,210	5,980	
305 Energy.....	952	931	831	1,028	1,015	623	1,611	2,385	649	4,133	6,926	
306 Other natural resources.....	370	432	498	571	570	673	762	897	229	1,048	1,099	
Deductions for offsetting receipts.....	-400	-467	-475	-463	-544	-705	-756	-807	-359	-800	-997	
Total natural resources, environment, and energy.....	3,901	4,043	4,941	5,521	5,947	6,571	9,537	11,282	3,324	17,139	20,504	
350 Agriculture:												
351 Farm income stabilization.....	5,304	4,589	3,651	4,553	4,099	1,458	785	1,574	343	1,773	1,188	
352 Agricultural research and services.....	520	579	639	728	758	775	877	921	240	1,128	1,147	
Deductions for offsetting receipts.....	-46	-5	-2	-2	-3	-3	-2	7	1	-2	-3	
Total agriculture.....	5,779	5,164	4,288	5,279	4,855	2,230	1,660	2,502	584	2,899	2,333	
400 Commerce and transportation:												
401 Mortgage credit and thrift insurance.....	-624	104	-251	-42	-1,192	1,519	2,810	1,229	276	-2,469	241	
402 Postal Service.....	920	1,510	2,183	1,772	1,567	1,698	1,877	1,720	938	2,272	1,696	
403 Other advancement and regulation of commerce.....	247	477	474	488	552	714	939	867	182	1,078	1,276	
404 Ground transportation.....	4,443	4,678	5,180	5,353	5,640	5,583	6,501	9,305	2,284	10,119	11,683	
405 Air transportation.....	1,220	1,422	1,824	1,925	2,177	2,236	2,408	2,557	587	2,843	3,205	
406 Water transportation.....	874	913	1,052	1,111	1,231	1,354	1,459	1,558	417	1,885	1,976	
407 Other transportation.....	21	26	37	36	56	57	74	65	28	83	85	
Deductions for offsetting receipts.....	-36	-40	-103	-43	-101	-64	-60	-52	-12	-43	-67	
Total commerce and transportation.....	7,065	9,090	10,396	10,601	9,930	13,096	16,010	17,248	4,700	15,769	20,093	
450 Community and regional development:												
451 Community development.....	1,631	2,328	2,613	3,110	3,088	3,045	3,149	3,527	1,139	4,887	5,195	
452 Area and regional development.....	566	593	680	836	879	1,111	912	1,266	299	2,440	4,364	
453 Disaster relief and insurance.....	40	257	353	396	1,580	782	398	522	111	696	457	
Deductions for offsetting receipts.....	-12	-13	-14	-16	-19	-27	-27	-15	-19	-33	-39	
Total community and regional development.....	2,224	3,166	3,632	4,325	5,529	4,911	4,431	5,300	1,530	7,989	9,976	

Table 12. BUDGET OUTLAYS BY FUNCTION, 1969-78 (in millions of dollars)—Continued

Function	Actual								Estimate		
	1969	1970	1971	1972	1973	1974	1975	1976	TQ	1977	1978
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	5,225	5,526
502 Higher education.....	1,232	1,385	1,433	1,447	1,532	1,349	2,050	2,663	739	3,474	3,375
503 Research and general education aids.....	330	521	520	523	668	867	947	774	186	1,100	1,223
504 Training and employment.....	1,560	1,602	1,952	2,894	3,283	2,910	4,063	6,288	1,912	7,886	11,693
505 Other labor services.....	122	135	157	184	202	219	259	301	83	382	421
506 Social services.....	908	1,148	1,449	2,694	2,455	2,496	3,301	3,456	887	4,138	4,241
Deductions for offsetting receipts.....	-10	-10	-10	-11	-10	-13	-5	-5	-1	-5	-6
Total education, training, employment, and social services.....	6,871	7,888	9,045	11,694	11,874	11,598	15,248	18,167	5,013	22,199	26,473
550 Health:											
551 Health care services.....	9,537	10,648	12,107	14,538	15,476	18,502	23,405	28,655	7,556	34,682	39,721
552 Health research and education.....	1,459	1,577	1,687	1,952	2,272	2,334	2,677	3,086	934	2,784	3,150
553 Prevention and control of health problems.....	348	362	459	541	638	750	883	963	251	1,098	1,117
554 Health planning and construction.....	415	469	465	443	449	494	687	752	-20	949	505
555 General health financing assistance.....	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Deductions for offsetting receipts.....	-2	-6	-2	-3	-3	-6	-5	-8	-1	-8	-8
Total health.....	11,758	13,051	14,716	17,471	18,832	22,074	27,647	33,448	8,720	39,505	44,485
600 Income security:											
601 General retirement and disability insurance.....	28,288	31,303	37,485	41,966	51,684	58,613	69,383	77,173	20,930	89,880	95,910
602 Federal employee retirement and disability.....	1,732	2,688	3,191	3,789	4,500	5,645	6,980	8,174	2,319	9,662	11,094
603 Unemployment insurance.....	2,583	3,364	6,169	7,076	5,356	6,065	13,459	19,452	3,994	15,870	13,110
604 Public assistance and other income supplements.....	4,679	5,712	8,580	11,081	11,419	14,108	18,783	22,609	5,553	26,161	26,435
Deductions for offsetting receipts.....	-1	-2	-2	-2	-2	*	-1	-1	*	*	*
Total income security.....	37,281	43,066	55,423	63,911	72,958	84,431	108,605	127,406	32,796	141,573	146,549

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	9,107	9,603
702 Veterans education, training, and rehabilitation...	701	1,015	1,659	1,960	2,801	3,249	4,593	5,531	784	4,138	3,783
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	4,851	5,135
704 Veterans housing.....	102	54	-179	-317	-381	-15	24	-72	-50	-271	21
705 Other veterans benefits and services.....	239	263	296	320	350	359	458	578	110	565	603
Deductions for offsetting receipts.....	-2	-2	-2	-2	-2	-2	-2	-2	-1	-2	-2
Total veterans benefits and services.....	7,640	8,677	9,776	10,730	12,013	13,386	16,597	18,432	3,962	18,388	19,143
750 Law Enforcement and Justice:											
751 Federal law enforcement and prosecution.....	553	672	821	971	1,168	1,291	1,593	1,852	529	2,135	2,301
752 Federal judicial activities.....	112	134	146	172	188	204	279	313	83	387	423
753 Federal correctional and rehabilitative activities...	71	88	104	128	158	202	226	238	64	290	327
754 Law enforcement assistance.....	29	65	233	380	624	770	853	921	213	899	817
Deductions for offsetting receipts.....	-3	-6	-6	-2	-7	-5	-9	-4	-31	-6	-6
Total law enforcement and justice.....	761	952	1,299	1,650	2,131	2,462	2,942	3,320	859	3,705	3,862
800 General government:											
801 Legislative functions.....	254	303	342	404	438	521	588	677	182	868	914
802 Executive direction and management.....	25	30	38	59	72	117	63	68	16	84	83
803 Central fiscal operations.....	808	934	1,013	1,183	1,209	1,329	1,752	1,798	429	2,002	2,117
804 General property and records management.....	587	616	637	719	910	1,030	418	95	67	329	359
805 Central personnel management.....	38	44	51	58	67	74	88	107	25	110	111
806 Other general government.....	88	158	218	189	221	419	472	454	228	545	509
Deductions for offsetting receipts.....	-151	-145	-141	-146	-235	-164	-292	-272	-69	-184	-152
Total general government.....	1,649	1,940	2,159	2,466	2,682	3,327	3,089	2,927	878	3,754	3,941
850 Revenue sharing and general purpose fiscal assistance:											
851 General revenue sharing.....					6,636	6,106	6,130	6,240	1,588	6,783	6,822
852 Other general purpose fiscal assistance.....	365	451	488	531	586	640	875	879	436	3,070	2,885
Total revenue sharing and general purpose fiscal assistance.....	365	451	488	531	7,222	6,746	7,005	7,119	2,024	9,853	9,707

See footnotes at end of table.

Table 12. BUDGET OUTLAYS BY FUNCTION, 1969-78 (in millions of dollars)—Continued

Function	Actual									Estimate	
	1969	1970	1971	1972	1973	1974	1975	1976	TQ	1977	1978
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	42,300	46,800
902 Other interest.....	-796	-992	-1,350	-1,267	-1,355	-1,247	-1,691	-2,474	-856	-4,052	-5,015
Total interest.....	15,793	18,312	19,609	20,582	22,813	28,072	30,974	34,589	7,246	38,248	41,785
Allowances:											
Civilian agency pay raises.....											1,151
Contingencies for:											
Relatively uncontrollable programs.....											1,500
Other requirements.....											
Total allowances.....											2,651
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	-4,591	-4,653
952 Interest received by trust funds.....	-3,099	-3,936	-4,765	-5,089	-5,436	-6,583	-7,667	-7,800	-270	-8,176	-8,607
953 Rents and royalties on the Outer Continental Shelf.....	-428	-187	-1,051	-279	-3,956	-6,748	-2,428	-2,662	-1,311	-2,300	-3,400
Total undistributed offsetting receipts.....	-5,545	-6,567	-8,427	-8,137	-12,318	-16,651	-14,075	-14,704	-2,567	-15,067	-16,660
Total budget outlays².....	184,548	196,588	211,425	232,021	247,074	269,620	326,105	366,466	94,746	417,417	459,373

* \$500 thousand or less.

¹ Includes allowances for civilian and military pay raises for Department of Defense.² Consists of:

	Actual									Estimate	
	1969	1970	1971	1972	1973	1974	1975	1976	TQ	1977	1978
Federal funds.....	148,811	156,301	163,651	178,104	186,951	199,920	240,031	269,969	65,106	309,501	337,757
Trust funds.....	43,284	49,065	59,361	67,073	81,447	90,833	111,171	131,286	34,023	144,557	157,596
Interfund transactions.....	-7,547	-8,778	-11,586	-13,156	-21,325	-21,133	-25,098	-34,789	-4,383	-36,641	-35,980

Table 13. FEDERAL FINANCES AND THE GROSS NATIONAL PRODUCT, 1954-78 (dollar amounts in billions)

Fiscal year	Gross national product	Budget receipts		Outlays ¹		Federal debt, end of year			
		Amount	Percent of GNP	Unified budget		Total		Held by the public	
				Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP
1954	\$363.6	\$69.7	19.2	\$70.9	19.4	\$270.8	74.5	\$224.5	61.7
1955	380.0	65.5	17.2	68.5	18.0	274.4	72.2	226.6	59.6
1956	411.0	74.5	18.1	70.5	17.1	272.8	66.4	222.2	54.1
1957	432.7	80.0	18.5	76.7	17.7	272.4	63.0	219.4	50.7
1958	442.1	79.6	18.0	82.6	18.7	279.7	63.3	226.4	51.2
1959	473.3	79.2	16.7	92.1	19.5	287.8	60.8	235.0	49.7
1960	497.3	92.5	18.6	92.2	18.5	290.9	58.5	237.2	47.7
1961	508.3	94.4	18.6	97.8	19.2	292.9	57.6	238.6	46.9
1962	546.9	99.7	18.2	106.8	19.5	303.3	55.5	248.4	45.4
1963	576.3	106.6	18.5	111.3	19.3	310.8	53.9	254.5	44.2
1964	616.2	112.7	18.3	118.6	19.2	316.8	51.4	257.6	41.8
1965	657.1	116.8	17.8	118.4	18.0	323.2	49.2	261.6	39.8
1966	721.1	130.9	18.1	134.7	18.7	329.5	45.7	264.7	36.7
1967	774.4	149.6	19.3	158.3	20.4	341.3	44.1	267.5	34.5
1968	829.9	153.7	18.5	178.8	21.5	369.8	44.6	290.6	35.0
1969	903.7	187.8	20.8	184.5	20.4	367.1	40.6	279.5	30.9
1970	959.0	193.7	20.2	196.6	20.5	382.6	39.9	284.9	29.7
1971	1,019.3	188.4	18.5	211.4	20.7	409.5	40.2	304.3	29.9
1972	1,110.5	208.6	18.8	232.0	20.9	437.3	39.4	323.8	29.2
1973	1,237.5	232.2	18.8	247.1	19.9	468.4	37.9	343.0	27.7
1974	1,360.9	264.9	19.5	269.6	19.8	486.2	35.7	346.1	25.4
1975	1,450.6	281.0	19.8	326.1	22.4	544.1	37.5	396.9	27.4
1976	1,609.5	300.0	18.6	366.5	22.8	631.9	39.3	480.3	29.8
1977 estimate	1,830.2	349.4	19.1	417.4	22.8	727.0	39.7	571.3	31.2
1978 estimate	2,047.8	401.6	19.6	459.4	22.4	802.4	39.2	637.1	31.1

¹ The 1972-76 data have been revised to include the Export-Import Bank in the unified budget.

Table 14. COMPOSITION OF BUDGET OUTLAYS IN CURRENT AND CONSTANT (FISCAL YEAR 1972) PRICES: 1955-78

(In billions of dollars)

Fiscal year	Current prices						Constant (fiscal year 1972) prices					
	Total outlays	National defense	Nondefense				Total outlays	National defense	Nondefense			
			Total non-defense	Payments for individuals	Net interest	All other			Total non-defense	Payments for individuals	Net interest	All other
1955	68.5	39.9	28.6	13.0	4.8	10.8	134.3	75.9	58.5	19.9	17.7	20.9
1956	70.5	39.8	30.7	13.8	5.1	11.8	133.0	73.0	60.0	21.2	16.9	22.0
1957	76.7	42.3	34.5	15.6	5.4	13.5	137.2	74.0	63.2	23.2	16.1	23.9
1958	82.6	43.8	38.8	19.4	5.6	13.7	141.9	74.1	67.7	28.0	16.2	23.6
1959	92.1	45.9	46.2	21.2	5.8	19.2	153.9	75.3	78.7	30.1	16.5	32.1
1960	92.2	45.2	47.0	22.9	6.9	17.2	150.8	73.9	76.9	32.1	16.3	28.5
1961	97.8	46.6	51.2	25.9	6.7	18.6	157.1	74.8	82.3	35.8	16.2	30.3
1962	106.8	50.4	56.4	27.1	6.9	22.4	168.7	79.3	89.4	37.1	16.7	35.7
1963	111.3	51.5	59.8	28.7	7.7	23.4	170.7	79.0	91.7	38.7	16.8	36.2
1964	118.6	52.7	65.8	29.7	8.2	27.9	177.4	78.8	98.6	39.7	16.8	42.2
1965	118.4	48.6	69.8	30.4	8.6	30.8	173.3	71.0	102.3	40.1	16.7	45.5
1966	134.7	55.9	78.8	34.3	9.4	35.1	187.9	77.7	110.2	44.2	16.5	49.6
1967	158.3	69.1	89.2	40.1	10.3	38.8	212.1	93.2	118.9	50.1	16.1	52.7
1968	178.8	79.4	99.4	45.9	11.1	42.4	229.5	102.2	127.3	55.6	16.9	54.8
1969	184.5	80.2	104.3	52.8	12.7	38.9	223.1	98.8	124.3	60.9	15.5	47.8
1970	196.6	79.3	117.3	59.8	14.4	43.1	220.8	91.1	129.7	65.1	15.0	49.6
1971	211.4	76.8	134.6	74.5	14.8	45.2	223.0	82.3	140.8	77.2	15.2	48.3
1972	232.0	77.4	154.7	85.3	15.5	53.9	232.0	77.4	154.7	85.3	15.5	53.9
1973	247.1	75.1	172.0	95.9	17.4	58.7	233.2	70.5	162.7	92.2	15.4	55.1
1974	269.6	78.6	191.1	111.1	21.5	58.5	231.4	68.3	163.1	98.0	14.3	50.7
1975	326.1	86.6	239.5	142.6	23.3	73.6	251.9	67.0	184.8	113.3	14.6	57.0
1976	366.5	90.0	276.5	167.3	26.8	82.3	264.4	64.6	199.8	124.1	16.4	59.3
TQ	94.7	22.5	72.2	42.7	7.0	22.5	66.1	15.7	50.4	30.7	4.1	15.6
1977 estimate	417.4	100.1	317.3	187.3	30.1	99.9	282.5	67.0	215.4	130.6	18.0	66.8
1978 estimate	459.4	111.9	347.4	197.8	33.2	116.5	292.7	70.0	222.7	130.8	19.0	72.9

Table 15. BUDGET RECEIPTS AND OUTLAYS, 1789-1978

(In millions of dollars)

Fiscal year	Receipts	Outlays	Surplus or deficit (-)	Fiscal year	Receipts	Outlays	Surplus or deficit (-)
1789-1849.....	1,160	1,090	+70	1939.....	4,979	8,841	-3,862
1850-1900.....	14,462	15,455	-991	1940.....	6,361	9,456	-3,095
1901.....	588	525	+63	1941.....	8,621	13,634	-5,013
1902.....	562	485	+77	1942.....	14,350	35,114	-20,764
1903.....	562	517	+45	1943.....	23,649	78,533	-54,884
1904.....	541	584	-43	1944.....	44,276	91,280	-47,004
1905.....	544	567	-23	1945.....	45,216	92,690	-47,474
1906.....	595	570	+25	1946.....	39,327	55,183	-15,856
1907.....	666	579	+87	1947.....	38,394	34,532	+3,862
1908.....	602	659	-57	1948.....	41,774	29,773	+12,001
1909.....	604	694	-89	1949.....	39,437	38,834	+603
1910.....	676	694	-18	1950.....	39,485	42,597	-3,112
1911.....	702	691	+11	1951.....	51,646	45,546	+6,100
1912.....	693	690	+3	1952.....	66,204	67,721	-1,517
1913.....	714	715	-*	1953.....	69,574	76,107	-6,533
1914.....	725	726	-*	1954.....	69,719	70,890	-1,170
1915.....	683	746	-63	1955.....	65,469	68,509	-3,041
1916.....	761	713	+48	1956.....	74,547	70,460	+4,087
1917.....	1,101	1,954	-853	1957.....	79,990	76,741	+3,249
1918.....	3,645	12,677	-9,032	1958.....	79,636	82,575	-2,939
1919.....	5,130	18,493	-13,363	1959.....	79,249	92,104	-12,855
1920.....	6,649	6,358	+291	1960.....	92,492	92,223	+269
1921.....	5,571	5,062	+509	1961.....	94,389	97,795	-3,406
1922.....	4,026	3,289	+736	1962.....	99,676	106,813	-7,137
1923.....	3,853	3,140	+713	1963.....	106,560	111,311	-4,751
1924.....	3,871	2,908	+963	1964.....	112,662	118,584	-5,922
1925.....	3,641	2,924	+717	1965.....	116,833	118,430	-1,596
1926.....	3,795	2,930	+865	1966.....	130,856	134,652	-3,796
1927.....	4,013	2,857	+1,155	1967.....	149,552	158,254	-8,702
1928.....	3,900	2,961	+939	1968.....	153,671	178,833	-25,161
1929.....	3,862	3,127	+734	1969.....	187,784	184,548	+3,236
1930.....	4,058	3,320	+738	1970.....	193,743	196,588	-2,845
1931.....	3,116	3,577	-462	1971.....	188,392	211,425	-23,033
1932.....	1,924	4,659	-2,735	1972.....	208,649	232,021	-23,372
1933.....	1,997	4,598	-2,602	1973.....	232,225	247,074	-14,849
1934.....	3,015	6,645	-3,630	1974.....	264,932	269,620	-4,668
1935.....	3,706	6,497	-2,791	1975.....	280,997	326,105	-45,108
1936.....	3,997	8,422	-4,425	1976.....	300,005	366,466	-66,461
1937.....	4,956	7,733	-2,777	TQ.....	81,773	94,746	-12,973
1938.....	5,588	6,765	-1,177	1977 est.....	349,377	417,417	-68,040
				1978 est.....	401,624	459,373	-57,749

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; 1940-1978 are for the unified budget.

Starting 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.

The 1972-76 data have been revised to include the Export-Import Bank in the unified budget.